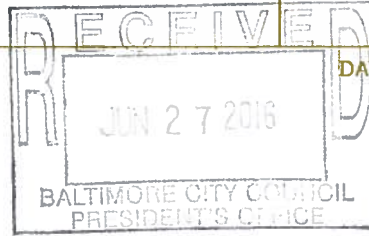


FROM	NAME & TITLE	Rudolph S. Chow, P.E., Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	CITY COUNCIL BILL 16-0670		

TO

The Honorable President and Members
of the Baltimore City Council
c/o Natawna Austin
Room 400 – City Hall



DATE: June 24, 2016

I am herein reporting on City Council Bill 16-0670 introduced by the Council President on behalf of the Administration (Baltimore Development Corporation).

The purpose of this Bill, among other things, is to authorize the issuance of special obligation bonds and the pledge of Tax Increment Revenues and Special Tax Revenues to the payment of debt service thereon; provide that such bonds or State Obligations may be issued in an aggregate principal amount not exceeding \$660,000,000 for the purpose of financing infrastructure improvements and related costs, including, without limitation, the Project (defined herein), and other necessary improvements to, from, or within the development district, and certain other infrastructure improvements permitted by the Acts (defined herein); provide for the method and sources of payment for such special obligation bonds; authorize the Board of Finance to specify, provide for and approve the details, forms, documents or procedures in connection with such special obligation; authorize the Board of Finance to specify, prescribe, determine, provide for, and approve the method and sources of such pledge, the details, forms, documents, or procedures in connection with such pledge; and provide for a special effective date.

The Tax Increment Financing Act, Article II, Section 62 of the Baltimore City Charter, authorizes the City to establish a “development district” and a special, tax increment fund into which the revenues and receipts from the real property taxes representing the levy on the “tax increment” for the development district are deposited for the purpose of providing funds for the development of the development district.

City Council Bill 16-0670, if approved, would allow for the City to issue special obligation bonds in an amount not to exceed \$660,000,000 to fund up to \$534,795,000 in public infrastructure improvements for the “Project” as defined in Schedule 1 of the legislation, and for other necessary improvements related to the Port Covington Development District (to be created by companion bill 16-0669) and the Port Covington Special Tax District (to be created by companion bill 16-0771). Furthermore, City Council Bill 16-0670 provides a pledge of the Tax Increment Revenues and Special Tax Revenues to the payment of debt service on the Special Obligation Bonds; and authorizes the Board of Finance to specify the terms of the issuance, sale, and payment of the Special Obligation Bonds. It also authorizes the Board of Finance to specify the terms of the issuance, sale, and payment of the Special Obligation Bonds.

This legislation is accompanied by two companion City Council Bills. City Council Bill 16-0669-Port Covington Development District – would designate a “development district” to be known as the “Port Covington Development District”; create a special, tax increment fund for the development district; and allocate certain property taxes to that fund. City Council Bill 16-0771-Port Covington – Special Taxing District – would create the Port Covington Special Taxing District and authorize the City to levy Special Taxes.

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of the Baltimore City Council
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This package of legislation would allow the City to establish a Tax Increment Financing (TIF) to finance the public infrastructure component of the Port Covington Project, a 266-acre proposed master-plan mixed-use community. The TIF bonds would enable the construction of public infrastructure improvements including: parks, piers, plazas, site work, a site circulator, pedestrian/bike paths, streets, alleys, and utilities for a total estimated cost of \$534,795,000. The bonds would be issued in an amount up to \$660,000,000 in order to cover the additional costs of capitalized interest, the issuance cost, reserve fund, and rounding.

The creation of the Development District and the issuance of bonds will support this major new development, enabling economic growth, job opportunities, new public parks, and attracting new residents to the city.

The Department of Public Works supports the passage of City Council Bill 16-0670.

Sincerely,



Rudolph S. Chow, P.E.
Director

RSC/KTO:ela