

**CITY OF BALTIMORE
COUNCIL BILL 06-0532
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Bureau of the Budget and Management Research)
Introduced and read first time: October 30, 2006
Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Department of Housing and Community Development, Baltimore Development Corporation, Department of Finance, Board of Estimates

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Supplementary Mondawmin Mall Tax Increment Financing Capital Appropriation –**
3 **Department of Housing and Community Development – \$15,000,000**

4 FOR the purpose of providing a Supplementary Mondawmin Mall Tax Increment Financing
5 Capital Appropriation in the amount of \$15,000,000 to the Department of Housing and
6 Community Development (Account #9910-600-359), to provide funds for financing or
7 refinancing the development of infrastructure improvements relating to the redevelopment of
8 the Mondawmin Mall in the City of Baltimore; and providing for a special effective date.

9 By authority of

10 Article VI - Board of Estimates
11 Section 8(b)(1) and (c)
12 Baltimore City Charter
13 (1996 Edition)

14 **Recitals**

15 This Ordinance provides for the supplementary appropriation of the proceeds (the “Bond
16 Proceeds”) of certain tax increment financing bonds (the “Bonds”) to be issued for the purpose
17 of financing or refinancing the development of infrastructure improvements relating to the
18 redevelopment of the Mondawmin Mall (the “Mall”) in the City of Baltimore. The Bonds shall
19 be issued pursuant to a trust agreement (the “Indenture”) by and between the City and a trustee
20 for the Bonds (the “Trustee”), or a materially similar document. Pursuant to Article VII, Section
21 21 of the Baltimore City Charter, the Board of Finance (the “Board”) is authorized to “determine
22 all matters pertaining to the issuance and sale of certificates of indebtedness,” which includes the
23 Bonds. As approved by the Board, the Indenture shall provide that the Bond Proceeds shall be
24 used only for the purposes of financing or refinancing the development of infrastructure
25 improvements relating to the redevelopment of the Mall.

26 As further approved by the Board, the Bond Proceeds shall be disbursed pursuant to a
27 funding agreement (the “Funding Agreement”), by and between the owners of the Mall and the
28 Mayor and City Council of Baltimore, acting by and through the Department of Finance. The
29 Funding Agreement shall be approved by the Board of Estimates and shall evidence the

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

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1 agreement of the City to disburse the funds, subject to certain conditions as provided for in the
2 agreement and in the documents relating to the Bonds (the “Bond Documents”).

3 The Bond Proceeds are in excess of those relied upon by the Board of Estimates in
4 determining the tax levy required to balance the budget for Fiscal Year 2007. The Indenture
5 provides that upon the sale of the Bonds, the Bond Proceeds will be held by the Trustee in trust
6 for the holders of the Bonds and subject to the above-referenced limitations of the Indenture and
7 other Bond Documents. Therefore, the Bond Proceeds do not represent revenue that would ever
8 be relied upon by the Board of Estimates to determine the tax levy required to balance the
9 Ordinance of Estimates for Fiscal Year 2007 or for any other year in which the Bond proceeds
10 might be disbursed.

11 Therefore, to the extent required by law, the Board of Estimates on October 25, 2006, has
12 recommended that the City Council of Baltimore approve this Supplementary Mondawmin Mall
13 Tax Increment Financing Capital Appropriation for the purpose of financing or refinancing the
14 development of infrastructure improvements relating to the redevelopment of the Mall, and has
15 authorized the execution of any documents necessary to effectuate the disbursement of Bond
16 Proceeds to the extent that such documents are not otherwise related to the issuance and sale of
17 the certificates of indebtedness.

18 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That to
19 the extent required by law, an amount not to exceed \$15,000,000 shall be made available to the
20 Department of Housing and Community Development (Account #9910-600-359) as a
21 Supplementary Mondawmin Mall Tax Increment Financing Capital Appropriation for Fiscal
22 Year 2007, to provide for financing or refinancing the development of infrastructure
23 improvements relating to the redevelopment of the Mondawmin Mall in the City of Baltimore.
24 The source of revenue for this appropriation shall be the proceeds of certain tax increment
25 financing bonds (the “Bond Proceeds”), and the source of revenue is in excess of the amount
26 from this source that was relied on by the Board of Estimates in determining the tax levy
27 required to balance the budget for Fiscal Year 2007. The Bond Proceeds, subject to the Bond
28 Documents as approved by the Board of Finance, are to be made available for disbursement
29 through a funding agreement executed by the Mayor and City Council of Baltimore, acting by
30 and through the Department of Finance and such other parties as may be necessary.

31 **SECTION 2. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it
32 is enacted.