

MEMORANDUM

STEPHANIE
RAWLINGS-BLAKE,
Mayor

PAUL T. GRAZIANO,
Executive Director, HABCD
Commissioner, HCD

To: The Honorable President and Members of the Baltimore City Council
c/o Karen Randle, *Executive Secretary*

From: Paul T. Graziano, *Commissioner*

Date: October 11, 2011

Re: **City Council Bill 11-0783 - North Locust Point Development District - Amending Ordinance 03-642**

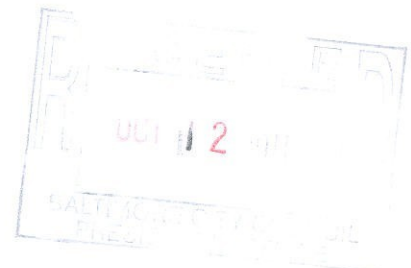
The Department of Housing and Community Development has reviewed City Council Bill 11-0783, which was introduced for the purpose of adding and modifying certain definitions, enlarging the boundaries of the development district, revising Exhibit 1 to include the additional properties, ratifying Ordinance 03-642, providing for a special effective date, and making the provisions of this Ordinance severable.

This bill would expand the North Locust Point Development District so that the increment of property taxes created by the redevelopment of the former Overflo warehouse into the Cheer Building may be captured. This redevelopment encompasses two properties – 1450 Beason Street and the adjoining wedge-shaped parcel known as 100 Haubert Street. The tax increment would then be used in a Tax Increment Financing (“TIF”) to finance future public improvements that should create value for the Locust Point Community while also helping retain Under Armour’s headquarters in the City of Baltimore. This is the first bill of a four-bill legislative package, and as such, three additional bills will be introduced in the future to: (1) create a “special tax district,” (2) issue special obligation bonds, and (3) authorize capital appropriation. Under the TIF, the City will issue special obligation bonds and pledge the local real property tax increments generated by the redevelopment of the North Locust Point properties as the repayment source for the bonds; the TIF bonds will not constitute a general obligation or other debt of the City of Baltimore, or a pledge of the City’s “full faith and credit” or taxing power.

The Department of Housing and Community Development supports the adoption of City Council Bill 11-0783.

PTG:nb

cc: Ms. Angela Gibson, *Mayor’s Office of Government Relations*
Ms. Kaliopé Parthemos, *Deputy Mayor*



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