

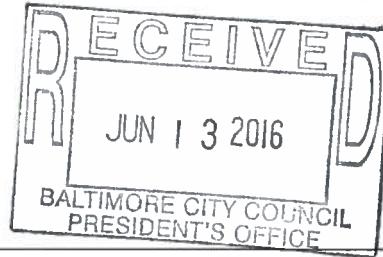
MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Natawna Austin, Executive Secretary

FROM: William H. Cole, President and CEO 

DATE: May 23, 2016

SUBJECT: City Council Bill No. 16-0669
Port Covington – Development District



The Baltimore Development Corporation (BDC) strongly supports and is pleased to sponsor City Council Bill No. 16-0669, Port Covington —Development District. Bill No. 16-0669 is one of three pieces of legislation that, if approved, will establish Tax Increment Financing (or “TIF”) at Port Covington.

Retention of Existing Employer

The Port Covington Project will provide expansion space for a rapidly growing Baltimore company, Under Armour (UA). With nearly 2,000 employees in Baltimore presently, UA has outgrown its existing world headquarters in Locust Point and is now leasing office space in various other locations. Without a larger campus, it is likely that UA will have to look elsewhere to meet its growth needs.

Effect of Legislation

City Council Bill No. 16-0669 will, among other things, designate a Development District at Port Covington and establish the tax increment fund necessary for the issuance and payment of special obligation bonds issued in connection with the Development District. The boundaries of the Development District will be limited to the properties described in Exhibit 2 of the ordinance, together with the adjoining roads, highways, alleys, rights-of-way, and other similar property or rights.

Related Legislation

Bill No. 16-0669 is part of a package of legislation consisting of this bill and two additional Bills that allow the City to establish TIF at Port Covington in order to finance the construction of public infrastructure.

- City Council Bill No. 16-0670, Port Covington — Bond Ordinance
City Council Bill No. 16-0670 will, among other things: (1) authorize the City, on terms to be approved by the Board of Finance, to issue Special Obligation Bonds, in an amount

Fav w/ comments

not to exceed \$660,000,000 to fund up to \$534,795,000 in public infrastructure improvements associated with the redevelopment of Port Covington; (2) pledge Tax Increment Revenues and Special Tax Revenues (as such terms are defined in the Bill) generated by the Project to the payment of debt service on the Special Obligation Bonds; and (3) authorize the Board of Finance to specify and prescribe the terms of the issuance, sale, and payment of the Special Obligation Bonds.

- **City Council Bill No. 16-0671, Port Covington — Special Taxing District**

This Bill will create the Port Covington Special Taxing District and authorize the City to levy Special Taxes and determine various matters in connection with establishment of the special taxing district. The purpose of creating the Special Taxing District is to guarantee the City's ability to repay the holders of TIF bonds in the event and to the extent that the Tax Increment Revenues collected are insufficient to service the debt on the TIF Bonds. In this manner and as a result of forming the Special Taxing District, the property owners within the Special Taxing District are financially liable to the City to guarantee the City's ability to make payments to bond holders.

The particular details of the Port Covington development, the proposed issuance of Special Obligation TIF Bonds, and the City benefits of the TIF are described in BDC's report of Bill No. 16-0670, Port Covington — Bond Ordinance.

Cc: Colin Tarbert
Angela Gibson