


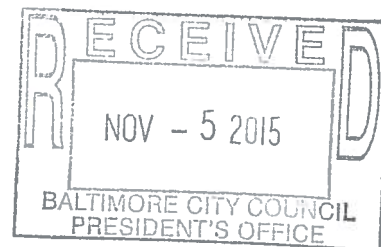
MEMORANDUM

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

FROM: William H. Cole, President and CEO 

DATE: November 2, 2015

SUBJECT: City Council Bill No. 15-0588  
University of Maryland Baltimore BioPark - Special Taxing District



The Baltimore Development Corporation (BDC) strongly supports and is pleased to sponsor City Council Bill No. 15-0588, University of Maryland Baltimore BioPark—Special Taxing District. Bill No. 15-0588 is one of three pieces of legislation that, if approved, will establish Tax Increment Financing (or “TIF”) at 873 and 850 W. Baltimore Street.

Effect of Legislation

City Council Bill No. 15-0588: (1) establishes the University of Maryland Baltimore (UMB) BioPark Special Taxing District; (2) authorizes the City to levy a special tax on all taxable real and personal property within the Special Taxing District; and (3) pledges any special taxes collected to the payment or reimbursement to the City for debt service on the TIF Bonds. The overall 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 at 873 and 850 W. Baltimore Street are insufficient to debt service the TIF Bonds. In this manner and as a result of forming the Special Taxing District, the property owners within the Special Taxing District—in this case the developers of the 873 and 850 W. Baltimore Street properties—are financially liable to the City to guarantee the City’s ability to make bond payments to bond holders.

Related Legislation

Bill No. 15-0588, is part of a package of legislation consisting of this bill and two additional Bills that allow the City to establish TIF at 850 and 873 W. Baltimore Street in order to finance the construction of approximately 250,000 square feet of innovation and laboratory infrastructure at 873 W. Baltimore Street.

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- City Council Bill No. 15-0587, University of Maryland Baltimore BioPark—Bond Ordinance

City Council Bill No. 15-0587 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 not to exceed \$17,500,000 to fund installation and maintenance of improvements associated with the construction of 873 W. Baltimore Street in the University of Maryland Baltimore (UMB) BioPark; (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. 15-0586, University of Maryland Baltimore BioPark—Development District

This Bill will designate a “development district” to be known as the “University of Maryland Baltimore BioPark Development District” and determine various matters in connection with the establishment of the development district.

#### Related RISE Zone Legislation

In order for TIF to be used for innovation and laboratory improvement purposes at 873 W. Baltimore Street, UMB must be designated as a “Qualified Institution” under the State’s Regional Institution Strategic Enterprise (RISE) Zone Program; and a RISE district that includes 873 W. Baltimore Street must be approved by the State of Maryland and Baltimore City. This designation and approval is under consideration by the Maryland Department of Commerce and the Mayor and City Council of Baltimore City (City Council Bill No 15-0561).

The particular details of the 873 W. Baltimore Street 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. 15-0587, University of Maryland Baltimore BioPark—Bond Ordinance.

Cc: Colin Tarbert  
Angela Gibson