

**CITY OF BALTIMORE
COUNCIL BILL 06-0524
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: October 16, 2006
Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Board of Municipal and Zoning Appeals, Planning Commission, Baltimore Development Corporation, Department of Housing and Community Development, Department of Finance, Board of Estimates

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Mondawmin Mall Special Taxing District**

3 FOR the purpose of designating a “special taxing district” to be known as the “Mondawmin Mall
4 Special Taxing District”; providing for and determining various matters in connection with
5 the establishment of the special taxing district; creating a special fund for the special taxing
6 district; providing for the levy of a special tax on all taxable real property located in the
7 special taxing district; and generally relating to the designation and operation of the special
8 taxing district, the establishment and use of the special fund and the issuance and payment of
9 bonds issued in connection with the special taxing district.

10 BY authority of
11 Article II - General Powers
12 Section (62A)
13 Baltimore City Charter
14 (1996 Edition)

15 **Recitals**

16 The Special Taxing District Act, Article II, Section (62A) of the Baltimore City Charter (the
17 “Act”) authorizes the Mayor and City Council of Baltimore to establish a “special taxing
18 district” (as defined in the Act) and a special fund into which the special taxes levied in the
19 special taxing district are deposited, for the purpose of providing financing, refinancing, or
20 reimbursement for the cost of infrastructure improvements.

21 The Act also authorizes the City, subject to certain requirements, to issue and deliver bonds,
22 for the purpose of providing financing, refinancing, or reimbursement for the cost of the
23 infrastructure improvements.

24 The City has been requested to designate and create the Mondawmin Mall Special Taxing
25 District from both (i) the owners of at least two-thirds of the assessed valuation of the real
26 property located in the proposed special taxing district; and (ii) at least two-thirds of the owners
27 of the real property located in the proposed special taxing district.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 The Act provides that no bonds may be issued by the City until an ordinance is enacted that
2 (i) designates an area or areas as a “special taxing district”; (ii) creates a special fund for the
3 special taxing district; and (iii) provides for the levy of an ad valorem or special tax on all real
4 property in the special taxing district at a rate or amount designed to provide adequate revenues
5 to pay the principal of, interest on, and redemption premium, if any, on the bonds, to replenish
6 any debt service reserve fund, and for any other purpose related to the ongoing expenses of or
7 security for the bonds.

8 Mondawmin Business Trust, a Maryland business trust (the “Developer”) has indicated its
9 intention to redevelop the Mondawmin Mall (the “Mall”) retail space located in Baltimore City.
10 The Developer will initially use its own funds to redevelop the Mall. The bonds issued to finance
11 or refinance the Infrastructure Improvements will be held in escrow until the satisfaction of
12 certain conditions, including completion of the Mall redevelopment and Infrastructure
13 Improvements.

14 The Mayor and City Council wishes to establish a special taxing district within the City,
15 establish a special fund for the special taxing district, and provide for the levy of a special tax on
16 all taxable real property in the special taxing district for the purpose of providing financing for
17 the development of infrastructure improvements relating to the redevelopment of the Mall in the
18 special taxing district.

19 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That for
20 the purposes of this Ordinance, the following terms have the meanings indicated:

21 (a) “Act” means the Special Taxing District Act, as codified in Article II, Section (62A)
22 of the Baltimore City Charter.

23 (b) “Bond” means any bond, note, or other similar instrument issued by the Mayor and
24 City Council of Baltimore under the Act.

25 (c) “Infrastructure improvements” means the following infrastructure improvements
26 constructed in accordance with all required City approvals:

27 (1) the design and construction of roads, including removal of existing paving, new
28 paving and installation of curbs, gutters, sidewalks, lighting, landscaping, and
29 utilities (including sanitary sewer, storm water, gas, water, fire suppression,
30 electric and traffic signal work);

31 (2) site removal, including regrading and preparation, the removal of excess soil; and
32 demolition of buildings;

33 (3) the design, construction and renovation of parking lots and/or structured parking,
34 including paving and the installation of curbs, gutters, sidewalks, utilities, lighting
35 and landscaping; and

36 (4) the design, acquisition, construction, renovation and development of other
37 infrastructure improvements that are necessary for the completion of the
38 foregoing infrastructure improvements for their intended public purposes.

39 (d) “Special Tax Fund” means the special fund established by Section 4 of this
40 Ordinance.

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1 (e) "Special Taxing District" means the area in the City designated in Section 3 of this
2 Ordinance as a special taxing district under the Act.

3 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council of Baltimore
4 finds and determines that the establishment of the Mondawmin Mall Special Taxing District, the
5 creation of the Special Tax Fund for that District and the issuance of bonds from time to time, all
6 for the purpose of providing funds for the financing of the infrastructure improvements,
7 accomplishes the purposes of the Act, serves public purposes, including the direct and indirect
8 enhancement of the taxable base of the City and the facilitation of planned improvements to the
9 Mondawmin Mall development, and generally promotes the health, welfare, and safety of the
10 residents of the State of Maryland and of the City of Baltimore.

11 **SECTION 3. AND BE IT FURTHER ORDAINED,** That the contiguous area consisting of the
12 properties designated as Ward 15, Section 19, Block 3262F, Lots 001, 002, 003, and 005 (as the
13 same may be renumbered or redesignated), together with the adjoining roads, highways, alleys,
14 rights-of-way and other similar property, shown on the map attached to this Ordinance as Exhibit
15 1, and made a part of this Ordinance, is designated as a special taxing district to be known as the
16 "Mondawmin Mall Special Taxing District."

17 **SECTION 4. AND BE IT FURTHER ORDAINED,** That a special fund is established for the
18 Special Taxing District to be known as the "Mondawmin Mall Special Tax Fund". The Director
19 of Finance shall deposit in the Special Tax Fund all special taxes levied and collected in
20 accordance with Section 5 of this Ordinance. The Director of Finance and other officers and
21 employees of the City shall take all necessary steps in order to establish the Special Tax Fund as
22 a separate fund to be held by or for the account of the City.

23 **SECTION 5. AND BE IT FURTHER ORDAINED,** That:

24 (a) A special tax shall be levied upon all real property in the Special Taxing District,
25 unless exempted by the provisions of this Ordinance or otherwise by law, for the
26 purposes, to the extent and in the manner set forth in the Rate and Method of
27 Apportionment of the Special Taxes attached to this Ordinance as Exhibit 2 and made
28 a part of this Ordinance.

29 (b) The revenues and receipts from the special tax, the Special Tax Fund, and any other
30 fund into which all or any of these revenues and receipts are deposited after they have
31 been appropriated by the City are pledged to the payment of the principal of and
32 interest on the bonds. These revenues, receipts and funds are not, however,
33 irrevocably pledged to the payment of the principal of and interest on the bonds and
34 the obligation to pay this principal and interest is subject to annual appropriation by
35 the City.

36 (c) Special taxes levied in the Special Taxing District may not be accelerated by reason
37 of bond default. The maximum special taxes applicable to any individual property
38 may not be increased in the event that other property owners become delinquent in
39 the payment of the special taxes.

40 **SECTION 6. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council of Baltimore
41 finds that:

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1 (a) The construction of the infrastructure improvements will create a public benefit and
2 special benefits to the properties in the Special Taxing District;

3 (b) The special taxes levied under this Ordinance are levied in an amount that does not
4 exceed the special benefit that the properties within the Special Taxing District will
5 receive from the infrastructure improvements, as shown by the Special Tax
6 Allocation Report attached to this Ordinance as Exhibit 3 and made a part of this
7 Ordinance; and

8 (c) The special taxes levied on each property in the Special Taxing District are a fair
9 allocation of the cost of the infrastructure improvements to each property in the
10 Special Taxing District, as shown by the Special Tax Allocation Report.

11 **SECTION 7. AND BE IT FURTHER ORDAINED,** That the Director of Finance may do all acts
12 and things and execute all documents and certificates relating to the Special Taxing District and
13 the Special Tax Fund.

14 **SECTION 8. AND BE IT FURTHER ORDAINED,** That any approvals, authorizations, or
15 activities provided in this Ordinance do not constitute and may not be deemed to constitute or
16 imply that the City Council, the Mayor, or any department, office or agency of the City has given
17 or will give, any approval, authorization or consent to any action or activity within or required
18 for the development of the Special Taxing District, including any land use approval,
19 requirements for the provision of public utilities or services, or any other administrative, judicial,
20 quasi-judicial, or legislative approval, authorization, or consent.

21 **SECTION 9. AND BE IT FURTHER ORDAINED,** That this Ordinance may be amended by a
22 subsequent ordinance of the Mayor and City Council of Baltimore, which ordinance may enlarge
23 or reduce the Special Taxing District, upon receipt of a request from both (i) the owners of at
24 least two-thirds of the assessed valuation of the real property located with the proposed special
25 taxing district; and (ii) at least two-thirds of the owners of the real property located within the
26 proposed special taxing district. However, no ordinance may be effective to reduce the size of
27 the Special Taxing District so long as there are any outstanding bonds secured by the Special
28 Tax Fund, unless the ordinance authorizing the issuance of the bonds permits the City to reduce
29 the area constituting the Special Taxing District, the holders of the bonds or an authorized
30 representative on their behalf consents to the reduction or the indenture authorizing the bonds
31 permits the reduction.

32 **SECTION 10. AND BE IT FURTHER ORDAINED,** That the provisions of this Ordinance are
33 severable. If any provision, sentence, clause, section or other part of this Ordinance is held or
34 determined to be illegal, invalid, unconstitutional, or inapplicable to any person or
35 circumstances, that illegality, invalidity, unconstitutionality, or inapplicability does not affect or
36 impair any of the remaining provisions, sentences, clauses, sections, or parts of this Ordinance or
37 their application to other persons or circumstances. It is the intent of the Mayor and City
38 Council that this Ordinance would have been passed even if the illegal, invalid, unconstitutional,
39 or inapplicable provision, sentence, clause, section, or other part had not been included in this
40 Ordinance, and as if the person or circumstances to which this Ordinance or part are inapplicable
41 had been specifically exempted.

42 **SECTION 11. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th
43 day after the date it is enacted.

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EXHIBIT 1

2

Map of the Special Taxing District

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EXHIBIT 2

Rate and Method of Apportionment of the Special Taxes

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1

EXHIBIT 3

2

Special Tax Allocation Report