

**CITY OF BALTIMORE
COUNCIL BILL 11-0783
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: September 26, 2011
Assigned to: Taxation, Finance and Economic Development Committee

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

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **North Locust Point Development District – Amending Ordinance 03-642**

3 FOR the purpose of adding and modifying certain definitions, enlarging the boundaries of the
4 development district, revising Exhibit 1 to include the additional properties, ratifying
5 Ordinance 03-642, providing for a special effective date, and making the provisions of this
6 Ordinance severable.

7 BY repealing and reordaining, with amendments
8 Ordinance 03-642
9 Section(s) 1 and 3

10 **Recitals**

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

18 The Act also authorizes the City, subject to certain requirements, to borrow
19 money by issuing and selling bonds for the purpose of financing and refinancing
20 the development of industrial, commercial, or residential areas in Baltimore City.
21 The Act provides, however, that no bonds may be issued by the City until an
22 ordinance is enacted that (i) designates an area or areas within the City as a
23 “development district” and (ii) provides that, until the bonds have been fully paid,
24 the property taxes on real property within the development district shall be
25 divided as provided in the Act.

26 Pursuant to the Act and Ordinance 03-642, passed by the City Council effective
27 on December 22, 2003 (“Ordinance 03-642”), the City established a development

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

Council Bill 11-0783

1 district known as the North Locust Point Development District (the “North Locust
2 Point Development District”) to facilitate the development of the Infrastructure
3 Improvements (as defined in Ordinance 03-642).

4 Pursuant to the Act, Ordinance 03-642, Article II, Section (62A) of the Baltimore
5 City Charter, Ordinance 04-851 of the City Council and Ordinance 04-850 of the
6 City Council, both effective on November 29, 2004, and a Resolution adopted by
7 the Board of Finance of the City on July 25, 2005, the City issued the Series 2005
8 Bonds (defined herein).

9 The City wishes to expand the North Locust Point Development District by
10 including additional properties for the purpose of providing funds for costs of
11 certain infrastructure improvements and related costs permitted by the Act,
12 including, without limitation, parking facilities; additional road improvements and
13 sidewalks, including a pedestrian bridge; park facilities, including walking and
14 biking paths; promenade improvements; and additional facilities, including pier
15 and bulkhead improvements.

16 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
17 Laws of Baltimore City read as follows:

18 **Ordinance 03-642**

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

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

25 (B) “2011 ADDITIONAL PROPERTIES” MEANS THE
26 FOLLOWING PROPERTIES: BLOCK 1987B, LOTS 006 AND
27 007.

28 (C) “ADDITIONAL ASSESSABLE BASE” MEANS THE
29 ASSESSABLE BASE OF THE 2011 ADDITIONAL PROPERTIES
30 AS OF JANUARY 1, 2010.

31 (D)[(b)] “Assessable base” means the total assessable base
32 of all real property in the Development District
33 subject to taxation, as determined by the Supervisor
34 of Assessments.

35 (E)[(c)] (1) “Assessment ratio” means any real property tax
36 assessment ratio, however designated or calculated,
37 that is used or applied under applicable general law
38 in determining the assessable base.

39 (2) “Assessment ratio” includes the assessment
40 percentage provided under §8-103(c) of the

Council Bill 11-0783

1 State Tax-Property Article, as amended,
2 replaced, or supplemented from time to time.

3 (F)[(d)] “Bond” means THE SERIES 2005 BONDS AND any
4 OTHER bond, note, or other similar instrument
5 issued by the Mayor and City Council of Baltimore
6 under the Act.

7 (G)[(e)] “Development District” means the area in the City
8 designated in Section 3 of this Ordinance as a
9 development district under the Act.

10 (H)[(f)] “Infrastructure improvements” means the following
11 public infrastructure improvements constructed in
12 accordance with all required City approvals:

13 (1) the design and construction of roads,
14 including removal of existing paving,
15 new paving and installation of curbs,
16 gutters, sidewalks, lighting, landscaping,
17 and utilities (including, but not limited
18 to, water, sanitary sewer, storm sewer,
19 and ductbank);

20 (2) the design and construction of necessary
21 signalization for a railway crossing;

22 (3) the relocation of existing railway tracks
23 and the recreation of related railway
24 stacking capacity;

25 (4) PARKING FACILITIES;

26 (5) ADDITIONAL ROAD IMPROVEMENTS AND
27 SIDEWALKS, INCLUDING A PEDESTRIAN
28 BRIDGE;

29 (6) THE DESIGN, CONSTRUCTION,
30 RECONSTRUCTION, RENOVATION, AND
31 DEVELOPMENT OF PARK, PLAYING
32 FIELDS, OR PLAYGROUND FACILITIES,
33 INCLUDING WALKING AND BIKING PATHS;

34 (7) ADDITIONAL FACILITIES, INCLUDING PIER
35 AND BULKHEAD IMPROVEMENTS AND
36 PROMENADE IMPROVEMENTS;

37 (8)[(4)] the acquisition of land whether
38 inside or outside the Development
39 District for the infrastructure

Council Bill 11-0783

1 improvements identified in
2 Paragraph [(f)] (H)(1)-[(3)] (7); and

3 (9)[(5)] the acquisition, construction,
4 renovation and development of other
5 related public infrastructure
6 improvements that are necessary for
7 the completion of these
8 infrastructure improvements for their
9 intended public purposes.

10 (I)[(g)] “Original assessable base” means [the assessable
11 base as of January 1, 2002] COLLECTIVELY, THE
12 ORIGINAL 2003 ASSESSABLE BASE AND THE
13 ADDITIONAL ASSESSABLE BASE.

14 (J) “ORIGINAL 2003 ASSESSABLE BASE” MEANS THE
15 ASSESSABLE BASE OF THE ORIGINAL DEVELOPMENT
16 DISTRICT AS OF JANUARY 1, 2002.

17 (K) “ORIGINAL DEVELOPMENT DISTRICT” MEANS THE
18 FOLLOWING PROPERTIES: BLOCK 1976, LOT 1; BLOCK
19 1981B, LOTS 8, 12, 24, AND 26; BLOCK 1982, LOT 1;
20 AND BLOCK 2024, LOT 6A.

21 (L)[(h)] “Original full cash value” means the dollar amount
22 that is determined by dividing the original
23 assessable base by the assessment ratio used to
24 determine the original assessable base.

25 (M)[(I)] “Original taxable value” means, for any tax year,
26 the dollar amount that is the lesser of:

27 (1) the product of the original full cash
28 value times the assessment ratio
29 applicable to that tax year; or

30 (2) the original assessable base.

31 (N) “SERIES 2005 BONDS” MEANS THE MAYOR AND CITY
32 COUNCIL OF BALTIMORE SPECIAL OBLIGATION BONDS
33 (NORTH LOCUST POINT PROJECT) SERIES 2005 ISSUED
34 ON AUGUST 25, 2005, IN THE AGGREGATE PRINCIPAL
35 AMOUNT OF \$2,977,000.

36 (O)[(j)] “Tax increment” means for any tax year, the
37 amount by which the assessable base as of January
38 1 preceding that tax year exceeds the original
39 taxable value, divided by the assessment ratio used
40 to determine the original taxable value.

Council Bill 11-0783

1 (P)[(k)] “Tax Increment Fund” means the special fund
2 established by Section 4 of this Ordinance.

3 (Q)[(l)] “Tax year” means the period from July 1 of a
4 calendar year through June 30 of the next calendar
5 year.
6

7 SECTION 3. AND BE IT FURTHER ORDAINED, That the contiguous area
8 consisting of the properties designated as Block 1976, Lot 1; Block
9 1981B, Lots 8, 12, 24 and 26; Block 1982, Lot 1; [and] Block 2024, Lot
10 6A; AND BLOCK 1987B, LOTS 006 AND 007, together with the adjoining
11 roads, highways, alleys, rights-of-way and other similar property, shown
12 on the map attached to this Ordinance as REVISED Exhibit 1, and made a
13 part of this Ordinance, is designated as a development district to be known
14 as the “North Locust Point Development District.”

15 SECTION 2. AND BE IT FURTHER ORDAINED, That the Mayor and City Council of Baltimore
16 affirms and ratifies the establishment of the North Locust Point Development District, the
17 creation of a Tax Increment Fund for such Development District and the issuance of bonds from
18 time to time, all for the purposes set forth in Ordinance 03-642, as amended hereby, and except
19 as hereby specifically amended, Ordinance 03-642 is hereby confirmed and ratified in all
20 respects and shall remain in full force and effect according to its terms.

21 SECTION 3. AND BE IT FURTHER ORDAINED, That the Mayor and City Council of Baltimore
22 finds and determines that the expansion of the North Locust Point Development District and the
23 further issuance of bonds from time to time, for the purpose of providing funds for the financing
24 of infrastructure improvements and the acquisition of land within and outside the Development
25 District, accomplishes the purposes of the Act, serves public purposes, including the direct and
26 indirect enhancement of the taxable base of Baltimore City and the facilitation of planned
27 improvements to the North Locust Point area, and generally promotes the health, welfare, and
28 safety of the residents of the State of Maryland and of the City of Baltimore.

29 SECTION 4. AND BE IT FURTHER ORDAINED, That the provisions of this Ordinance are
30 severable. If any provision, sentence, clause, section or other part of this Ordinance is held or
31 determined to be illegal, invalid, unconstitutional, or inapplicable to any person or
32 circumstances, that illegality, invalidity, unconstitutionality, or inapplicability does not affect or
33 impair any of the remaining provisions, sentences, clauses, sections, or parts of this Ordinance or
34 their application to other persons or circumstances. It is the intent of the Mayor and City
35 Council of Baltimore that this Ordinance would have been passed even if the illegal, invalid,
36 unconstitutional, or inapplicable provision, sentence, clause, section, or other part had not been
37 included in this Ordinance, and as if the person or circumstances to which this Ordinance or part
38 are inapplicable had been specifically exempted.

39 SECTION 5. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it
40 is enacted.

41 **REVISED EXHIBIT 1**
42 **Map of Development District**