
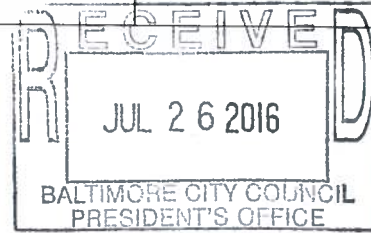


F R O M	NAME & TITLE	Frank J. Murphy, Acting Director	CITY of BALTIMORE	MEMO	
	AGENCY NAME & ADDRESS	Department of Transportation (DOT) 417 East Fayette Street, Room 527			
	SUBJECT	City Council Bill 16-0671			

TO The Honorable President and  
Members of the City Council  
c/o Natawna Austin  
Room 400 City Hall



July 25, 2016

I am herein reporting on City Council Bill 16-0671 - Port Covington Special Taxing District for the purposes of designating the "Port Covington Special Taxing District"; providing for and determine various matters in connection with the establishment of the special taxing district; creating a special fund for the special taxing district; providing for the levy of a special tax on all taxable real and personal property located in the special taxing district; providing for a special effective date; and generally providing for matters relating to the designation and operation of the special taxing district, the establishment and use of the special fund to provide for the payment by or reimbursement to the City for debt service.

This legislation has two companion bills:

- City Council Bill 16-0669 - Port Covington Development District - designates the Port Covington Development District; creates a special tax increment fund for the development district; and allocates certain property taxes to that fund.
- City Council Bill 16-0670, Port Covington - Bond Ordinance - authorizes the City to issue Special Obligation Bonds in an amount not to exceed \$660,000,000 to fund up to \$534,795,000 in public infrastructure improvements; pledges Tax Increment Revenues and Special Tax Revenues to the payment of debt service on the Special Obligation Bonds; and authorizes the Board of Finance to specify the terms of the issuance, sale, and payment of the Special Obligation Bonds.

City Council Bill 16-0671, if approved, would establish the "Port Covington Special Taxing District" south of Interstate 95 on the South Baltimore peninsula. Exhibit A of the legislation includes the map of properties which will be included in the special taxing district. The bill authorizes the City to levy special taxes on the property owners within the District, which will ensure the City's ability to repay the holders of the Tax Increment Financing (TIF) bonds in the event that the Tax Increment Revenues collected are insufficient to service the debt on the TIF Bonds. Any needed maintenance for infrastructure paid for by the TIF bond proceeds would not be covered by the tax revenue generated by the Port Covington Development District nor any special tax levied to make up any shortfall in revenue to cover the cost of repaying the TIF. Infrastructure repairs would be paid from the current mix of Federal, State, and local monies.

If enacted, these three bills will establish a TIF to support the proposed Port Covington project's redevelopment as a mixed-use community anchored by the new campus headquarters of Under Armour. The TIF will directly support public infrastructure improvements at Port Covington, leveraging private investments as well as anticipated state and federal funding. Transportation improvements proposed as part of the Port Covington redevelopment encompass new and revitalized highway, bus and rail transit, freight rail, and bicycle and pedestrian infrastructure to create multimodal access within, into, and out of Port Covington.

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Bill Report 16-0671 Port Covington Special Taxing District

For these reasons, the Department of Transportation (DOT) recommends favorable consideration and passage of this legislation.

Thank you for this opportunity to comment.

Respectfully,



Frank J. Murphy  
Acting Director

FJM/PAF

cc: Angela Gibson, Mayor's Legislative Liaison