

**CITY OF BALTIMORE
ORDINANCE _____
Council Bill 05-0092**

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: April 18, 2005
Assigned to: Committee of the Whole
Committee Report: Favorable with amendments
Council action: Adopted
Read second time: August 15, 2005

AN ORDINANCE CONCERNING

1

Convention Center Hotel Development District

2 FOR the purpose of designating a “development district” to be known as the “Convention Center
3 Hotel Development District”; providing for and determining various matters in connection
4 with the establishment of the development district; creating a special, tax increment fund for
5 the development district; allocating certain property taxes to that fund; making certain
6 findings and determinations; providing for a special effective date; and generally relating to
7 the designation and operation of the development district and the establishment and use of
8 the tax increment fund.

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

14

Recitals

15 The Tax Increment Financing Act, Article II, Section (62) of the Baltimore City Charter (the
16 “Act”) authorizes the Mayor and City Council of Baltimore to establish a “development
17 district” (as defined in the Act) and a special, tax increment fund into which the revenues and
18 receipts from the real property taxes representing the levy on the “tax increment” (as defined
19 in the Act) for the development district are deposited, for the purpose of providing funds for
20 the development of the development district.

21 If no bonds are outstanding with respect to the development district, the Act also authorizes
22 that the special, tax increment fund may be (i) used for any other purposes described in the
23 Act, (ii) accumulated for payment of debt service on bonds to be subsequently issued under
24 the Act, (iii) used to pay or reimburse the City for debt service the City is obligated to pay or

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

1 has paid (whether as a general or limited obligation of the City) on bonds issued by the City
2 or by the State of Maryland or any agency, department or political subdivision of the state,
3 the proceeds of which have been used for any of the purposes specified in the Act or (iv) paid
4 to the City to provide funds to be used for any legal purpose.

5 The Mayor and City Council wishes to establish a development district within the City and to
6 establish a tax increment fund for that development district for the purpose of providing
7 funds for the development and construction of a convention center headquarters hotel.

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

10 (a) “Act” means the Tax Increment Financing Act, as codified in Article II, Section (62)
11 of the Baltimore City Charter.

12 (b) “Assessable base” means the total assessable base of all real property in the
13 Development District subject to taxation, as determined by the Supervisor of
14 Assessments.

15 (c) (1) “Assessment ratio” means any real property tax assessment ratio, however
16 designated or calculated, that is used or applied under applicable general law in
17 determining the assessable base.

18 (2) “Assessment ratio” includes the assessment percentage provided under §8-103(c)
19 of the State Tax-Property Article, as amended, replaced, or supplemented from
20 time to time.

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

23 (e) “Development District” means the area in the City designated in Section 3 of this
24 Ordinance as a development district under the Act.

25 (f) “Hotel” means the Baltimore City Convention Center headquarters hotel proposed to
26 be constructed in the Development District.

27 (g) “Hotel Bonds” means the Mayor and City Council of Baltimore Convention Center
28 Hotel Revenue Bonds Series 2005 in an aggregate principal amount not to exceed
29 \$305,000,000 authorized to be issued by an ordinance of the Mayor and City Council
30 of Baltimore enacted simultaneously with this ordinance.

31 (h) “Original assessable base” means the assessable base as of January 1, 2004.

32 (i) “Original full cash value” means the dollar amount that is determined by dividing the
33 original assessable base by the assessment ratio used to determine the original
34 assessable base.

35 (j) “Original taxable value” means, for any tax year, the dollar amount that is the lesser
36 of:

- 1 (1) the product of the original full cash value times the assessment ratio applicable to
- 2 that tax year; or
- 3 (2) the original assessable base.
- 4 (k) "Tax increment" means for any tax year, the amount by which the assessable base as
- 5 of January 1 preceding that tax year exceeds the original taxable value, divided by the
- 6 assessment ratio used to determine the original taxable value.
- 7 (l) "Tax Increment Fund" means the special fund established by Section 4 of this
- 8 Ordinance.
- 9 (m) "Tax year" means the period from July 1 of a calendar year through June 30 of the
- 10 next calendar year.

11 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council of Baltimore
 12 finds and determines that the establishment of the Convention Center Hotel Development
 13 District, the creation of a Tax Increment Fund for that District and the use of the monies in the
 14 Tax Increment Fund as set forth in this Ordinance accomplishes the purposes of the Act, serves
 15 public purposes, including the direct and indirect enhancement of the taxable base of the City
 16 and the facilitation of the development and construction of the Hotel, and generally promotes the
 17 health, welfare, and safety of the residents of the State of Maryland and of the City of Baltimore.

18 **SECTION 3. AND BE IT FURTHER ORDAINED,** That the contiguous area consisting of the
 19 properties designated as 401 West Pratt Street (Block 0678, Lot 001) and 217 South Eutaw
 20 Street (Block 0679, Lot 001) (as the same may be renumbered or redesignated as a result of any
 21 resubdivision of such property), together with the adjoining roads, highways, alleys, rights-of-
 22 way and other similar property, shown on the map attached to this Ordinance as Exhibit 1, and
 23 made a part of this Ordinance, is designated as a development district to be known as the
 24 "Convention Center Hotel Development District."

25 **SECTION 4. AND BE IT FURTHER ORDAINED,** That a special fund is established for the
 26 Development District to be known as the "Convention Center Hotel Development District Tax
 27 Increment Fund." The Director of Finance and other officers and employees of the City shall
 28 take all necessary steps to establish the Tax Increment Fund as a separate fund to be held by or
 29 for the account of the City.

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

- 31 (a) For each tax year that begins after the effective date of this Ordinance, the Director of
- 32 Finance shall divide the property taxes on real property within the Development
- 33 District so that:
- 34 (1) the portion of the taxes that would be produced by the rate at which taxes are
- 35 levied each year by the City upon the original taxable value shall be allocated to
- 36 and, when collected, paid into the funds of the City in the same manner as taxes
- 37 levied and collected by the City on all other property are paid; and
- 38 (2) the portion of the taxes representing the levy on the tax increment that would
- 39 normally be paid to the City shall be paid into the Tax Increment Fund, to be
- 40 applied in accordance with the provisions of the Act.

1 (b) The City acknowledges that neither the rate at which taxes are levied on real property
2 within the Development District nor the manner of assessment of the value of real
3 property within the Development District may vary from the rate or manner of
4 assessment that otherwise would have applied if the Development District were not
5 designated and the Tax Increment Fund not created.

6 **SECTION 6. AND BE IT FURTHER ORDAINED, That:**

7 (a) If no Bonds are outstanding with respect to the Development District, money in the
8 Tax Increment Fund may be:

9 (1) used for any other purposes described in the Act;

10 (2) accumulated for payment of debt service on Bonds to be subsequently issued
11 under the Act;

12 (3) used to pay or reimburse the City for debt service that the City is obligated to pay
13 or has paid (whether as a general or limited obligation of the City) on bonds
14 issued by the City or by the State of Maryland or any agency, department or
15 political subdivision of the State, the proceeds of which have been used for any of
16 the purposes specified in the Act, including, without limitation, debt service on
17 the Hotel Bonds; or

18 (4) paid to the City to provide funds to be used for any legal purpose, including,
19 without limitation, use provided for in the indenture authorizing the issuance of
20 the Hotel Bonds.

21 (b) In each case, the use must be approved by appropriate action of the Mayor and City
22 Council, which action may generally specify the purpose for which the Tax Increment
23 Fund may be used and the maximum amount that may be applied for that purpose,
24 without specifying the actual amounts to be applied.

25 **SECTION 7. AND BE IT FURTHER ORDAINED, That the Director of Finance may do all acts**
26 **and things and execute all documents and certificates relating to the Development District and**
27 **the Tax Increment Fund.**

28 **SECTION 8. AND BE IT FURTHER ORDAINED, That any approvals, authorizations, or**
29 **activities provided in this Ordinance do not constitute and may not be deemed to constitute or**
30 **imply that the City Council, the Mayor, or any department, office or agency of the City has given**
31 **or will give, any approval, authorization or consent to any action or activity within or required**
32 **for the development of the Development District, including any land use approval, requirements**
33 **for the provision of public utilities or services, or any other administrative, judicial, quasi-**
34 **judicial, or legislative approval, authorization, or consent.**

35 **SECTION 9. AND BE IT FURTHER ORDAINED, That this Ordinance may be amended by a**
36 **subsequent ordinance of the Mayor and City Council of Baltimore, which ordinance may enlarge**
37 **or reduce the Development District. However, no ordinance may be effective to reduce the size**
38 **of the Development District so long as there are any outstanding Bonds or other obligations,**
39 **including the Hotel Bonds, secured by the Tax Increment Fund, unless the ordinance authorizing**
40 **the issuance of the such obligations permits the City to reduce the area constituting the**
41 **Development District, the holders of such obligations or an authorized representative on their**

1 behalf consents to the reduction or the indenture authorizing the issuance of the bonds permits
2 the reduction.

3 **SECTION 10. AND BE IT FURTHER ORDAINED,** That the provisions of this Ordinance are
4 severable. If any provision, sentence, clause, section or other part of this Ordinance is held or
5 determined to be illegal, invalid, unconstitutional, or inapplicable to any person or
6 circumstances, that illegality, invalidity, unconstitutionality, or inapplicability does not affect or
7 impair any of the remaining provisions, sentences, clauses, sections, or parts of this Ordinance or
8 their application to other persons or circumstances. It is the intent of the Mayor and City
9 Council that this Ordinance would have been passed even if the illegal, invalid, unconstitutional,
10 or inapplicable provision, sentence, clause, section, or other part had not been included in this
11 Ordinance, and as if the person or circumstances to which this Ordinance or part are inapplicable
12 had been specifically exempted.

13 **SECTION 11. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it
14 is enacted.

1

EXHIBIT 1

2

Map of Development District

Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City