

**CITY OF BALTIMORE
COUNCIL BILL 13-0233
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Introduced and read first time: June 3, 2013

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 Housing and Community Development, Department of Finance, Board of Estimates

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Harbor Point Special Taxing District**

3 FOR the purpose of designating a “special taxing district” to be known as the “Harbor Point
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 and personal property
7 located in the special taxing district; providing for a special effective date; and generally
8 providing for matters relating to the designation and operation of the special taxing district,
9 the establishment and use of the special fund, authorizing the pledge of the special tax
10 revenues to the payment by or reimbursement to the City for debt service on any special
11 obligation bonds or notes issued by the City in connection with the special taxing district, the
12 replenishment of any reserve fund, and the payment of certain expenses and administrative
13 costs related to the operation of the special taxing district.

14 By authority of

15 Article II - General Powers

16 Section (62A)

17 Baltimore City Charter

18 (1996 Edition)

19 **Recitals**

20 The Special Taxing District Act, Article II, Section (62A) of the Baltimore City
21 Charter (the “Act”) authorizes the Mayor and City Council of Baltimore (the
22 “City”) to establish a “special taxing district” (as defined in the Act) and a special
23 fund into which the special taxes levied in the special taxing district are deposited
24 for the purpose of providing financing, refinancing, or reimbursement for certain
25 costs (as defined in the Act) of infrastructure improvements (as defined in the
26 Act).

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

Council Bill 13-0233

1 The Act also authorizes the City, subject to certain requirements, to borrow
2 money by issuing and selling Bonds (defined herein), for the purpose of providing
3 financing, refinancing, or reimbursement for the cost of the infrastructure
4 improvements.

5 The City has been requested to designate and create the Harbor Point Special
6 Taxing District from both (i) the owners of at least two-thirds of the assessed
7 valuation of the real property located in the proposed special taxing district; and
8 (ii) at least two-thirds of the owners of the real property located in the proposed
9 special taxing district as determined by the provisions of the Act.

10 The Act provides that before any Bonds may be issued, the City is to enact an
11 ordinance that (i) designates an area or areas as a “special taxing district”; (ii)
12 creates a special fund for the special taxing district; and (iii) provides for the levy
13 of an ad valorem or special tax on all real and personal property in the special
14 taxing district at a rate or amount designed to provide adequate revenues to pay
15 the principal of, interest on, and redemption premium, if any, on the Bonds, to
16 replenish any debt service reserve fund, and for any other purpose related to the
17 ongoing expenses of or security for the Bonds.

18 The City wishes to establish a special taxing district within Baltimore City,
19 establish a special fund for the special taxing district, and provide for the levy of a
20 special tax on all taxable real and personal property in the special taxing district
21 for the purpose of providing funds for the costs of the infrastructure improvements
22 and related costs permitted by the Act, including, without limitation, the costs of
23 the Project (defined herein), and other improvements relating to the development
24 of residential, commercial and office uses within the special taxing district or, if
25 outside the special taxing district, reasonably relating to the improvements within
26 the special taxing district.

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

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

31 (b) “Bond Ordinance” means the Ordinance of the City authorizing the issuance of Bonds
32 and the pledge of certain tax and other revenues for the purposes set forth therein.

33 (c) “Bonds” means any bonds, notes, or other similar instruments issued by the City
34 under the Act.

35 (d) “City Expenses” shall have the meaning set forth in the Bond Ordinance.

36 (e) “Project” means the following improvements and activities that are to be completed in
37 accordance with all required City approvals:

38 (1) the design and construction of street and road improvements whether situated
39 within the Special Taxing District or outside the Special Taxing District if
40 reasonably related to other infrastructure improvements within the Special Taxing

Council Bill 13-0233

1 District, including, without limitation, the installation of curbs, gutters, sidewalks,
2 bridges, lighting, and landscaping, and the improvements which are designed to
3 improve traffic flow;

4 (2) the installation of utilities, including, without limitation, water, sewer, lighting,
5 publicly-owned ductbanks, and stormwater management facilities, the
6 construction of parks, including public recreational facilities and public restrooms,
7 plazas, promenades, and transit piers, and the construction of other necessary
8 improvements and other facilities whether situated within the Special Taxing
9 District or outside the Special Taxing District if reasonably related to other
10 infrastructure improvements within the Special Taxing District;

11 (3) the acquisition by purchase, lease, or condemnation of land or other property, or
12 an interest in them, in the Special Taxing District or as necessary for a right-of-
13 way or other easement to or from the Special Taxing District;

14 (4) the acquisition, design, construction, reconstruction, renovation, and development
15 of buildings that provide units of affordable housing and condemning or otherwise
16 acquiring structures, real or personal property, rights, rights-of-way, franchises,
17 easements, and interests in furtherance of this purpose;

18 (5) structured and surface parking facilities that are (i) publicly owned or (ii) privately
19 owned but serve a public purpose;

20 (6) site removal, including demolition, site preparation, earthwork, clearing, grading,
21 and filling;

22 (7) surveys and studies; and

23 (8) the acquisition, construction, renovation, and development of other related
24 infrastructure improvements and the financing or refinancing of any related costs
25 as permitted by the Act that are necessary for the completion of the foregoing for
26 their intended public purposes.

27 (f) "Rate and Method of Apportionment of the Special Taxes" means Rate and Method
28 of Apportionment of the Special Taxes attached to this Ordinance as Exhibit 2 and
29 made a part of this Ordinance.

30 (g) "Special Tax Allocation Report" means the Special Tax Allocation Report attached to
31 this Ordinance as Exhibit 3 and made a part of this Ordinance.

32 (h) "Special Tax Fund" means the special fund established by Section 4 of this
33 Ordinance.

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

36 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council of Baltimore
37 finds and determines that the establishment of the Special Taxing District, the creation of the
38 Special Tax Fund for the Special Taxing District, the issuance of Bonds from time to time, and

Council Bill 13-0233

1 the pledge of amounts, subject to appropriation, on deposit in the Special Tax Fund to the
2 payment of debt service on and other costs related to any Bonds, all for the purpose of providing
3 funds for the financing and refinancing of a portion of the costs of the Project, accomplish the
4 purposes of the Act, serve public purposes, including the direct and indirect enhancement of the
5 taxable base of the City, the creation of new employment opportunities, the encouragement of
6 additional economic activities, the development or redevelopment of slum, blighted or
7 deteriorated areas, the undertaking of urban renewal projects, and the facilitation of planned
8 improvements to the Special Taxing District, and generally promote the health, welfare, and
9 safety of the residents of the State of Maryland and of the City of Baltimore.

10 **SECTION 3. AND BE IT FURTHER ORDAINED,** That the contiguous area consisting of the
11 properties in Ward 03, Section 07 designated as Block 1825, Lots 001, 002, 003, and 003A;
12 Block 1817, Lots 001, 004, 010, and 010A; and Block 1815, Lots 001 and 002 (as the same may
13 be renumbered or redesignated as a result of any subdivision or re-subdivision of such property),
14 together with the adjoining roads, highways, alleys, rights-of-way and other similar property,
15 shown on the map attached to this Ordinance as Exhibit 1, and made a part of this Ordinance, is
16 designated as a special taxing district to be known as the “Harbor Point 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 “Harbor Point Special Tax Fund.” The Director of
19 Finance shall deposit in the Special Tax Fund all special taxes levied and collected in accordance
20 with Section 5 of this Ordinance. The Director of Finance and other officers and employees of
21 the City shall take all necessary steps in order to establish the Special Tax Fund as a separate
22 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 and personal property in the Special Taxing
25 District, unless exempted by the provisions of this Ordinance or otherwise by law, for
26 the purposes, to the extent and in the manner set forth in the Rate and Method of
27 Apportionment of the Special Taxes.
- 28 (b) The revenues and receipts from the special tax, the Special Tax Fund, and any other
29 fund into which all or any of these revenues and receipts are deposited after they have
30 been appropriated by the City are authorized to be pledged to the payment of the
31 principal of and interest on the Bonds, the replenishment of any reserves and the
32 payment of any City Expenses and other administrative costs. These revenues,
33 receipts and funds are not, however, irrevocably pledged to the payment of the
34 principal of and interest on and related costs of the Bonds, and the obligation to pay
35 this principal and interest and these related costs is subject to annual appropriation by
36 the City.
- 37 (c) Special taxes levied in the Special Taxing District may not be accelerated by reason of
38 bond default. The maximum special taxes as described in the Rate and Method of
39 Apportionment of the Special Taxes applicable to any individual property may not be
40 increased in the event that other property owners become delinquent in the payment
41 of the special taxes.

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

Council Bill 13-0233

- 1 (a) The development of the Project will create a public benefit and special benefits to the
2 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 Project, as shown by the Special Tax Allocation Report; and

- 6 (c) The special taxes levied on each property in the Special Taxing District are a fair
7 allocation of the costs of the Project to each property in the Special Taxing District, as
8 shown by the Special Tax Allocation Report.

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

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

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

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

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

Council Bill 13-0233

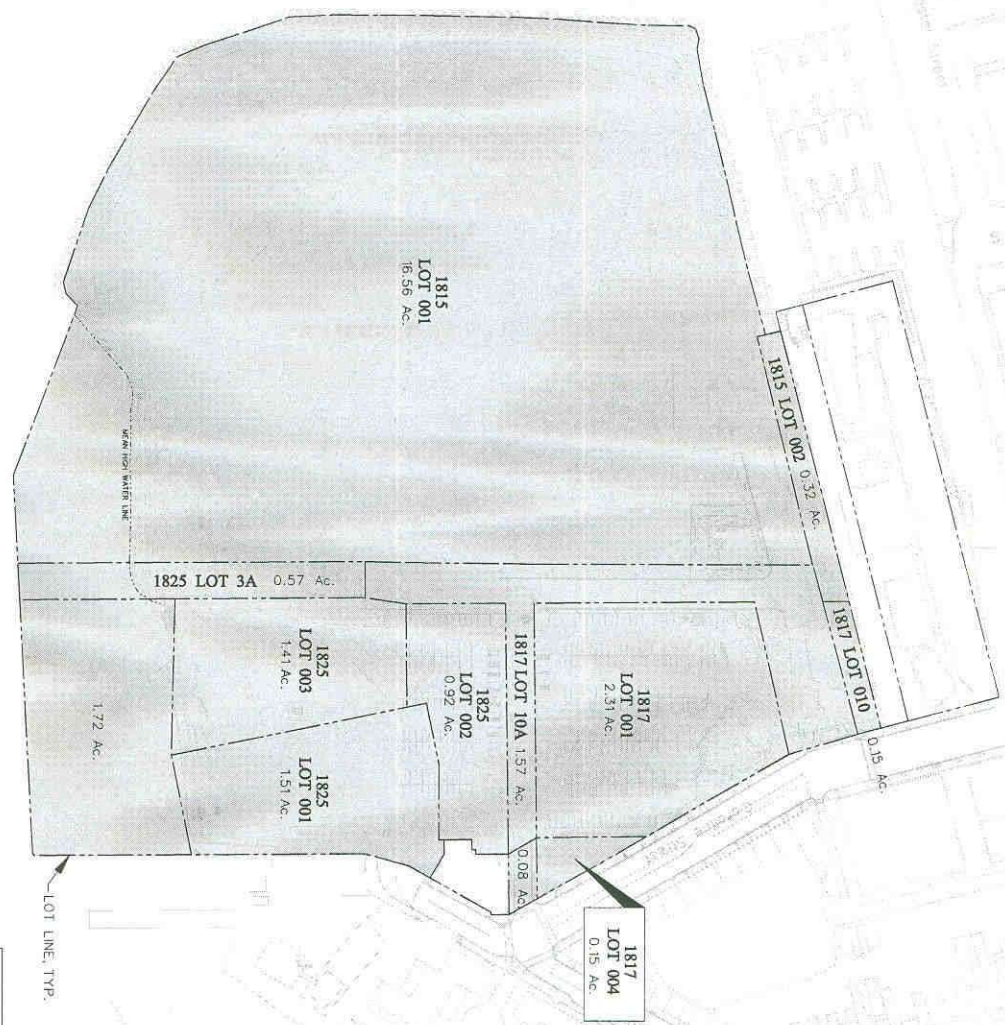
1

EXHIBIT 1

2

Map of the Special Taxing District
(See next page)

3



GENERAL NOTE:
 EXISTING TOPOGRAPHIC SITE FEATURES, SUCH AS BUILDINGS, ROADS, PROPERTY BOUNDARIES, FENCE LINES AND SHORELINE (FERMETER) ARE BASED ON SURVEYS PERFORMED BY GREENHORN & OWARA, INC. DATED JAN 2004, MORRIS RITCHIE ASSOC. DATED JUNE 1993/MAY 2006, DANIEL CONSULTANTS, INC. DATED MARCH 1999 & BOWMAN CONSULTING, DATED JAN. 2010.

RR&K
 RUMMEL, KAPPAS & KEHLER
 10000 W. BROADWAY
 FRIEDLAND, MN 55124
 PH: (612) 726-2000 FAX: (612) 726-3100
 E-mail: Rummel@rr&k.com Website: www.rr&k.com

HARBOR POINT
TIF SPECIAL TAX DISTRICT
 MAY 21, 2013

Council Bill 13-0233

EXHIBIT 2

Rate and Method of Apportionment of the Special Taxes

CITY OF BALTIMORE, MARYLAND
HARBOR POINT SPECIAL TAXING DISTRICT

RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES

A Special Tax is hereby levied and shall be collected in the City of Baltimore Harbor Point Special Taxing District (the "District") each Fiscal Year, beginning with the Commencement Date and continuing until the Termination Date, in an amount equal to the Maximum Special Tax as determined through the application of the procedures described below. All of the real and personal property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms used herein shall have the following meanings:

"Act" means Article II, Section (62A) of the Baltimore City Charter, as amended from time to time.

"Adjusted Maximum Special Tax" means the Special Tax determined in accordance with Section B.2.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent, trustee, or Administrator employed by the City in connection with any Bonds; the expenses of the City in carrying out its respective duties under the Indenture of Trust, including, but not limited to, levying and collecting the Special Tax and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including the costs of any employees of the City and fees of any professionals retained by the City to provide services for such purposes; and all other costs and expenses of the City, Trustee, or Administrator incurred in connection with the discharge of their respective duties under the Indenture of Trust, as applicable, including legal expenses associated with such duties, and, in the case of the City, in any way related to the administration of the District.

"Administrator" means the designee of the Authorized Officer for purposes of estimating the annual Special Tax Requirement and the Special Tax to be collected each Fiscal Year and for providing other services as required herein or by the Indenture of Trust.

"Authorized Officer" means the official of the City designated as an authorized officer under any Indenture of Trust.

"Bond Year" shall have the meaning given to such term in the Indenture of Trust.

"Bonds" means any bonds or other debt, including refunding bonds, whether in one or more series, issued for the District by the City pursuant to the Act.

Council Bill 13-0233

1 **“Building Square Footage”** means the actual, or for property not yet developed, the estimated,
2 enclosed building area, excluding area within a parking garage, that is as shown on the building
3 permit, or if not shown on the building permit, architectural plans or other available documents,
4 as reasonably estimated by the Administrator. If no actual source is available for determining
5 Building Square Footage, the Administrator may estimate such number using the Parcel land area
6 and a reasonable density ratio.

7 **“City”** means the Mayor and City Council of Baltimore, Maryland.

8 **“Commencement Date”** means the first Fiscal Year in which Special Taxes are levied and may
9 be collected, which shall be the first Fiscal Year after the issuance of the Bonds.

10 **“Developed Property”** means Parcels of Taxable Property for which a building permit has been
11 issued that allows the construction of a structure.

12 **“Equivalent Units”** means, for Rental Residential and For Sale Residential, the number of units,
13 for Office Property and Retail Property, the Building Square Footage in 1,000s, for Hotel
14 Property, the number of guest rooms, and for Parking Property, the number of parking spaces,
15 multiplied by the factors for each property type shown below:

16	Rental Residential	1.00 per unit
17	For Sale Residential	1.71 per unit
18	Office Property	1.56 per 1,000 BSF
19	Retail Property	1.01 per 1,000 BSF
20	Hotel Property	1.00 per guest room
21	Parking Property	0.16 per parking space

22 For purposes of determining Equivalent Units, each Parcel shall be classified according to the
23 land use class that is most consistent with the intended use of the Parcel. The number of units,
24 Building Square Footage, guest rooms, and parking spaces shall be equal to the actual number of
25 units, 1,000s of square feet, guest rooms, or parking spaces, for property fully developed, and for
26 property not fully developed, the estimated number to be built based on approved plans or other
27 information on the proposed development of the property, including land area and reasonable
28 density ratios, as reasonably estimated by the Administrator.

29 **“Fiscal Year”** means the period starting any July 1 and ending on the following June 30.

30 **“For Sale Residential”** mean residential dwelling units not classified as Rental Residential,
31 which generally consists of residential units for sale to the general public, including any ancillary
32 space thereto.



Council Bill 13-0233

- 1 **“Office Property”** means property used or intended for use primarily as office facilities,
2 including any ancillary space thereto.
- 3 **“Owner Association Property”** means, for any Fiscal Year, any real property within the
4 boundaries of the District that is owned by or irrevocably offered for dedication to a property
5 owner's association and available for use in common by property owners.
- 6 **“Parcel”** means a lot or parcel of real property within the District with a parcel number assigned
7 by the Supervisor or property otherwise designated as a parcel by an Authorized Officer.
- 8 **“Parking Property”** means Parcels of Taxable Property with no use on the Parcel subject to
9 Special Taxes other than parking, including any ancillary uses thereto.
- 10 **“Proportionately”** means that the ratio of the Special Tax to be collected as a percentage of the
11 Adjusted Maximum Special Tax is equal for each Parcel (excluding those Parcels for which the
12 Adjusted Maximum Special Tax is zero).
- 13 **“Public Improvements”** means those public improvements the City has authorized to be
14 constructed for the benefit of the District and funded by the Bonds.
- 15 **“Public Property”** means property within the boundaries of the District owned by, or
16 irrevocably offered for dedication (in a plat map approved by the City or otherwise) to the federal
17 government, State of Maryland, City, or other public agency or easements for the exclusive use
18 of a public utility provider; provided, however, that exclusive use utility easements and real
19 property that has been irrevocably dedicated includes only those parcels for which a copy of the
20 easement or offer has been provided to the Administrator. Public Property does not include
21 property that would otherwise be Public Property if the owner consents in a form acceptable to
22 the City to being subject to Special Taxes.
- 23 **“Rental Residential”** mean residential dwelling units that consist of or are intended to consist of
24 rental apartment units wherein all units in a project are under common ownership and
25 management, including any ancillary space thereto.
- 26 **“Retail Property”** means property used or intended for use primarily for selling goods or
27 services to the general public, including any ancillary space thereto.
- 28 **“Special Tax”** means the Special Tax that has been levied each year by the City on Taxable
29 Property.
- 30 **“Special Tax Credit”** means, for any Fiscal Year, Tax Increment Revenues and Tax Agreement
31 Revenues related to the Parcel and included in the Special Tax Requirement for that Fiscal Year.
32 For purposes of calculating the Tax Increment Revenues for each Parcel, the base year value shall
33 be allocated to each Parcel on the basis of the acreage of each Parcel.
- 34 **“Special Tax Requirement”** has the meaning given to it in Section C.1.
- 35 **“Supervisor”** means the Supervisor of Assessments for the City.

Council Bill 13-0233

1 **“Tax Agreement Revenues”** means payments with respect to any tax-related contribution or
2 other similar agreement paid by any Parcel and available to apply to the Special Tax
3 Requirement.

4 **“Tax Increment Fund”** means the account of such name established for the District pursuant to
5 an ordinance enacted by the City.

6 **“Tax Increment Revenues”** means the amounts paid or to be paid into the Tax Increment Fund
7 each year by the City.

8 **“Taxable Property”** means any Parcel that is not Public Property or Owner Association
9 Property.

10 **“Termination Date”** means the last Fiscal Year in which Special Taxes will have been levied
11 and may be collected as provided for in Section F.

12 **“Trustee”** means the trustee appointed by the City for the District to carry out the duties of the
13 trustee specified in the Indenture of Trust.

14 **“Undeveloped Property”** means Parcels of Taxable Property not classified as Developed
15 Property.

16 **B. SPECIAL TAX LEVY**

17 1. Maximum Special Tax Levy

18 The Maximum Special Tax levied for all Taxable Property in the District for the first Fiscal Year
19 in which Special Taxes are levied (the Commencement Date) shall be equal to \$7,794,972. On
20 each July 1 thereafter, the Maximum Special Tax levy shall be increased to 102 percent of the
21 respective Maximum Special Tax levy in effect in the previous Fiscal Year.

22 The Maximum Special Tax levied on each Parcel shall be equal to the following formula:

$$A = (B \div C) \times D$$

24 Where the terms have the following meaning:

- 25 A = The Maximum Special Tax levied on a Parcel
- 26 B = The Equivalent Units built or expected to be built on a Parcel
- 27 C = The total Equivalent Units estimated for all of the Parcels in the District
- 28 D = The Maximum Special Tax levy for the District as stated above.

29 2. Adjusted Maximum Special Tax

30 The Adjusted Maximum Special Tax for each Parcel shall be equal to the lesser of (but not less
31 than zero) (i) the Maximum Special Tax for the Parcel and (ii) the amount calculated by the
32 following formula:

$$A = B - C$$

Council Bill 13-0233

1 Where the terms have the following meaning:

- 2 A = The Adjusted Maximum Special Tax for a Parcel
- 3 B = The Maximum Special Tax for a Parcel calculated as set forth above
- 4 C = The Special Tax Credit for the Parcel

5 The Special Tax Credit applied to all Parcels shall not exceed the Tax Increment Revenues and
6 Tax Agreement Revenues applied to the Special Tax Requirement as provided for in Section C.1.

7 3. Personal Property

8 The special tax rate on personal property shall be zero.

9 **C. COLLECTION OF SPECIAL TAXES**

10 Special Taxes shall be collected each Fiscal Year from each Parcel of Taxable Property in an
11 amount calculated pursuant to the provisions of this section.

12 1. Special Tax Requirement

13 The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and
14 confirmed by an Authorized Officer and shall be an amount equal to (A) the amount required in
15 such Fiscal Year to pay: (1) debt service and other periodic costs (including deposits to any
16 sinking funds) on the Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2)
17 Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal Year
18 and not paid by the District, (3) any amount required to replenish any reserve fund established in
19 association with any Bonds and (4) an amount equal to the estimated delinquencies expected in
20 payment of the Special Tax or other contingencies as deemed appropriate, and (5) the costs of
21 remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees
22 for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of
23 cash), less (B) (1) Tax Increment Revenues and Tax Agreement Revenues available to apply to
24 the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the
25 Indenture of Trust, such as capitalized interest, reserves, and investment earnings on any account
26 balances, and (3) any other revenues available to apply to the Special Tax Requirement.

27 2. Determination of Special Taxes to be Collected

28 Commencing with Commencement Date and for each following Fiscal Year through the
29 Termination Date, the Special Tax shall be collected as provided below.

30 **First:** The Special Tax shall be collected Proportionately from each Parcel of Developed
31 Property up to 100 percent of the Adjusted Maximum Special Tax for such Parcel to the extent
32 necessary to fund the Special Tax Requirement.

33 **Second:** If additional monies are needed to fund the Special Tax Requirement after the first step
34 has been completed, the Special Tax shall be collected Proportionately from each Parcel of
35 Undeveloped Property up to 100 percent of the Adjusted Maximum Special Tax for such Parcel,
36 to the extent necessary to fund the Special Tax Requirement.

Council Bill 13-0233

1 The Administrator shall provide an estimate to the City prior to each Fiscal Year of the amount
2 of the Special Tax to be collected from each Parcel in conformance with the provisions of this
3 section.

4 3. Circumstances Under Which the Special Tax May be Increased as a Result of a Default

5 The Maximum Special Tax levied on any Parcel may not be increased regardless of the default in
6 the collection of the Special Tax from any other Parcel. The Special Tax to be collected from a
7 Parcel may be increased as a result of a default in the payment of the Special Tax on another
8 Parcel pursuant to the provisions of Section C. 1. and 2. If the Special Tax to be collected from a
9 Parcel pursuant to the provisions of Section C.1. and 2. is less than the Adjusted Maximum
10 Special Tax for such Parcel, the Special Tax may be increased up to the Adjusted Maximum
11 Special Tax as a result of a default in the payment of the Special Tax to be collected from another
12 Parcel. The Special Tax to be collected from a Parcel may not exceed the Adjusted Maximum
13 Special Tax regardless of a default in the payment of Special Taxes by any other Parcel.

14 **D. EXEMPTIONS**

15 A Special Tax is not levied on and shall not be collected from Public Property, Owner
16 Association Property, or easements for the exclusive use of a public utility provider.

17 **E. MANNER OF COLLECTION**

18 The Special Tax shall be collected and secured in the same manner as, and be subject to the same
19 penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for,
20 general *ad valorem* taxes; provided, however, the Special Tax may be collected at a different
21 time or in a different manner as determined by an Authorized Officer, provided that such time or
22 manner is not inconsistent with the provisions of the Act or an Indenture of Trust.

23 **F. TERMINATION OF SPECIAL TAX**

24 Except for any delinquent Special Taxes and related penalties and interest, Special Taxes shall
25 not be collected from any Parcel after the earlier of (i) the repayment or defeasance of the Bonds
26 and (ii) such time provided for by the Indenture of Trust.

27 **G. SPECIAL TAX APPEALS**

28 Any property owner claiming that the amount or application of the Special Tax is not correct and
29 requesting a refund may file a written notice of appeal and refund to that effect with an
30 Authorized Officer not later than one calendar year after the due date (i.e., July 1) for the Special
31 Tax that is disputed. Such appeal may not affect the due date of the payment of the Special Tax.
32 The Authorized Officer shall promptly review all information supplied by the appellant in
33 support of the appeal and, if necessary, meet with the property owner, and decide the appeal. If
34 the decision of the Authorized Officer requires the Special Tax to be modified or changed in
35 favor of the property owner, a cash refund shall not be made (except for the last year of levy or
36 unless sufficient funds will otherwise be available to meet the Special Tax Requirement), but an
37 adjustment shall be made to the next Special Tax levy on that Parcel. The decision of the
38 Authorized Officer may be appealed to the Chief of the Bureau of Treasury Management, who
39 shall hold a hearing on the appeal and consider any written or oral evidence presented by

Council Bill 13-0233

1 appellant. This procedure shall be exclusive and its exhaustion by any property owner shall be a
2 condition precedent to any other appeal or legal action by such owner.

3 **H. AMENDMENTS**

4 Immaterial amendments may be made to this Rate and Method of Apportionment of Special
5 Taxes by the Authorized Officer and, to the maximum extent permitted by the Act, such
6 amendments may be made without further notice under the Act and without notice to owners of
7 Taxable Property within the District in order to (i) clarify or correct minor inconsistencies in the
8 matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of
9 the Special Tax so as to assure the efficient collection of the Special Tax for the benefit of the
10 owners of the Bonds, and (iii) otherwise improve the ability of the City to fulfill its obligations to
11 levy and collect the Special Tax and to make it available for the payment of the Bonds and
12 Administrative Expenses. Any such amendment may not increase the Maximum Special Tax.

13 **I. INTERPRETATION OF PROVISIONS**

14 The Authorized Officer shall make all interpretations and determinations related to the
15 application of this Rate and Method of Apportionment of Special Taxes, unless stated otherwise
16 herein or in the Indenture of Trust, and as long as there is a rational basis for the determination
17 made by the City, such determination shall be conclusive. All terms and provisions herein shall
18 be liberally construed to effectuate the purposes set forth herein.

19 **J. SEVERABILITY**

20 If any section or part of a section of this "Rate and Method of Apportionment of Special Taxes"
21 is declared invalid or unenforceable, the validity, force, and effect of any other section or part of
22 a section herein shall not thereby be affected or impaired unless such other section or part of a
23 section herein is wholly or necessarily dependent upon the section or part of a section so held to
24 be invalid or unenforceable.

Council Bill 13-0233

1
2
3
4
5
6

EXHIBIT 3
Special Tax Allocation Report

Harbor Point Special Taxing District
City of Baltimore, Maryland
Special Tax Report

7
8
9

Prepared by:
MuniCap, Inc.
May 24, 2013

1 **Harbor Point Special Taxing District**
2 **City of Baltimore, Maryland**
3 **Special Tax Report**

4 **Purpose of Report**

5 The Harbor Point Special Taxing District (the “District”) is being created to facilitate the
6 financing of all or a portion of the costs of public improvements for the District, including costs
7 related to the issuance of the bonds. Bonds are expected to be issued by the City of Baltimore
8 (the “City”) to fund the costs of the public improvements for the benefit of property within the
9 District. The proceeds of the bonds are expected to finance the cost of the improvements,
10 issuance costs, and a reserve fund.

11 The City will levy a special tax each year to provide funds for the payment of debt service on
12 the bonds, to replenish reserves if needed, cover the cost of administration of the District, and
13 fund other costs related to the bonds. The District is being created, special taxes levied, and
14 bonds issued pursuant to the Special Taxing District Act, Article II, Section (62A) of the
15 Baltimore City Charter (the “Act”), as amended from time to time. The Act requires special
16 taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the
17 special taxes levied as described in the “Rate and Method of Apportionment of Special Taxes”
18 for the District.

19 **Description of the Special Taxing District**

20 The District is comprised of approximately 27 acres located on Baltimore’s Inner Harbor
21 west of the City’s Fells Point neighborhood and southeast of the City’s Harbor East
22 neighborhood. The District is generally bounded by the Baltimore harbor to the south and west,
23 the Living Classrooms campus to the north, and Caroline Street to the east. Both Block Street
24 and Dock Street will act as primary entry points to the District with Wills Street acting as the
25 arterial route.

26 The tax parcels in the District are shown by Table A on the following page.

Council Bill 13-0233

**Table A
Tax Parcels Within the District**

Current Owner	Account Identifier	Description
Thames Street Wharf, LLC	03-07-1825-001	1300 Thames Street
Block Street Apartments, LLC	03-07-1825-002	1300 Thames Street
Wills Street Pier, LLC	03-07-1825-003	1300 Thames Street
Honeywell International, Inc. ¹	03-07-1815-001	1000 Wills Street
Honeywell International, Inc. ¹	03-07-1817-001	900 S. Caroline Street
Honeywell International, Inc. ¹	03-07-1815-002	NWC of Dock Street & Wills Street
Honeywell International, Inc. ¹	03-07-1817-010	S WS of Caroline Street
Mayor & City Council	03-07-1817-010A	Beds of Streets Willis Street Blo.
Harbor Point Phase II Development LLC	03-07-1817-004	950 S. Caroline Street
Mayor & City Council	03-07-1825-003A	SS Philpot St. 360 FT W of Thames St.
Owners in Common ²	-	-
Mayor & City Council	-	-
Total		

¹Honeywell International, Inc. as a successor-in-interest to Allied Chemical Corporation.
²Owned and shared by the three owners of the 1300 Thames Street tax parcels.

The current tax parcels comprising the District, as well as the District boundary, is illustrated in Exhibit A, attached hereto.

The property in the District is the former site of the Allied Signal's (now Honeywell International) chrome ore processing facility. Bill #13-0195 designates the property within the District as a Business Planned Unit Development. As provided for by Bill #13-0195, the District is subject to B-2-2 Zoning District guidelines, which are Community Business Districts designed to accommodate the needs of a larger consumer population.

According to Bill #13-0195, the gross building area within the Business Planned Unit Development may not exceed 3,020,000 square feet. Parking structures will not be counted towards the maximum gross 3,020,000 square feet.

The proposed development is shown in Table B on the following page. A map of the PUD illustrating the maximum permissible land uses and the proposed development within the District is attached hereto as Exhibit B.

Council Bill 13-0233

Table B
Proposed Special Taxing District Development

<u>Development</u>	<u>Units/BSF/Rooms/Spaces</u>
<i>Residential</i>	<i>(Units)</i>
Apartments	914
<i>Commercial</i>	<i>(BSF)</i>
Office	1,638,778
Retail	195,572
	<i>(Rooms)</i>
Hotel	275
	<i>(Spaces)</i>
Parking	3,300

Table C identifies the proposed development for each proposed phase of development (phase representing the infrastructure improvements made to the property allowing development).

Table C
Harbor Point Special Taxing District by Phase

Phase	Development Type	BSF
<i>Phase I (Buildings 1, 7, & 9)</i>		
	Apartments	352,650
	Office	873,639
	Retail	101,542
	Parking	812,075
Total Phase I		2,139,906
<i>Phase II (Buildings 4, 5, & 8)</i>		
	Apartments	215,000
	Office	326,940
	Retail	55,100
	Parking	101,400
Total Phase II		698,440
<i>Phase III (Buildings 2, 3, & 6)</i>		
	Apartments	346,000
	Office	438,199
	Retail	38,930
	Hotel	222,000
	Parking	325,200
Total Phase III		1,370,329
Total		4,208,675
¹ According to Bill #13-0195, all building area for parking will not be counted towards the maximum 3,020,000 gross square feet. The total gross square footage shown above less the gross square footage associated with parking equates to 2,970,015 square feet.		

Council Bill 13-0233

Phase	Development Type	BSF
<i>Phase I (Buildings 1, 7, & 9)</i>		
	Apartments	352,650
	Office	873,639
	Retail	101,542
	Parking	812,075
Total Phase I		2,139,906
<i>Phase II (Buildings 4, 5, & 8)</i>		
	Apartments	215,000
	Office	326,940
	Retail	55,100
	Parking	101,400
Total Phase II		698,440
<i>Phase III (Buildings 2, 3, & 6)</i>		
	Apartments	346,000
	Office	438,199
	Retail	38,930
	Hotel	222,000
	Parking	325,200
Total Phase III		1,370,329
Total		4,208,675
<small>¹According to Bill #13-0195, all building area for parking will not be counted towards the maximum 3,020,000 gross square feet. The total gross square footage shown above less the gross square footage associated with parking equates to 2,970,015 square feet.</small>		

A map illustrating the site plan, as well as a map illustrating the proposed development by building, are both attached hereto as Exhibits C-1 and C-2, respectively.

Council Bill 13-0233

Proposed Public Improvements

The purpose of the District, the special taxes to be levied in the District, and the special obligation bonds to be issued with respect to the District is to finance all or a part of the costs of the public improvements shown in Table D.

**Table D
Public Improvements**

Public Improvement	Series A	Series B	Series C	Total
Public Infrastructure				
Dock Street	\$5,188,602	\$0	\$0	\$5,188,602
Point Street	\$643,382	\$0	\$0	\$643,382
Central Avenue Bridge	\$10,400,000	\$0	\$0	\$10,400,000
Wills Street	\$1,639,512	\$0	\$0	\$1,639,512
Block Street	\$0	\$2,886,328	\$0	\$2,886,328
Wills Street extension	\$0	\$2,959,575	\$0	\$2,959,575
West Park	\$0	\$0	\$3,276,197	\$3,276,197
Point Park	\$0	\$0	\$34,162,224	\$34,162,224
Central Square	\$15,855,006	\$0	\$0	\$15,855,006
Waterfront Park	\$0	\$0	\$5,042,932	\$5,042,932
Caroline Park	\$0	\$794,889	\$0	\$794,889
Promenade	\$0	\$5,408,657	\$16,225,971	\$21,634,628
Transit piers	\$0	\$0	\$448,001	\$448,001
Total public infrastructure costs	\$33,726,502	\$12,049,449	\$59,155,325	\$104,931,276
City items				
School contribution	\$2,000,000	\$0	\$0	\$2,000,000
Total public improvement costs	\$35,726,502	\$12,049,449	\$59,155,325	\$106,931,276

Costs may vary from these estimates and the improvements built may be modified from those described herein. A description of these improvements follows:

1. Dock Street

Dock Street includes all costs to manage, design, engineer and construct Dock Street commencing at the intersection of Caroline Street and running to the intersection of Point Street. Improvements will also include a water main, storm drain, sanitary sewer, electrical and telecom ductbanks, pedestrian lighting, curbs, sidewalks, landscaping, hardscaping and all necessary signing and pavement markings. Additionally, the environmental site constraints require additional improvements that include a six inch concrete containment cap below the bed of the street, fill soil (and some cut) to raise streets/utilities over the underground slurry wall, adjustment of groundwater monitoring system as well as any necessary geomembrane repair and/or soil surcharging. Costs also include erosion and sediment control, maintenance and protection of traffic as well as a contingency.

Council Bill 13-0233

1 2. Point Street

2 Point Street includes all costs to manage, design, engineer and construct Point Street
3 commencing at the intersection of Dock Street and running to the south face of the Exelon
4 building where it meets Central Square. Improvements will also include a water main, sanitary
5 sewer, electrical and telecom ductbanks, pedestrian lighting, curbs, sidewalks, landscaping,
6 hardscaping and all necessary signing and pavement markings. Additionally, the environmental
7 site constraints require additional improvements that include a six-inch concrete containment cap
8 below the bed of the street and fill soil to raise streets/utilities over the underground slurry wall,
9 as well as any necessary geomembrane repair and/or soil surcharging. Costs also include erosion
10 and sediment control, maintenance and protection of traffic as well as a contingency.

11 3. Central Avenue Bridge

12 Central Avenue Bridge includes all costs to manage, design, engineer and construct a bridge that
13 will extend Central Avenue south from Lancaster Street over the Patapsco River to the
14 intersection of Central Avenue and Dock Street. Costs include geotechnical investigations,
15 sidewalks, the promenade, parapets, lighting, railings and contingency. Costs also include
16 demolition and removal of existing piers, as well as removal of portions of the existing marina.

17 4. Wills Street

18 Wills Street includes all costs to manage, design, engineer and construct Wills Street
19 commencing at the intersection of Dock Street and running to the southern face of the Building 1
20 where it meets Central Square. Improvements will also include a water main, storm drain,
21 electrical and telecom ductbanks, sanitary sewer, pedestrian lighting, curbs, sidewalks,
22 landscaping, hardscaping and all necessary signing and pavement markings. Additionally, the
23 environmental site constraints require additional improvements, which include a six inch
24 concrete containment cap below the bed of the street, fill soil to raise streets/utilities over the
25 underground slurry wall, adjustment of groundwater monitoring system as well as any necessary
26 geomembrane repair and/or soil surcharging. Costs also include erosion and sediment control,
27 maintenance and protection of traffic as well as a contingency.

28 5. Block Street

29 Block Street includes all costs to manage, design, engineer and construct Block Street
30 commencing at the intersection of Caroline Street and running to the intersection of Wills Street
31 and Central Square. Improvements will also include a water main, storm drain, electrical and
32 telecom ductbanks, sanitary sewer, pedestrian lighting, curbs, sidewalks, landscaping,
33 hardscaping and all necessary signing and pavement markings. Additionally, the environmental
34 site constraints require additional improvements that include a six inch concrete containment cap
35 below the bed of the street, fill soil (and some cut) to raise streets/utilities over the underground
36 slurry wall, adjustment of groundwater monitoring system as well as any necessary geomembrane
37 repair and/or soil surcharging. Costs also include erosion and sediment control, maintenance and
38 protection of traffic as well as a contingency.

39 6. Wills Street Extension

40 Wills Street extension includes all costs to manage, design, engineer and construct Wills Street
41 commencing at the southern portion of Central Square and running south to the turn around just

Council Bill 13-0233

1 north of Waterfront Park. Improvements will also include a water main, storm drain, electrical
2 and telecom ductbanks, sanitary sewer, pedestrian lighting, curbs, sidewalks, landscaping,
3 hardscaping and all necessary signing and pavement markings. Additionally, the environmental
4 site constraints require additional improvements, which include a six inch concrete containment
5 cap below the bed of the street, fill soil to raise streets/utilities over the underground slurry wall,
6 adjustment of groundwater monitoring system as well as any necessary geomembrane repair
7 and/or soil surcharging. Costs also include erosion and sediment control, maintenance and
8 protection of traffic as well as a contingency.

9 7. West Park

10 West Park includes all costs to manage, design, engineer and construct the public open space
11 between the two proposed buildings, Buildings 2 and 3, facing the Inner Harbor. Improvements
12 will also include a water main, storm drain, pedestrian lighting, curbs, sidewalks, landscaping,
13 and hardscaping. Additionally, the environmental site constraints require additional
14 improvements, which include a six inch concrete containment cap below the bed of the utilities
15 associated with the park and fill soil to keep the utilities away from the perimeter underground
16 slurry wall, as well as balance out site grading, adjustment of groundwater monitoring system, as
17 well as any necessary geomembrane repair and/or soil surcharging. Costs also include erosion
18 and sediment control, maintenance and protection of traffic, soil in-fill, and a contingency.

19 8. Point Park

20 Point Park includes all costs to manage, design, engineer and construct the large public open
21 space on the southwestern edge or "point" of the District overlooking Baltimore Harbor.
22 Improvements will also include a water main, storm drain, sanitary sewer, pedestrian lighting,
23 curbs, sidewalks, landscaping, and any necessary hardscaping. Additionally, the environmental
24 site constraints require additional improvements, which include a six inch concrete containment
25 cap below the bed of the utilities associated with the park and fill soil to keep the utilities away
26 from the perimeter underground slurry wall, as well as balance out site grading, adjustment of
27 groundwater monitoring system, as well as any necessary geomembrane repair and/or soil
28 surcharging. Costs also include erosion and sediment control, maintenance and protection of
29 traffic, soil in-fill, and a contingency.

30 9. Central Square

31 Costs for Central Square include all costs to manage, design, engineer and construct the public
32 open space (park) in the center of the square as well as the surrounding street network and
33 sidewalks. This includes the public utilities, including water mains, storm drains, electrical and
34 telecom ductbanks, sanitary sewers, pedestrian lighting, curbs, sidewalks, landscaping, and
35 hardscaping. Costs also include erosion and sediment control, maintenance and protection of
36 traffic, and a contingency.

37 10. Waterfront Park

38 Waterfront Park includes all costs to manage, design, engineer and construct the public open
39 space at the terminus of Wills Street. Improvements will also include a water main, storm drain,
40 pedestrian lighting, curbs, sidewalks, landscaping, and hardscaping. Additionally, the
41 environmental site constraints require additional improvements, which include a six inch
42 concrete containment cap below the bed of the utilities associated with the park and fill soil to

Council Bill 13-0233

1 keep the utilities away from the perimeter underground slurry wall, as well as balance out site
2 grading, adjustment of groundwater monitoring system, as well as any necessary geomembrane
3 repair and/or soil surcharging. Costs also include erosion and sediment control, maintenance and
4 protection of traffic, soil in-fill, and a contingency.

5 11. Caroline Park

6 Caroline Park includes all costs to manage, design, engineer and construct the public open space
7 at the intersection of Caroline, Block and Thames Streets. Improvements will also include a
8 water main, storm drain, pedestrian lighting, curbs, sidewalks, landscaping, and hardscaping.
9 Costs also include erosion and sediment control, maintenance and protection of traffic, soil in-
10 fill, and a contingency.

11 12. Promenade

12 Promenade includes the cost to manage, design, engineer and construct a pile supported bulkhead
13 promenade from the Central Avenue Bridge to the west before turning south. At that point the
14 promenade will become an at-grade promenade ringing the western portion of the site until it
15 become a platform deck again south of Waterfront Park. The at-grade promenade is envisioned
16 as a more natural pathway being integrated into the surrounding park space. Costs include
17 hardscaping, pavers, outdoor furnishing including benches, lighting and its associated conduit, as
18 well as well as a contingency.

19 13. Transit Piers

20 Transit piers include all costs to manage, design, engineer and construct floating piers, which will
21 allow for water taxi docking and public transit docking. The transit pier will be located at the
22 southern waterfront of the District along the Baltimore Harbor. Costs include any necessary
23 lighting, stairs, ramps, and shelters, as well as contingency.

24 14. School Contribution

25 The school contribution includes a portion of the costs to construct a school building on the
26 existing Living Classrooms campus to facilitate the expansion of the Crossroads Charter School.
27 The school building will be located adjacent to Caroline Street at the east end of the campus and
28 is projected to be approximately 18,000 square feet on two levels, consisting of classrooms,
29 administrative offices, and possibly a library.

30 The public improvements described above are all provided to meet the needs of the property
31 in the District that results from the proposed development of the property. The improvements
32 provide road access, water, sewer, stormwater drainage, parks, promenades, lighting,
33 landscaping, and other public improvements that do not currently exist and will be necessary for
34 the proposed development of the property.

35 A map showing the proposed public improvements, the location of the public parks to be
36 constructed, and the phasing of the public improvements in conjunction with bonds to be issued,
37 is attached hereto as Exhibits D-1, D-2, and D-3.

Council Bill 13-0233

Projected Issuance of Bonds

Bonds are proposed to be issued by the City in three series to correspond with the three phases of development to finance the costs of the public improvements described above. Bond proceeds will include the costs of constructing improvements, issuance costs, and a reserve fund. Table E on the following page, shows the estimated sources and uses of funds for the issuance of bonds.

Table E
Sources and Uses of Funds

	Series A	Series B	Series C	Total
Sources of funds:				
<i>Bond proceeds</i>	\$41,191,000	\$14,254,000	\$67,331,000	\$122,776,000
Total sources of funds	\$41,191,000	\$14,254,000	\$67,331,000	\$122,776,000
Uses of funds:				
<i>Drawdown mode:</i>				
Public improvements	\$35,726,502	\$12,049,449	\$59,155,325	\$106,931,276
Issuance costs	\$300,000	\$200,000	\$200,000	\$700,000
Administrative expenses	\$30,000	\$0	\$0	\$30,000
<i>Sub-total drawdown mode</i>	\$36,056,502	\$12,249,449	\$59,355,325	\$107,661,276
<i>Remarketing/Conversion:</i>				
Issuance costs	\$500,000	\$400,000	\$400,000	\$1,300,000
Underwriter's discount	\$514,888	\$178,175	\$841,638	\$1,534,700
Reserve fund	\$4,119,100	\$1,425,400	\$6,733,100	\$12,277,600
<i>Sub-total drawdown mode</i>	\$5,133,988	\$2,003,575	\$7,974,738	\$15,112,300
<i>Rounding</i>	\$511	\$976	\$938	\$2,424
Total uses of funds	\$41,191,000	\$14,254,000	\$67,331,000	\$122,776,000

The actual issuance of the bonds may vary from these estimates depending on the interest rate on the bonds, the date the bonds are issued, the cost of issuing the bonds, reinvestment rates on bond proceeds, and other factors.

Bond issuance costs include legal fees, financial consulting fees, the cost of studies, the set-up and first year's fee of the trustee, trustee's counsel, City expenses, document printing costs, administrative expenses related to the District, an underwriter's discount, and other miscellaneous costs related to the issuance of bonds.

The purpose of the reserve fund is to ensure there are sufficient funds to pay debt service should it be necessary to take action to collect delinquent property taxes. The proceeds in the reserve fund are invested and the income is applied to the annual debt service on the bonds. The reserve fund itself will eventually be applied to the repayment of the bonds. Accordingly, while the reserve fund is funded from bond proceeds, it is not a cost of issuing the bonds.

Council Bill 13-0233

1 **Projected Debt Service and Administrative Expenses**

2 A schedule showing projected debt service and administrative expenses is attached to this
3 report as Exhibit E. Three series of bonds are assumed to be issued, with each series of bonds
4 being repaid over approximately thirty years from the issuance of bonds.

5 The principal payments on the bonds are structured such that debt service is increasing each
6 year during the amortization period of the bonds. The bonds are assumed to be tax-exempt with
7 an interest rate of 6.5% percent per year, both of which may change as market conditions change.

8 Estimated administrative expenses are included in Exhibit E, which represent City costs
9 related to the administration of the District.

10 **Determination of Special Taxes**

11 Special taxes must be levied in a reasonable manner. The reasonable basis for the special
12 taxes levied in the District is based on the following:

- 13 (i) the public improvements to be provided by the District and the related tax increment
14 district provide a special benefit to the property in the District and the special benefit
15 to the property subject to the special taxes exceeds the cost of the special taxes;
- 16 (ii) the amount of special taxes to be levied each year is equal to or less than the amount
17 required to repay the bonds issued to finance the public improvements; and
- 18 (iii) special taxes are allocated to parcels within the District in a manner that reasonably
19 represents the benefit each parcel will receive from the improvements to be provided
20 by the District.

21 Special Benefit

22 The property in the District will receive a special benefit from the public improvements to be
23 provided as a result of the creation of the District. The public infrastructure will provide road
24 access to, from and within the property in the District, extend water and sewer through the
25 property in the District, provide storm water management improvements, public parks, public
26 restrooms, promenades, landscaping of public spaces, parking, and other improvements to the
27 property in the District. These improvements are required for the proposed use of the property as
28 described above. Accordingly, the public improvements to be provided as a result of the District
29 provide a special benefit to the property in the District.

30 The special benefit of the public improvements to be provided as a result of the District will
31 be equal to or greater than the cost of the special taxes levied on the property. The value of
32 special benefit is confirmed by two means. First, the owners of the property in the District have
33 requested that the City impose special taxes on such property for the purpose of providing the
34 public improvements. It is reasonable to believe the owners are acting in their interest and
35 making this request because the benefit they receive from the public infrastructure improvements
36 exceeds the cost of the special taxes.

37 Second, the special taxes are being levied to provide improvements that are necessary for the
38 highest and best use of the property (i.e., the use of the property that is most valuable, including

Council Bill 13-0233

1 any costs associated with that use). Highest and best use can be defined as “The reasonably
2 probable and legal use of vacant land or an improved property, which is physically possible,
3 appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of*
4 *Real Estate Appraisal, Fourth Edition.*) The four criteria for highest and best use are (i) legally
5 permissibility, (ii) physical possibility, (iii) financial feasibility, and (iv) maximum productivity.

6 The owners of the property in the District have analyzed various options for the use of such
7 property, taking into consideration the legally permitted uses, the physical constraints of the site,
8 financial parameters and market demand. The developer is understandably interested in
9 maximizing its return on the property. Based on this analysis, the highest and best use of the
10 property, including any costs required for that use, is the proposed uses for the property as
11 described herein. This use of the property will require the public improvements as described
12 herein and to be provided as result of the District. Without these improvements, the proposed
13 use of the property would not be physically possible or adequately supported and, as a result, the
14 property could not be put to its highest and best use.

15 The financing provided by the special tax district is long-term financing and pays interest to
16 the bond holders that is exempt from income taxes, resulting in a lower rate than other available
17 financing on comparable terms. The special taxes also help to make available tax increment
18 financing for the bonds (that is, the bonds will be repaid from the increase in property taxes as
19 well as from special taxes). As a result of these advantages, the financing provided by the
20 District is the most beneficial means of financing the public improvements.

21 In summary, the special taxes result in a special benefit to the property and this special
22 benefit is greater than the special taxes for the following reasons:

- 23 1. The public improvements to be provided as a result of the District are required for the highest
24 and best use of the property;
- 25 2. The highest and best use of the property is the use of the property that is most valuable
26 (including any costs associated with the use of the property);
- 27 3. The financing provided by the District is the most beneficial means of financing the
28 improvements;
- 29 4. As a result, the special benefits to the property from the public improvements to be provided
30 as a result of the District will be equal to or greater than the special taxes to be imposed on
31 the property in the District.

32 Special Taxes Required to Repay the Bonds

33 As shown on Exhibit E, special taxes are levied in an amount necessary to pay debt service
34 on bonds issued to fund the improvements to be provided by the District, including appropriate
35 debt service coverage. Interest is calculated at six and one half percent for all three series of
36 bonds. The special taxes include debt service coverage of an additional ten percent, which may
37 also be used to replenish the debt service reserve fund, if necessary. Special taxes also cover
38 estimated administrative expenses and issuance fees of the City.

39 The annual debt service is scheduled to increase by two percent each year. As a result, the
40 maximum special tax must also increase by two percent each year.

Council Bill 13-0233

1 The actual debt service on the bonds may be less than estimated herein. The "Rate and
2 Method of Apportionment of Special Taxes" provides for special taxes to be collected only to the
3 extent necessary to pay debt service on the bonds, so that special taxes actually collected will not
4 exceed the amount necessary to repay the bonds and to pay related administrative expenses and
5 issuer fees.

6 The maximum special tax on all of the property in the District is set in a manner consistent
7 with the estimate of the annual debt service on the bonds to be issued to finance the public
8 improvements that provide a special benefit plus the required debt service coverage and
9 administrative expenses and issuer fees related to the bonds. Special taxes are therefore set in a
10 reasonable manner.

11 Allocation of Special Taxes to Parcels

12 Special taxes are allocated to parcels in the District in a manner to reasonably reflect the
13 benefit property will receive from the improvements to be provided by the District. For purposes
14 of estimating benefit, property is classified into one of six categories, defined as rental
15 residential, for sale residential, office, retail, hotel or parking.

16 The benefit received by each property is estimated on the basis of the estimated future value
17 of the property. The research used to generate the estimated future value by land use class is
18 included as Exhibit F, attached hereto. The purpose of the improvements to be provided by the
19 District is to allow for the redevelopment of the property. Estimating the benefit properties will
20 receive from the improvements on the basis of future estimated value is particularly appropriate
21 for improvements intended to provide for the redevelopment of the property, as one reason for
22 the redevelopment is to increase the values of the property in the district.

23 Benefit for each class of property is represented by an equivalent unit factor. These factors
24 are shown in Table F. The equivalent unit factors represent the relative future assessed value of
25 the property within each land use class.

26 **Table F**
27 **Property Classifications and**
28 **Equivalent Unit Factors**

Land Use Class	Projected Future Assessed Value	Measurement	Equivalent Unit Factors
Rental Residential	\$156,847	Per dwelling unit	1.00
For Sale Residential	\$268,458	Per dwelling unit	1.71
Office	\$245,026	Per 1,000 BSF	1.56
Retail	\$157,803	Per 1,000 BSF	1.01
Hotel	\$156,364	Per room	1.00
Parking	\$25,290	Per space	0.16

36 Special taxes are allocated to each parcel within the District on the basis of the equivalent
37 units of the parcel, which represent the parcel's share of the benefit from the improvements.

Council Bill 13-0233

Adjusted Maximum Special Tax

Special taxes may be collected from each parcel in the District only up to the adjusted maximum special tax for the parcel. The adjusted maximum special tax is the lesser of (i) the maximum special tax and (ii) the maximum special tax less the tax increment revenues and any tax agreement revenues related to each parcel available repay the bonds. The tax increment revenues represent the increase in property taxes that results from the development of the property. The tax increment revenues and any tax agreement revenues will be applied to the repayment of the bonds issued to finance the public improvements to be provided by the District. To the extent property produces tax increment revenues and tax agreement revenues, and these revenues cover the debt service on the bonds, the property is contributing its share of the cost of the public improvements through these revenues. The special taxes effectively cover each property's share of the cost of the public improvements not otherwise covered by the property's tax increment revenues and any tax agreement revenues.

Collection of Special Taxes

Special taxes are collected in the amount each year necessary to cover the expenses of the District after applying other available funds. Special taxes are collected first up to the adjusted maximum special tax from Developed Property, and then from Undeveloped Property. These steps represent the priority of the allocation of real property tax increment revenues to cover special tax obligations.

Summary of Reasonable Basis of the Special Taxes

Special taxes are levied on the taxable property in the District according to the provisions of the "Rate and Method of Apportionment of Special Taxes." The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes. The reasonable basis may be summarized as follows:

1. The property within the District will receive a special benefit from the public improvements to be provided as a result of the District and this special benefit exceeds the levy of the special taxes;
2. Special taxes levied on all of the property in the District each year are equal to the amount required to pay the debt service on the bonds issued to provide the public improvements, after taking into consideration any savings and other revenues available to repay the bonds; and
3. Special taxes are allocated to each property within the District on the basis of the estimated future value of the property in the District, which reasonably reflects the relative benefit each property will receive from the improvements.

For these reasons, the special taxes are levied on the taxable property in the District in a reasonable manner.

Exhibit B PUD Map

VICINITY MAP

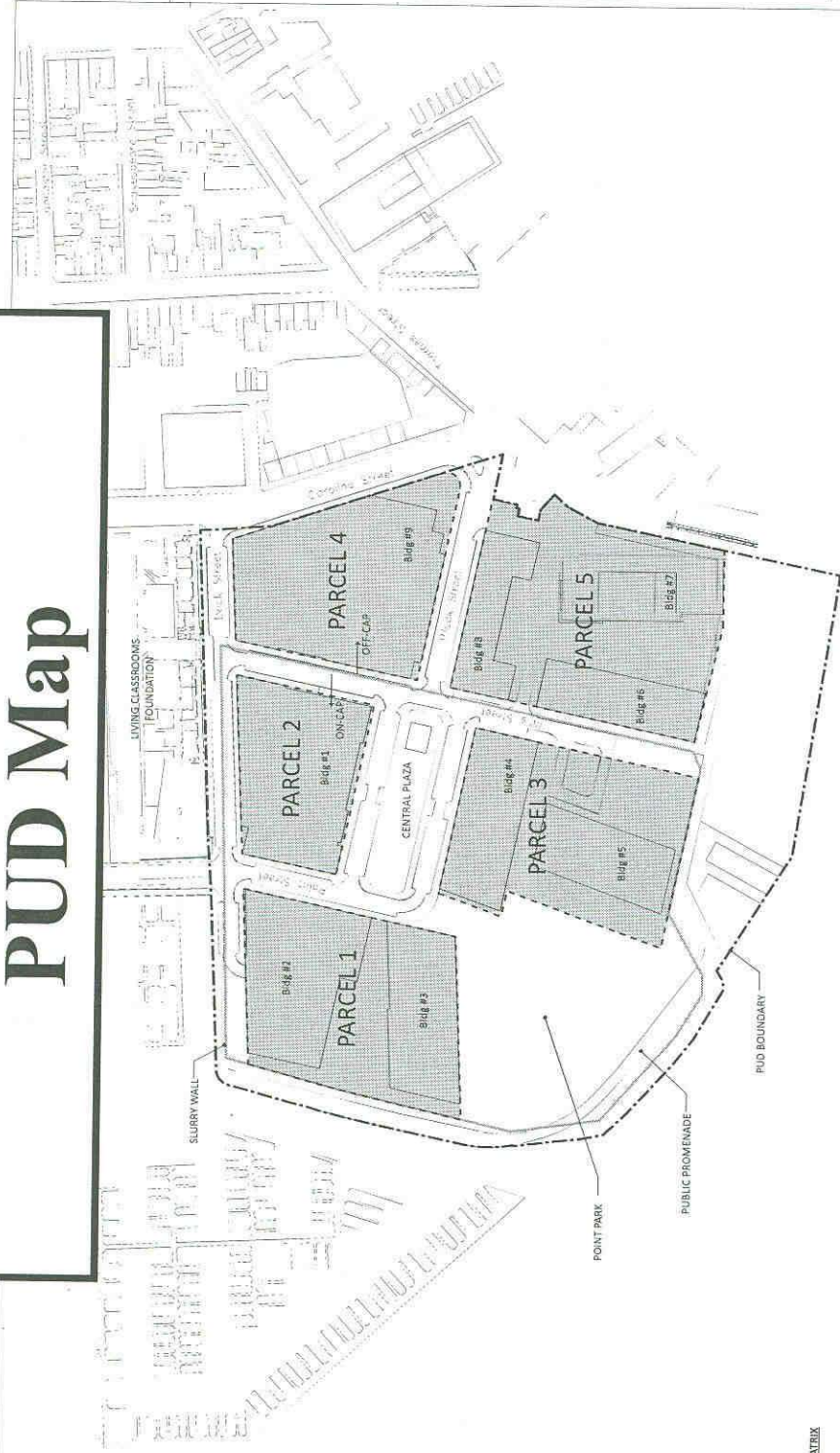


Herbar East Development Group, LLC
495 S. Eaves Street, Suite 200
Baltimore, Maryland 21102

HARBOR POINT PUD

ARCHITECT
Architectural Services & Planning
1000 North Avenue
Baltimore, MD 21201
410.528.2800
410.528.2801

CIVIL ENGINEER
P. James, James & Associates
1000 North Avenue
Baltimore, MD 21201
410.528.2800
410.528.2801



PARCEL	GSF LAND AREA (+/-)
1	106,700
2	72,635
3	73,405
4	105,255
5	137,030

PROPOSED BUILDING PROGRAM / PARKING MATRIX
ZONING B-2-2

PARCEL #	OFFICE	RESIDENTIAL	RETAIL	HOTEL	CULTURAL	TOTAL GSF	PARKING PROVIDED
1	438,159	346,000	26,200			810,359	315
2	596,604	51,542				648,146	900
3	326,940	30,000				356,940	-
4		352,650	50,000			402,650	1,185
5	277,095	215,000	37,830	222,000		751,925	50,000
CULTURAL CENTRAL GARAGE					50,000	50,000	
TOTAL GSF:	1,638,778	913,650	195,572	222,000	50,000	3,020,000	3,300
REQUIRED PARKING	2,131	600	319	250			3,300
OFFICE & RETAIL RESIDENTIAL & HOTEL RESIDENTIAL UNITS							1,834,320 1,195,650
		(avg. 1,000 sf)					914

NOTES:
1. Matrix represents a possible program and square footage breakdown, and is subject to change.
2. Office and Retail square footage is capped at 1,834,320 GSF.

TABLE (B-2) COLLECTIVE PARKING CALCULATION

LAND USE	Weekday		Weekend	
	Mid-7am	7am-6pm	Mid-7am	7am-6pm
Residential	50%	55%	85%	100%
Restaurant	50%	75%	50%	100%
Hotel/Motel	100%	55%	100%	55%
Work Theater	0%	70%	0%	70%
Office	0%	100%	0%	40%
Industrial	0%	100%	0%	80%

NOTE: Total parking counts may be reduced by application of the collective parking calculation formula identified in Table 16-501 above.



AYERS SAINT GROSS
ARCHITECTS - PLANNERS
1000 North Avenue
Baltimore, MD 21201
410.528.2800

DEVELOPMENT PLAN

DATE: 11/11/10
SCALE: 1"=100'



Exhibit C-1
Harbor Point Site Plan

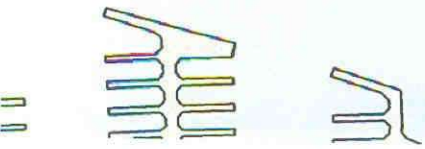
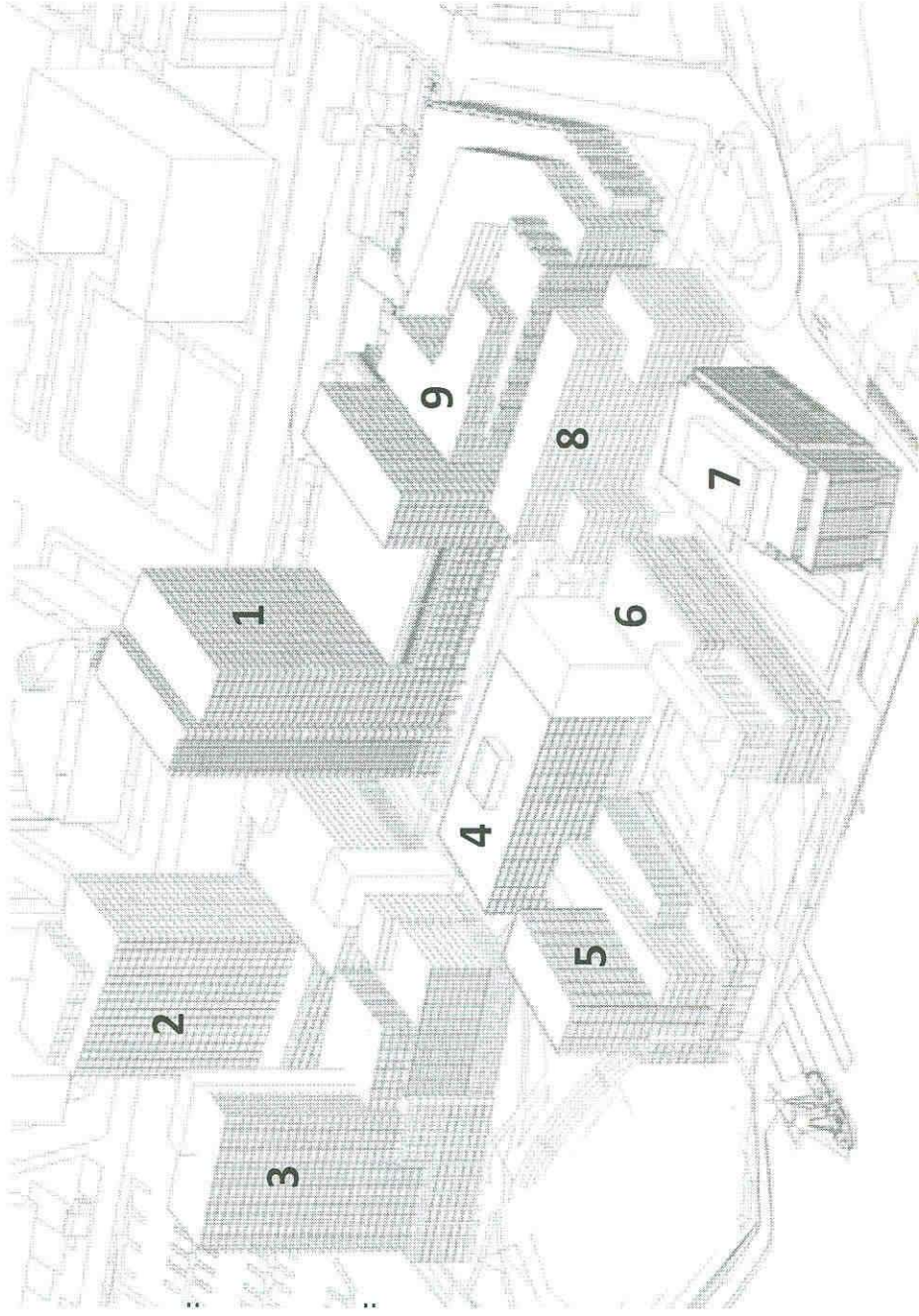


Exhibit C-2

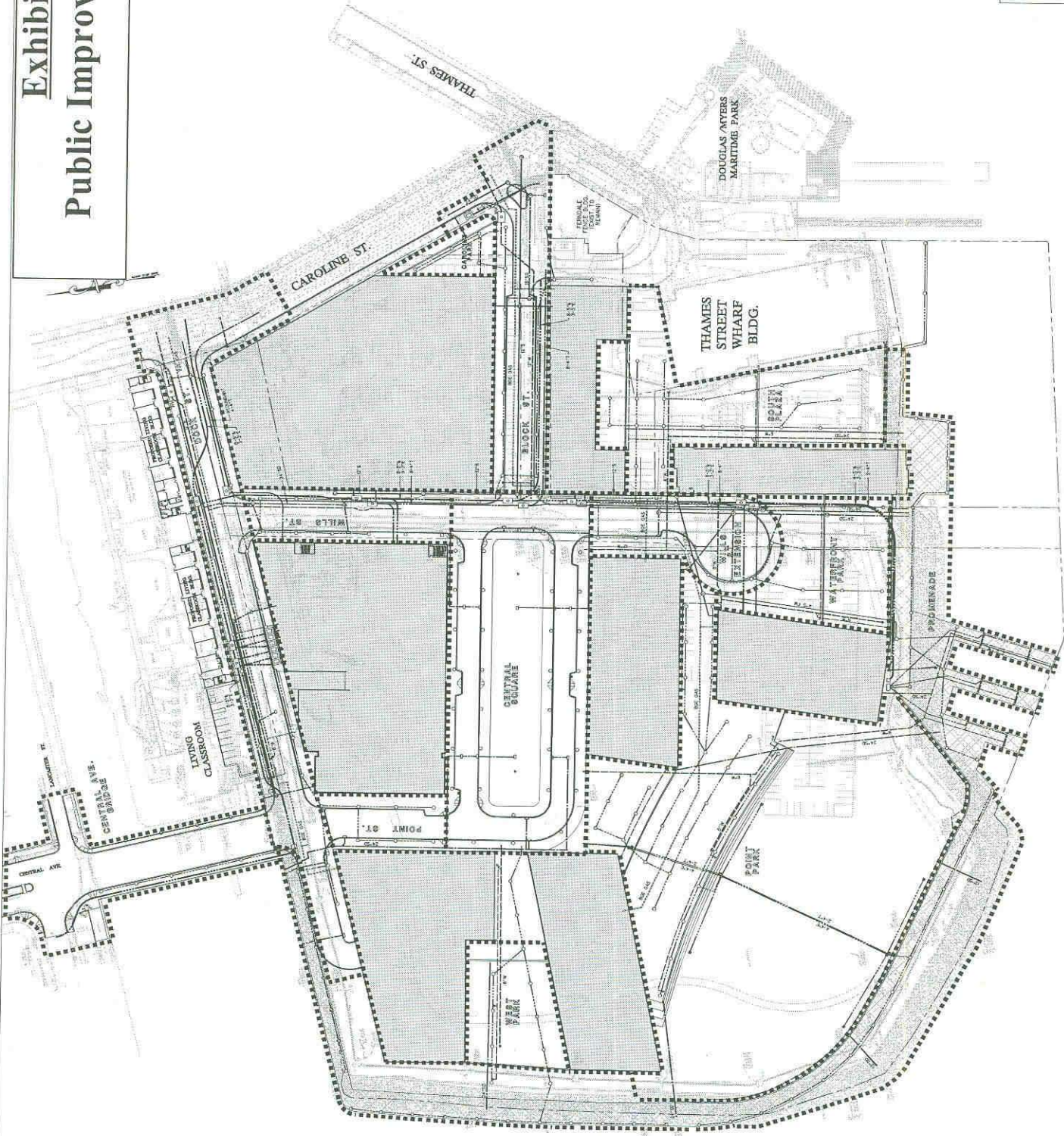
Harbor Point Development Plan



Harbor Point TIF
Development Program

Phase I = Buildings 1, 7, & 9
Phase II = Buildings 4, 5, & 8
Phase III = Buildings 2, 3, & 6

Exhibit D-1 Public Improvements Map



LEGEND

- PROP. STORM DRAIN
- PROP. STORM DRAIN MANHOLE
- PROP. STORM DRAIN INLET
- PROP. TRENCH FEIN
- PROP. SANITARY SEWER
- PROP. SANITARY SEWER MANHOLE
- PROP. SANITARY EXECTOR STATION
- PROP. WATER LINE
- PROP. WATER METER VALVE
- PROP. FIRE HYDRANT
- PROP. FLUSH YARD HYDRANT
- PROP. SITE WATER METER
- PROP. ELECTRIC CONDUITS
- PROP. ELECTRIC MANHOLE
- PROP. DECORATIVE LIGHT STANDARD
- PROP. ELECTRIC EQUIPMENT
- PROP. DOORSIDE UTILITY REGISTAL
- PROP. TELECOM CONDUITS
- PROP. TELECOM MANHOLE
- PROP. GAS MAIN

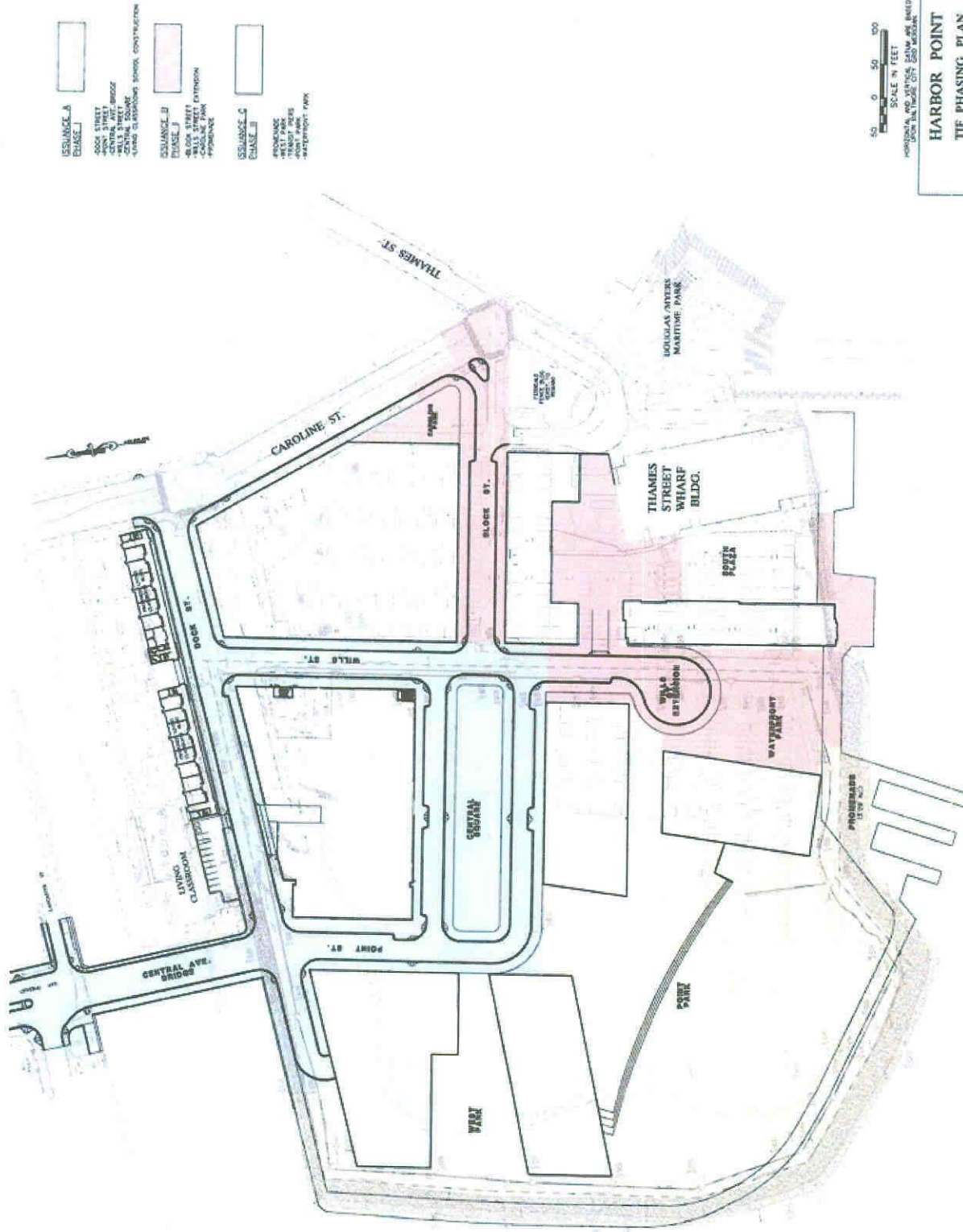


HORIZONTAL AND VERTICAL DATUM ARE BASED UPON BALTIMORE CITY GRID MERIDIAN

HARBOR POINT MASTER PLAN UTILITY CONCEPT



Exhibit D-2
Public Parks Map



- ESPLANCE_B
ESPLANCE_C
- DOCK STREET
CENTRAL AVE BRIDGE
DOCK STREET
CENTRAL AVE BRIDGE
DOCK STREET
CENTRAL AVE BRIDGE
DOCK STREET
CENTRAL AVE BRIDGE
DOCK STREET
CENTRAL AVE BRIDGE
- ESPLANCE_D
ESPLANCE_E
- BLUEN STREET EXTENSION
BLUEN STREET
BLUEN STREET
BLUEN STREET
BLUEN STREET
BLUEN STREET
- ESPLANCE_G
ESPLANCE_H
- WATERFRONT PARK
WATERFRONT PARK
WATERFRONT PARK
WATERFRONT PARK
WATERFRONT PARK
WATERFRONT PARK

SCALE IN FEET
0 50 100

HARBOR POINT
TIF PHASING PLAN

DATE: 10/12/2012 SHEET 1 OF 1

Harbor Point TIF
Infrastructure Phasing Plan

Exhibit D-3 Public Improvement Phasing Map

Exhibit E-1
Calculation of Total Obligation - Series A

Tax Year	Bond Year	Total Obligation			Total
		Before Conversion	Gross Debt Service	Administrative Expenses	
1-Jul-13	1-Jul-14	\$890,030	\$0	\$0	\$890,030
1-Jul-14	1-Jul-15	\$2,212,407	\$0	\$0	\$2,212,407
1-Jul-15	1-Jul-16	\$2,373,673	\$0	\$0	\$2,373,673
1-Jul-16	1-Jul-17	\$0	\$2,693,415	\$30,000	\$2,723,415
1-Jul-17	1-Jul-18	\$0	\$2,747,375	\$30,600	\$2,777,975
1-Jul-18	1-Jul-19	\$0	\$2,801,760	\$31,212	\$2,832,972
1-Jul-19	1-Jul-20	\$0	\$2,858,310	\$31,836	\$2,890,146
1-Jul-20	1-Jul-21	\$0	\$2,914,635	\$32,473	\$2,947,108
1-Jul-21	1-Jul-22	\$0	\$2,973,475	\$33,122	\$3,006,597
1-Jul-22	1-Jul-23	\$0	\$3,032,375	\$33,785	\$3,066,160
1-Jul-23	1-Jul-24	\$0	\$3,093,010	\$34,461	\$3,127,471
1-Jul-24	1-Jul-25	\$0	\$3,154,925	\$35,150	\$3,190,075
1-Jul-25	1-Jul-26	\$0	\$3,218,665	\$35,853	\$3,254,518
1-Jul-26	1-Jul-27	\$0	\$3,282,710	\$36,570	\$3,319,280
1-Jul-27	1-Jul-28	\$0	\$3,348,605	\$37,301	\$3,385,906
1-Jul-28	1-Jul-29	\$0	\$3,415,765	\$38,047	\$3,453,812
1-Jul-29	1-Jul-30	\$0	\$3,483,605	\$38,808	\$3,522,413
1-Jul-30	1-Jul-31	\$0	\$3,553,540	\$39,584	\$3,593,124
1-Jul-31	1-Jul-32	\$0	\$3,624,855	\$40,376	\$3,665,231
1-Jul-32	1-Jul-33	\$0	\$3,696,835	\$41,184	\$3,738,019
1-Jul-33	1-Jul-34	\$0	\$3,770,765	\$42,007	\$3,812,772
1-Jul-34	1-Jul-35	\$0	\$3,846,800	\$42,847	\$3,889,647
1-Jul-35	1-Jul-36	\$0	\$3,923,030	\$43,704	\$3,966,734
1-Jul-36	1-Jul-37	\$0	\$4,001,610	\$44,578	\$4,046,188
1-Jul-37	1-Jul-38	\$0	\$4,081,500	\$45,470	\$4,126,970
1-Jul-38	1-Jul-39	\$0	\$4,163,660	\$46,379	\$4,210,039
1-Jul-39	1-Jul-40	\$0	\$4,246,920	\$47,307	\$4,294,227
1-Jul-40	1-Jul-41	\$0	\$4,332,110	\$48,253	\$4,380,363
1-Jul-41	1-Jul-42	\$0	\$4,417,930	\$49,218	\$4,467,148
1-Jul-42	1-Jul-43	\$0	\$4,507,080	\$50,203	\$4,557,283
1-Jul-43	1-Jul-44	\$0	\$0	\$0	\$0
1-Jul-44	1-Jul-45	\$0	\$0	\$0	\$0
1-Jul-45	1-Jul-46	\$0	\$0	\$0	\$0
1-Jul-46	1-Jul-47	\$0	\$0	\$0	\$0
1-Jul-47	1-Jul-48	\$0	\$0	\$0	\$0
1-Jul-48	1-Jul-49	\$0	\$0	\$0	\$0
Total		\$5,476,110	\$95,185,265	\$1,060,330	\$101,721,705

MuniCap, Inc.

Exhibit E-2
Calculation of Total Obligation - Series B

Tax Year Beginning	Bond Year Ending	Total Obligation			Total
		Before Conversion	Gross Debt Service	Administrative Expenses	
1-Jul-13	1-Jul-14	\$0	\$0	\$0	\$0
1-Jul-14	1-Jul-15	\$0	\$0	\$0	\$0
1-Jul-15	1-Jul-16	\$0	\$0	\$0	\$0
1-Jul-16	1-Jul-17	\$325,827	\$0	\$0	\$325,827
1-Jul-17	1-Jul-18	\$771,824	\$0	\$0	\$771,824
1-Jul-18	1-Jul-19	\$826,214	\$0	\$0	\$826,214
1-Jul-19	1-Jul-20	\$0	\$931,510	\$5,000	\$936,510
1-Jul-20	1-Jul-21	\$0	\$950,185	\$5,100	\$955,285
1-Jul-21	1-Jul-22	\$0	\$969,625	\$5,202	\$974,827
1-Jul-22	1-Jul-23	\$0	\$988,700	\$5,306	\$994,006
1-Jul-23	1-Jul-24	\$0	\$1,008,345	\$5,412	\$1,013,757
1-Jul-24	1-Jul-25	\$0	\$1,029,430	\$5,520	\$1,034,950
1-Jul-25	1-Jul-26	\$0	\$1,049,760	\$5,631	\$1,055,391
1-Jul-26	1-Jul-27	\$0	\$1,070,270	\$5,743	\$1,076,013
1-Jul-27	1-Jul-28	\$0	\$1,091,830	\$5,858	\$1,097,688
1-Jul-28	1-Jul-29	\$0	\$1,114,245	\$5,975	\$1,120,220
1-Jul-29	1-Jul-30	\$0	\$1,136,320	\$6,095	\$1,142,415
1-Jul-30	1-Jul-31	\$0	\$1,158,925	\$6,217	\$1,165,142
1-Jul-31	1-Jul-32	\$0	\$1,181,865	\$6,341	\$1,188,206
1-Jul-32	1-Jul-33	\$0	\$1,205,945	\$6,468	\$1,212,413
1-Jul-33	1-Jul-34	\$0	\$1,229,905	\$6,597	\$1,236,502
1-Jul-34	1-Jul-35	\$0	\$1,254,550	\$6,729	\$1,261,279
1-Jul-35	1-Jul-36	\$0	\$1,279,620	\$6,864	\$1,286,484
1-Jul-36	1-Jul-37	\$0	\$1,304,855	\$7,001	\$1,311,856
1-Jul-37	1-Jul-38	\$0	\$1,330,995	\$7,141	\$1,338,136
1-Jul-38	1-Jul-39	\$0	\$1,357,715	\$7,284	\$1,364,999
1-Jul-39	1-Jul-40	\$0	\$1,384,690	\$7,430	\$1,392,120
1-Jul-40	1-Jul-41	\$0	\$1,412,595	\$7,578	\$1,420,173
1-Jul-41	1-Jul-42	\$0	\$1,441,040	\$7,730	\$1,448,770
1-Jul-42	1-Jul-43	\$0	\$1,469,635	\$7,884	\$1,477,519
1-Jul-43	1-Jul-44	\$0	\$1,498,990	\$8,042	\$1,507,032
1-Jul-44	1-Jul-45	\$0	\$1,528,650	\$8,203	\$1,536,853
1-Jul-45	1-Jul-46	\$0	\$1,559,160	\$8,367	\$1,567,527
1-Jul-46	1-Jul-47	\$0	\$0	\$0	\$0
1-Jul-47	1-Jul-48	\$0	\$0	\$0	\$0
1-Jul-48	1-Jul-49	\$0	\$0	\$0	\$0
Total		\$1,923,866	\$32,939,355	\$176,722	\$35,039,942

MuniCap, Inc.

Exhibit E-2
Calculation of Total Obligation - Series C

Tax Year Beginning	Bond Year Ending	Total Obligation			Total
		Before Conversion	Gross Debt Service	Administrative Expenses	
1-Jul-13	1-Jul-14	\$0	\$0	\$0	\$0
1-Jul-14	1-Jul-15	\$0	\$0	\$0	\$0
1-Jul-15	1-Jul-16	\$0	\$0	\$0	\$0
1-Jul-16	1-Jul-17	\$0	\$0	\$0	\$0
1-Jul-17	1-Jul-18	\$0	\$0	\$0	\$0
1-Jul-18	1-Jul-19	\$0	\$0	\$0	\$0
1-Jul-19	1-Jul-20	\$1,431,507	\$0	\$0	\$1,431,507
1-Jul-20	1-Jul-21	\$3,621,076	\$0	\$0	\$3,621,076
1-Jul-21	1-Jul-22	\$3,888,096	\$0	\$0	\$3,888,096
1-Jul-22	1-Jul-23	\$0	\$4,402,515	\$5,000	\$4,407,515
1-Jul-23	1-Jul-24	\$0	\$4,489,825	\$5,100	\$4,494,925
1-Jul-24	1-Jul-25	\$0	\$4,580,350	\$5,202	\$4,585,552
1-Jul-25	1-Jul-26	\$0	\$4,671,505	\$5,306	\$4,676,811
1-Jul-26	1-Jul-27	\$0	\$4,764,835	\$5,412	\$4,770,247
1-Jul-27	1-Jul-28	\$0	\$4,860,755	\$5,520	\$4,866,275
1-Jul-28	1-Jul-29	\$0	\$4,957,615	\$5,631	\$4,963,246
1-Jul-29	1-Jul-30	\$0	\$5,056,830	\$5,743	\$5,062,573
1-Jul-30	1-Jul-31	\$0	\$5,157,685	\$5,858	\$5,163,543
1-Jul-31	1-Jul-32	\$0	\$5,260,465	\$5,975	\$5,266,440
1-Jul-32	1-Jul-33	\$0	\$5,366,390	\$6,095	\$5,372,485
1-Jul-33	1-Jul-34	\$0	\$5,473,550	\$6,217	\$5,479,767
1-Jul-34	1-Jul-35	\$0	\$5,583,100	\$6,341	\$5,589,441
1-Jul-35	1-Jul-36	\$0	\$5,694,065	\$6,468	\$5,700,533
1-Jul-36	1-Jul-37	\$0	\$5,808,470	\$6,597	\$5,815,067
1-Jul-37	1-Jul-38	\$0	\$5,924,145	\$6,729	\$5,930,874
1-Jul-38	1-Jul-39	\$0	\$6,042,985	\$6,864	\$6,049,849
1-Jul-39	1-Jul-40	\$0	\$6,163,690	\$7,001	\$6,170,691
1-Jul-40	1-Jul-41	\$0	\$6,286,960	\$7,141	\$6,294,101
1-Jul-41	1-Jul-42	\$0	\$6,413,365	\$7,284	\$6,420,649
1-Jul-42	1-Jul-43	\$0	\$6,541,345	\$7,430	\$6,548,775
1-Jul-43	1-Jul-44	\$0	\$6,672,340	\$7,578	\$6,679,918
1-Jul-44	1-Jul-45	\$0	\$6,805,595	\$7,730	\$6,813,325
1-Jul-45	1-Jul-46	\$0	\$6,941,290	\$7,884	\$6,949,174
1-Jul-46	1-Jul-47	\$0	\$7,080,475	\$8,042	\$7,088,517
1-Jul-47	1-Jul-48	\$0	\$7,222,005	\$8,203	\$7,230,208
1-Jul-48	1-Jul-49	\$0	\$7,367,670	\$8,367	\$7,376,037
Total		\$8,940,679	\$155,589,820	\$176,722	\$164,707,220

MuniCap, Inc.

Exhibit E-4

Schedule V: Calculation of Maximum Special Tax

Maximum annual obligations
Coverage factor
Maximum special tax 2013-2014

\$7,086,338
110%
\$7,794,972

Tax Year	Bond Year	Total Obligation	Series A ¹	Series B ²	Series C ³	Total	Increase Factor	Adjusted Gross Annual Debt Service	Maximum Special Taxes	Gross Debt Service Coverage
1-Jul-13	1-Jul-14	\$890,030	\$0	\$890,030	\$0	\$890,030	1.00	\$890,030	\$7,794,972	876%
1-Jul-14	1-Jul-15	\$2,212,407	\$0	\$2,212,407	\$0	\$2,212,407	1.02	\$2,169,027	\$7,950,872	359%
1-Jul-15	1-Jul-16	\$2,373,673	\$0	\$2,373,673	\$0	\$2,373,673	1.04	\$2,281,500	\$8,109,889	342%
1-Jul-16	1-Jul-17	\$2,723,415	\$325,827	\$325,827	\$0	\$325,827	1.06	\$2,873,369	\$8,272,087	271%
1-Jul-17	1-Jul-18	\$2,777,975	\$771,824	\$771,824	\$0	\$771,824	1.08	\$3,279,466	\$8,437,529	238%
1-Jul-18	1-Jul-19	\$2,832,972	\$826,214	\$826,214	\$0	\$826,214	1.10	\$3,314,238	\$8,606,279	235%
1-Jul-19	1-Jul-20	\$2,890,146	\$936,510	\$936,510	\$1,431,507	\$1,431,507	1.13	\$4,669,098	\$8,778,405	167%
1-Jul-20	1-Jul-21	\$2,947,108	\$955,285	\$955,285	\$3,621,076	\$3,621,076	1.15	\$6,549,632	\$8,953,973	119%
1-Jul-21	1-Jul-22	\$3,006,597	\$974,827	\$974,827	\$3,888,096	\$3,888,096	1.17	\$6,716,560	\$9,133,052	116%
1-Jul-22	1-Jul-23	\$3,066,160	\$994,006	\$994,006	\$4,407,515	\$4,407,515	1.20	\$7,085,377	\$9,315,713	110%
1-Jul-23	1-Jul-24	\$3,127,471	\$1,013,757	\$1,013,757	\$8,636,153	\$8,636,153	1.22	\$7,084,653	\$9,502,028	110%
1-Jul-24	1-Jul-25	\$3,190,075	\$1,034,950	\$1,034,950	\$8,810,577	\$8,810,577	1.24	\$7,086,022	\$9,692,068	110%
1-Jul-25	1-Jul-26	\$3,254,518	\$1,055,391	\$1,055,391	\$4,494,925	\$4,494,925	1.27	\$7,085,967	\$9,885,910	110%
1-Jul-26	1-Jul-27	\$3,319,280	\$1,076,013	\$1,076,013	\$4,676,811	\$4,676,811	1.32	\$7,085,261	\$10,083,628	110%
1-Jul-27	1-Jul-28	\$3,385,906	\$1,097,688	\$1,097,688	\$4,866,275	\$4,866,275	1.35	\$7,086,338	\$10,285,300	110%
1-Jul-28	1-Jul-29	\$3,453,812	\$1,120,220	\$1,120,220	\$4,963,246	\$4,963,246	1.37	\$7,085,885	\$10,491,006	110%
1-Jul-29	1-Jul-30	\$3,522,413	\$1,142,415	\$1,142,415	\$5,062,573	\$5,062,573	1.40	\$7,085,527	\$10,700,827	110%
1-Jul-30	1-Jul-31	\$3,593,124	\$1,165,142	\$1,165,142	\$5,163,543	\$5,163,543	1.43	\$7,085,785	\$10,914,843	110%
1-Jul-31	1-Jul-32	\$3,665,231	\$1,188,206	\$1,188,206	\$5,266,440	\$5,266,440	1.46	\$7,085,967	\$11,133,140	110%
1-Jul-32	1-Jul-33	\$3,738,019	\$1,212,413	\$1,212,413	\$5,372,485	\$5,372,485	1.49	\$7,085,743	\$11,355,803	110%
1-Jul-33	1-Jul-34	\$3,812,772	\$1,236,502	\$1,236,502	\$5,479,767	\$5,479,767	1.52	\$7,085,314	\$11,582,919	110%
1-Jul-34	1-Jul-35	\$3,889,647	\$1,261,279	\$1,261,279	\$5,589,441	\$5,589,441	1.55	\$7,085,495	\$11,814,577	110%
1-Jul-35	1-Jul-36	\$3,966,734	\$1,286,484	\$1,286,484	\$5,700,533	\$5,700,533	1.58	\$7,085,126	\$12,050,869	110%
1-Jul-36	1-Jul-37	\$4,046,188	\$1,311,856	\$1,311,856	\$5,815,067	\$5,815,067	1.61	\$7,085,728	\$12,291,886	110%
1-Jul-37	1-Jul-38	\$4,126,970	\$1,338,136	\$1,338,136	\$5,930,874	\$5,930,874	1.64	\$7,085,520	\$12,537,724	110%
1-Jul-38	1-Jul-39	\$4,210,039	\$1,364,999	\$1,364,999	\$6,049,849	\$6,049,849	1.67	\$7,085,810	\$12,788,478	110%
1-Jul-39	1-Jul-40	\$4,294,227	\$1,392,120	\$1,392,120	\$6,170,691	\$6,170,691	1.71	\$7,085,789	\$13,044,248	110%
1-Jul-40	1-Jul-41	\$4,380,363	\$1,420,173	\$1,420,173	\$6,294,101	\$6,294,101	1.74	\$7,085,967	\$13,305,133	110%
1-Jul-41	1-Jul-42	\$4,467,148	\$1,448,770	\$1,448,770	\$6,420,649	\$6,420,649	1.78	\$7,085,810	\$13,571,235	110%
1-Jul-42	1-Jul-43	\$4,557,283	\$1,477,519	\$1,477,519	\$6,548,775	\$6,548,775	1.81	\$4,519,777	\$13,842,660	172%
1-Jul-43	1-Jul-44	\$0	\$1,507,032	\$1,507,032	\$6,679,918	\$6,679,918	1.85	\$4,519,500	\$14,119,513	172%
1-Jul-44	1-Jul-45	\$0	\$1,536,853	\$1,536,853	\$6,813,325	\$6,813,325	1.88	\$4,519,245	\$14,401,904	172%
1-Jul-45	1-Jul-46	\$0	\$1,567,527	\$1,567,527	\$6,949,174	\$6,949,174	1.92	\$3,687,650	\$14,689,942	211%
1-Jul-46	1-Jul-47	\$0	\$0	\$0	\$7,088,517	\$7,088,517	1.96	\$3,687,610	\$14,983,740	211%
1-Jul-47	1-Jul-48	\$0	\$0	\$0	\$7,230,208	\$7,230,208	2.00	\$3,688,222	\$15,283,415	211%
1-Jul-48	1-Jul-49	\$0	\$0	\$0	\$7,376,037	\$7,376,037			\$15,589,084	
Total		\$101,721,705	\$35,039,942	\$164,707,220	\$301,468,868					

ManiCap, Inc.

¹See Exhibit E-1.

²See Exhibit E-2.

³See Exhibit E-3.

Exhibit F-1
Projected Future Assessed Value
Comparison of Valuation Methods¹

Property Type	Comparables ²	Income Capitalization ³
<i>Commercial</i>		
<i>Apartments</i>		
Per SF	<u><i>\$156.56</i></u>	\$221.13
Per unit ⁴	<u><i>\$140,842.14</i></u>	\$198,931.61
<i>Condominiums</i>		
Per SF	<u><i>\$288.75</i></u>	-
Per unit ⁴	<u><i>\$268,457.57</i></u>	-
<i>Commercial</i>		
<i>Office</i>		
Per SF	<u><i>\$245.03</i></u>	\$203.80
Per 1,000 SF	<u><i>\$245,026.43</i></u>	\$203,803.24
<i>Retail</i>		
Per SF	<u><i>\$157.80</i></u>	\$206.25
Per 1,000 SF	<u><i>\$157,802.55</i></u>	\$206,250.00
<i>Hotel</i>		
Per room	<u><i>\$156,363.76</i></u>	\$133,887.28
<i>Parking</i>		
Per space	<u><i>\$25,289.75</i></u>	\$14,711.54

MuniCap, Inc.

¹Valuation approach chosen for each type of development is underlined and shown in bold and italics.

²See Exhibits F-2(a) and F-2(b).

³See Exhibits F-3(a), F-3(b), F-3(c), and F-3(d).

⁴Represents the value per square foot multiplied by the weighted average square feet per unit.

Exhibit F-2(a)
Projected Future Assessed Value
Projected Market Value - Comparables (Residential)¹

Development <i>Apartment</i> ²	Account Identifier	Year Built	Address	County	Market Value		Property Area GSF Per Unit	Units	Market Value		
					Land	Improvement			Total	Per GSF	Per Unit
Spinnaker Bay Apartments	03-06-1801-001	2006	801 Aliceanna Street	Baltimore City	\$4,656,600	\$55,673,000	\$60,329,600	600,798	1,907	\$100	\$191,523
The Promenade	03-03-1802-001	-	701 S. Exeter Street	Baltimore City	\$2,907,600	\$13,573,000	\$16,480,600	-	-	-	\$131,845
The Crescent	02-06-1875-003A	2006	951 Fell Street	Baltimore City	\$5,074,700	\$50,225,300	\$55,300,000	353,224	1,402	\$157	\$219,444
The Eden	03-07-1807-054	2007	701 S. Eden Street	Baltimore City	\$2,849,000	\$33,675,300	\$36,524,300	319,260	1,182	\$114	\$135,275
Weighted value per GSF											
\$106											

ManiCap, Inc.

¹Information illustrated for each property based on information provided by Maryland State Department of Assessments and Taxation. Value chosen for each type of development is underlined and shown in bold and italics.

²Based on discussions with Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation, the comparables illustrated do include corresponding parking garages in the value.

Exhibit F-2(a)
Projected Future Assessed Value
Projected Market Value - Comparables (Residential), continued¹

Table 1: Condominium Units

Development Type	Account Identifier	Year Built	Address	Unit	County	Market Value			GSF	Market Value Per GSF
						Land	Improvement	Total		
<i>Condominiums</i>										
<i>The Vue</i>										
	03-06-1799A-282	2006	675 President St.	2306	Baltimore City	\$81,600	\$326,400	\$408,000	1,421	\$287
	03-06-1799A-207	2006	675 President St.	1503	Baltimore City	\$67,200	\$268,800	\$336,000	1,114	\$302
	03-06-1799A-321	2006	675 President St.	2902	Baltimore City	\$352,000	\$1,408,000	\$1,760,000	5,086	\$346
	03-06-1799A-249	2006	675 President St.	1909	Baltimore City	\$70,400	\$281,600	\$352,000	1,424	\$247
	03-06-1799A-231	2006	675 President St.	1709	Baltimore City	\$67,200	\$268,800	\$336,000	1,428	\$235
	03-06-1799A-243	2006	675 President St.	1903	Baltimore City	\$67,200	\$268,800	\$336,000	1,114	\$302
	03-06-1799A-204	2006	675 President St.	1406	Baltimore City	\$67,200	\$268,800	\$336,000	1,112	\$302
	03-06-1799A-233	2006	675 President St.	1802	Baltimore City	\$47,200	\$188,800	\$236,000	862	\$274
	03-06-1799A-215	2006	675 President St.	1602	Baltimore City	\$47,200	\$188,800	\$236,000	862	\$274
	03-06-1799A-276	2006	675 President St.	2209	Baltimore City	\$81,600	\$275,400	\$357,000	1,426	\$250
	03-06-1799A-286	2006	675 President St.	2401	Baltimore City	\$81,600	\$326,400	\$408,000	1,469	\$278
	03-06-1799A-253	2006	675 President St.	2004	Baltimore City	\$47,200	\$188,800	\$236,000	864	\$273
	03-06-1799A-294	2006	675 President St.	2409	Baltimore City	\$81,600	\$326,400	\$408,000	1,426	\$286
	03-06-1799A-266	2006	675 President St.	2108	Baltimore City	\$35,200	\$140,800	\$176,000	595	\$296
	03-06-1799A-264	2006	675 President St.	2106	Baltimore City	\$70,400	\$281,600	\$352,000	1,421	\$248
	03-06-1799A-252	2006	675 President St.	2003	Baltimore City	\$67,200	\$268,800	\$336,000	1,113	\$302
	03-06-1799A-232	2006	675 President St.	1801	Baltimore City	\$70,400	\$281,600	\$352,000	1,463	\$241
	03-06-1799A-316	2006	675 President St.	2709	Baltimore City	\$108,800	\$435,200	\$544,000	1,898	\$287
	03-06-1799A-239	2006	675 President St.	1808	Baltimore City	\$35,200	\$140,800	\$176,000	598	\$294
	03-06-1799A-256	2006	675 President St.	2007	Baltimore City	\$35,200	\$140,800	\$176,000	597	\$295
	03-06-1799A-320	2006	675 President St.	2805	Baltimore City	\$240,000	\$960,000	\$1,200,000	3,900	\$308
	03-06-1799A-260	2006	675 President St.	2102	Baltimore City	\$47,200	\$188,800	\$236,000	860	\$274
	03-06-1799A-259	2006	675 President St.	2101	Baltimore City	\$89,600	\$358,400	\$448,000	1,467	\$305
	03-06-1799A-244	2006	675 President St.	1904	Baltimore City	\$47,200	\$188,800	\$236,000	866	\$273
	03-06-1799A-311	2006	675 President St.	2701	Baltimore City	\$108,800	\$435,200	\$544,000	1,544	\$352
	03-06-1799A-227	2006	675 President St.	1705	Baltimore City	\$70,400	\$281,600	\$352,000	1,447	\$243
	03-06-1799A-219	2006	675 President St.	1606	Baltimore City	\$54,400	\$217,600	\$272,000	1,426	\$191
	03-06-1799A-205	2006	675 President St.	1501	Baltimore City	\$70,400	\$281,600	\$352,000	1,466	\$240
	03-06-1799A-230	2006	675 President St.	1708	Baltimore City	\$35,200	\$140,800	\$176,000	596	\$295
	03-06-1799A-302	2006	675 President St.	2509	Baltimore City	\$81,600	\$326,400	\$408,000	1,424	\$287
	03-06-1799A-281	2006	675 President St.	2305	Baltimore City	\$81,600	\$326,400	\$408,000	1,448	\$282
	03-06-1799A-250	2006	675 President St.	2001	Baltimore City	\$70,400	\$281,600	\$352,000	1,465	\$240
	03-06-1799A-265	2006	675 President St.	2107	Baltimore City	\$35,200	\$140,800	\$176,000	592	\$297
	03-06-1799A-200	2006	675 President St.	1402	Baltimore City	\$47,200	\$188,800	\$236,000	862	\$274
	03-06-1799A-317	2006	675 President St.	2801	Baltimore City	\$280,000	\$1,020,000	\$1,300,000	3,913	\$332
	03-06-1799A-261	2006	675 President St.	2103	Baltimore City	\$67,200	\$268,800	\$336,000	1,117	\$301
	03-06-1799A-284	2006	675 President St.	2308	Baltimore City	\$35,200	\$140,800	\$176,000	595	\$296
	03-06-1799A-206	2006	675 President St.	1502	Baltimore City	\$47,200	\$188,800	\$236,000	863	\$273
	03-06-1799A-304	2006	675 President St.	2602	Baltimore City	\$81,600	\$326,400	\$408,000	1,407	\$290
	03-06-1799A-240	2006	675 President St.	1809	Baltimore City	\$70,400	\$281,600	\$352,000	1,421	\$248
	03-06-1799A-312	2006	675 President St.	2702	Baltimore City	\$75,200	\$300,800	\$376,000	1,109	\$339
	03-06-1799A-247	2006	675 President St.	1907	Baltimore City	\$35,200	\$140,800	\$176,000	592	\$297
	03-06-1799A-257	2006	675 President St.	2008	Baltimore City	\$35,200	\$140,800	\$176,000	599	\$294
	03-06-1799A-210	2006	675 President St.	1506	Baltimore City	\$70,400	\$281,600	\$352,000	1,427	\$247
	03-06-1799A-248	2006	675 President St.	1908	Baltimore City	\$35,200	\$140,800	\$176,000	598	\$294
	03-06-1799A-292	2006	675 President St.	2407	Baltimore City	\$35,200	\$140,800	\$176,000	600	\$293
	03-06-1799A-283	2006	675 President St.	2307	Baltimore City	\$35,200	\$140,800	\$176,000	592	\$297
	03-06-1799A-226	2006	675 President St.	1704	Baltimore City	\$47,200	\$188,800	\$236,000	862	\$274
	03-06-1799A-242	2006	675 President St.	1902	Baltimore City	\$47,200	\$188,800	\$236,000	860	\$274
	03-06-1799A-269	2006	675 President St.	2202	Baltimore City	\$47,200	\$188,800	\$236,000	862	\$274
	03-06-1799A-285	2006	675 President St.	2309	Baltimore City	\$81,600	\$326,400	\$408,000	1,426	\$286
	03-06-1799A-224	2006	675 President St.	1702	Baltimore City	\$40,800	\$163,200	\$204,000	863	\$236
Total The Vue						\$3,828,000	\$15,161,000	\$18,989,000	66,362	\$286

MuniCap, Inc.

¹Information illustrated for each property based on information provided by Maryland State Department of Assessments and Taxation.

Exhibit F-2(a)
Projected Future Assessed Value
Projected Market Value - Comparables (Residential), continued¹

Table 1: Condominium Units

Development Type	Account Identifier	Year Built	Address	Unit	County	Market Value			GSF	Market Value Per GSF
						Land	Improvement	Total		
<i>Condominiums</i>										
<i>President's Point by Spinnaker Bay</i>										
	03-06-1801-006	2005	717 President St	201	Baltimore City	\$121,600	\$486,400	\$608,000	1,746	\$348
	03-06-1801-007	2005	717 President St	202	Baltimore City	\$128,000	\$472,000	\$600,000	2,232	\$269
	03-06-1801-008	2005	717 President St	203	Baltimore City	\$92,800	\$371,200	\$464,000	1,900	\$244
	03-06-1801-009	2005	717 President St	204	Baltimore City	\$121,600	\$486,400	\$608,000	2,231	\$273
	03-06-1801-010	2005	717 President St	205	Baltimore City	\$84,800	\$239,200	\$324,000	1,614	\$201
	03-06-1801-011	2005	717 President St	301	Baltimore City	\$94,400	\$377,600	\$472,000	1,728	\$273
	03-06-1801-012	2005	717 President St	302	Baltimore City	\$156,800	\$627,200	\$784,000	2,260	\$347
	03-06-1801-013	2005	717 President St	303	Baltimore City	\$128,000	\$512,000	\$640,000	1,881	\$340
	03-06-1801-014	2005	717 President St	304	Baltimore City	\$124,800	\$499,200	\$624,000	2,257	\$276
	03-06-1801-015	2005	717 President St	305	Baltimore City	\$89,600	\$210,400	\$300,000	1,594	\$188
	03-06-1801-016	2005	717 President St	401	Baltimore City	\$118,400	\$473,600	\$592,000	1,728	\$343
	03-06-1801-017	2005	717 President St	402	Baltimore City	\$156,800	\$627,200	\$784,000	2,260	\$347
	03-06-1801-018	2005	717 President St	403	Baltimore City	\$99,200	\$396,800	\$496,000	1,881	\$264
	03-06-1801-019	2005	717 President St	404	Baltimore City	\$144,000	\$576,000	\$720,000	2,258	\$319
	03-06-1801-020	2005	717 President St	405	Baltimore City	\$105,600	\$422,400	\$528,000	1,545	\$342
	03-06-1801-021	2005	717 President St	501	Baltimore City	\$118,400	\$473,600	\$592,000	1,728	\$343
	03-06-1801-022	2005	717 President St	502	Baltimore City	\$134,400	\$537,600	\$672,000	2,259	\$297
	03-06-1801-023	2005	717 President St	503	Baltimore City	\$128,000	\$512,000	\$640,000	1,881	\$340
	03-06-1801-024	2005	717 President St	504	Baltimore City	\$156,800	\$627,200	\$784,000	2,258	\$347
	03-06-1801-025	2005	717 President St	505	Baltimore City	\$64,000	\$256,000	\$320,000	1,595	\$201
	03-06-1801-026	2005	717 President St	601	Baltimore City	\$128,000	\$512,000	\$640,000	1,727	\$371
	03-06-1801-027	2005	717 President St	602	Baltimore City	\$112,000	\$448,000	\$560,000	2,260	\$248
	03-06-1801-028	2005	717 President St	603	Baltimore City	\$128,000	\$332,000	\$460,000	1,881	\$245
	03-06-1801-029	2005	717 President St	604	Baltimore City	\$156,800	\$403,200	\$560,000	2,258	\$248
	03-06-1801-030	2005	717 President St	605	Baltimore City	\$108,800	\$341,200	\$450,000	1,595	\$282
	03-06-1801-031	2005	717 President St	701	Baltimore City	\$118,400	\$473,600	\$592,000	1,727	\$343
	03-06-1801-032	2005	717 President St	702	Baltimore City	\$156,800	\$627,200	\$784,000	2,260	\$347
	03-06-1801-033	2005	717 President St	703	Baltimore City	\$124,800	\$499,200	\$624,000	1,881	\$332
	03-06-1801-034	2005	717 President St	704	Baltimore City	\$156,800	\$627,200	\$784,000	2,258	\$347
	03-06-1801-035	2005	717 President St	705	Baltimore City	\$128,000	\$512,000	\$640,000	1,594	\$402
	03-06-1801-036	2005	717 President St	801	Baltimore City	\$320,000	\$1,280,000	\$1,600,000	6,631	\$241
	03-06-1801-037	2005	717 President St	802	Baltimore City	\$272,000	\$843,000	\$1,115,000	5,008	\$223
Total President's Point at Spinnaker Bay						\$4,278,400	\$16,082,600	\$20,361,000	69,916	\$291

Table 2: Estimation of Value - Subject Property

Total assessed value	
The Vue	\$18,989,000
President's Point at Spinnaker Bay	\$20,361,000
Total assessed value	\$39,350,000
Total sq. ft.	
The Vue	66,362
President's Point at Spinnaker Bay	69,916
Total sq. ft.	136,278
Weighted average value per sq. ft.	\$289
Estimated value per unit	
Phase II condo size	930
Estimated value per unit	\$268,458

MuniCap, Inc.

¹Information illustrated for each property based on information provided by Maryland State Department of Assessments and Taxation. Value chosen for each type of development is underlined and shown in bold and italics.

Exhibit F-2(b)
Projected Future Assessed Value
Projected Market Value - Comparables (Commercial)

Development	Account Identifier	Year Built	Address	County	Land	Market Value Improvement	Total	GSF	Property Area		Market Value	
									Spaces	Rooms	Per GSF	Per Space
Commercial												
<i>Existing Office</i>												
Morgan Stanley Building ²	03-07-1825-001	2010	1300 Thames Street	Baltimore City	\$5,562,600	\$50,258,600	\$55,821,200	277,950	-	-	\$201	-
<i>Future Office</i> ³												
Morgan Stanley Building ⁴	03-07-1825-001	2010	1300 Thames Street	Baltimore City	\$5,562,600	\$52,624,146	\$58,186,746	277,050	-	-	\$210	-
Legg Mason	03-06-1800-004	2009	100 International Drive	Baltimore City	\$3,318,700	\$166,681,300	\$170,000,000	654,224	-	-	\$260	-
Weighted value per GSF											\$245	
Retail												
The Eden ground retail ⁵	03-07-1807-053	2007	701 S. Eiden Street	Baltimore City	\$973,100	\$4,308,900	\$5,282,000	29,214	-	-	\$181	-
Retail condo	03-07-1818-044A	2005	1500 Thames Street Suite A	Baltimore City	\$73,300	\$293,400	\$366,700	1,930	-	-	\$190	-
Retail condo	03-07-1818-044B	2005	1500 Thames Street Suite B	Baltimore City	\$44,700	\$178,900	\$223,600	1,177	-	-	\$190	-
Pad	03-07-1818-044C	2005	1500 Thames Street Suite C	Baltimore City	\$52,500	\$210,000	\$262,500	1,382	-	-	\$190	-
Retail condo	03-07-1818-044D	2005	1500 Thames Street Suite D	Baltimore City	\$41,000	\$164,000	\$205,000	1,079	-	-	\$190	-
Retail condo	03-07-1818-044E	2005	1500 Thames Street Suite E	Baltimore City	\$41,900	\$168,000	\$209,900	1,105	-	-	\$190	-
Bond Street Wharf ⁶	03-06-1827-003	2002	901 S. Bond Street	Baltimore City	\$4,243,800	\$30,801,200	\$35,045,000	227,700	-	-	\$154	-
Weighted value per GSF											\$158	
Parking												
Parking Management Inc.	03-06-1799-001	2001	720 Aliceanna Street	Baltimore City	\$3,497,900	\$11,353,200	\$14,851,100	254,775	640	-	\$58	\$23,205
Pier V Parking Garage	04-11-0890-016B	2004	711 E. Pratt Street	Baltimore City	\$2,776,900	\$13,069,800	\$15,846,700	210,469	650	-	\$75	\$24,380
Harbor East Garage	03-06-1800-001	2009	716 President Street	Baltimore City	\$9,988,500	\$21,681,400	\$31,669,900	500,809	1,145	-	\$63	\$27,659
Fells Point Garage	03-07-1818-043D	2002	1530 Thames Street	Baltimore City	\$1,587,400	\$14,974,200	\$16,561,600	269,000	686	-	\$62	\$24,142
Weighted value per GSF											\$25,290	
Hotel ³												
Royal Sonesta Baltimore	22-01-0876-004	1986	550 Light Street	Baltimore City	\$6,657,400	\$23,306,100	\$29,963,500	200,921	-	195	\$149	\$133,659
Courtyard Inner Harbor	03-06-1799A-003	2000	1000 Aliceanna Street	Baltimore City	\$2,374,000	\$28,589,000	\$30,963,000	261,378	-	205	\$118	\$151,039
Four Seasons Hotel Baltimore	03-06-1800-005	2012	200 International Drive	Baltimore City	\$2,048,500	\$46,723,800	\$48,772,300	356,750	-	256	\$137	\$190,517
Hyatt Regency	22-01-0694-001	1981	300 Light Street	Baltimore City	\$14,897,600	\$54,440,100	\$69,337,700	497,360	-	489	\$139	\$141,795
Weighted value per GSF											\$139	\$156,364

¹Information illustrated for each property based on information provided by Maryland State Department of Assessments and Taxation. Value chosen for each type of development is underlined and shown in bold and italics.

²Represents the actual value of the newly constructed Morgan Stanley Building. According to individuals at the Supervisor of Assessment's Office, 52% of the building is occupied, while the remaining 48% is vacant and has not been fitted-out for tenants. Based on discussions held with individuals at the Supervisor of Assessment's Office, the value shown on the SDAT property card excludes the estimated value of the tenant fit-out for the vacant portion. According to the developer, there are no potential tenants at this time for the vacant portion. As a result, the value does not include the projected tenant fit-out value for the vacant portion.

³Based on discussions with Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation, the comparables illustrated do not include any corresponding parking garages in the value as they are valued separately.

⁴Represents the estimated future value of the newly constructed Morgan Stanley Building at stabilization. According to individuals at the Supervisor of Assessment's Office, 52% of the building is occupied, while the remaining 48% is vacant and has not been fitted-out for tenants. Based on discussions held with individuals at the Supervisor of Assessment's Office, the value shown on the SDAT property card excludes the estimated value of the tenant fit-out for the vacant portion. According to the developer, the estimated tenant fit-out is \$18.81 per square foot. For purposes of estimating future office value, the value includes the cost of the tenant fit-out for the remaining 48% vacant portion.

⁵Includes but is not limited to RA, and Townhouse.

⁶Includes but is not limited to St. Casa and Bond Street Social.

Exhibit F-3(a)
Projected Future Assessed Value
Projected Market Value - Income Capitalization (Apartments)

<i>Income Capitalization</i>	Apartments
Number of units ¹	914
Weighted average net SF per unit ²	900
Monthly rent PSF ²	\$2.69
Monthly rent per unit	\$2,421.21
Annual rent per unit	\$29,054.49
Assumed vacancy ³	5%
Less: assumed vacancy	(\$1,452.72)
Effective gross income	\$27,601.76
Assumed expense ratio ⁴	36%
Less: assumed expenses per unit	(\$9,936.63)
Net operating income per unit	\$17,665.13
Capitalization rate ⁵	8.88%
Total estimated value per unit	\$198,931.61
Total estimated value per SF ⁶	\$221.13

MuniCap, Inc.

¹ Provided by the developer.

² Based on information provided by the developer. Assumes net square feet is 100 square feet less than gross square feet. Additional information needed.

³ Based on discussions with the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁴ Based on the operating expense ratio for mid & hi rise master metered apartments net of property taxes. Source *2011 Survey of Income and Expenses in Rental Apartment Communities*. Expense ratio falls within the expected range for this property type and location, as confirmed by the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁵ The Maryland State Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The cap rate assumes a 6.5% market rate plus real property tax rates of \$2.268 (City of Baltimore), and \$0.112 (State of Maryland) per \$100. Market rate represents is based on information provided by the Supervisor of Assessments and Taxation for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation. Real property tax rates used represent the rate for fiscal year 2012-2013 as reported by the Maryland State Department of Assessments and Taxation.

⁶ The value per square foot is based on the value per unit divided by the estimated square feet per unit.

Exhibit F-3(b)
Projected Future Assessed Value
Projected Market Value - Income Capitalization (Commercial)

	Office	Retail
<i>Income Capitalization Approach</i>		
Net square feet ¹	1,638,778	195,572
Annual rent PSF ²	\$26.92	\$30.00
Assumed vacancy rate ³	12%	12%
Less: assumed vacancy	(\$3.23)	(\$3.60)
Effective gross income	\$23.69	\$26.40
Assumed expense ratio ⁴	15%	15%
Less: assumed expenses	(\$3.55)	(\$3.96)
Net operating income	\$20.14	\$22.44
Capitalization rate ⁵	9.88%	10.88%
Estimated market value PSF	\$203.80	\$206.25

MuniCap, Inc.

¹Assumes net square feet is equal to gross square feet. Additional information needed.

²Provided by the developer. Rent rates fall within the expected range for this property type and location, as confirmed by the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

³Based on discussions with the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁴According to the developer, rents are projected to be triple net. According to the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation, expenses are still assumed for triple net property though lower than the amount assumed for gross leases. Expense ratio provided by the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁵The Maryland State Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The ca rate assumes a 7.5% market rate for office and a 8.5% market rate for retail plus real property tax rates of \$2.268 (City of Baltimore), and \$0.112 (State of Maryland) per \$100. Market rate represents is based on information provided by the Supervisor of Assessments and Taxation for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation. Real property tax rates used represent the rate for fiscal year 2012-2013 as reported by the Maryland State Department of Assessments and Taxation.

Exhibit F-3(c)
Projected Future Assessed Value
Projected Market Value - Income Capitalization (Hotel)

	Hotel
<i>Income Capitalization</i>	
Rooms ¹	275
Square feet per room ¹	807
Average daily rate per room ²	\$155.55
Gross annual income	\$56,775.75
Assumed occupancy rate ³	71.00%
Effective gross income per room	\$40,310.78
Assumed expense ratio ⁴	61.54%
Less: assumed expenses	(\$24,806.64)
Net operating income per room	\$15,504.15
Capitalization rate ⁵	11.58%
Total estimated value per room	\$133,887.28
Total estimated value per SF ⁶	\$165.85

MuniCap, Inc.

¹Provided by the developer.

²Based on average daily room rate for upper upscale national luxury/upper-upscale lodging segment for third quarter 2012 as reported in the *Third Quarter 2012 PriceWaterhouseCoopers Real Estate Investor Survey*.

³Based on average occupancy rate for upper upscale national luxury/upper-upscale lodging segment for third quarter 2012 as reported in the *Third Quarter 2012 PriceWaterhouseCoopers Real Estate Investor Survey*. Occupancy rate falls within the expected range for this property type and location, as confirmed by the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁴Based on information provided by the developer. Expense ratio falls within the expected range for this property type and location, as confirmed by the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁵The Maryland State Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The cap rate assumes a 9.2% market rate plus real property tax rates of \$2.268 (City of Baltimore), and \$0.112 (State of Maryland) per \$100. Market rate represents is based on information provided by the Supervisor of Assessments and Taxation for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation. Real property tax rates used represent the rate for fiscal year 2012-2013 as reported by the Maryland State Department of Assessments and Taxation.

⁶The value per square foot is based on the value per room divided by the estimated square feet per room.

Exhibit F-3(d)
Projected Future Assessed Value
Projected Market Value - Income Capitalization (Parking)

	Parking
<i>Income Capitalization</i>	
Number of spaces ¹	3,300
Weighted average SF per space ²	375
Total SF ¹	1,238,675
Average monthly rent per space ¹	\$150.00
Gross annual income	\$1,800.00
Assumed vacancy rate ³	5%
Less: assumed vacancy	(\$90.00)
Effective gross income per space	\$1,710.00
Assumed expense ratio ⁴	15%
Less: assumed expenses	(\$256.50)
Net operating income per space	\$1,453.50
Capitalization rate ⁵	9.88%
Total estimated value per space	\$14,711.54
Total estimated value per SF ⁶	\$39.19

MuniCap, Inc.

¹Provided by the developer.

²Based on information provided by the developer

³Based on discussions with the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁴Assumes parking garages are automated and no employees are necessary. Expense ratio based on discussions with the Supervisor of Assessments for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation.

⁵The Maryland State Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The cap rate assumes a 7.5% market rate plus real property tax rates of \$2.268 (City of Baltimore), and \$0.112 (State of Maryland) per \$100. Market rate represents is based on information provided by the Supervisor of Assessments and Taxation for Baltimore City as appointed by the Maryland State Department of Assessments and Taxation. Real property tax rates used represent the rate for fiscal year 2012-2013 as reported by the Maryland State Department of Assessments and Taxation.

⁶The value per square foot is based on the value per space divided by the estimated square feet per space.