

CITY OF BALTIMORE

SHEILA DIXON, Mayor



DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor  
101 City Hall  
Baltimore, Maryland 21202

October 24, 2008

The Honorable President and Members  
of the Baltimore City Council  
Attn: Karen Randle, Executive Secretary  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202

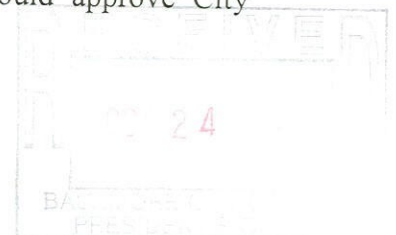
Re: City Council Bill 08-0162 – State Obligations Pledge for Westport  
Waterfront Development

Dear Madame President and City Council Members:

The Law Department has reviewed City Council Bill 08-0162. The bill is one of a series of three consecutively numbered bills relating to the creation and financing of the Westport Waterfront Development (“Westport”). Bill 08-0162 would approve the issuance of bonds by the Maryland Economic Development Corporation (“MEDCO”) to finance infrastructure improvements in Westport. The bill would allow, but not obligate, the City to enter into one or more agreements with MEDCO whereby the City would pledge, subject to annual appropriation, tax revenue from Westport to secure the bonds, pay financing costs and replenish a reserve fund, if necessary.

The City may pledge tax revenues from Westport to secure the MEDCO bonds under Sections 62 (Tax Increment Act) and 62A (Special Taxing District Act) of Article II of the Baltimore City Charter. These acts require tax revenues to be pledged only for certain obligations. If such revenue is to go towards parking, it must be for structured or surface parking facilities that are either publicly owned or serving a public purpose. *See* Baltimore City Charter, §§(62)(c)(9), (62A)(b)(6). Section 1(k)(5) of City Council Bill 08-0162 is more general, allowing tax revenues to be used for improvements and activities concerning “parking facilities.” Because this language does not restrict the funds to structured and surface parking facilities that are either publicly owned or serving a public purpose, the Law Department recommends that the Bill be amended to include this limiting language after the word “parking facilities” in that section. A proposed amendment effectuating this change is attached.

City Council Bill 08-0162 meets the rest of the requirements under Sections 62 (Tax Increment Act) and 62A (Special Taxing District Act) of Article II of the Baltimore City Charter and Section 54 of Article III, Section 7 of Article XI, and Articles XI-B and XI-G of the Maryland Constitution because it requires annual appropriation, does not create a general obligation debt, nor does it pledge the City’s full faith and credit or unlimited taxing power. Therefore, subject to the suggested amendment, the Law Department would approve City Council Bill 08-0162 for form and legal sufficiency.



Very truly yours,

A handwritten signature in blue ink, appearing to read "Hilary Ruley", with a long, sweeping flourish extending to the right.

Hilary Ruley  
Assistant Solicitor

cc: George Nilson, City Solicitor  
Angela C. Gibson, Mayor's Legislative Liaison  
Elena DiPietro, Senior Solicitor  
Deepa Bhattacharyya, Assistant Solicitor  
Ashlea Brown, Special Assistant Solicitor

CITY OF BALTIMORE  
COUNCIL BILL 08-0162  
(First Amendment)

On page 4, Section 1 (k)(5), line 37, delete “parking facilities” and insert “structured or surface parking facilities that are either publicly owned or serving a public purpose”