



950 N. Glebe Road
Suite 530
Arlington, VA 22203

the lenore

APARTMENT HOMES

114 East Lexington, Street
Baltimore, MD, USA

Ashcroft/Sullivan/Baybridge Mid-Atlantic Economic Development Center

EB-5 Qualifying Investment

This EB-5 Qualifying Investment by Ashcroft/Sullivan/Baybridge Mid-Atlantic Economic Development Center (the “Regional Center”) involves a \$4 million loan to Baybridge Lexington Partners, LLC (the “Borrower”), which is owned by affiliates of Baybridge Properties, LLC. The Borrower owns 90% of Baybridge Lexington, LLC (the “Project Owner”). The Project involved the acquisition and redevelopment of a historic building in Baltimore, Maryland from office space to 102 Class A apartments and retail. Baybridge Properties commenced the renovations in March 2013 and delivered the last apartments in May 2014. Currently the building is more than 70% leased. The building is located in a qualifying TEA according to the State of Maryland and the United States Customs and Immigration Services (USCIS).



Terrace and Dog Park

Developer

Baybridge Properties is a Washington DC-based real estate firm that continues the long and successful track record of its founders, Brian Foster and Brett Griffith. Baybridge has deep experience in developing commercial, mixed-use and multifamily residential properties, whether it is ground up construction, value add or historic renovation. Baybridge Properties’ extensive experience in market research, site acquisition, financing, entitlements, the design and permitting process and construction management gives their team an advantage in shepherding complex projects through the redevelopment process from beginning to end. The founders bring more than 30 years of combined experience having developed more than 550,000 square feet of commercial space and more than 5,150 residential units between them.

Baybridge Properties’ diverse experience includes converting a vacant manufacturing facility in downtown Baltimore into a thriving entertainment destination; redeveloping a portion of the historic National Bohemian Brewing Company brewing facility into dramatic housing units; redeveloping aging apartments in Washington, DC into modern apartments; and acquiring, annexing and developing more than 1,400 acres of residential land into a 3,200 unit mixed use community fully integrated with a Tournament Players Club Golf course facility. For additional information about Baybridge Properties, please see <http://www.baybridgegroup.net>.



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Merits of the Project

The demand for apartments in the Central Business District (“CBD”) of Baltimore exceeds the number of units in development in the coming years. Vacancy within the Baltimore’s CBD is less than 3.5% for Class A apartments. With job growth estimate at 7.9% annually for the next three years in the Baltimore metro area, pressure will be put on the housing supply thereby keeping vacancies low. The CBD has experienced a surge in both population and apartment demand that has pushed the residential supply to its occupancy limit. This balance between vacant office space and demand for residential space in the CBD has created a prime opportunity for redevelopment. This pent up demand has resulted in rent growth exceeding the historic rate of 3.9% and a vacancy rate below 4% for Class A apartments. These statistics exceed other cities including Washington, DC where there will be an oversupply of apartments in the next 12 to 24 months creating higher vacancy rates and lower rent growth.

Value Proposition

The Building is situated in the heart of Baltimore’s central business district, located opposite the Clarence M. Mitchell Jr. Courthouse, with exceptional access to all that Baltimore has to offer. The Building provides views from three directions (north, east and south) from most of its 11 stories. The Building is directly adjacent to Mercy Hospital, which underwent a \$400 million expansion recently, as well as the Baltimore City Courthouse, the central business district and the historic Mount Vernon neighborhood. Within a short distance of the property are the Inner Harbor, the University of Baltimore, the Maryland Institute of College Art and the renowned John Hopkins Hospital, along with countless neighborhood amenities including grocery stores and restaurants.

Project Owner executed a \$25.6 million renovation of the Building, improving it from Class B to Class A, adding high-end features. The Project Owner has commenced the renting of the apartment units in the Building at Class A rents and re-tenant the retail space at market rents.

Baybridge secured a 20-year PILOT agreement with the City of Baltimore that abates the incremental tax increase at 80% for years 1 to 10, 50% for years 11 to 15 and decreases 10% per year with year 20 at 5%. The tax abatement adds significant value to the property. Additionally, Baybridge secured \$3.3 million (20% of eligible costs) in Federal Historic Taxes Credits, which were sold to one of the country’s largest corporations, Chevron, Inc. through its subsidiary, Chevron HTC, Inc.





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Value Proposition - continued

Sell a Newly Renovated Building: Strong renter demand for Class A apartment space in the commercial business district (“CBD”) of Baltimore, coupled with limited supply, made it a favorable time to renovate the Building. The Building is one of the few buildings available in this district. With the increased demand by multifamily purchasers to capture additional returns, capital rates have been pushed from 6.25% to 5.5% and lower for Class A apartment buildings values the building at \$27.5 million far exceeding the \$21.5 million in costs to complete the renovation. It is Baybridge Properties intention to sell the property after 5 years to provide the necessary funds for repayment of the EB-5 loan.

Regional Center

Ashcroft/Sullivan/Baybridge Mid-Atlantic Economic Development Center, LLC, a Delaware limited liability company is a joint venture between The Ashcroft Group, Michael Sullivan, Baybridge Properties and 5 Capital Management that is seeking approval from USCIS as a regional center. The Regional Center has formed an entity to accept subscriptions from EB-5 investors and to make the Loan to the Borrower.

Regional Center Biographies

John Ashcroft, Principal. Former U.S. Attorney General, Governor and U.S. Senator John Ashcroft serves as founder and Chairman of The Ashcroft Group and The Ashcroft Law Firm (together, the “Firm”). Together with the select group of seasoned, respected and experienced senior executives he recruited to join him—many of whom helped to lead the U.S. Department of Justice during a significant time in our nation’s history—the Firm has earned a reputation for integrity and a track record for accelerating successful resolutions of even the most complex matters. With a focus on issues of integrity and corporate governance, the Firm provides compliance advice, legal counsel and consulting services to world-leading clients, including Fortune 500 companies, multi-national corporations and corporate executives.

Michael Sullivan, Principal. Mr. Sullivan is an expert in government investigations, corporate compliance and ethics, corruption, health care and corporate security, has extensive policy and regulatory experience. With over 20 years of legal experience, he has represented individuals and companies in both civil and criminal matters. In 2001, Mr. Sullivan was appointed U.S. Attorney for the District of Massachusetts. In addition to serving as U.S. Attorney, in 2006 the President appointed Mr. Sullivan Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives (BATF). He was nominated Director in 2007 and served until January 2009. As the BATF Director, Mr. Sullivan led the agency’s 5,000 employees who are charged with regulating firearms, investigating illegal trafficking of alcohol and tobacco, and preventing terrorism. Mr. Sullivan was Plymouth County District Attorney from 1995 to 2001. He was a leader in the fight against child abuse, domestic violence and elder abuse and closed a number of unsolved murders.

Brian Foster, Partner. Co-founder of Baybridge Properties. With his past track record of raising and placing over \$100 million in private equity, Mr. Foster is ideally suited to implement a range of financial strategies to support their development projects. He has extensive experience in working with private investors, financial institutions and institutional investors, allowing Baybridge to raise successfully the needed capital to fund their development projects. Prior to Baybridge Properties, Mr. Foster was a principal at Mortgage Capital Advisors, where he sourced \$50 million in private equity capital and subsequently directed those funds into various real estate assets. Concurrently, Mr. Foster was also a managing principal with America’s Funding Group, Inc., a full-service residential mortgage company with \$600 million in originations.



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Brett Griffith, Partner. Co-founder of Baybridge Properties, Brett Griffith brings over fifteen years of experience in developing residential, commercial, mixed-use and specialty construction. Prior to Baybridge Properties, Mr. Griffith was principal with Fortis Development, a local development firm that completed the development of several multi-family and mixed use developments. Most notably, Mr. Griffith led the renovation of a noteworthy historic property, acquiring over \$1.0 million in Federal historic tax credits. He also led the renovation of historic building into multi-family where \$3.4 million in Federal historic tax credits were awarded. Mr. Griffith's other notable experience includes, being the project manager for a local developer based in Bethesda, Maryland where he oversaw the entire construction process for base building projects and tenant build-outs.

Joseph Fitzpatrick, Partner. Mr. Fitzpatrick is one of the Founding Principals of 5 Capital Management (5CM). Mr. Fitzpatrick brings over fifteen years of experience to the company in the areas of finance, technology, real estate and media venture capital. Joe began his career as a financial advisor for Gruntal and Co., where he learned the intricacies of money management and corporate finance. In 1998, Mr. Fitzpatrick was recruited by Merrill Lynch and personally managed over \$15 million in investor assets for the company during his tenure. From 2001-2003, Joe held senior sales management positions for both Vitessa Corporation and Neogent Inc., personally generating over \$20 million in sales to Fortune 500 companies.

David Boucher, Partner. Mr. Boucher is one of the Founding Principals of 5 Capital Management (5CM). Mr. Boucher brings over 15 years of corporate finance experience to the company, with specialties in pension asset management, employee benefits, human resources, entrepreneurship and startup consulting. David began his career at Putnam Investments where he held various positions in the defined contribution plan administration group. After leaving Putnam in 2000, Mr. Boucher began his consulting career and later became a partner in the Boston based firm, Longfellow Benefits. At Longfellow, David focused on managing pension assets, investment committees and 401(k) participant education. During those years, David obtained his Certified Financial Planner™ designation, as well as many Fiduciary designations. As a consultant, David has developed strong relationships with the Boston business community and has become a reliable source for networking within various industries.

For more information regarding the Regional Center, the EB-5 Fund or the Building, please contact:

**Brett Griffith, Principal, Baybridge Properties at 703.473.8639 or brett@baybridgegroup.net
or **Debbie Klis, Esq. of Ballard Spahr LLP at 301.664.6211 or klisd@ballardspahr.com.****