

From: Laura Perkins
Sent: Tuesday, May 18, 2010 3:20 AM
To: 'kaliop.e.parthemos@baltimorecity.gov'

Subject: Important information regarding The Senator

Dear Ms. Parthemos:

I was saddened to learn from Tom Harris that the Mayor is planning to approve Mr. Cusack's proposal for The Senator. I hope you are going to at least complete what FOTS requested of you and speak with Janis Barlow, who I'm sure would be able to describe a very positive alternative to this.

I did not consult with other FOTS leaders before writing you this letter.

I am writing to you on my own, because I cannot in good conscience neglect to clearly communicate to you the following, before the Mayor makes her decision. I believe the BDC is asking the Mayor to help them commit a crime.

Recall that among the quotes we sent you in our notes on the Cusack plan's viability was a quote from Mr. Cusack in the Baltimore Business Journal which said "We were losing money [at the Charles] as a one-screen theater. By expanding to five, the costs didn't go up as much in proportion to revenue."

Mr. Kiefaber was also losing money at The Senator as a one-screen theater. Both men proposed expansions of their theaters to the BDC.

The BDC and the Abell Foundation helped Mr. Cusack to expand and denied this same help to Mr. Kiefaber. This is, I believe, the main reason Mr. Cusack is still in business and Mr. Kiefaber is not.

Former Deputy Mayor Andrew Frank recently provided to me in an email the total amount Baltimore City has invested in Mr. Kiefaber's business: "In total, the City provided \$800,000 to the Senator, including a small grant made during the Schmoke administration." This figure includes a \$600K loan guarantee that ultimately went into the City's purchase of The Senator. This was reportedly too much subsidy, according to city officials, so the city took over The Senator last year.

Mr. Cusack is now asking for public subsidy from city taxpayers that totals approximately \$1.7 Million, by my estimates. This includes an

estimate of the fair market value of a 15 year commercial lease of a million dollar commercial property, which Mr. Cusack is asking to receive for \$1 a year.

FOTS has already communicated to you that we believe the BDC arrived at its decision to recommend Mr. Cusack to take over The Senator before Baltimore City ever acquired the theatre. Among the reasons for our belief that were not listed in our letter are the fact that the city's CHAP commission, on which Mr. Cusack and Mr. Embry sit, proposed an interior landmark designation in May of 2009 that apparently neglects to protect the very parts of the original building that Mr. Cusack now wants to demolish. It was noted in Mr. Kiefaber's testimony against the measure at the time that the measure does not protect the original Ladies' Lounge and restroom, which Mr. Cusack now proposes to turn into a crepe shop. In addition to this, I have seen many other circumstantial indications in the past year that the decision to award The Senator to Mr. Cusack had already been made at least a year ago.

Deputy Mayor Parthemos, as you know, it is illegal for any government to take the private property of one individual to financially benefit another individual. I believe, however, that is the nature of the transaction that the BDC is now asking the Mayor to help them complete.

I do not know if BDC officials see it this way, or if they simply see Mr. Cusack as someone who has paid back money that was lent to him and is still in business, when Mr. Kiefaber is not. It is my opinion, however, that the probable intent of the BDC, before Baltimore City ever acquired The Senator, to give Mr. Kiefaber's private property to Mr. Cusack probably constitutes a federal crime in violation of the U.S. Constitution, if said transaction is completed.

Thank you for reading my letter. I simply could not let the Mayor go through with this without understanding the nature of what I personally believe she is being asked to do.

Regards,

Laura Perkins