



MEMORANDUM

STEPHANIE
RAWLINGS-BLAKE,
Mayor

PAUL T. GRAZIANO,
Executive Director, HABC
Commissioner, HCD

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

From: Paul T. Graziano, *Commissioner, Department of Housing and Community Development*

Date: June 27, 2013

Re: **City Council Bill 13-0234 – Harbor Point Development – Bond Ordinance**

The Department of Housing and Community Development has reviewed City Council Bill 13-0234, which was introduced for the purpose of authorizing the issuance of special obligation bonds; authorizing the pledge by the City, subject to appropriation, of Tax Increment Revenues and Special Tax Revenues (as such terms are defined herein) to the payment of debt service on such special obligation bonds, the replenishment of any reserves, and the payment of certain expenses and administrative costs; providing that such bonds may be issued from time to time and in one or more issues or series in an aggregate principal amount not exceeding \$125,000,000 for the purpose of financing infrastructure improvements and related costs, including, without limitation, the Project (defined herein), and other necessary improvements to, from, or within the development district, and certain other infrastructure improvements permitted by the Acts (defined herein); providing for the method and sources of payment for such special obligation bonds; providing that the City, in each fiscal year in which any such bonds are outstanding, use its best efforts to obtain the appropriation of the Tax Increment Revenues and the Special Tax Revenues in the amounts and at the times specified in a trust agreement or agreements between the City and a bank or trust company appointed as trustee thereunder; authorizing the Board of Finance to specify, prescribe, determine, provide for and approve the details, forms, documents or procedures in connection with such special obligation bonds and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of such special obligation bonds; providing for a special effective date; and generally relating to the issuance and payment of such special obligation bonds.

This bill, along with companion legislation, City Council Bills 13-0232 and 13-0233, are related to the area known as Harbor Point, which is located between the Fells Point neighborhood and the Harbor East neighborhood of Baltimore City. Specifically, City Council Bill 13-0234 would provide for the issuance of special obligation bonds in an amount not exceeding \$125,000,000, and provide a pledge by the City of Baltimore of tax increment revenues and special tax revenues, subject to appropriation, to the payment of debt service on the special obligation bonds.

It is the understanding of the Department of Housing and Community Development that the adoption of these three City Council Bills, along with a fourth bill relating to the planned unit development—City Council Bill 13-0195—will allow the area located in the Harbor Point Planned Unit Development (PUD) to be developed into a 3.02 million sq.ft. master planned, mixed-use community.



Finally, HCD notes that, pursuant to Article 13, § 2B-21(a) of the Baltimore City Code, every qualifying major public subsidy—which is defined to include tax increment financing (TIF) monies—used in conjunction with the construction of a qualifying residential housing project—one containing 30 or more residential units—triggers an analysis under the “Inclusionary Housing Requirements” of Art. 13, § 2B of the Baltimore City Code. As a TIF has been proposed for this project, HCD has been working in conjunction with the Baltimore Development Corporation (BDC) in BDC’s negotiations with the property owner regarding the Inclusionary Housing Requirements. It is expected that housing units will be developed on this site over multiple phases. As such, HCD will conduct the Inclusionary Housing analysis review as each phase is proposed.

The Department of Housing and Community Development supports the adoption of City Council Bill 13-0234.

PTG:nb

cc: Ms. Angela Gibson, *Mayor’s Office of Government Relations*
Ms. Kaliopé Parthemos, *Deputy Chief, Economic Development*