



MEMORANDUM

STEPHANIE
RAWLINGS-BLAKE,

PAUL T. GRAZIANO,

Executive Director, DHCD
1 East Fayette Street, 10th Fl.

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

From: Paul T. Graziano, *Commissioner*

Date: October 14, 2010

Re: **City Council Bill 10-0594 - Harbor Point Development District**

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 10-0594, which was introduced for the purpose of designating a "development district" to be known as the "Harbor Point Development District"; creating a special, tax increment fund for the development district; allocating certain property taxes to that fund; and generally providing for matters relating to the designation and operation of the development district and the establishment and use of the special, tax increment fund to provide for the payment by or reimbursement to the City for debt service which the City is obligated to pay or has paid (whether such obligation is general or limited) on any special obligation bonds or notes issued by the City or any State Obligations (as defined herein) issued in connection with the development district, the replenishment of any reserve fund, and the payment of certain expenses and administrative costs related to the operation of the development district.

Harbor Point is a proposed master-planned, mixed-use community of 1.8 million square feet of new construction, additional structured parking, and community open space to be built in three phases. Pursuant to an approved Planned Unit Development, the project will be located between the Fells Point and Harbor East neighborhoods. The infrastructure will be funded with Tax Increment Financing (TIF) funds including, but not limited to, roads, sidewalks, utilities, a new bridge connecting South Central Avenue to the Harbor Point peninsula, a public school, a promenade, additional open space, and a 1,700 space public parking structure. The first phase will likely include the construction of a new hotel and subsequent phases may include adding residential units.

The designation of the development district will allow the City to capture the pre-development assessed property value for the newly constructed Thames Street Wharf building. If this ordinance is not enacted, there could be less funding available to service the debt on the TIF bonds and this would jeopardize the construction of needed public infrastructure improvements on the Harbor Point site.

The Department of Housing and Community Development supports the adoption of City Council Bill 10-0594.

PTG:pmd

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

