GEORGETOWN UNIVERSITY

Real Estate Project Planning in Baltimore:
An Analysis of Timelines and Factors Affecting the Development Review Process

Miao Bai
Jessica Clarke
Yue He
James Worboys

Acknowledgements

CONTENTS

Figures

Tables

Graphs

Executive Summary

I.   Project Motivation and Objective

The Baltimore Neighborhood Indicators Alliance (BNIA) at the Jacob France Institute (JFI) of the University of Baltimore commissioned this report from a team of graduate students from Georgetown University's McCourt School of Public Policy to measure the efficiency of the development review process in the Baltimore metropolitan area.

In her 2011 Inaugural Address, Mayor Stephanie Rawlings-Blake issued a clarion call to "Grow Baltimore" over the next decade by strengthening neighborhoods, creating new jobs, and attracting new residents and investment.[1] The research focus of this report reflects BNIA-JFI's desire to help "grow Baltimore" by ensuring that the development review process expedites high-quality development projects while promoting community-sensitive project design.[2]

> **DEFINITION OF DEVELOPMENT REVIEW PROCESS**
>
> For the purposes of this report, the development review process refers to all regulatory steps that developers are required to complete before obtaining approval from the City of Baltimore for project construction.

The McCourt team presents a quantitative analysis of the factors facilitating or impeding the flow of projects through development review and identifies policy levers that the city can use to improve the review process based on interviews with key stakeholders and best practices from other cities. Specifically, the report addresses the following research questions:

- How long does the review process in Baltimore typically take? What is the most common review process path for development projects?
- What kinds of projects are being developed? What are the project uses? Who owns the land? Are the projects new construction or renovation? Major or minor?
- What is the geographic distribution of projects citywide?
- What is the impact of project location and neighborhood context on the speed and ease of construction approval?
- Which type of projects and which developers have the most success in rapidly achieving project approval, and why?

---

[1] Text of Mayor Stephanie Rawlings-Blake's inaugural address. Baltimore Business Journal. 6 December 2011. http://www.bizjournals.com/baltimore/news/2011/12/06/text-of-mayor-stephanie.html
[2] BNIA project proposal

- What aspects of the development review process should be maintained? Which need to change?
- What are best practices in other U.S. cities that Baltimore officials can use to streamline or demystify the review processes?

II.   Methodology

To investigate these questions, this study pursues a mixed-method approach including qualitative and quantitative research. It relies on a literature review, descriptive statistics, regression analysis, case studies, and stakeholder interviews. The literature review generated testable hypotheses on factors which facilitate or impede the review process which were subsequently investigated by using OLS regression analysis, namely the effects of project type, land ownership, community engagement, and neighborhood demographics on review times. The report presents a descriptive summary of review times by project type and location calculated from the 2012-2015 BNIA Development Pipeline Database.

To explore in greater depth how developers navigate the review process and why review times of similar projects may differ, the report introduces three case studies of mixed-use, multi-million dollar projects.   Finally, we record perspectives from review process experts in five interviews, and summarize best practices from other U.S. cities.

III.   Key Findings on the Baltimore Review Process

Based on our review of urban planning literature, we hypothesized that major projects, projects in neighborhoods with racial diversity, low income residents, little development, or high voting rates, and projects on privately-owned land would have longer review times than projects lacking those characteristics. By combining review time calculations and regression analysis with stakeholder feedback, the McCourt team reached the following conclusions:

a. General Trends in the Baltimore Development & Review Times
- Projects that require approval from CHAP, UDARP, BMZA, or PC typically spend less than seven months in review. Fifty percent of all projects had a total review time of less than three months, and 65 percent of all projects had a total review time of less than seven months.
- Most projects pass through only one of the four review process stages, with BMZA being the most common, followed by the Planning Commission.
- Renovation or addition projects have longer review times.

- The vast majority of projects are minor projects, and usually fall in the residential use and new construction categories.

b. **Project Type and Review Time**
  - Major projects[3] spend more time in the review process compared to minor projects, which confirms our hypothesis. Minor projects had an average review time of seven months, compared to 10 months for major projects.
  - New construction projects move more quickly through the review process than renovation or addition projects, which take one month longer on average.
  - Residential projects move on average four months faster than mixed-used projects.

c. **Neighborhood Characteristics and Review Time**
  - As we hypothesized, there is a higher probability of finding projects with very long or very short review times in communities where little real estate development is occurring.
  - Real estate development projects located in wealthy neighborhoods generally move faster, in line with our hypothesis. A $10,000 increase in a community's median household income is associated with 30-day decrease in total review time length.
  - Projects located in communities with more politically engaged populations move faster in the public review process, which negates our original hypothesis.
  - Land ownership and neighborhood racial diversity do not appear to have a statistically significant impact on either the total review time length or time spent in each review stage, contrary to our hypothesis.

d. **Factors Relating to Developer Success**
  - The case studies suggest that developers with prior experience in Baltimore whose staff are organized, detail-oriented, responsive to community needs, and have positive working relationships with city officials demonstrate a superior ability to obtain the political support necessary for rapid review times.
  - Developers who hire consultants to help them navigate the review process seems to be able to reduce project review times.
  - The PUD process and Urban Renewal areas facilitate review for developers with complex, mixed-use projects.

e. **Factors Relating to Developer Failure**
  - According to our interview group, there is a shortage of centralized resources or consolidated materials explaining all the requirements associated with the development review process to guide developers

---

[3] For "Major Project" criteria, refer to table 5-1.

who are unfamiliar with the Baltimore review process.
- The outdated zoning code, SPRC feedback, UDARP review requests, and permitting requirements often lead to unpredictable delays that are costly to developers.

f. Best Practices from Other Cities
- Local jurisdictions across the country have invested in streamlining development review by hiring consultants to provide in-depth reports and then implementing innovative reforms such as fast tracking processes, developer liaisons, and step-by-step guide materials.
- Philadelphia, in particular, offers a good model for Baltimore due to their thorough evaluation of every component of development review.

Policy Recommendations

This report exhibits the value of detailed analysis of the development review process as a strategy for facilitating real estate investment in Baltimore, but there remains immense opportunity for further research on this topic. The McCourt team proposes three next steps as a follow-up to our analysis:

- **First**, we suggest that the City of Baltimore commission a more comprehensive investigation of all elements of the review process, similar to the report generated by the City of Philadelphia in 2010 summarized in our best practices section which provided detailed action items for review process amelioration. This could serve as a foundational document for assessing (and if need be) improving agency workflows and process streamlining.
- **Second**, while our study cannot be used as the definitive document to justify systemic change due to time and resource constraints and data limitations, it offers clues as to priority areas for future investigation. Namely, UDARP showed longer review times and was frequently mentioned by interviewees as a bottleneck. The SPRC also surfaced from stakeholder feedback as a potential area for improvement. Furthermore, interviewees agreed that the city could provide improved navigational tools to guide developers through the review process, such as step-by-step guides.
- **Third**, given positive feedback from cross-jurisdictional developers and a comparison of the citywide average review time to review times in other cities, Baltimore may have a comparative edge in review time that could be used to market the city to investors. This reinforces our recommendation to extend the analysis begun by our report with the ultimate goal of providing evidence of Baltimore's comparative success.

CHAPTER I: Introduction

At the request of the Baltimore Neighborhood Indicators Alliance (BNIA) at the Jacob France Institute (JFI) of the University of Baltimore, this report measures the efficiency of the development review process, a key policy mechanism for promoting real estate investment in Baltimore, through quantitative and qualitative analysis of the brand new data emerging from the BNIA-JFI Development Pipeline database launched in 2012 to track development projects across development review stages that require public hearings. The McCourt Team's objectives are twofold:

Project Objectives

- To identify factors facilitating the flow of projects through the development review process of the City of Baltimore
- To recommend procedural, organizational, management, or political mechanisms that can be leveraged by key stakeholders towards a development review process that expedites high-quality development projects while promoting contextually-sensitive design

Project Background & Motivation

Founded in 1729, the Baltimore Metropolitan region is one of the oldest populated areas in the US and the second largest seaport in the Mid-Atlantic region of the United States. Baltimore is divided into numerous districts, earning it the name "a city of neighborhoods." Formerly a thriving industrial center, Baltimore lost a third of its population from 1950 to 2000 due to the collapse of manufacturing, dwindling from 950,000 to 650,000 residents. Population loss and economic decline left many Baltimore neighborhoods littered with vacant or decaying properties, signaling an urgent need for real estate investment as a basis for the
revitalization of the city.

The Baltimore Neighborhood Indicators Alliance (BNIA) seeks to eliminate barriers to real estate development by providing Baltimore policymakers and other stakeholders with statistical information, research, and analysis on development projects and real estate trends occurring in the region. BNIA operates within the Jacob France Institute at the University of Baltimore and was created in 2000, after a two-year planning process involving a number of Baltimore nonprofit organizations and city agencies. BNIA-JFI's purpose is to produce useable data on low-income real estate areas of the Baltimore metropolitan area. The organization annually produces a report titled Vital Signs 14, which provides important information on Baltimore neighborhoods measuring quality of life for residents. Today, BNIA-JFI has grown to include

many more groups and individuals, creating a movement toward informed policy-making.

BNIA-JFI observed a lack of a centralized data source following projects across all stages of the development review process prior to the issuance of building permits. As a result, BNIA-JFI launched the Development Pipeline database in 2012. The database tracks the advancement of development projects through the four approval stages of the development review process that offer opportunities for public review and are required prior to obtaining building permits. The four approving authorities are:

1.) Commission on Historic Preservation (CHAP)
2.) Urban Design and Architectural Review Panel (UDARP)
3.) Board of Municipal Zoning & Appeals (BMZA)
4.) Planning Commission (PC)

These four agencies are granted the power to review projects from different authorities: PC and CHAP are parts of the city charter; BMZA is part of the zoning code and UDARP is under the department of planning.

BNIA-JFI staff establishes records for new projects and track changes to existing projects as they proceed through the review process prior to receiving a building permit. BNIA-JFI also geocoded the database and published an online mapping tool of Baltimore development projects[4].

BNIA-JFI has focused on project tracking, database creation and data visualization for the development review process for several reasons. First, BNIA-JFI researchers note that many stakeholders in the process have difficulty tracking projects. Much of the real estate growth in the Baltimore metro area, particularly inside the Baltimore Beltway, occurs in existing communities. Consequently, real estate development decisions for residential and commercial expansions are based on infill and redevelopment opportunities. Project tracking becomes more complex as developers comply with all zoning and other land use regulations.

Second, BNIA-JFI recognizes the importance of tracking project status for public understanding. BNIA-JFI is committed to "contextually-sensitive" development, or development that takes into account the needs of the community as a whole. Public involvement in project design prior to building is essential to guide development for community benefits. This requires public knowledge of project status across all stages of the review process[5].

---

[4] http://realestate.bniajfi.org/index.php
[5] Interview with BNIA staff

BNIA-JFI's forecast of a more rapid pace of development over the next decade, coupled with an increased emphasis from public officials on growth and reversing the vacant housing crisis, also motivated a focus on development project tracking. BNIA records signs of growth in Baltimore, such as a population increase of 2,500 from 2011-2013 and upsurges in real estate development. BNIA-JFI also partners with the Office of Mayor Stephanie Rawlings-Blake to investigate statistical trends relevant to the mayoral goal of attracting 10,000 new families to Baltimore by 2020[6].

Furthermore, government officials regularly receive complaints from developer partners citing the unwieldiness of the development review process as a disincentive to invest in Baltimore real estate. BNIA-JFI hopes to find clues as to the source of these complaints in their database, and sees value in keeping smaller contractors and bidders informed in the early stages of project planning for fair competition. BNIA-JFI seeks to leverage the database to close these gaps in public information on the review process and to provide data for development stakeholders[7].

As of 2015, the Development Pipeline database represents three years of tracked projects or longitudinal data. BNIA-JFI has engaged the McCourt Team to use the dataset to answer key research questions about the pre-permitting review process and investigate any efficiencies or inefficiencies at each approval stage.

This database analysis reveals bottlenecks in the review process in need of evaluation or streamlining, yet also provides new evidence that disproves some of developers' complaints and could be used as a marketing tool to attract new investment. The analysis could also inform the ongoing zoning code rewrite or facilitate the adoption of key policy changes.

Furthermore, interpreting data patterns in real estate development will assist Baltimore neighborhoods by providing a clearer path towards contextually-sensitive development. In this way, the BNIA-McCourt project is in line with BNIA-JFI's goal of building a common understanding of the factors affecting quality of life in Baltimore neighborhoods.

Key Research Questions

The objective of BNIA-McCourt Development Pipeline project is to understand the causes of differing time frames for projects in the review process and recommend policy levers for improving the development process for all stakeholders. Therefore, the McCourt Team seeks to answer the following research questions:

● How long does the review process in Baltimore typically take? What is the most common review process path for development projects?
● What kinds of projects are being developed? What are the project uses? Who owns the land? Are the projects new construction or renovation? Major or minor?

---

[6] Interview with BNIA staff
[7] Ibid

- What is the geographic distribution of projects citywide?
- What is the impact of project location and neighborhood context on the speed and ease of construction approval?
- Which type of projects and which developers have the most success in rapidly achieving project approval, and why?
- What aspects of the development review process should be maintained? Which need to change?
- What are best practices in other U.S. cities that Baltimore officials can use to streamline or demystify the review processes?

By combining quantitative and qualitative approaches to answer these questions, our research approach sheds light on policy strategies for facilitating project approval to inform city planners, agency officials, and developers alike.

By conducting extensive literature review, the McCourt team developed a well-round understanding of the real estate public review process and presented it in chapter three. Descriptive summary presents review time frame, project types and community characteristics. We also used regression analysis to explore the relationship between review time frame and key independent variables, including community income level, vote rate, project type, etc. Moreover, case studies and interviews allowed us to unearth important policy strategies for facilitating project approval.

Report Structure

Chapter II is a literature review of academic studies relevant to review process analysis. It argues that review process can be influenced by community characteristics and project types, and generates a number of testable hypotheses that are used in regression analysis. Chapter III takes the reader step by step through our research methodology. Chapter IV provides a general overview of the procedural side of the review process. Chapter V includes a descriptive summary of the Baltimore Development Pipeline dataset and a statistical analysis of key variables related to project type, political engagement, and neighborhood characteristics. Chapter VI presents case studies of individual projects in Baltimore and commentary from developers and consultants familiar with Baltimore development review. Chapter VII summarizes best practices from other U.S. cities. Chapter VIII offers concluding remarks and revisits the policy recommendations emerging from our findings.

CHAPTER II: Literature Review

Gaps in Existing Research

In this chapter, we summarize existing research on development review. A scan of urban development literature revealed a lack of academic studies on the Baltimore metropolitan area that address the research questions specific to this project. In addition, few studies in the field of urban planning take a comprehensive look at the review process from start to finish. However, several development studies offer hypotheses on the questions of interest, either with broad application or in the context of other municipalities, and aided in the McCourt Team's selection of hypotheses. The insights gained from these literary sources center around stakeholder interests, factors affecting the timeframe of project review, and policy objectives of public officials.

Stakeholder Interests

BNIA-JFI intends to demonstrate the value of the pipeline database to developers, elected officials, government agencies, and the public; therefore, the interests of each stakeholder group in analyzing aspects of the review process are relevant to our hypothesis selection.

According to Kris, Meyer and Alberini (2006), real estate developers seek a review process that is predictable and allows projects to move through the review process as quickly as possible to reduce costs. This makes public intervention in the review process in the form of public hearings undesirable for developers. Delays from public protest create unexpected costs, and complex requirements lengthen the project horizon. This impinges on a developer's ability to maximize profit on a property and maintain investor interest. Within the Baltimore area developers have criticized the current permitting process, stating that the process is too slow, and BNIA-JFI would like to use the pipeline database to investigate these claims.

In this respect, the interests of developers differ from the interests of city residents, who participate in the review process to address myriad concerns about project impact in their neighborhood, delaying project approval if necessary. As argued by Clay and Hollister (1983), residents aim to keep their community safe, clean and stable, with easy access to schools, recreational facilities and convenient shopping. Likewise, Scorburean (2012) used data from American Housing Survey for the year of 2000 to show that the presence of green areas, shopping malls, access roads and schools explained variation in the resident's perception of their neighborhoods. Wood (2014) highlighted that parents in low-income areas are concerned about clean parks and accessible recreation centers for their children. Concerned residents have an interest in staying informed on which types of projects are planned for their neighborhood, and whether potential projects align with their development priorities.

The interests of residents are particularly important to this study, given that BNIA-JFI supports "contextually-sensitive" design in which real estate projects evolve to fit the needs and preferences of community members. Indeed, Elo, Mykyta, Margolis and Culhane (2009) effectively summarized the features of residential context that hypothetically affect "well-being, including the local service environment (e.g., availability of health services, recreational facilities, day-care services, grocery stores), social environment (e.g., social networks, peer influences, crime and violence), and physical characteristics (e.g., quality of the housing stock and physical disorder)". Since those features will greatly influence residents' quality of life, community development theory supports taking them into consideration, which has implications for the efficiency of the planning review process.

The interests of public officials in getting re-elected is another important factor relevant to the review process, including the real estate development project review process. Politicians respond to constituents' concerns, which are institutionalized in the form of rules and regulations across agencies. Specially, when the community publicly opposes a certain development project, elected officials are more likely to go against these projects (Kimelberg, 2011). Alternatively, if real estate companies are among the politician's chief supporters or contribute to political campaigns, the politician could become more pro-business.

Data collection for the BNIA-JFI Development Pipeline database (2012-2015) began in an election year and covers the first three years of Mayor Stephanie Rawlings-Blake's administration. Therefore, political turnover from a mayoral election is not a factor in our data patterns and we expect little variation in appointments among top officials. However, we consider the relationship between community support and political support for project approval from the Mayor and City Council in our case studies.

The insights provided by urban planning literature into the interests of developers, neighborhood residents, government agencies, and politicians allowed us to make an informed selection of variables in the pipeline database that will be of interest to BNIA-JFI's diverse clientele. To the extent that these interests are in conflict or in harmony, bottlenecks or opportunities within the structure of the review process can be identified.

Factors Affecting the Time Frame of Project Review

In addition to the interests of key stakeholders, a review of urban planning literature sheds light on factors that affect the length of time between when a project enters the review process and exits after earning approval for building.

First, the characteristics of the developers themselves can impact the speed of approval. Bonstra (2008) points out that developers with limited project timelines can benefit from assembling a seasoned team of design professionals with local experience and a thorough knowledge of the regulatory review and approval process required. This suggests that large development companies are

often able to move the review process more quickly due to experienced staff and more mature structures such as a government relations office.

Bulloch & Sullivan (2010) stressed the importance of information generation and sharing between real estate professionals to improve their understanding of the review process. Indeed, BNIA-JFI is particularly interested in the extent to which an ecosystem of shared knowledge exists among Baltimore developers.

Secondly, the organizational structures of the government agencies involved in the process can impact the speed of approval. According to Kimelberg, fragmentation and dissent among government staff is often a huge obstacle for development projects, leading to prolonged, postponed or terminated development projects (Kimelberg, 2011). Similarly, adding layers of administrative procedure creates a time lag when review procedure is dispersed over distinct decision-makers with separate systems instead of integrated in a cohesive system, the bureaucratic burdens and complexity slows down public process (Kimelberg, 2011).

Thirdly, the characteristics of the community where development projects are proposed might also influence the speed of review process due to different levels of civic engagement. Alesina and Ferrara's study finds that civic engagement is, "significantly lower in more unequal and in more racially or ethnically fragmented localities', (Alesina and Ferrara, 2000). Disengaged local residents could lead to a shorter time frame for project approval, if the community does not organize in opposition to projects.

Additionally, the speed of approval will depend on the type of project itself. For instance, for redevelopment projects, Noonan (2010)'s study on a Chicago landmark program revealed that, "stand-out properties in newer neighborhoods tend to be protected via single designation, while properties in older neighborhoods tend to be protected as part of a large district, which significantly impacts the amount of red tape involved in a given project."

In summary, the literature suggests that the relative advantages of developers' business models, the decision-making structures of the approving authorities, and the extent to which the public is involved at each stage of approval in Baltimore are likely to influence how long it takes for a project to go through the review process and are worthy of investigation in the Development Pipeline database. In the case that unforeseen data patterns are revealed, the McCourt team will add literary sources as needed.

Policy Objectives of City Leadership

To coordinate investment and policy towards economic growth, Baltimore policymakers initiated several aspirational documents over the past decade. These provide important political and historical context for this report and are highlighted here in chronological order.

First, a major effort to streamline zoning and development procedure in the city took place under Mayor Sheila Dixon in the late 1990s to replace the 1971 Master Plan. The "Plan Baltimore" initiative led by the Baltimore Planning Commission engaged city residents in a visioning exercise for the future of Baltimore that culminated in the 2006 release of LIVE EARN PLAY LEARN: City of Baltimore 2007-2012 Comprehensive Master Plan (CMP). Mayor Dixon and City Council officially adopted the CMP in November 2006 as a six-year strategy to guide capital investments, zoning decisions, land use, economic development, demographic change, and public policy.

The 2006 CMP calls for reforms to each of the four planning review processes that are the subject of this study. Throughout the Comprehensive Planning process, city planners aggressively solicited input from the public and key stakeholders. To a certain extent, then, its recommendations reflect a broad consensus on how to streamline and strengthen the development process. Interestingly, the CMP puts a heavy emphasis on regulatory solutions with few mentions of non-regulatory factors like public-private relations. For instance, the CMP proscribes a re-write of the outdated 1970s zoning code that continues today (two drafts of a new zoning code were posted for public comment in 2010). It blames the failure of the current zoning framework to adapt to evolving land use needs for bottlenecks in planning review, such as the high volume of appeals for variances to the Board of Municipal and Zoning Appeals (BMZA).

The CMP also proscribes updates to design standards and the building code, the creation of new zoning districts, tax credit programs for historic preservation, and CHAP ordinance enforcement. A 2009 evaluation of the 2006 CMP proclaims that the implementation of these action items is still in progress. The status of implementation efforts will be of interest to our study, to test the CMP hypothesis that making the regulatory environment more developer-friendly will accelerate the movement of projects through the development pipeline.

As a second source of relevant guiding documents, the 2006 CMP informed the proliferation of "area master plans" targeted at individual neighborhoods as well as localized urban renewal plans listed on the Planning Department website. Furthermore, the 2006 CMP spawned a flurry of investment in thirteen "Growth Promotion Areas" (GPAs), or areas where the real estate market failed to spur sustainable development, necessitating significant public investment for recovery. The selection of target areas was achieved in part through reference to the Baltimore City Department of Housing and Community Development 2005 Housing Typologies, another outgrowth of the 2006 CMP.

The categorization of specific areas as "urban renewal," "growth promotion," or "area master plan" has affected the pattern and pace of development in the areas surrounding projects in the BNIA pipeline. The Maryland Community Law Center's Guide to the Baltimore Development Review Process emphasized that urban renewal areas can be more restrictive than areas under other applicable ordinances, such as the zoning code. Therefore, the development priorities outlined in these smaller plans as well as the timing of their implementation are relevant to our study.

Third, while the 2006 CMP is still the primary roadmap for development in Baltimore, the Planning Department is currently developing a new Comprehensive Master Plan to direct economic growth and quality of life initiatives for the next 10 years under Mayor Stephanie Rawlings-Blake and her successors. Similar to the "Plan Baltimore" effort in the 1990s, the Planning Department's preparation for the new master plan includes a strong civic engagement component. In the meantime, the Rawlings-Blake administration has relied on other agencies and local partnerships to come up with complementary plans, namely the 2014 Baltimore City Anchor Plan and the 2014 Comprehensive Economic Development Strategy (CEDS).

The Anchor Plan seeks to use Baltimore's flourishing higher education and healthcare institutions (eight in total) as anchors for local development and neighborhood revitalization. The report highlights the successful East Baltimore Development Initiative, a 2003 agreement between Johns Hopkins University, the City of Baltimore, and local non-profits to leverage the Johns Hopkins medical complex as a driver of economic growth in East Baltimore. Since the commissioning of the Anchor Plan constitutes recognition of the influential role of anchor institutions, proximity to anchor institutions is a macro variable with the potential to affect the project approval process and may be of interest to this study.

The Comprehensive Economic Development Strategy (CEDS), spearheaded by the non-profit Baltimore Development Corporation, is written from a private sector perspective. Specifically, CEDS proposes expanded "Enterprise Zones" or tax credit focus areas, as well as regular meetings and structured communication channels between developers and public officials. These non-regulatory recommendations are also of interest to this study.

In summary, Baltimore development plans dovetail with one another and document in aggregate the policy objectives of public officials with the authority to guide real estate investment in Baltimore.

Conclusion

Due to the shortage of secondary sources on the Baltimore development review process, the results of this study cover new ground by providing Pipeline data analysis and a qualitative overview of the Baltimore review process that incorporates stakeholders' feedback.

CHAPTER III: Baltimore Review Process Overview

Every jurisdiction in the country has a formalized development approval process, but there is substantial variation at the local level. The typical development review process in the Baltimore City area has several layers of approval, which can take place concurrently, such that the developer often juggles multiple approval processes at once in separate agencies. Our team thought it was important to become very familiar with the overall review process step-by-step and we included the results of our research in the following chapter.

The first step of the process is to formalize a project idea into a refined concept plan. This is submitted to the City of Baltimore to obtain the necessary permits or approvals before construction can begin.

Figure 3-1: Baltimore Development Review Process Flow Chart
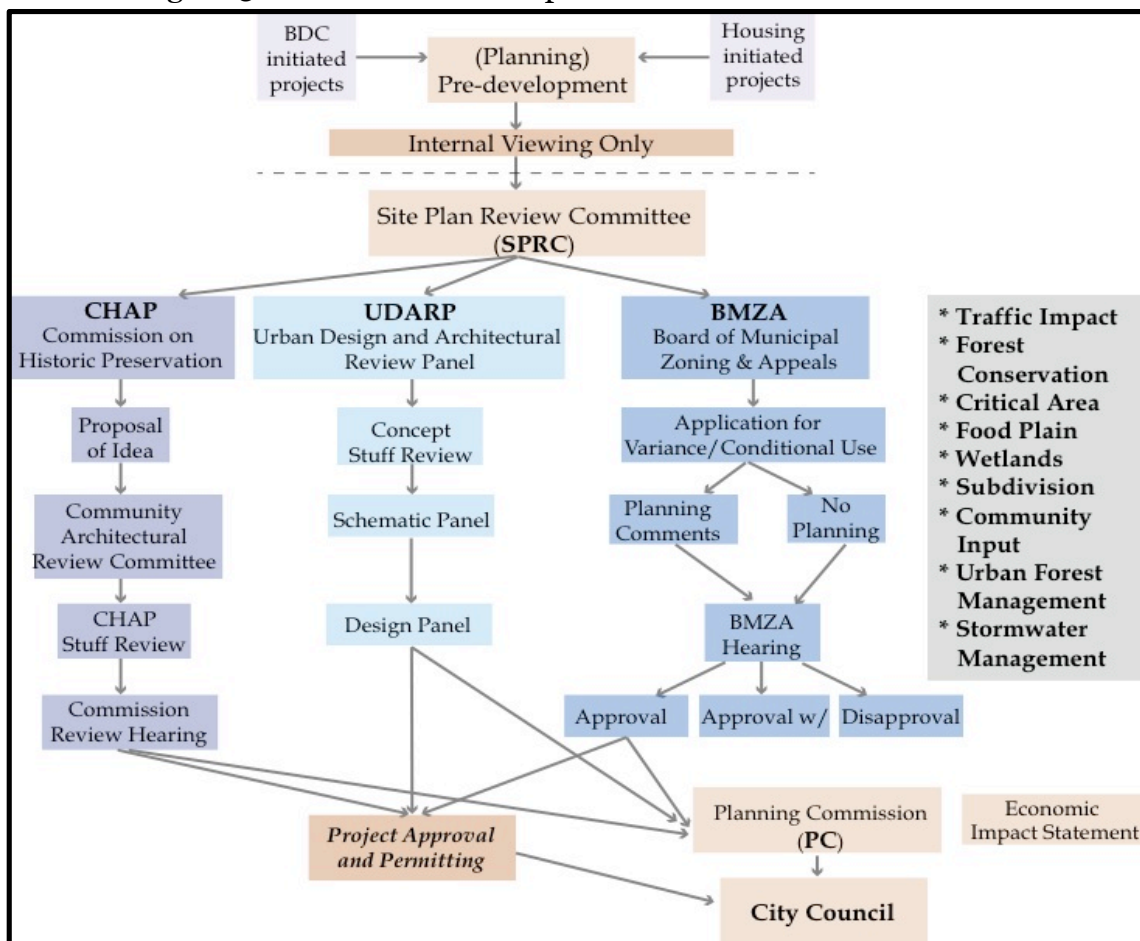
Source: BNIA-JFI

Once a project idea is internally vetted by the development company they embark on a process that involves all key stakeholders in the Baltimore area that are affected by the development project. Stakeholders take the form of neighborhood residents, elected city officials, environmental agencies, zoning boards, and anyone who is either affected directly by the development or has been given authority over the jurisdiction where the project is located. Generally speaking, the more complex a project is, the more approvals it will require before construction can begin, and the longer the review process will take.

In the City of Baltimore, a project can be designated "by-right" by the City. This means that the project proposed complies with all zoning and other code regulations and therefore does not require a public hearing or meeting. This type of project does not allow for public intervention or public input and is immediately provided building permits and allowed to begin construction. [8]

However, if the project is not designated "by-right" then it enters the Standard Review Process. The first step in this process is the Site Plan Review Committee (SPRC). The SPRC reviews the development plan and makes recommendations to the Planning Commission on development plans. As stated in the *Guide to the Development Process In Baltimore City* by the Baltimore Community Law Center, the SPRC, "aims to ensure that proposed projects meet the requirements of the Baltimore City Zoning Code and the City's Comprehensive Plan, as well as subdivision regulations, building codes, and environmental regulations."[9] The committee also views the project from the perspective of the City as an entirety. Is the project aesthetically pleasing? Does it fit the overall goal of the City of Baltimore going forward? Does the project inhibit vehicular or pedestrian flow? These important considerations are investigated and any suggestions are put forward to the Planning Commission.

The SPRC accomplishes its goal by bringing all major agency stakeholders to one forum reviewing the project from every perspective simultaneously. This allows developers to adjust their plans early in the process mitigating any financial loss to the developers. All comments made by the members of the SPRC are taken into consideration by the developer and remedied within the proposed development plan. [10]

---

[8] Pfeifer, Kelly, and Kristine Dunkerton. "Guide to the Development Process in Baltimore City." *The Community Association's Guide to the Development Process in Baltimore City. ABOUT COMMUNITY LAW CENTER, INC.* (2013): n. pag. *Http://planning.baltimorecity.gov.* Community Law Center. Web.

[9] Ibid.

[10] Ibid.

Member Agencies of the SPRC:
- Department of Planning (Chair)
- Office of Sustainability (a subset of the Department of Planning)
- Fire Department
- Department of Housing and Community Development
- Parking Authority
- Department of Public Works
- Department of Transportation
- Mayor's Office of Disabilities

Any project within the City of Baltimore that includes any of the following must pass through the SPRC for formal review:
- New Construction if:
  - The development involves over 15,000 square feet of gross floor area
  - The project proposes multiple principal structures on a single lot
  - There is multi-tenant commercial development proposed, including mixed-use development
- Subdivision of land
- Additions and/or major structural alterations to an existing structure that result in a 50% increase in the gross floor area of the existing structure prior to addition or alteration, excluding single family detached and semi-detached dwellings
- Planned Unit Developments (PUDs)
- Conditional uses, including both appeals before the Board of Municipal and Zoning Appeals (BMZA) and legislation before the Mayor and City Council
- Parking lots containing five or more spaces
- Any use including drive-up/drive-thru facilities or a walk-up component
- Any development within an environmentally sensitive area, including projects within 100-year floodplain and projects within the 1,000 feet buffer of the Critical Area.
- Development process

Source: Pfeifer, Kelly, and Kristine Dunkerton. [11]

---

[11] Pfeifer, Kelly, and Kristine Dunkerton. "Guide to the Development Process in Baltimore City." *The Community Association's Guide to the Development Process in Baltimore City. ABOUT COMMUNITY LAW CENTER, INC.* (2013): n. pag. *Http://planning.baltimorecity.gov.* Community Law Center. Web.

All development projects that require review by the SPRC also require architectural design review. Large-scale projects will require review by the Urban Design and Architectural Review Panel (UDARP). UDARP strives to achieve the highest quality of urban development from a planning and architectural perspective for the greater City of Baltimore[12]. The panel consists of six individuals that are appointed by the Director of Planning and possess expertise in varying aspects of architecture, urban and landscape design.

The expert panelists, once they accept the appointment, must attend the sessions and thoroughly review the development projects making comments and critiques. The Urban Design and Architecture Review Panel's goal is to achieve the highest quality for the planned and built environment of Baltimore City by providing the Planning Commission and the Department of Planning with design review expertise in the areas of urban design, architecture, and landscape design.[13]

The City of Baltimore requires that developments have a Traffic Impact Study completed. This study is done in order to evaluate the developments effect on traffic patterns within the City of Baltimore. The study is done by a third party and paid for by the developer. This study is then delivered to the Department of Transportation, Transportation Engineering Division and Planning for review.[14]

In addition, the City of Baltimore also requires sustainable development. The City requires that developers abide by sustainable standards set by the City when developing within City limits. The following reviews are conducted within the Environmental Review: Forest Conservation, Critical Area Zoning Overlay District, Floodplain Management, Green Building Requirements, Storm water Management, and Grading/Sediment & Erosion Control.[15]

If the project does not require public hearings, the project is approved and receives building permits. At this point, the development project can start construction. A project has to go through public hearings if the Zoning Administrator determines that the development does not comply with the compliance in both land use and layout. In order to be in line with the compliance laws of the City of Baltimore the development must receive a variance or a conditional use in order to move forward with development. The Zoning Administrator, after he or she denies the development plan, will forward the plan to the Board of Municipal and Zoning Appeals (BMZA).

Due to Baltimore's outdated zoning code (last time the zoning code was updated was in 1971) that is currently undergoing a rewrite process called "Transform Baltimore" which began in 2012, it is very common for the zoning to be

---

[12] UDARP website, "direct verbatim quote".
[13] UDARP website, "direct verbatim quote".
[14] Pfeiffer and Dunkerton
[15] Pfeiffer and Dunkerton

inadequate for development. As illustrated in our quantitative chapter, the majority of projects must go through BMZA.[16]

Additionally, the Zoning Administrator will submit the plan to the relevant City departments for review. These departments will submit their reports to the BMZA. Once all of the reports are collected the BMZA will schedule a public hearing for the zoning appeal by the developers. The developer is required to post a notice on the property or building 21 days prior to the scheduled BMZA hearing. BMZA only holds hearings on Tuesday afternoons in City Hall. The BMZA consists of five professionals that are appointed by the Mayor and approved by the City Council[17]. The panel of appointed experts listens to all of the appeals on the docket for that Tuesday. Once all of the cases are heard the panel deliberates over each individual case and announces publicly if the appeal has been approved or denied the day of the project hearing. The developer can appeal a denied appeal further and the case can be presented again at a later date.

A developer may also choose to apply for a PUD designation or a Planned Unit Development designation that, similar to a rezoning, must be approved by the City Council in the form of an ordinance. PUDs, planned unit developments, are groupings of varying developments within a contained land area.

Lastly, if the development in question is located on a property that has aesthetic, historic, and/or architectural value to the City of Baltimore, as deemed by the City of Baltimore's regulations, the developer must pass through the Commission for Historical and Architectural Preservation (CHAP). CHAP's goal is to promote and enhance the culture of the City of Baltimore while recognizing that Baltimore needs development and redevelopment in order for the economy to move forward and for the citizens of Baltimore to benefit from growth and incorporating Baltimore's past with its future.

The [Baltimore Planning Website](#) provides separate documentation on each planning stage including UDARP, CHAP, SPRC, and BMZA. However, the website does not include one "go-to" document that summarizes the entire permitting process clearly.

All in all, this chapter provides a basic overview of Baltimore city's real estate review process, which sets the background for the following quantitative and quantitative analysis.

---

[16] Transform Baltimore website
[17] Pfeifer and Dunkerton

Table 3-1: Baltimore Review Stages

Commission	Purpose
Planning Commission (Meeting agenda: every other Thursday)	• Preparing and updating plans showing the physical development of the City; • Developing a capital budget and six-year capital development program for consideration of the Board of Estimates; • Developing and maintaining a Comprehensive Master Plan for the City; • Reviewing all proposals for the subdivision of land within the City for conformance to specified standards; and Reviewing all proposed amendments to the City's Zoning Ordinance and making recommendations to the City Council.
Commission for Historical and Architectural Preservation (CHAP) (Meeting schedule: second Tuesday every month)	• Designate Baltimore City's historic districts and landmarks. • Review plans affecting locally designated properties. • Provide technical assistance and historical information to the public. • Administer the Baltimore City Historic Restoration & Rehabilitation Tax Credit. • Conserve and maintain City-owned outdoor sculpture and monuments. • Conduct historic resource surveys. • Comply with Federal law to provide preservation recommendations for federal and state funded projects. • Integrate historic preservation recommendations into City and neighborhood plans.
Office of Sustainability	The sub-committee on waste was created to better communicate effectiveness of strategies to fight litter and cleanliness goals in the City of Baltimore. Responsibilities include evaluating progress in goals set forth by the Sustainability Plan, engagement with community stakeholders around issues related to litter, and with the Department of Public Works (DPW).
Site Plan Review Committee (SPRC) (meeting schedule: 3-4 meetings per month)	The Site Plan Review Committee (SPRC) provides joint recommendations in a coordinated inter-agency review to ensure that, at a minimum, proposed development complies with the Comprehensive Plan, Baltimore City Zoning Code, Subdivision Rules and Regulations, Building Codes, Environmental codes and regulations, and other commonly accepted planning, transportation and institutional guidelines and requirements.
Urban Design & Architecture Review Panel (UDARP) (Meeting agenda: every Thursday)	The Urban Design and Architecture Review Panel's goal is to achieve the highest quality for the planned and built environment of Baltimore City by providing the Planning Commission and the Department of Planning with design review expertise in the areas of urban design, architecture, and landscape design for all proposed master planning efforts and significant development projects.
Board of Municipal & Zoning Appeals (BMZA) (Meeting Schedule: every other Tuesday)	• It prevents the overcrowding of land. • Avoids undue concentration of population. • Provides adequate light and air. • Secures safety from fire, panic, and other dangers. • Reduces congestion in the streets. • Helps for adequate transportation, water, sewers, schools, parks, and other public services

Source: http://www.baltimorecity.gov

CHAPTER IV: Methodology

The McCourt team approached the central question of the BNIA-JFI project with a blend of quantitative and qualitative analysis in order to assess multiple aspects of the Baltimore development review process. This chapter provides a detailed explanation of the research methodology and discusses strengths and limitations of each component.

Quantitative Analysis

The McCourt team's quantitative analysis found in Chapter VI consists of four components: 1.) data cleaning, 2.) review process calculation, 3.) descriptive summary, and 3.) regression analysis.

(1) Data Cleaning

In order to obtain the most important variable of interest, review time frame, we made a series of data-cleaning efforts to make it possible to calculate the time length for each project's review path. Data cleaning occurred in two steps:

a. <u>First step: Review process time length calculation</u>.

   All records in the pipeline are uniquely keyed by Review Date and Type of Review (PC, UDARP, BMZA, CHAP and Outside Feed). Observations with only one entry date were eliminated from the dataset because these observations lack a beginning date and end date needed for time length calculation. All projects were originally intended to be organized in chronological order; however, entries for the same project were scattered throughout the dataset. Our team decided to use the variable "master address" to identify unique projects and thus deleted projects with only one entry date.

   Appendix 1-4 offers comparisons between projects with single dates and projects with multiple dates in terms of year distribution, major project distribution and land use distribution. As observed from these tables, there are not substantive differences between these two categories. Therefore, we are confident that deleting the "single entry date" projects does not bias our results.

   Although the deleted projects were not useful in calculating review time length, we found one characteristic interesting. As we can observe in Table 4-1, there are 152 projects (9.3%) that skipped other review stages and went directly to the Planning Commission stage.

Table 4-1 Projects Status Distribution for Deleted Projects

	Number of Project	**Percentage**
BMZA	1157	70.5%
CHAP	45	2.7%
UDARP	18	1.1%
PC	152	9.3%

Table 4-2 Year Distribution of Projects went to PC

Year	Number of Project
2015	31
2014	34
2013	29
2012	59

Table 4-2 shows yearly distribution of projects that directly went to the Planning Commission. In 2012, 59 projects went to directly to the Planning Commission.

Our initial assumption was that these projects may have gone through the review process before the database was established. However, there are 94 projects that went to PC directly in 2013-3015. Based on BNIA's observation, it is possible that some of the projects were simply not recorded by the data entry staff, until it entered the Planning Commission. To BNIA's knowledge, the UDARP and CHAP reviews are not always required. CHAP and UDARP are only required if there are significant project design or historic preservation issues.

b. Second step: Delete projects with missing values for regression analysis.

The sources for the four review stages (CHAP, BMZA, UDARP, PC) come from publicly released agendas that typically are released 8-14 days prior to the public hearing. Projects labeled "Outside Feed" are found in newspaper articles or other sources that the researchers find of interest to Pipeline Subscribers. Therefore, BNIA deemed the "outside feed" column as an invalid information source for time length calculation because "outside feed" indicates that the data input is derived from a source other than the four major review stages. Subsequently, we were forced to deleted projects with only "outside feed" designations.

Additionally, after matching projects to their respective neighborhoods as listed on the BNIA Vital Sign website, we removed all data entries that were located outside the Baltimore Vital Signs map. Due to the location of these projects we were unable to retrieve the necessary community statistics used in our regression analysis deeming these projects not applicable to our study. Within the dataset there were some projects that were recorded as having zero days of public review process out team removed these as well, as they may have been caused by a typo and consequently were invalid for quantitative analysis.

(2) Review Time Length Calculation

After the data-cleaning process, our dataset contained 494 real estate development projects, each with multiple entry dates, allowing us to calculate the public review time length. When calculating the time length for each real estate review process, our team assumed that the beginning date for the next process is the end date for the last process. If there was not a next process' beginning date, our team used the last review date as the end date.

Due to the method of data collection, the review time length for this project is the aggregate time spent in BMZA, CHAP, PC, and UDARP, rather than total time spent in formal review. We cannot conclusively determine if the beginning date for each project is in fact the actual start date of formal review. In addition, our end date is the beginning date of the last review process, not the date of construction approval. The time that the project spends in review stages such as SPRC, environmental permitting, building permitting, etc. is not incorporated into our calculation of total review time length. Consequently, our total time lengths are likely underestimated.

(3) Descriptive Summary

After calculating time length, the McCourt team used Excel, STATA, R and AI to present the descriptive statistical analysis.

(4) Regression Analysis

Using regression analysis and hypothesis testing, the McCourt Team examined the statistical relationships between variables of interest and project review times. We used a basic Ordinary Least Squares (OLS) model to test the statistical significance of causal linkages between the dependent variable, project time length, and independent variables of interest drawn from the BNIA Pipeline Database and BNIA Vital Signs website. These range from project density to community characteristics. Regression results explore factors affecting each project and the speed of advancement through planning review.

(5) Strength and Weakness

The data-cleaning process was a necessary step to streamline the original BNIA pipeline database, allowing us to obtain review time frame and establish the key dependent variables used in regression analysis. This should not cause any concerns in terms of statistical bias as proved in Appendix 1. However, due to the short time span and missing variables, we were unable to test the impact of political environment and developer size on review time frame, which could have been included as critical regression hypotheses.

Qualitative Analysis

After investigating each project from online press releases and company websites, the McCourt team conducted interviews with project staff to obtain their perspectives on key factors that either lengthened or shortened review time length. Our team also conducted five interviews with review process experts. The interview questionnaire is included in Appendix 2. Finally, we surveyed best practices in Philadelphia, Montgomery County, and Washington, D.C.

The team conducted three case studies chosen from the 494 projects to compare projects with similar characteristics but different time lengths: Remington Row, Shops at Canton Crossing, and Anthem House. We selected these cases because they are all major projects of mixed-use type, yet their review time frames vary a lot. By interviewing key stakeholders involved in these three projects, we aim to gain more insights of the experience navigating the public review process, acknowledge successful strategies and collect negative feedbacks, as well as listing out recommended policy changes that could contribute to a more efficient public review process.

An advantage of interviewing review process experts is that they tend to have more experience working with projects of varying sizes as well as in in different jurisdictions, and are thus equipped with comparative perspectives as well as comprehensive knowledge towards Baltimore real estate review process.

CHAPTER V: Quantitative Analysis

This chapter aims to present an overview descriptive summary of the cleaned BNIA pipeline database, including review time frame, project types, community characteristics, etc. It also contains a thorough regression analysis that tests the statistical correlation between review time frame and key influential factors, including community income level, project type, etc.

The McCourt team was given access to the 2012-2015 Baltimore Pipeline database for Baltimore City containing relevant information of real estate development projects, including property addresses, dates of review, developer/architect contact information, land use type, etc. The data was stored in a Microsoft Access database and was later converted by the McCourt team to an Excel spreadsheet in order to produce a descriptive summary, and finally a STATA dataset for the purpose of regression analysis.

Research questions

Based on BNIA's original research proposal and our own exploration of the dataset, this chapter tackles the following research areas:

(1) Average time length of the whole review process for each review stage;
(2) Time length distribution of the whole review process and each review stage;
(3) Major/Non-Major projects' represented, their quantities and average review time;
(4) Average review time length of the whole review process and each review stage by "building type";
(5) Projects' "land use" distribution and average review time length by "land use";
(6) Average review time by "land ownership";
(7) Community Statistical Areas (CSAs) distribution of projects throughout the city and average review time lengths of each community;
(8) Review process' path distribution;
(9) Associations between project's review time length and characteristics of projects as well as characteristics of the communities where the real estate projects are located.

This Chapter contains two sections that together answer the above-mentioned research questions. The first section (descriptive summary) only deals with descriptive statistical analysis and does not reach a causal effect conclusion, while the "regression analysis" section will describe the regression formula and the

process of exploring potential statistical associations between public review time length and various characteristics of real estate development projects in Baltimore.

Descriptive summary

Introduction of the BNIA Pipeline Database Terminology

The database keeps track of status updates for real estate development projects in the City of Baltimore by storing information on a variety of project characteristics. For clarification of database vocabulary, Table 5-1 defines frequently used terms throughout this chapter.

Table 5-1: Definitions of Key Terms

Term	Definition
Review Process	The advancement of development projects through the four approval stages of the development review process that offer opportunities for public review and are required prior to obtaining building permits. "Total review process time length" refers to the total number of days a project spent in this process, and there are four sub-stages denoted by the authoritative agency: CHAP, UDARP, BMZA and PC.
CHAP	Commission on Historic Preservation
UDARP	Urban Design and Architectural Review Panel
BMZA	Board of Municipal Zoning & Appeals
PC	Planning Commission
Major & Non-Major Projects	A project is labeled as either a "Major" or "Non-Major" Project. According to BNIA's data entry manual, a project can be defined as a "Major Project" based on the following criteria: • Any commercial development greater than $1 million (not a steadfast rule) • Office, hotel, parking, retail, multifamily housing, multiple SF housing projects • New construction, renovations, expansions, conversions • Significant Infrastructure projects • No single family houses • No commercial tenant improvements
Building Type	There are two types of "building type": New Construction and Renovation/ Addition.

Land Use Type		There are 11 different land use types: industrial, infrastructure, transportation, office, culture, education, healthcare, miscellaneous, retail, mixed use and residential.
Land Ownership		The lands are either owned publicly or privately. All projects with owners' name with "Mayor", "MCC", "Housing Authority of Baltimore/HABC" or "State of Maryland" are treated as publicly owned land. The remainder are categorized as "private land ownership".

Descriptive Statistics

There are eight statistical breakdowns of the Pipeline database:

(1)   Total Review Time Length Summary

According to Table 5-2, the average total review time length of all projects is 233 days. Interestingly, CHAP has a relatively shorter average review time length (137 days), while UDARP, PC and BMZA all have similar average review time length. The dataset did contain negative outliers. Within the dataset there are numerous projects that were in the process for over 1000 days never entering the Planning Commission. The minimum review time length for each review stage and for the whole review process is fewer than 10 days.

<p align="center">Table5-2: Total Review Time Length</p>

	Whole Review Process	CHAP	UDARP	BMZA	PC
Number of projects	494*	53	59	355	95
Average review time	233	137	218	213	201
Max review time	1281	1246	1272	1281	896
Min review time	2	9	7	2	2

*The overall average review time is greater than those of subgroups because not all projects went through all four stages.

(2)   Project Frequency Distribution by Review Time Frames

According to Graph 5-1 and Graph 5-2, 246 of 494 projects (49.8%) were in the public review process for less than 99 days.

Graph 5-1: Project Frequency by Review Time
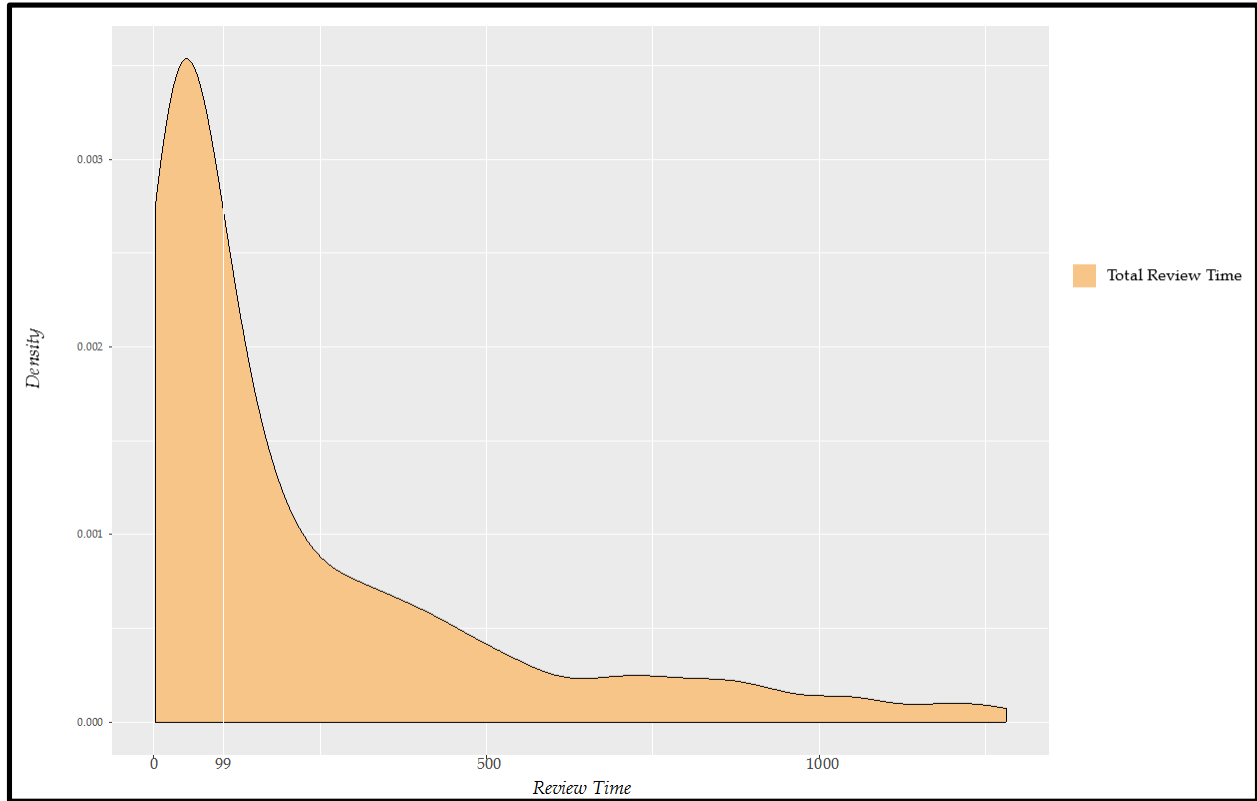
Graph 5-2: Numbers of Projects by Total Review Time Length
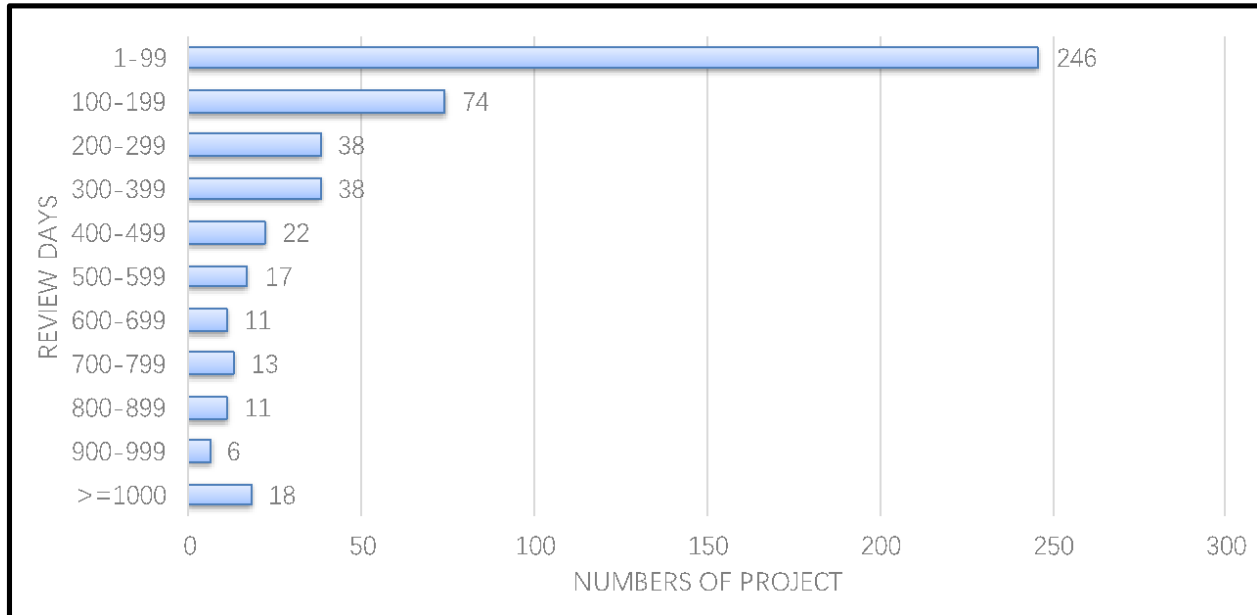
Graph 5-3: Project Frequency by Review Time in 4 Stages
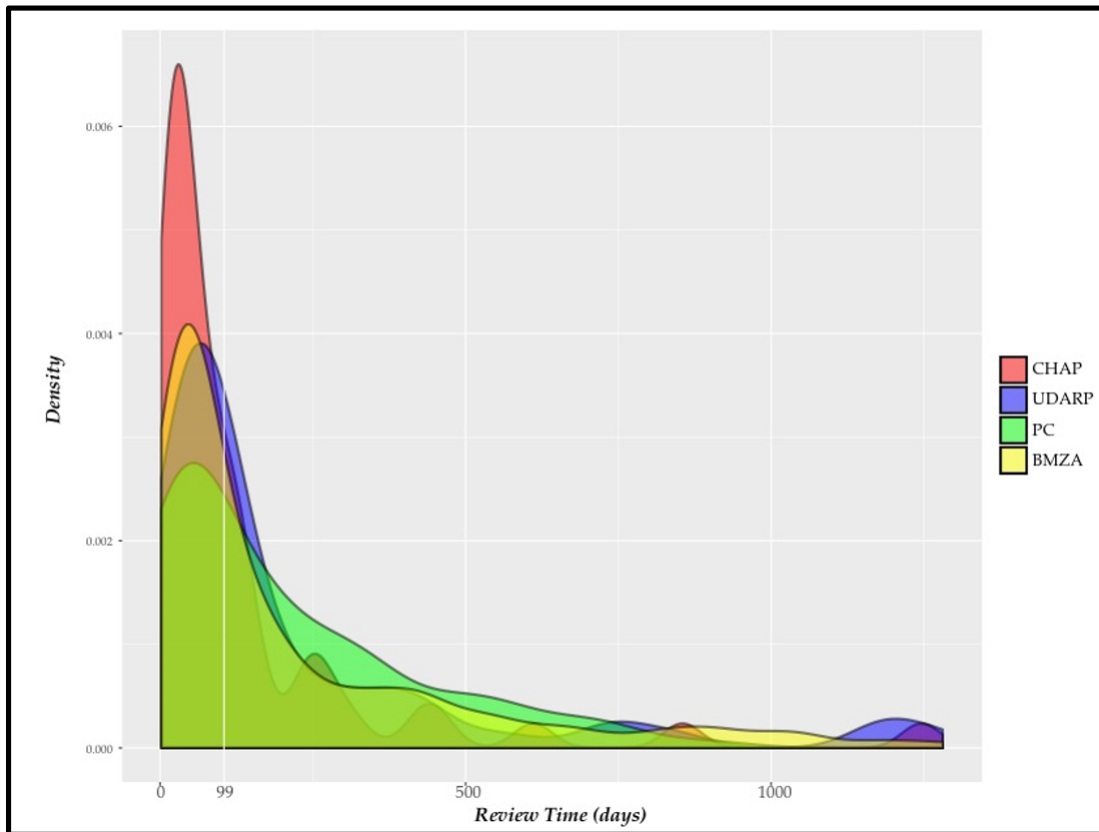
Graph 5-4 shows the proportion of projects that passed through all four-review stages. 35 projects (66%) that were reviewed in CHAP have review times lower than 99 days. In UDARP, 32 projects (54%) have fewer than 99-day review times. In PC, 44 projects (46%) fall in the 1-99 days' category. In BMZA, 191 projects (54%) fall within the 1-99 days' category.

Graph 5-4: Number of Projects by Time Length Distribution of the 4 Review Stages
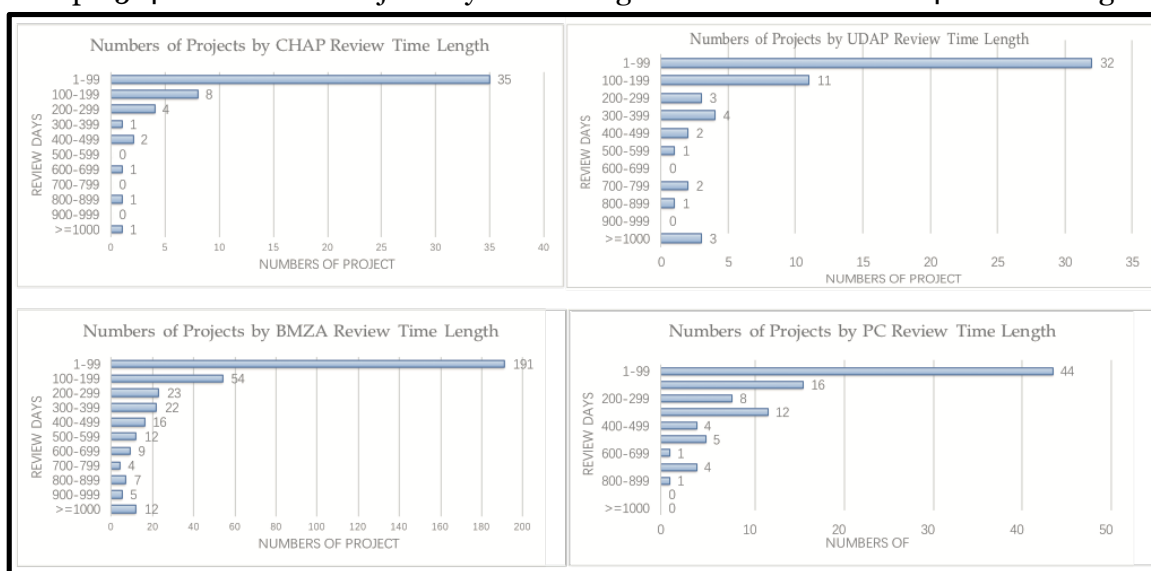
From a comparative perspective, according to Philadelphia's Development Permit Review Process: Recommendations for Reform, total review time in Philadelphia is 205 to 1111 days. Compared to Philadelphia, the combined total review time length of Baltimore's four main review stages is relatively short.

Even though we do not have sufficient information on the average review time length from other regions apart from Philadelphia, 99 days (around 3 months) is an acceptable review time length based on BNIA's experience in the real estate development field and the experts we interviewed for our qualitative section. Future research could further evaluate the Baltimore real estate review process in a comparative context.

In conclusion, the Baltimore City real estate review system is fairly efficient. Nearly half of the projects were able to complete the process within three months and very few projects (18 out of 493) remain in the process longer than 1000 days.

(3)   Major/Minor projects' review time length summary

Graph 5-5 shows the overall project distribution pattern by review time length of major and non-major or minor projects.

Graph 5-5: Major Projects and Minor Projects Review Time Distribution
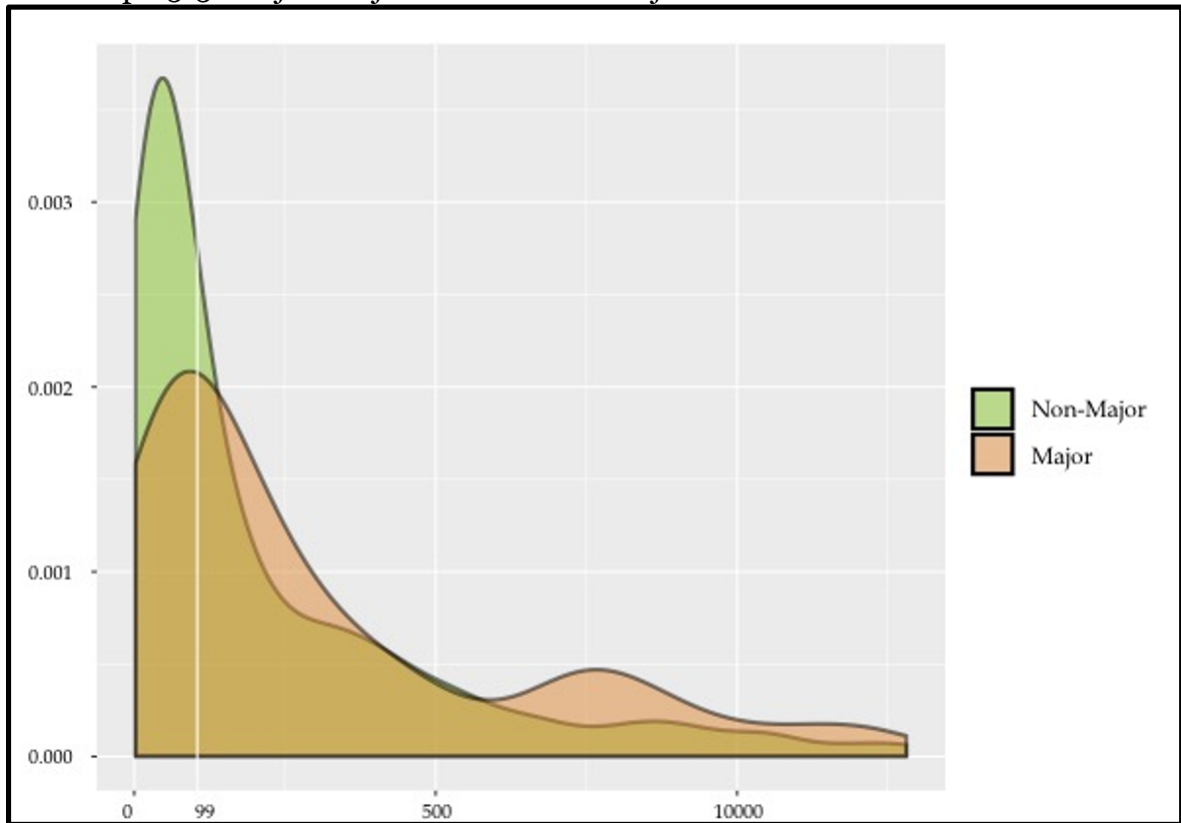
According to Graph 5-6, of the 494 projects in the final dataset, there are 409 minor or non-major projects and 87 major projects. The vast majority are minor projects, making up 82% of the final dataset.

Graph 5-6: Major and Minor Projects Distribution
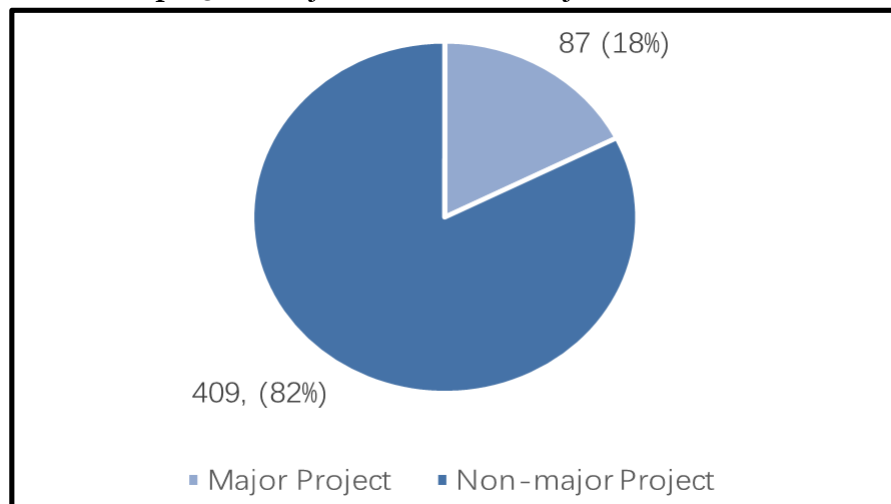
Of the 87 major projects, the maximum review time length is 1246 days (over 40 months) while the minimum review time length is a mere 7 days.

Table 5-3 Review Time: Major vs Minor

	Average Review Time	Min	Max
Major	307	7	1281
Minor	217	2	1246

Major projects spend more time in the review process compared to non-major projects. Because there are more minor projects than major projects, it is difficult to determine whether or not the difference in average review time is statistically significant. In our "regression analysis" section, we will further explore the statistical correlation between major project and review time length and test whether minor projects did, in fact, move faster than major projects.

(4)   Review Time Length Summary by Building Type

From our analysis, new construction projects seem to move faster, relatively than renovation or addition projects in the real estate review process. As shown in Table 5-4, of 494 projects, there are 84 new construction projects (17%) and 35 renovation/addition projects (7.1%). The remaining 375 projects were not clearly labeled.

Table 5-4: Review Time Length by Building Type

	Number of projects	Total Average Review time	Min review time		Max review time	
			Days	Project Address	Days	Project Address
New construction	84	271	2	34 E RANDALL ST	1190	2201 GUILFORD AVE
Renovation/Addition	35	321	12	4500 PARK HEIGHTS AVE	1246	5904 YORK ROAD
Not Clear	375	215	9	500 N CAROLINE ST	1281	1308 W LOMBARD ST

New construction projects have an average review time of fewer than 50 days, which is shorter than the average review time of renovation or addition projects. Compared to un-labeled projects, projects with a building type of renovation or addition move relatively slower. We illustrate the project review time length distribution by "building type" in Graph 5-7 below.

Graph 5-7: Project Frequency by Building Type
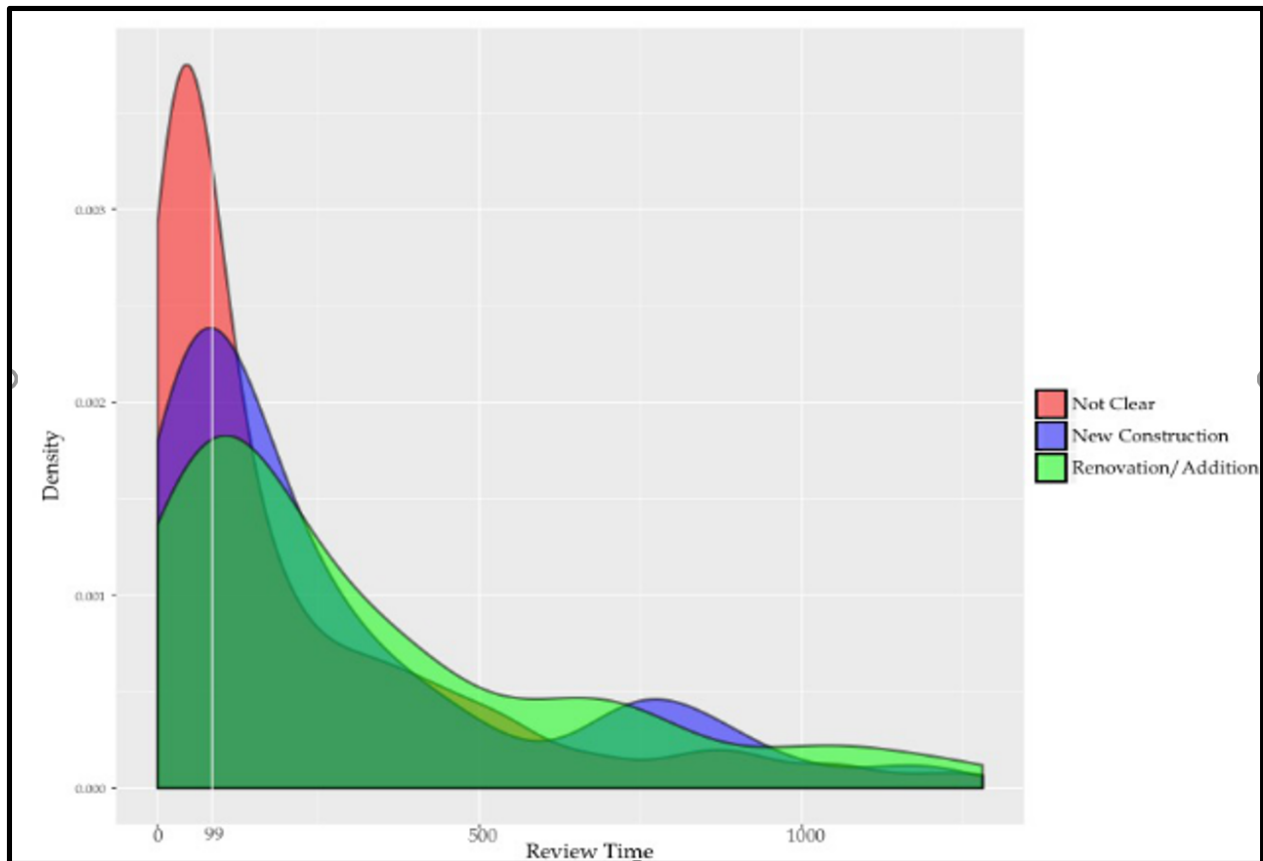
Graph 5-8 indicates that among new construction projects, 40% of the projects (33 out of 84) have a review time length shorter than 100 days. Within the renovation or addition project category, 28.6% of the total projects (10 out of 35) fall in the 1-99 days' time span.

Graph 5-8: New Building and Renovation/Addition Building Type Review Time Length Distribution
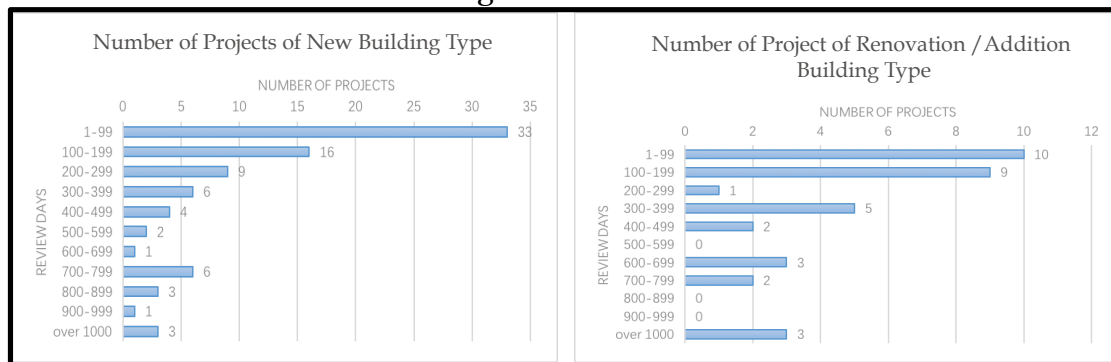
(5) Review Time Length Summary by "Land Use Type"

Among the 494 projects, only 112 projects have a designated "land use type." Among these, the majority are residential projects (48), followed by 22 mixed-use projects and retail projects. Other land use types include transportation, healthcare, miscellaneous, education, infrastructure, culture, office and industrial. Graph 5-9 provides detailed information.

Graph 5-9: Number of Projects and Average Review Time Length of Land Use Types
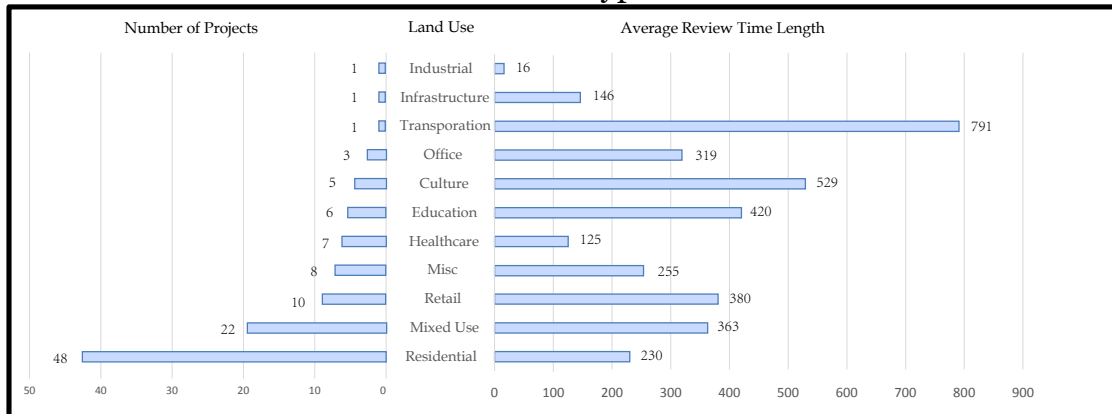
According to Graph 5-9, transportation projects have the longest average review time length, but due to the small number of projects in that category (only one project), this sample is statistically not representative.

(6) Review Time Length Summary by "Land Ownership"

There is no obvious difference in review time lengths between projects operating on private lands and those on publicly owned lands. As in the Table 5-5, the difference between average review time lengths for two types of land ownership is only 2 days. This finding coincides with our regression analysis.

Table 5-5: Review Time Length by Land Ownership

	Number of Project	Average Review Time	Min	Max
Private	455	230	2	1281
Public	33	232	9	1276
Not clear	6	369	106	1015

(7) Community Statistical Areas (CSAs) distribution of projects throughout the city and their average review time

From the BNIA Vital Signs website, we obtained statistics on the 50 Community Statistical Areas of Baltimore and matched real estate development projects with the communities they are located in. By doing this, we were able to create new variables that we used in the regression analysis for each project, including household median income, racial diversity index, etc.

We were also able to calculate the project density (number of projects) and the average review time length as well as maximum and minimum review time length for the 50 CSAs.

The map below shows the geographic distribution of the 494 development projects. We also listed projects with a total review time length over 1000 days in each community. Details can be found in Table 5-6.

Graph 5-10: Geographic Distribution of 494 Development Projects
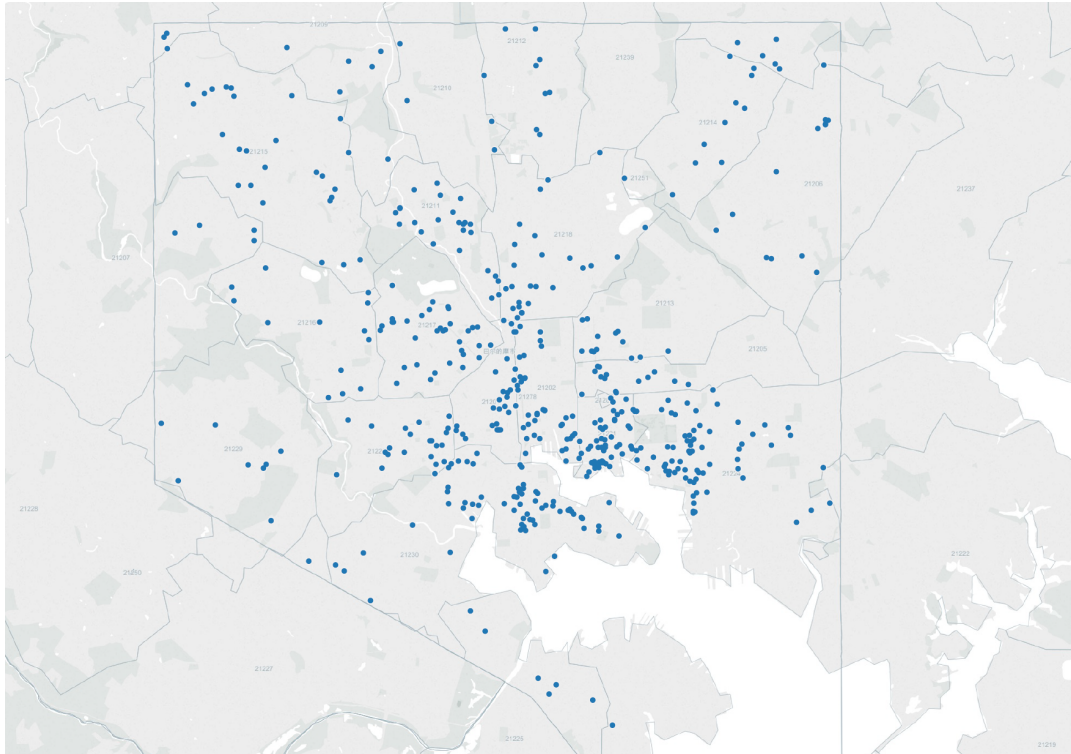
From Table 5-6 and Graph 5-11, we deducted that the "Midtown" community has the most projects (37 projects) with an average review time of 128 days. "Sandtown-Winchester/Harlem Park" has the longest average review time (728 days) but only has three projects. Although "Claremount/Armistead" has the shortest average review time length (28 days), this community only has one project, therefore the time length is not statistically representative.

Subsequently, we are not able to identify a clear relationship between project density and average review time lengths of the 50 community statistical areas. The only thing we can confidently conclude is that there is a higher probability of finding extreme observations of average review time length (i.e. the longest or shortest average review time length in the dataset) in communities with lower project densities (e.g. less than 3 projects in the community statistical area). This may only be because the fewer number of projects results in a non-representative sample of each community.

Table 5-6: Project Review Time by 50 Community Statistical Areas

Community Statistical Areas (CSAs)	# of Project	Average Review Time	Min Review Time	Max Review Time	Master address of over 1000 days' project
Midtown	37	128	9	903	
South Baltimore	33	221	2	1015	2 E WELLS ST
Harbor East/Little Italy	28	293	14	1197	200 INTERNATIONAL DR (1064 days); 1300 BANK ST (1197 days)
Washington Willage/Pigtown	27	199	14	844	
Oldtown/Middle East	26	217	9	747	
Patterson Park North and East	26	276	7	1188	40 N STREEPER ST
Southeastern	25	320	21	1272	
Penn North/Reservoir Hill	21	351	14	1036	3400 AUCHENTOROLY TER
Fells Point	19	229	14	1001	1718 THAMES ST
Harford/Echodale	17	176	14	931	
Orangeville/East Highlandtown	17	221	28	820	
Downtown/Seton Hill	15	243	14	1041	320 N EUTAW ST
North Baltimore/Guilford/Homeland	15	266	12	1246	
Greater Charles Village/Barclay	14	267	14	1190	2201 GUILFORD AVE
Medfield/Hampden/Woodberry/Remington	12	184	14	847	
Brooklyn/Curtis bay/Hawkins Point	10	305	14	1029	5101 ANDARD AVE
Canton	10	326	16	1076	2901 ODONNELL ST
Glen-fallstaff	10	163	14	623	
Upton/Druid Heights	9	119	16	392	
Westport/Mount Winans/Lakeland	9	531	14	1276	2728 WASHINGTON BLVD (1071 days); 2400 ROUND ROAD (1073 days): 801 BRIDGEVIEW ROAD (1276 days)
Greater Rosemont	8	208	23	707	
Inner Harbor/Federal Hill	8	333	28	1183	1300 THAMES ST
Howard Park/West Arlington	7	86	14	420	

Poppleton/The Terraces/Hollins Market	7	79	9	287	
Pimlico/Arlington/Hilltop	7	130	2	336	
Southwest Baltimore	7	205	14	1281	
Lauraville	6	295	56	530	
Southern Park Heights	6	106	12	434	
Greenmount East	5	181	28	301	
Mount Washington/Coldspring	5	239	14	835	
Allendale/Rrvington/S. hilton	4	76	14	224	
Claremont/Armistead	4	216	9	434	
Clifton-Berea	4	88	14	273	
Morrell Park/Violetville	4	85	28	168	
Northwood	4	320	28	756	
The Waverlies	4	112	14	336	
Chingquapin Park/Belvedere	3	128	14	301	
Rreater Govans	3	152	14	429	
Sandtown-Winchester/Harlem Park	3	728	385	1155	1821 W LAFAYETTE AVE
Beechfield/Ten Hills/West Hills	2	144	14	273	
Dorchester/Ashburton	2	81	56	105	
Dickeyville/Franklintown	2	172	63	280	
Greater Mondawmin	2	269	146	392	
Madison/East End	2	389	14	763	
Midway/Coldstream	2	42	42	42	
Claremont/Armistead	1	28	28	28	
Forest park/Walbrook	1	56	56	56	
Greater Roland Park/Poplar Hill	1	189	189	189	
Hamilton	1	462	462	462	

Graph 5-11: Project Density and Average Review Time Length of 50 Community Statistical Area

Nnmber of Project		Average Review Time (Days)
37	Midtown	128
33	South Baltimore	221
28	Harbor East/Little Italy	293
27	Washington Village/Pigtown	199
26	Patterson Park North and East	276
26	Oldtown/Middle East	217
25	Southeastern	320
21	Penn North/Reservoir Hill	351
19	Fells Point	229
17	Orangeville/East Highlandtown	221
17	Harford/Echodale	176
15	North Baltimore/Guilford/Homeland	266
15	Downtown/Seton Hill	243
14	Greater Charles Village/Barclay	267
12	Medfield/Hampden/Woodberry/Remington	184
10	Glen - Fallstaff	163
10	Canton	326
10	Brooklyn/Curtis Bay/Hawkins Point	305
9	Westport/Mount Winans/Lakeland	531
9	Upton/Druid Heights	119
8	Inner Harbor/Federal Hill	333
8	Greater Rosemont	208
7	Southwest Baltimore	205
7	Poppleton/The Terraces/Hollins Market	79
7	Pimlico/Arlington/Hilltop	130
7	Howard Park/West Arlington	86
6	Southern Park Heights	106
6	Lauraville	295
5	Mount Washington/Coldspring	239
5	Greenmount East	181
4	The Waverlies	112
4	Northwood	320
4	Morrell Park/Violetville	85
4	Clifton-Berea	88
4	Claremont/Armistead	216
4	Allendale/Irvington/S. Hilton	76
3	Sandtown - Winchester/Harlem Park	728
3	Greater Govans	152
3	Chingquapin Park/Belvedere	128
2	Midway/Coldstream	42
2	Madison/East End	389
2	Greater Mondawmin	269
2	Dorchester/Ashburton	81
2	Dickeyville/Franklintown	172
2	Beechfield/Ten Hills/West Hills	144
1	Hamilton	462
1	Greater Roland Park/Poplar Hill	189
1	Forest Park/Walbrook	56
1	Claremount/Armistead	28

(8)   Review Process' Path Distribution

Graph 5-12 displays the breakdown of the first stage each project enters. Among the 494 projects, 337 entered the public review process starting with BMZA, 58 with the Planning Commission, 49 with UDARP, and 45 with CHAP.

Graph 5-12: Review Process Path Distribution
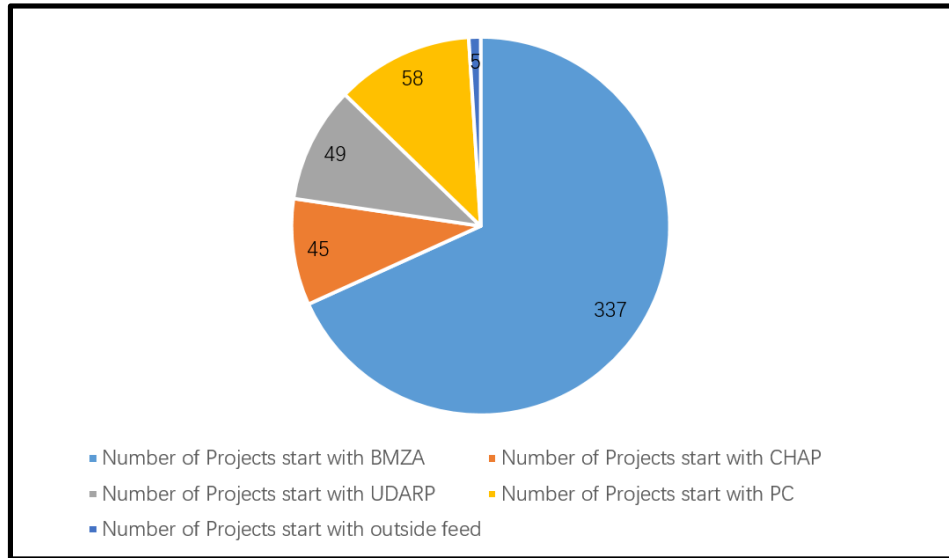
From Table 5-7, we can observe that only one project passed through all four stages. The majority of projects passed through only one review process stage. BMZA reviewed the largest number of projects.

Table 5-7 Stage Frequency Distribution

Number of Stages	Path	Number of Projects
1 stage	BMZA	262
	CHAP	10
	UDARP	15
	PC	35
2 stages	BMZA+PC	55
	BMZA+UDARP	8
	BMZA+CHAP	18
	CHAP+UDARP	0
	CHAP+PC	21
	UDARP+PC	31
3 stages	BMZA+PC+UDARP	5
	BMZA+PC+CHAP	5
	BMZA+UDARP+CHAP	4
4 stages	BMZA+PC+CHAP+UDARP	1

Regression Analysis

Using regression analysis and hypothesis testing, the McCourt Team will attempt to identify correlations between key variables, the project characteristics and project approval timelines. Statistical analysis will allow further exploration of linkages between macro and micro factors affecting each project and the speed of advancement through planning review.

Independent variables are mainly drawn from the BNIA Pipeline Database and BNIA Vital Signs website, ranging from project density to community characteristics.

Research Hypotheses

We proposed the following research hypotheses based on the literature review we conducted and expert feedback:

1.) Neighborhoods with more projects witness faster public review processes;

2.) Projects built on publicly-owned lands move faster in the public review process;

3.) Neighborhoods with higher median income witness a shorter public review process;

4.) Major projects move slower than non-major projects in the public review process;

5.) Neighborhoods with high vote rate have projects that move slower than those in neighborhoods with lower vote rate;

6.) Projects in more racially diverse neighborhoods move slower than those in less racially diverse neighborhoods.

Our team will conduct a comprehensive regression analysis in order to test the effect of each target independent variable while controlling for the effect of other independent variables.

Regression Formula

$$TOTAL = \beta_0 + \beta_1 Density + \beta_2 Land + \beta_3 \ln(MedInc) + \beta_4 Vote + \beta_5 RacDiv + \beta_6 Major + u$$

Apart from the formula for total review time length, we are also interested in analyzing the independent variables' impact on time spent in every review stage. Therefore, we will also run the following regressions:

$$UDARP = \beta_0 + \beta_1 Density + \beta_2 Land + \beta_3 \ln(MedInc) + \beta_4 Vote + \beta_5 RacDiv + \beta_6 Major + u$$
$$CHAP = \beta_0 + \beta_1 Density + \beta_2 Land + \beta_3 \ln(MedInc) + \beta_4 Vote + \beta_5 RacDiv + \beta_6 Major + u$$
$$BMZA = \beta_0 + \beta_1 Density + \beta_2 Land + \beta_3 \ln(MedInc) + \beta_4 Vote + \beta_5 RacDiv + \beta_6 Major + u$$
$$PC = \beta_0 + \beta_1 Density + \beta_2 Land + \beta_3 \ln(MedInc) + \beta_4 Vote + \beta_5 RacDiv + \beta_6 Major + u$$

Table 5-8: Regression Variable Table

Variable Type	Variable Label	Variable Name	Type	Unit	Data source
Dependent	Total Review Process Time Length	*TOTAL*	Continuous	Days	BNIA Pipeline Database
Dependent	UDARP Time Length	*UDARP*	Continuous	Days	BNIA Pipeline Database
Dependent	CHAP Time Length	*CHAP*	Continuous	Days	BNIA Pipeline Database
Dependent	BMZA Time Length	*BMZA*	Continuous	Days	BNIA Pipeline Database
Dependent	PC Time Length	*PC*	Continuous	Days	BNIA Pipeline Database
Independent	Project Density	Density	Continuous	Number of Projects in each community	BNIA Vital Signs
Independent	Project Land Ownership	Land	Dummy	public/private	BNIA Pipeline Database
Independent	Neighborhood Median Income	MedInc	Continuous	$10,000	BNIA Vital Signs
Independent	Neighborhood Vote Rate	Vote	Continuous	Percent Population (>18) who voted in the general election in 2014	BNIA Vital Signs
Independent	Racial diversity index	RacDiv	Continuous	The higher the value, the more racially and ethnically diverse	BNIA Vital Signs
Independent	Major project*	*Major*	Dummy	-	BNIA Pipeline Database

*Criteria for a "Major Project" can be obtained from the BNIA Pipeline Database Entry Manual:

1.) Any commercial development that was greater than $1 million (not a steadfast rule)
2.) Office, hotel, parking, retail, multifamily housing, multiple SF housing projects
3.) New construction, renovations, expansions, conversions
4.) Significant Infrastructure projects
5.) No single family houses
6.) No commercial tenant improvements

Data Source

Apart from the *Major* and *Land* variables, all other key independent variables we identified for the regression do not exist in the BNIA database, and we plan to overcome this barrier by conducting independent research using outside sources. The neighborhood characteristics can be found on the BNIA Vital Signs website: BNIA Vital Signs. BNIA Vital Signs reports contain Baltimore neighborhood indicators such as racial diversity, household median income and vote rate.

Regression Output

Table 5-9: Regression Output

VARIABLES	(1) TOTAL	(2) CHAP	(3) PC	(4) BMZA	(5) UDARP
Density	1.420	-1.467	4.172*	1.343	-6.066
	(1.290)	(3.413)	(2.374)	(1.500)	(4.863)
Land	-28.94	68.52	1.974	-101.1	-21.05
	(53.24)	(94.55)	(66.50)	(95.25)	(140.0)
ln_medinc	-30.43**	93.34	-22.65	-34.77***	27.09
	(12.88)	(75.45)	(22.01)	(13.12)	(40.00)
Vote	-3.040*	-1.225	-1.246	-1.024	-3.237
	(1.795)	(4.269)	(3.115)	(2.032)	(7.983)
RacDiv	-0.0826	0.574	-0.284	0.142	0.113
	(0.748)	(2.021)	(1.414)	(0.828)	(3.149)
Major	82.22**	82.32	72.78	-26.89	-15.77
	(35.40)	(87.06)	(51.79)	(53.99)	(118.7)
Constant	657.3***	-801.3	411.9*	591.5***	238.9
	(139.5)	(773.1)	(244.6)	(144.5)	(468.8)
Observations	452	52	86	325	51
R-squared	0.042	0.087	0.089	0.031	0.052

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

The regression output led us to the following findings:

1) After controlling for all other independent variables, household median income of each community is significantly (statistically significant on the 95% level) associated with total review time length of each project located in the same community. Specifically, a $10,000 increase in a community's

median household income is associated with 30.43 day decrease in total review time length. Simply put, real estate development projects located in wealthy neighborhoods statistically move faster through the process of obtaining construction permits through public review. It is also worth noting that the effect of median household income has an even more significant effect (statistically significant on the 99% level) on the total number of days spent in BMZA for all projects that moved through BMZA. A $10,000 increase in a community's median household income is associated with 34.77 fewer days in BMZA.

2) Major projects, on average, spend roughly 82 days more than non-major projects in the public review process when controlling for all other independent variables, this effect is statistically significant on the 95% level. This finding is in line with our finding in the descriptive summary part. According to table 3-4, major projects' average total review time length is 307 days whereas non-major projects' average total review time length is 217 days. The regression suggests that after controlling for relevant community characteristics and land ownership, major projects actually move slower than non-major projects. However, being a major project does not make a significant difference in each review stage.

3) Controlling for all other independent variables, community vote rate has a significant association with total review time length on the 90% statistical level. One percentage increase in vote rate is associated with 3.04 fewer days in total review time length. We conclude that projects located in communities with more politically engaged population move faster in the public review process.

4) Only project density has a statistically significant effect (on the 90% level), on the number of days spent in the Planning Commission, controlling for all other effects. One more project in the community could increase the average PC review time length by 4.172 days for all projects located in this community.

5) Land ownership and racial diversity do not have a statistically significant impact on either the total review time length or time spent in each review stage.

Insights from Case Studies

Quantitative analysis allows us to unearth influential factors that impact review time length, such as household median income of each community statistical area, "major project" status and vote rate. However, it is also valuable to incorporate some insights from qualitative case study research.

1. Community engagement
   In the regression analysis section, we used "vote rate" as a proxy of the measurement of political engagement in each community, it turns out to be significantly associated with the total review time length on the 90% level, and communities with higher vote rates witness shorter review time length. However, this quantitative finding cannot tell the full story: how is a community's residential political engagement related to projects' review time length? What is the importance of community outreach on the developers' side? Fortunately, our qualitative study in the next chapter will help fill in the gaps in the research.

   In the Remington Row case study described in the next chapter, we learned that staff from the development company acted strategically by proactively reaching out to community residents for signatures on a petition, which avoided extra delay in the public review process. Remington Row staff's experience with the community indicates that proactive community outreach could be a positive factor in shortening review time length.

2. Project design

   Initially, we were concerned whether projects of different building types and land use types might have different public review time length. However, those differences are not as obvious due to a lack of representative sample within the descriptive summary section. Nevertheless, as demonstrated by the next chapter, we learned from our case studies that authoritative agencies might hold strict requirements for real estate projects, which could lead to extra delays in the public review process. These findings together indicate that concrete project designs can be a very influential factor on review time length, which is not necessarily associated with the projects' building types or land use types.

   These findings will be discussed further in Chapters VI and VII.

Conclusion

The missing variables in the pipeline database (e.g. land use type, building type, developer name, developer size) make it challenging to summarize the overall distributive pattern, but we are still able to draw some important statistical conclusions based on descriptive statistics and regression analysis.

Of the 494 projects, there are 84 new construction projects (17%) and 35 renovation/addition projects (7.1%). The remaining 375 projects were not clearly labeled. As for land use type, only 112 out of the 494 projects have the "land use type" value, among which the majority are residential projects (48), followed by 22 mixed-use projects and retail projects. Other land use types include

transportation, healthcare, miscellaneous, education, infrastructure, culture, office and industrial.

Projects took place all around Baltimore city, with the most located in the "Midtown" community has the most projects, 37, with an average review time of 128 days. "Sandtown-Winchester/Harlem Park" has the longest average review time (728 days) but only has 3 projects. The average total review time length of all 494 projects is 233 days, the maximum number of days is 1291 days and the minimum is 2 days.

Based on regression analysis, projects located in communities with higher household median income move faster, and major projects move faster than non-major projects. Community vote rate also has an accelerating effect on public review process.

CHAPTER VI: Case Studies & Interviews

The following chapter provides a qualitative exploration of the Baltimore City permitting process from the developer's perspective. Our objective is to deepen our understanding of factors which may slow or speed up the real estate development review process in Baltimore and further probe the findings of our quantitative analysis.

The chapter is divided into four parts. First, we provide in-depth case studies of three development projects in Baltimore that offer clues as to the factors speeding or slowing the review process. Next, we summarize lessons learned from the case studies. Third, we summarize firsthand accounts of the review process from five interviews with developers and consultants who offer perspectives from their experiences navigating the Baltimore review process and expertise in real estate development. Fourth, we highlight interviewee feedback on particular aspects of the permitting process that are seen as problematic for developers, and describe potential fixes for these issues as recommended by our interview group.

Case Studies

For our case studies, we selected three out of the 87 major projects (those costing more than $1 million and not single family homes) in the Pipeline database for an in-depth look at the factors affecting the speed of the overall review process, as well as developers' perceptions of the review process. The three cases, Remington Row, the Shops at Canton Crossing, and Anthem House, provide an interesting comparison because they are all of large scale and cost, and are all involved in retailing business. They subsequently went through both the Planning Commission and UDARP stages. While they are similarly complex, they differ by overall review time. They therefore allow us to hold project size constant and examine other causes of different review process outcomes. Namely, we investigate the impact of three different locations, types of developer, and developer approaches to the review process on overall review time (Table 7-1).

For each case study, we provide a project description, neighborhood characteristics, developer description, and tactics used by developers to overcome review process hurdles. We found that across all three projects the frequent solicitation of community input, public demand and political support for new neighborhood attractions, willingness to compromise with UDARP, and developer's prior experience developing in Baltimore shortened review time. Review process "shortcuts" like PUD and Urban Renewal areas also seemed advantageous for rapid approval.

Table 6-1: Case Study Summary

Project Title	Developer Name	Developer Size	Developer Experience in Baltimore	Developer Geographic Area	Cost	Type	Location	Neighborhood Median Income	Neighborhood Diversity Index (low=less diverse)	PUD	Urban Renewal Area	Review Time
Remington Row[18]	Seawall Development Corporation	Three Principals (1-10 employees)	9 years	Baltimore Philadelphia	$ 40m	Office, retail, and residential apartments	North Baltimore	$60,000	40	Yes	No	*PC- 1 month UDARP – 2 months*
The Shops at Canton Crossing[19]	Chesapeake Real Estate Group LLC	10+ Employees	12 years	Baltimore-Washington Metro Area /Mid-Atlantic Region (DC, PA, MD, VA, DE)	$105m	Retail	Southeast Baltimore	$30,968	73	No	No	*PC – 19 months UDARP – 5.5 months*
Anthem House[20]	Buzzuto Group	1,000-5,000 employees	27 years	East Coast	$80 m	Residential apartments, retail, and fitness center	South Baltimore	$85,000	19	No	Yes	*PC – 16 months UDARP – 2.5 months*

[18] Mirabella, Lorraine. "Harris Teeter, Old Navy, Loft to open with Target at Canton Crossing." *Baltimore Sun*. 5 February 2013.

[19] About." Chesapeake Real Estate Group. http://www.cregllc.com/about/

[20] Litten, Kevin. "Bozzuto unveils name, interior design of its Locust Point apartment project." *Baltimore Business Journal*. 5 January 2015.

Case Study 1: 2700-2900 Remington Avenue (Remington Row)

Remington Row witnessed a rapid approval time compared to other major projects in the Pipeline database, and therefore can be considered a "successful" navigation of the Baltimore review process. According to our records, Remington Row spent a month in the Planning Commission and two months in UDARP. One month is quite fast given the fact that the average review time length for PC documented in the preceding chapter is 201 days (around 6-7 months) and for UDARP is 218 days (more than 7 months).

We believe this success resulted in part from positive community relations, the developer's extensive prior experience with the Baltimore review process, and the developer's subsequent ability to match the project type with the neighborhood market demand and political climate.

Project Description & Neighborhood Characteristics

The "Remington Row" project consists of 108 newly constructed rental units in the Remington neighborhood near Johns Hopkins University, two miles north of downtown. The 250,000 square feet, mixed-use building cost $40 million dollars and has 15,000 square feet of street-level retail, as well as three floors of underground parking.[21] The building also features a 30,000 square foot health clinic, and is LEED Silver certified. Apartment pre-leasing began in January 2015.[22]

The surrounding cityscape consists of row homes, low-rise, multi-family buildings, and blighted industrial properties. Remington residents have a median income of $60,000 with 33 percent earning more than $75,000, and a racial diversity index of 40.[23] In our regression analysis, we found that the higher the income of a neighborhood, the shorter the review time, and that principle seems to hold true for Remington Row.

Developer Description

The developer, Seawall Development Corporation, achieved rapid construction approval despite being a small, locally-based company. Seawall is a for-profit with a staff of three principals established in Baltimore in 2007. Seawall's work is

---

[21] "Remington Row." New Markets Tax Credits. Enterprise Community Partners. Accessed 17 April 2016.
[22] Perl, Larry. "Pre-leasing of apartments begins for Remington Row." *Baltimore Sun*. 21 January 2016. ; "Remington Row."
[23] BNIA Vital Signs 14. http://bniajfi.org/vital_signs/

confined to North-Central Baltimore, with a particular focus on Remington, but the company also has a few nascent projects in Philadelphia.[24]

Review Process & Community Involvement

Seawall facilitated Remington Row's approval by opting for PUD designation, which allowed for zoning flexibility. The project consolidated nine individual properties into one, including the former site of the Baltimore Glass Company. The 2700-2900 blocks of Remington Avenue lacked adequate zoning and crossed multiple zones. After eight years of working in Baltimore, Seawall was also able to take advantage of their working relationships with agency officials. Seawall staff responsible for approval for a given project made an effort to call reviewers individually and to respond to reviewers' requests for revisions within a week.[25]

The project received considerable support from community residents. Seawall solicited community engagement from the early phases of the project in keeping with their mission of effectuating social change through real estate, or "to use the built environment to make neighborhoods better places, and fill redeveloped buildings with people who are making the city a better place." Reflecting this mission, the majority of Seawall projects serve a clear community benefit, such as teacher housing, office spaces for nonprofits, and affordable rental housing.[26]

Remington Row was no exception to Seawall's neighborhood-friendly approach. During the project design process, Seawall solicited community input through 15 meetings. Community feedback generated a list of potential uses for the development that informed Seawall's selection of retailers and vendors. Seawall also made a point to consider secondary effects such as the impact of loading, trash delivery, drop-off areas, entrances, noise pollution, and light pollution on the surrounding community.[27]

Community input influenced the height, parking, and inclusion of architectural "setbacks" or step-like recessions in the final design of Remington Row. The Remington Row apartments will serve a community benefit not only in amenities offered but also because Seawall agreed to price them "below-market, and 20 percent of the units will be affordable to families earning less than 80 percent of area median income". The building was praised by the community association leader as a good "fit" for the neighborhood. [28]

[24] Seawall Development. Fundrise. https://fundrise.com/networks/seawall/view
[25] Interview with Seawall principal 3/28/16
[26] Fortner, Amanda. "Seawall Development: A Model for Social Enterprise." *What Weekly*. 5 February 2014.
[27] Interview with Seawall principal 3/28/16
[28] Ibid.

Community-sensitive design translated into political support for the project. Seawall staff went door to door to obtain signatures for a petition, and coordinated public attendance at review hearings. As a display of support, fifteen people came to the Planning Commission meeting for Remington Row, and seventy-five people for the City Council hearing. Ultimately, only one resident refused to support Remington Row. In this way, Seawall avoided extra delays in approval.[29]

This finding sheds some light on our regression analysis in preceding chapters. We hypothesized that a more politically engaged neighborhood could mobilize resistance to development. Even though community vote rate is significantly associated with total review time length, the scale of impact is limited (one percentage increase in vote rate is associated with 3 fewer days in the public review process) However, here we see that Seawall proactively reached out to residents and managed to reduce the number of days spent in the public review process. This shows that neighborhood vote rate does not necessarily have an impact on real estate development projects' public review speed as large as that a public outreach effort could have.

In summary, Seawall was able to pass review in a few months without staff or financial resources equivalent to larger corporations due in part to their clear effort to respect community needs and their leveraging of staff experience from eight years of developing in Baltimore. Ostensibly, a major project requiring the consolidation of multiple properties and a rezoning of the area could have experienced longer delays in the hands of a less experienced developer out of touch with the community and unfamiliar with the ins and outs of the Baltimore review process.

Case Study 2: 3501-4001 Boston Street (Canton Crossing)

Canton Crossing's review time is relatively long among the 87 major projects, and therefore may reveal factors inhibiting rapid approval. According to our quantitative analysis, the project spent 19 months in the Planning Commission and approximately five and a half months in UDARP. We suggest that the delay resulted from the complexity and size of the project and a lack of trust and communication between the developer and UDARP officials due to the higher stakes of the project and conflicting visions for project design. However, these factors were not debilitating because the developer leveraged tenant demands,

---

[29] Ibid.

community and political support, and local experience.

Project Description & Neighborhood Characteristics

The "Shops at Canton Crossing" is a mixed use, new construction project at an estimated cost of $105 million. The large-scale development covers 325,000 square feet and includes 31 different retailers. These range from the large anchor stores Target (135,000 sq. ft.), Harris Teeter, Michael's, Old Navy, and DSW Shoes, to an assortment of smaller vendors like the Hair Cuttery, Five Below, and Sleepy's Mattresses, as well as several restaurants and fast food chains. All stores and parking are one-story, surface level constructions.[30]

Canton Crossing is situated on bustling Boston Street along the waterfront in the Canton neighborhood. Canton is two miles from the southeast of downtown Baltimore on the outer harbor waterfront, and consists of residential row-homes with a bustling waterside park area and neighborhood square.[31] Canton residents have a median income of $30,968 with 12 percent of the population earning more than $75,000 and a racial diversity index of 73.[32]

Developer Description

The developer, Chesapeake Real Estate Group, LLC, focused on retail and office development in Southeast Baltimore (with several projects in Anne Arundel County, Maryland as well). Their projects generally do not involve public subsidy, tax credits, or tax-increment financing. Unlike Seawall, they are not focused on targeting low-income neighborhoods, but they do take advantage of enterprise zones and brownfield redevelopment.[33]

Review Process & Community Involvement

The property used for Canton Crossing was a brownfield site that had been vacant for 50 years. It had structural problems such as buried concrete dating back to the 1800s and pollution since it was formerly an operating Exxon refinery in the 1990s. There was no zoning for the project.

The size of the project made it high profile, and its ability to attract downtown

---

[30] Store List. The Shops at Canton Crossing. http://theshopsatcantoncrossing.com/stores/
[31] "Canton, Baltimore." Wikipedia. Accessed 17 April 2016.
[32] BNIA Vital Signs 14. http://bniajfi.org/vital_signs/
[33] Interview with CREG former staff member 3/28/16

investment, residential growth, and shopping earned the support of the Mayor and City Council early on in the review process. Because it was a landmark project, Canton Crossing also received a lot of public commentary and neighborhood feedback, but little public resistance because Target was the coming attraction and welcomed by local community associations.[34]

UDARP and Chesapeake clashed over the design of Canton Crossing, with UDARP criticizing the project design for being too suburban. UDARP officials advocated for a more urban design, similar to the high-rise, mixed-use developments with multi-story parking garages in Harbor East. They also stressed pedestrian flows and walkability. However, Chesapeake could not realize UDARP's vision for several reasons. First, there was an Exxon deed restriction against social services. Second, Target refused to support the cost of parking garages and insisted on a standard, one-story Target store with surface parking. Further, Target and other tenants were concerned with the size of driving aisles, turning radiuses, loading space, etc.[35]

Chesapeake principals struggled to reconcile tenant demands with city official preferences, and with other miscellaneous regulatory requirements of the review process such as stormwater management. In addition, given the suburban design of the project, Chesapeake did not want to make pedestrian flows a primary focus of the design.[36]

The biggest risk for this project was losing retailers due to delays or city demands, especially Target. Target only opens stores on two days out of the year, and missing that date would have delayed the project 5-6 months, causing costs to skyrocket. Chesapeake staff overcame this by perpetually confronting the Planning Commission, the Mayor, contractors, and other stakeholders with Target's deadline to move the process along, with follow-up phone calls, etc.[37]

In summary, Canton Crossing earned approval in time to retain its biggest tenant thanks to Chesapeake's persistent articulation of tenant demands and project constraints, political and community support for tenant selection, and previous staff knowledge of the review process. However, the emerging project reflected an uneasy compromise between UDARP and Chesapeake. The high stakes of the project both helped and hindered the review process – the city was eager to attract the investment but concerned about the impact of project design elements.

---

[34] Ibid.
[35] Ibid.
[36] Ibid.
[37] Ibid.

We conclude that the clash between city agencies and developers on matters such as project design and public space allocation manifested itself in a prolonged UDARP and PC review. This also reaffirms the general rule put forth in our Baltimore review process overview that the more complex a project is, the more approvals it will require before construction can begin, and the longer the review process will take.

Case Study 3: 900-920 E Fort Avenue (Anthem House)

Anthem House is another project with long review time, relative to other major projects. According to our data analysis, Anthem House spent almost 16 months in Planning Commission review, and two and a half months in UDARP. This is not a long time in UDARP, given that the average review time of UDARP is around 4.5 months. Anthem House spent fewer months in UDARP and PC than Canton Crossing, and there were no extraordinary sources of delay. This appears to be due to Buzzuto's willingness to compromise with UDARP demands, community support, and the advantage of Urban Renewal area allowances in the review process.

Project Description & Neighborhood Characteristics

Anthem House is an 80-million-dollar redevelopment of a former General Electric Company site of 2.7 acres in the Locust Point neighborhood, on Lawrence street corridor accessing the waterfront. It has nine stories of 292 upscale residences, 20,000 square feet of retail, a rooftop bar and top-floor restaurant, as well as ample parking. It has a health and wellness lifestyle theme, with an infinity pool and fitness center. Recently constructed, it will begin leasing in 2016.[38]

The Locust Point neighborhood is located on the South Baltimore peninsula in the Locust Point Industrial Area and has seen rapid gentrification in recent years. The population has a median income of a little over $85,000 with 50 percent of the population earning more than $75,000, and a racial diversity index of 19.[39]

Developer Description

The developer, Buzzuto Group, began developing multi-family, mixed-use products in Baltimore and evolved to hotel products in 2006 with large-scale

---

[38] "Anthem House." Buzzuto Group Apartments. https://www.bozzuto.com/apartments/communities/anthem-house
[39] BNIA Vital Signs 14. http://bniajfi.org/vital_signs/

developments on both sides of the Baltimore harbor. Past and current projects include the Fitzgerald at UB Midtown, Whole Foods Harbor East, Spinnaker Bay apartments, and Union Wharf. Buzzuto develops beyond Baltimore in D.C. and Alexandria as well as other East Coast locations. They partnered with Solstice Partners LLC on Anthem House.[40]

Review Process & Community Involvement

Anthem House was not in a historic district, so CHAP was not necessary, but it required Planning Commission rezoning approval and UDARP review. Buzzuto took advantage of the project being in an Urban Renewal area, which allowed them to achieve concessions and approvals they might not otherwise have received, such as more parking.[41]

Buzzuto described the review process as "pretty straightforward," with a community participation process that centered on concerns around parking and traffic. They succeeded in securing community buy-in by working closely with the Riverside Neighborhood Association in Locust Point. Based on community input, they agreed to expand a pedestrian plaza at the corner of the building to provide a better "gateway to Locust Point."

UDARP expressed concerns over the consistency of the building façade with the rest of the neighborhood, or the surrounding architectural conventions. Buzzuto agreed to accommodate all of UDARP's concerns to allow the project to move forward with construction according to their original timeline, and their design revisions earned praise from UDARP panelists.[42]

In short, Buzzuto experienced a routine, smooth process review that did not endanger the profitability of the project at any point. Their compliance with UDARP requests shortened UDARP review, and the PC review time appears to be standard for major projects with some complexity like Anthem House and Canton Crossing.

Case Study Lessons Learned

In conclusion, the variety of factors affecting each case study makes it difficult to isolate, which factors directly contributed to a longer review time, aside from the

[40] Buzzuto Group homepage. https://www.bozzuto.com/. Accessed 17 April 2016

[41] Interview with Buzzuto staff 3/28/16

[42] Litten, Kevin. "Bozzuto's $80M Locust Point apartment project wins city OK; construction set for fall." *Baltimore Business Journal.* 13 March 2014.

size and complexity of the projects, and extended conflicts with UDARP in the case of Canton Crossing. However, across all three projects, community support and political support for new development was a facilitating factor. In addition, developers' prior experience in Baltimore and review process "shortcuts" such as PUD and Urban Renewal areas clearly accelerated approval, as well as making concessions to UDARP in project design. These "success" factors are epitomized by the Remington Row and Anthem House projects.

Expert Interviews

We interviewed five stakeholders experienced in navigating the Baltimore review process. We asked them to compare each review stage in terms of ease of approval and to detail their approaches to accelerating approval and overcoming bureaucratic hurdles. Each interviewee identified systemic strengths and weaknesses and corresponding solutions, either that developers themselves could implement or broader policy recommendations that the City can use to address inefficiencies, detailed below.

Review Time Frames

We asked interviewees to estimate typical review timeframes for their projects to see if their perceptions matched our findings. Interviewees gave a range of estimates. One interviewee estimated that the PUD *process* usually takes 9 months. In the last 3-6 months, the most action happens in terms of community meetings, schematic designs, and finalizing PUD and building permit requirements. The building permit process usually takes 2-4 months.[43] Another interviewee told investors that the timeline from project idea to groundbreaking is 18 months, and that the review process generally folds into the first 9 months but can be as short as 5 months, even for major projects.[44]

Every interviewee stressed that every day matters when it comes to minimizing project costs by managing project timelines. Delays prolong interest carry and other costs, making time the greatest limiting factor to project viability. However, they declined to give a specific number of months as a standard review time for all projects, declaring that review time depended on the project. They conceded that the rezoning process shouldn't occur overnight, and merits time for deliberation on the city side.[45]

[43] Interviewee 1
[44] Interviewee 3
[45] All Interviewees

Tactics for Success

Interviewees highlighted tactics that developers can use to reduce review time, grouped into three main categories: internal management and operations, community outreach, and stakeholder relations.

Table 6-2: Tactics of Successful Developers

Management and Operations
 - **Senior Leadership**: Make project owner or company principal the "face" of the entire review process for a given project, and be present for public proceedings to earn goodwill of the public and City Council[46] - **Rapid Follow-up:** Have a "hands-on" development team that is actively involved in advancing projects through each approval stage in a timely manner through rapid follow-up on reviewer requests (one developer aims to follow up within a week)[47] - **Detail-oriented staff**: Pay close attention to detail when submitting paperwork[48] - **External Expertise:** Hire attorneys or consultants who are familiar with the system to guide developers through the process[49]
Community Outreach
- **Timing and Frequency of Meetings:** Conduct early and frequent meetings between the development team and community leaders or community associations[50] - **Responsiveness:** Generate iterations of project design that demonstrate responsiveness to community feedback[51]
Stakeholder Relations
- **Networking**: Build strong working relationships and familiarity or camaraderie with public officials[52] - **Credibility**: Show evidence of community support to council members and agency officials[53] - **New Businesses:** Draw retailers or tenants who are desirable for the community or viewed favorably by the Mayor and City Council[54]

Source: Shieh, Natalie[55]

---

[46] Interviewee 1
[47] Interviewee 1
[48] Interviewee 1
[49] Interviewee 2
[50] Interviewees 1&2
[51] Interviewee 1
[52] Interviewee 3
[53] Interviewee 1
[54] Interviewee 2
[55] Shieh, Natalie. "Permit Guide: City of Philadelphia." (n.d.): n. pag. *City of Philadelphia: Commerce.* City of Philadelphia. Web. <Phila.gov/commerce>.

Interviewee Policy Recommendations

Interviewees recommended several systemic changes that the City of Baltimore could make to streamline review so that project horizons are not unnecessarily extended. Interviewees had few complaints regarding BMZA and CHAP, which they described as "pretty straightforward."[56] Their criticism centered around zoning, the Site Plan Review Committee, UDARP, building permitting, and miscellaneous permitting stages beyond the four principal review processes.

In general, the goal of these recommendations is to make the review process more predictable. If the process is predictable, in that expected delays are factored into the budget from the outset and there are no unexpected delays, then developers know how to budget for each project without wasting resources. When unpredictable delays result that developers did not budget for, the viability of the project can be at stake.[57]

Prioritize the "Transform Baltimore" Zoning Rewrite

The lack of proper zoning necessary for a modern, 21st century city was universally cited as an impediment to real estate investment in Baltimore. Developers assume a significant risk by purchasing land that has no zoning, or antiquated zoning. According to one interviewee, most large, corporate developers will set "Do not purchase land without zoning" as company policy. Since the "Transform Baltimore" zoning rewrite is already underway, zoning reform is not a focus of this paper. However, all interviewees agreed that the zoning rewrite process has taken far too long and needs to be finished as soon as possible.[58]

Avoid Contradictions between Site Plan Review Committee (SPRC) and Agency Reviews

Several interviewees also indicated that the review process overall is complicated, particularly to new developers, and could benefit from more developer guidance and summary resources. The Site Plan Review committee should handle this in theory. Originally, SPRC was intended to be an opportunity for officials from every agency involved in the review process to give feedback on preliminary plans. In this way, developers could save time and resources by getting a preview of agency preferences and impending requirements.

---

[56] Interviewee 2
[57] Interviewee 2
[58] All interviewees

Some interviewees mentioned that SPRC is beneficial because it brings all stakeholders of a given project into the same room.[59] However, all agreed that SPRC has morphed into a review process in its own right, with 6 to 7 sheets' document that developers need to submit and 12-13 officials in the room. Developers are not permitted to enter Planning or UDARP until SPRC is completed. In other words, it adds another layer of review instead of de-mystifying or expediting the review process.[60]

Also, in practice, not every agency is present at SPRC meetings, nor do the officials present have decision-making authority within their respective agencies. As a consequence, the comments made by officials at SPRC meetings are often incorporated into the project application, but those comments are later contradicted during agency review. The extra revisions caused by the contradictions between SPRC comments and agency reviews are very costly to developers.[61] Interviewees recommended several steps to improve this aspect of the review system, as outlined in Table 6-3.

Table 6-3: SPRC Recommendations

Problem	Recommendation
Lack of clarity on how to proceed for a given project	- Publish a start-to-finish, comprehensive resource, perhaps on the Planning Department website, that takes them through step by step[62] - Hold a pre-concept meeting that conveys exactly what they need to do, how to do it, and where to submit it, and that clarifies the agencies involved and all the various components[63]
SPRC suggestions reversed in later review stages	- Make SPRC more comprehensive by making sure that the person representing each agency at SPRC has the authority to suggest and propose all comments for that particular agency[64]

[59] Interviewees 3&4
[60] Interviewee 2
[61] Interviewees 4&5
[62] Interviewee 1
[63] Interviewee 1
[64] Interviewee 5

Agency representatives absent from SPRC meetings	- Implement a comment submission system for high-ranking agency members that cannot attend SPRC meetings. This absentee submission system could require agencies to submit comments within 48 hours of the SPRC meeting.[65]

Streamline UDARP Review

Our interviews identified UDARP as a bottleneck in development review compared to the other three review stages. Interviewees admitted that the purpose of UDARP is worthy, in that each project needs to fit into the context of the neighborhood. One interviewee appreciated UDARP as a good opportunity to get free consulting on project design and believed that higher quality projects emerged after UDARP.[66]

However, other developers criticized UDARP as "tough," "unpredictable," and a drain of "time and money" because the review panel frequently issues contradictory requests for project design modifications. In one developer's words, "We're asked to do something in the first meeting, and then we did it, and we returned, but they said 'wait we actually don't need this.'"[67]

For instance, one developer claimed that meeting with UDARP twelve times and submitting multiple iterations of project design plans at UDARP's requires delayed the project by 4-5 months and cost 200-250k for additional design time.[68]

Developers also highlighted the fact that at times UDARP panelists demonstrate a lack of understanding of business models, development financing, and civil engineering principles. Additionally, developers stated that they are not able to speak in a frank manner at UDARP meetings, because the meetings are all public. While they agree that some meetings should be public, having every single meeting public invites controversy when plans are not fully completed and change frequently.[69]

Developers pointed out that the market incentives for good design are already in

---

[65] Interviewee 5
[66] Interviewee 3
[67] Interviewees 1&2
[68] Interviewee 2
[69] Interviewee 2

place independent of UDARP. For instance, as the long-term owners of a leasable project, developers have to make sure that the property is of quality design so that it remains leasable.[70]

Furthermore, UDARP reviews projects later in the review process, and their lack of familiarity with the evolution and neighborhood context of complex projects is problematic. UDARP architects do not have any preliminary information on the development being reviewed prior to project presentations at UDARP hearings. Therefore, they cannot prepare any questions or concerns.[71] Essentially, the time and money caused by UDARP-specific delays is a development barrier in Baltimore.

The developers' focus on UDARP as a potential area of improvement in the review process is backed by our data analysis. Average review time for UDARP was 218 days, compared to 213 for BMZA, 201 for the Planning Commission, and 137 for CHAP. Similarly, UDARP's maximum review time of 1272 days rivalled BMZA's maximum of 1281 days, compared to 1246 for CHAP and 896 for PC.

UDARP also has a lower percentage of project review times that fall in the 1-99 category compared to other review stages. In UDARP, 54% of projects have less than than 99-day review times. In CHAP, 66% of projects have review times lower than 99 days. In PC, 46% fall in the 1-99 days' category. To streamline this stage of review, developers made the following recommendations:

Table 6-4: UDARP Recommendations

Problem	Recommendation
Delays created by lengthy and contradictory UDARP reviews/Unpredictability of UDARP panelists' preferences	- Eliminate UDARP altogether, and fulfill UDARP functions with existing Planning Department staff. As one developer pointed out, UDARP is not in the Planning Department charter. It is an advisory body to Director of Planning, and is therefore nonessential.[72] - Allow architects to become certified in UDARP design principles and then approved to do projects without case-by-case review, which Code Enforcement then audits.[73]

---

[70] Ibid.

[71] Interviewee 2&5

[72] Interviewee 2

[73] Interviewee 2

UDARP panelists' lack of openness to new designs	- Balance of local and nonlocal UDARP panelists, half from Baltimore and half from outside of Baltimore, so that the panel is more open to new design concepts[74]
UDARP panelists' lack of familiarity with project evolution	- Familiarize UDARP panelists with the project from the beginning, through a simple summary document provided by the developer to the panel of architects prior to the presentation meeting.[75]
UDARP panelists' lack of understanding of real estate business principles	- Place limits on UDARP authority, and narrow the scope of their review. For instance, UDARP should not review the business plan.[76] - Provide training for UDARP staff on pro formas, development financing, civil engineering, and common tenant concerns.[77]
Lack of frank discussion between UDARP panelists and developers	- Replace some public hearings with private ones between developers and city agencies[78]

Notably, interviewees cautioned against reading too much into the outliers for UDARP in our dataset, maintaining that if the UDARP process is taking 2-3 years, then there must be a cause separate from UDARP's issues. For example, perhaps the developer lost funding or the architect is negligent in advancing the plans. They also admitted that other jurisdictions, such as Baltimore County, are more restrictive about design than UDARP.[79]

Polishing Building Permitting

Our interviewees unanimously agreed that the building permit process has improved substantially over the past five years thanks to the launch of online applications and online tracking under Deputy Housing Commissioner Michael Braverman. However, they argued that the building permit process could be streamlined still further.

They emphasized that coordination is particularly necessary, given that

---

[74] Interviewee 1
[75] Interviewee 1
[76] Interviewee 2
[77] Interviewee 1
[78] Interviewee 2
[79] Interviewees 1&3

signatures from a group of approximately 25 reviewers from different agencies are required for building approval. One interviewee estimated that each reviewer needs an estimated 15 minutes to two hours to review a project, and the entire process of collecting signatures can take as long as 6-8 weeks.[80]

Consequently, developers attempt to accelerate the process by calling each reviewer individually. However, there is turnover among reviewers if they move between agencies or quit, and the contact information provided by the city is not always up to date, which becomes burdensome for developers.[81]

Further, many projects are competing at once for the reviewers' time, which means large, expensive projects compete with tiny, cheaper projects, but no systemic preference is given to the larger projects even when the stakes are higher for bigger projects.[82]

As another note, developers run into issues when the building approval process moves more quickly than PUD approval, because often PUD processes result in last-minute design alterations based on community input. The system does not progress sequentially, with multiple review processes occurring simultaneously, yet in practice PUD needs to occur before and developers have to be careful to stagger process entry. [83] To address these challenges, our interview group recommended actions enumerated in Table 6-5.

Table 6-5: Building Permitting Recommendations

Problem	Recommendation
Equal treatment of small and large projects	- Review time targets set according to project size/cost, e.g. multi-million dollar projects reviewed in x amount of time, smaller projects reviewed in x time.[84] - Designated reviewers from each agency who only work on the bigger projects[85]
Risk of revising building permitting paperwork based on PUD requests	- Timing the PUD approval process slightly ahead of the building permit process[86]

---

[80] Interviewee 2
[81] Interviewee 1
[82] Ibid.
[83] Interviewee 2
[84] Interviewee 1
[85] Ibid.
[86] Ibid.

Other Permitting

While the four main processes – UDARP, CHAP, BMZA, and the Planning Commission – get a lot of attention, there is a whole galaxy of miscellaneous permits that place a drag on project horizons. In addition to the PUD process and building permits, permits are needed to address environmental concerns, close sidewalks, for minor privileges, right of way, fencing, etc. These can take up to two months. Interviewees seem to perceive a lack of understanding among agency officials of the burden of this additional red tape. They placed particular emphasis on right of way permits.[87]

Conclusion

All in all, the three case studies show that community support, political support, prior experience and review shortcuts are key to facilitating review processes. Moreover, interviewees agreed that SPRC and UDARP needs most reform efforts, including circumventing conflicts between SPRC and agency reviews, streamlining UDARP review process, providing panelist training, etc. At last, building permitting process should also be polished to shorten review time.

[87] All interviewees

CHAPTER VII: Best Practices

This chapter highlights best practices used by Philadelphia, Montgomery County, and Washington, D.C. in these cities' respective real estate development project review processes. Interestingly, our interviewees who rarely work outside of Baltimore had strong opinions on the need for reform, while those who operate in multiple cities praised the Baltimore review process overall. However, all agreed that there are steps Baltimore City could take to streamline review. We summarize their comments below. We then highlight relevant "best practices" used by the above-mentioned cities to address Baltimore's challenges mentioned in the preceding chapter.

General Perceptions of Development in Baltimore

Our interview group highlighted both Baltimore's strength and weakness for real estate development compared to other cities. We asked those who operated beyond Maryland to offer a comparative perspective on Baltimore versus other jurisdictions, and here opinions differed. One interviewee argued that although there are many complaints about the development process in Baltimore, the city is development-friendly compared to other cities in several ways. [88]

Similarly, another interviewee described neighborhoods in Baltimore as carefully guarded and sometimes concerned about gentrification, but generally open to "good" development. For another, Baltimore city government's highly centralized, mayor-centric decision-making structure can be advantageous to large-scale development. After Planning Commission approval, City Council still has to give approval for the legislation to enable a project, and final approval rolls up to the Mayor's office. The city agencies, Mayor's office, and City Council work closely together, which is not always the case in other jurisdictions.

In other words, because Baltimore is a city that wants to attract big development, the approval processes are focused on achieving redevelopment overall and not on procedural bureaucracy for its own sake. [89] In other cities, agencies act unilaterally to create their own sub-processes, but the strong executive leadership of the Baltimore mayor makes it a lot easier to get approval in Baltimore. One interviewee complained in particular of Washington, D.C. and Montgomery County. [90]

---

[88] Interviewee 5
[89] Interviewee 3
[90] Interviewee 5

Also, they indicated that while the materials required for the review process do not reflect the whole story of a project in light of the many competing interests of stakeholders, the mayor's office seems to be aware and understanding of compromises that need to be made in project plans to placate all parties.[91]

Nevertheless, others took a more negative viewpoint by pointing to ways in which Baltimore is behind other cities. They described Baltimore as "old school," late to transform after de-industrialization, and slow to react to shifts in demographics and lifestyles. They used the inefficiency of the zoning code rewrite process as a case in point. One interviewee stated that Philadelphia is much more welcoming of development and has been able to revitalize old neighborhoods more rapidly.[92]

Another developer lamented the fact that the agencies micromanage aesthetic details to the point of endangering a project while losing sight of the big picture of impending job creation and economic growth. Those who were most critical of Baltimore's review process emphasized that Baltimore needs to prioritize the development process and take steps to increase efficiency.[93]

Review Process Improvement Efforts in Other Cities

Across the U.S., other jurisdictions have engaged in development review streamlining research. Philadelphia and Washington, D.C. are frequently used as Baltimore's "benchmark cities" in planning documents due to comparable sizes, economic sectors, historical characteristics, or geographic location, and offer best practices on development review reform. We also include a Montgomery County, because it was mentioned in our interviews, and a few other jurisdictions of note, including Portland and Los Angeles. Some of these recommendations may be fixed in the "Transform Baltimore" initiative reaching completion this year.

Philadelphia

Philadelphia has a number of useful documents that outline the permitting process for developers. The [Philadelphia Permit Guide](#) outlines all permitting needs organized either by permits or by project type. This demonstrates Philadelphia's efforts to make the permitting process transparent and intuitive for developers.

---

[91] Interviewee 3
[92] Interviewee 2
[93] Interviewee 1

Philadelphia also made an effort to improve the development permitting process through research by generating a 199-page report, *Philadelphia's Development Permit Review Process: Recommendations for Reform,* in partnership with Clinton Rubin Management Consulting. Philadelphia commissioned this in-depth analysis of its development permitting process in 2004 with funding from the William Penn Foundation. The investigative team leading the study, which consisted of both public employees and hired consultants, identified inefficiencies in permitting and developed new programs. They initiated an implementation process to solve them that has been ongoing since 2010.

The investigative team found that the review process was, "confusing, unpredictable, time-consuming, and costly for anyone trying to do business in the City of Philadelphia"[94]. The City of Philadelphia had up to 14 agencies that would all service a development application at once. These agencies were not interconnected and therefore the developers were forced to physically deliver their application to each agency involved in the review process. In addition, the permitting process was reviewed sequentially, which drastically increased the permit processing time for development projects.

The first stage of the evaluation in Philadelphia was to research best practices across the United States. The investigative team surveyed 33 cities in order to glean general best practices across the United States. The team distilled the city survey down to eight best practice categories:

---

[94] Shieh, Natalie. "Permit Guide: City of Philadelphia." (n.d.): n. pag. *City of Philadelphia: Commerce.* City of Philadelphia. Web. <Phila.gov/commerce>.

1. **Gateways & Coordination**
There is a single point of entry for development applications and a single agency manages the entire development permitting process. Typically, applicants schedule an intake appointment and the intake officer processes and routes the application to all appropriate departments. The intake agency may assign a case manager to shepherd an application through the process from beginning to end.
2. **Electronic Systems**
Information technology that allows for downloading forms, submitting applications, checking plans, issuing permits, scheduling inspections and tracking application progress online.
3. **Expedited Permit Approval: Over-the-Counter**
"Over the counter" or accelerated permit approval for work that does not require plan approval or review.
4. **Expedited Permit Approval: Fast Track as an Incentive**
Cities offer expedited permit review (with no additional fee) as an incentive for developers to undertake projects that will benefit the community-at-large, such as green buildings.
5. **Outsourcing**
Agencies streamline the permitting process and reduce the time and effort needed to review plans by City personnel by outsourcing technical review of plans to private firms or allowing self- certification for more routine construction elements, like plumbing systems.
6. **Internal Process Tracking**
Departments monitor permit volume, types of applications, approval/rejection status, and/or level-of-service data on a regular basis. Cities most commonly conduct monthly tracking.
7. **Development Packets**
A full-service guide for developers that details the necessary steps in applying for a permit, contact information, and all application forms.
8. **Permitting Training and Information Sessions**
Regularly-scheduled training or discussion seminars on how permitting works, what reviewers consider when working on a project, how to make incisive and

Following the best practices survey, the team conducted a process flow analysis and found more weaknesses specific to Philadelphia. In order to fix these systemic weaknesses, the team created four recommendations that extended across the entire process:

1. Create and publish submission requirements and discourage the submission of incomplete plans,
2. Develop a rules engine, or a collection of logical expressions that describe all permit requirements, department approvals and submissions associated with any given project,

3. Enable customers to submit payments for permitting online,
4. Establish a new position called Director of Development in the Planning Department.[95]

We believe that these best practices can be applied to Baltimore, particularly since they are derived from a best practices survey of 33 U.S. cities. Baltimore could also benefit from hiring a consultant and requiring full cooperation of all of the agencies involved in the permitting process.

Washington, D.C.

DC has separate review tracks for larger projects. The Development Review Division within the Department of Planning provides analysis, reports, and recommendations on all "large, complex, and precedent-setting" cases before the Zoning Commission (ZC) or the Board of Zoning Adjustment (BZA), to ensure that new discretionary development furthers the Comprehensive Plan for the District, addresses neighborhood needs and character, and is consistent with the intent of the zoning regulations.[96] DC Development Review has a process called "Large Tract Review"(LTR) that applies to projects that are on a site of three or more acres in area, commercial or mixed-use developments exceeding 50,000 square feet in area, or a subdivisions on a site of three to ten acres in area. The LTR process does not result in "approval" or "denial." [97] Notably, the Development Review website also provides a helpful summary of the Planned Unit Development Process (PUD).[98]

Montgomery County

Montgomery County provides a consolidated Development Review Manual for developers, and offers a fictional video that walks developers through what a typical review process looks like. In 2012, the county initiated a cross agency streamlining effort to increase the ease of the development application and accelerate reviews and inspections.[99] The Planning Board recently developed recommendations as a result of this process for streamlining the review process as included in Streamlining the Development Review Process:

1. "Consolidate the multiple reviews involved for many projects into a single application",

[95] Shieh, Natalie. "Permit Guide: City of Philadelphia." (n.d.): n. pag. *City of Philadelphia: Commerce*. City of Philadelphia. Web. <Phila.gov/commerce>.

[96] "Development Review and Zoning." DC Office of Planning. http://planning.dc.gov/page/development-review-and-zoning

[97] Large Tract Review Process Summary. DC Office of Planning.

[98] "Development Review." DC OP website. http://planning.dc.gov/page/project-review

[99] "Streamlining the Development Process." Montgomery Dept. of Permitting Services.

2. "Require a concept plan to be submitted for staff review prior to submission of the application that will be reviewed by the Planning Board",
3. "Allow certain details — such as landscaping, lighting and recreation facilities that are now required as part of a site plan — to be reviewed and approved after all land subdivisions and public improvements have been recorded",
4. "Encourage public input at additional points in the process, such as before and after submission of the concept plan, at meetings organized by the developer, in correspondence or meetings with staff, and at Board meetings".[100]

Other Cities

The City of Los Angeles hired the Matrix Consulting Group to generate a report in February 2014 on development reform that focuses on departmental mergers, co-location of departmental services, process consolidation and integration, internal workflows, and interdepartmental agreements.

Other municipalities have already implemented innovative recommendations to improve project review. For instance, the City of Portland established "devTeam Portland," a staff of "Development Liaisons" that guide developers through project development from project conception to final inspection.

The City of Phoenix, AZ "Infill Housing Program" encourages single-family construction on vacant or underutilized parcels by waiving water and sewer fees, offering special consideration for city contributions towards off-site improvements, expedited staff attention and support at city hearings.[101]

Conclusion

In short, intercity comparisons could provide ample policy recommendations to address inefficiencies in the Baltimore review process. Baltimore has yet to commission a formal study of the strengths and weaknesses of the development review process. Our report is the first of its kind to combine descriptive statistics and regression analysis with anecdotal feedback from stakeholders involved in the Baltimore review process and case studies of individual development projects. Baltimore could benefit from continued investigation into the application of best practices for development review.

---

[100]"Streamlining the Development Review Process." Montgomery Planning.
http://www.montgomeryplanning.org/development/drprocess/
[101] Rosenthal, Larry A. "Innovations in Housing Policy: The Evolving Role of Local Government." *Community Investments.* September 2005.

Chapter VIII: Report Conclusion

Overall, data patterns from the BNIA Pipeline database do not reveal a clear source of debilitating delays in the Baltimore review process. The average total review time length of the projects in the cleaned BNIA pipeline dataset is 233 days, and half of these projects were able to complete the review process within 99 days , which is a relatively efficient performance according to client's experience in the field. On average, projects in communities with high household median income level tend to move faster than those in less affluent communities. Projects larger in size and more complex in project design move slower than the less complex ones. Moreover, community support could help avoid extra delay based on both our regression analysis and case studies.

Interviewees argued that there are advantages to the Baltimore development review process compared to other cities. They also suggested that the outliers in review time, or those projects that take as long as 1,000 days, are not due to Baltimore's review process itself, but to other extenuating factors. This shows that all review stages are relatively efficient in Baltimore.

However, the process is still complex from a developer's perspective and it is difficult for developers to predict how long a given project will spend in the review process, which impacts the viability of development projects. We believe that these criticisms must be taken seriously, as eliminating this complexity may further aid Baltimore's efforts to attract new development to the city. While tactics adopted by individual developers in their internal organization and public relations can accelerate review to a certain extent, as shown in our case studies, other changes frequently referenced by our interviewees, such as aligning SPRC feedback and agency reviews, must come from the city side.

We recommend further research in several areas before conclusive decisions on what any potential systemic changes might be can be reached:
- Our qualitative research focused on developers. We recommend that the next study focused on this issue incorporate feedback from community leaders and public officials as well.
- We were unable to test the effect of developer size on review time. BNIA could begin to include some measure of developer size in the Pipeline database.
- We would also have liked to test whether an election year affects review time. We expect that in an election year the City Council would be more

willing to cooperate for rapid approval. However, we need a longitudinal dataset that covers a longer time period, so this is something that the Pipeline database could be used for in future years.

- Due to time constraints, we were only able to conduct three case studies. We hesitate to make conclusive statements based on such a small group, and recommend additional case studies for further research.

Appendix 1

The attached materials are for further clarification on the data cleaning process, the method of calculating review time length and prove our attempts at achieving the highest-level un-biasedness.

To clean our dataset, we took the following steps:
1. Delete entries with a single entry date

In order to analyze the time length that observations spend in each step of the permitting process, observations with only one date have to be eliminated from the dataset because these observations lack a beginning and end of the stage in the process.

We used "master address" as the criterion to delete projects with a single observation. By doing so, our dataset ultimately had 494 unique projects with multiple entry dates.

In order to better calculate the review time, we also deleted projects with outside feed designations and projects that were located outside Baltimore neighborhoods as outlined on the BNIA Vital Signs website.

Proof of Unbiasedness of Deleting Projects with a Single Entry Date

We provide a descriptive summary below that demonstrates that eliminating these observations did not cause bias or disrupt our analysis.

The following tables show comparisons between projects with a single date and projects with multiple dates in terms of year distribution, major project distribution, project status distribution and land use distribution. As we can observe from these comparisons, there is little statistical difference between these two categories.

Appendix 1: Year Distribution of Projects with Single and Multiple Dates

	Single Date Projects	Single Date Projects as a Percent of All Projects	Multiple Date Projects	Multiple Date Projects as a Percent of All Projects
2015	375	22.85	379	22.41
2014	436	26.57	438	25.90
2013	429	26.14	465	27.49

2012	401	24.44	409	24.17
Total	1641	100	1691	100

Appendix 2: Major Project Distribution by Single or Multiple Date Projects

	Single Date Projects	Multiple Date Projects
Major	228 (17.6%)	165 (26.5%)
Minor	1413	457
Total	*1641*	*622*

Appendix 3: Project Status Distribution by Single or Multiple Entry Date Projects

	Projects with single entry date#	Projects with single entry date%	Projects with multiple entry dates #	Projects with multiple entry dates %
BMZA	1137	70.5	359	57.7
CHAP	45	2.74	45	7.2
Outside Feed	258	15.7	73	11.8
PC	152	9.3	95	15.3
UDARP	18	1.1	45	7.2
Blanks	10	0.6	1	0.2

Appendix 3: Land use distribution by Single and Multiple Date Projects

Land use types	projects with single date #	projects with single date%	projects with multiple dates #	projects with multiple dates %
Culture	21	5.4123711	12	5.6338028
Culture-Museum		0	1	0.4694836
Culture-Performance		0	1	0.4694836
Education	19	4.8969072	7	3.286385
Education-K-12	2	5.154639	2	9.389671
Education-Lab/research	2	0.5154639	1	0.4694836
Education-Student Life		0	1	0.4694836
Flex-warehouse	1	0.257732		0
Healthcare	14	3.6082474	9	4.2253521
Healthcare-Hospital		0	1	0.4694836
Healthcare-consumer	1	0.257732		0
Industrial	12	3.0927835	4	1.8779343
Industrial-warehouse	2	0.5154639		0
Infrastructure	9	2.3195876	2	0.9389671
Miscellaneous	22	5.6701031	10	4.6948357
Mixed Use	50	12.8865979	32	15.0234742

Mixed-Use	7	1.8041237	5	2.3474178
Office	24	6.185567	8	3.7558685
Office-Downtown High Rise	1	0.257732		0
Residential	126	32.4742268	89	41.7840376
Residential-MF Condominium		0	1	0.4694836
Residential-MF Rental	3	0.7731959	4	1.8779343
Residential-MF Rental Affordable	1	0.257732	1	0.4694836
Residential-SF Attached	1	0.257732	1	0.4694836
Residential-SF Detached	1	0.257732		0
Retail	60	15.4639175	18	8.4507042
Retail-Anchored Strip	1	0.257732		0
Retail-Regional/Super-Regional Mall	1	0.257732		0
Transportation	6	1.5463918	3	1.4084507
Transportation-Passenger Rail	1	0.257732		0
TOTAL	388	100	213	100

We also deleted 19 projects that are outside the GSA map. Since this is a small number relative to the whole dataset, it should not cause any additional bias.

Appendix 2 INTERVIEW SCRIPT

To begin, could you give us a better idea of your role within the company, so we can make sure our questions are aligned with your experience?

Great, now we would like to ask you a few general questions about your company:

1. Could you give us an idea of your company profile: staff size, organizational structure, annual revenue, geographic reach, total investments, property portfolio, etc.

2. Would you describe your staff as experienced with urban development? Do you have staff members dedicated to navigating the review process?

3. How long have you been investing in Baltimore?

We also have a few questions specific to the development review process:

4. Could you give us an overview of the history of Project X?

5. What has been your experience with the agencies involved in the development review process?

6. What would you consider a long review time? Short review time?

7. For long review time projects, what would you say is the main contributor to long review time?

8. How does your team ensure success in the review process? What is your approach to facilitating the process?

9. Are certain projects more cumbersome than others?

10. How does your team prepare for entering the review process?

11. What are the effects of a long project timeline? Effects of review time on the overall project timeline and profitability?

To finish, we'd like to hear your perspective on Baltimore generally:

12. How does Baltimore compare to other cities where you invest? Any policies or procedures in other cities that you found helpful?

13. Is there anything you would change about the review process in Baltimore?

Thank you very much for your time! Is there another person you think we should reach out to about this topic?

REFERENCES

Alberto Alesina and Eliana La Ferrara (2000), *The Quarterly Journal of Economics*

115(3), 847-904.

Bonstra, William J. The Design Process in an Urban Context. *Real Estate Review*, 36(4), 27-41.

Bulloch, Ben and John Sullivan (2010). Information - The Key to the Real Estate Development Process. *Cornell Real Estate Review*, 8, 78-87.

Central Maryland Development Tracker Interactive Map. December 2015. http://realestate.bniajfi.org/interactive-map.php

City of Baltimore. Comprehensive Master Plan 2007-2012. http://goo.gl/VUeS6l

City of Baltimore. Comprehensive Master Plan 2008 Evaluation Report. http://goo.gl/SqVikZ

City of Baltimore. The Baltimore City Anchor Plan. June 2014. http://mayor.baltimorecity.gov/sites/default/files/Baltimore%20City%20Anchor%20Plan%20(BCAP)%20-%20June%202014.pdfhttp://mayor.baltimorecity.gov/sites/default/files/Baltimore City Anchor Plan (BCAP) - June 2014.pdfhttp://mayor.baltimorecity.gov/sites/default/files/Baltimore City Anchor Plan (BCAP) - June 2014.pdf

Clay, P., and Hollister, R. (1983). *Neighborhood policy and planning*. Lexington, Mass.: LexingtonBooks.

"The Community Association's Guide to the Baltimore Review Process." Maryland Community Law Center, Inc. September 2013. http://mayor.baltimorecity.gov/sites/default/files/Baltimore City Anchor Plan (BCAP) - June 2014.pdfhttp://mayor.baltimorecity.gov/sites/default/files/Baltimore City Anchor Plan (BCAP) - June 2014.pdf

Comprehensive Economic Development Strategy. Baltimore Development Corporation. http://baltimoredevelopment.com/about-bdc/press-room--announcements/comprehensive-economic-development-strategy-ceds-http://baltimoredevelopment.com/about-bdc/press-room--announcements/comprehensive-economic-development-strategy-ceds-/http://baltimoredevelopment.com/about-bdc/press-room--announcements/comprehensive-economic-development-strategy-ceds-/

City of Austin: Best Practices in Real Estate Development Review. October 2013. https://www.austintexas.gov/sites/default/files/files/Four_Processes_Report_lores.pdfhttps://www.austintexas.gov/sites/default/files/files/Four_Processes_Report_lores.pdf

City of Lee's Summit, MO: Performance Audit of the Planning and Development Department. February 2009.

http://cityofls.net/Portals/0/Files/main/Publications/Audits/LSPandD%20Draft%20Report.pdf?ver=2015-06-08-132746-000

City of Los Angeles, CA. Analysis of the Opportunities to Improve Development Services. Matrix Consulting Group. February 2014. http://clkrep.lacity.org/onlinedocs/2013/13-0046_misc_a_2-20-14.pdf

Douglas S. Noonan, Douglas J. Krupka (2010), Determinants of Historic and Cultural Landmark Designation: why we preserve what we preserve, *Journal of Cultural Economics*, 34(1), 1-26.

Dora L. Costa and Matthew E. Kahn (2003), Civic Engagement and Community Heterogeneity: An Economist's Perspective, *Perspectives on Politics*, 1(1), 103-111.

devTeam Portland. http://www.portlandoregon.gov/bds/48323

Evaluation and designation of Historic Properties, Maryland Historical Trust, https://mht.maryland.gov/research_designation.shtmlhttps://mht.maryland.gov/research_designation.shtml

https://mht.maryland.gov/research_designation.shtmlElo, I., Mykyta, L., Margolis, R., and Culhane, J. (2009). Perceptions of Neighborhood Disorder: The Role of Individual and Neighborhood Characteristics. *Social Science Quarterly*, 90(5), 1298-1320.

Kris, W., Meyer, P., and Alberini, A. (2006). Attracting private investment to contaminated properties: The value of public interventions. *Journal of Policy Analysis and Management*, 25(2), 347-369.

Massachusetts Association of Regional Planning Agencies. A Best Practices Model for Streamlined Local Permitting. 30 November 2007. http://www.mass.gov/hed/docs/permitting/permitting-bestpracticesguide.pdf
Montgomery Planning: Development Review. MontgomeryPlanning.org. December 02, 2014. http://www.montgomeryplanning.org/development/drprocess/http://www.montgomeryplanning.org/development/drprocess/
http://www.montgomeryplanning.org/development/drprocess/Reutter, Mark and Fern Shen. "Metro population trends over two centuries chart Baltimore's decline." Baltimore Brew. 17 January 2014. https://goo.gl/5ZUxRL

Rewrite Baltimore. http://www.rewritebaltimore.org/news_events.htmlhttp://www.rewritebaltimore.org/news_events.html

http://www.rewritebaltimore.org/news_events.htmlScharper, Julie. "Mayor's Goal: Bring 10,000 New Families to City in a Decade." Baltimore Sun. 6 December 2011. http://goo.gl/SJaiHa

Scorburean, A., and Scorburean, I. (2012). Neighborhood quality determinants. Empirical evidence from the American Housing Survey. R*eview of Applied Socio-Economic Research*, 3(1), 153-161.

Shelly McDonough Kimelberg (2011), Inside the Growth Machine: Real Estate Professionals on the Perceived Challenges of Urban Development, *City and Community*, 10(1), 76-99.

Sherman, Natalie. "City population shrinks slightly in new estimates." Baltimore Sun. 26 March 2015. http://www.baltimoresun.com/business/bs-bz-census-20150326-story.html

"State & County Quickfacts: Baltimore City, MD." United States Census Bureau. http://quickfacts.census.gov/qfd/states/24/24510.html

Wood, H. (2014). When Only a House Makes a Home: How Home Selection Matters in the Residential Mobility Decisions of Lower-Income, Inner-City African American Families. S*ocial Service Review*, 88(2), 264-294.