

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 13-0232

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

Committee Report: Favorable
Council action: Adopted
Read second time: August 12, 2013

AN ORDINANCE CONCERNING

Harbor Point Development District - Amending Ordinance 10-401

FOR the purpose of enlarging the boundaries of the development district known as “Harbor Point Development District” by including additional properties; revising Exhibit 1 to include these additional properties; deleting and changing certain parcel references that do not affect the boundaries of the development district; repealing provisions related to state obligations and clarifying certain related provisions; providing for a special effective date; and generally relating to the establishment of the Harbor Point Development District.

BY authority of
Article II - General Powers
Section (62)
Baltimore City Charter
(1996 Edition)

BY repealing and reordaining with amendments
Ordinance 10-401
The Recitals and Sections 1 through 3, 5 through 7, and 10

Recitals

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

The Act also authorizes the City, subject to certain requirements, to borrow money by issuing and selling bonds for the purpose of financing and refinancing the development of industrial, commercial, or residential areas in Baltimore City.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

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1 The Act provides, however, that no bonds may be issued by the City until an
2 ordinance is enacted that (i) designates an area or areas within the City as a
3 “development district” and (ii) provides that, until the bonds have been fully paid,
4 the property taxes on real property within the development district shall be
5 divided as provided in the Act.

6 Pursuant to the Act and Ordinance 10-401, passed by the City Council effective
7 on December 9, 2010 (“Ordinance 10-401”), the City established a development
8 district known as the Harbor Point Development District (the “Original Harbor
9 Point Development District”) to facilitate the development of the Project (as such
10 term is defined in Ordinance 10-401, as amended by this Ordinance).

11 The City wishes to expand the Original Harbor Point Development District by
12 including an additional parcel (collectively, the “Harbor Point Development
13 District”) for the purpose of providing funds for costs of certain infrastructure and
14 other improvements and related costs permitted by the Act, including, without
15 limitation, the Project. The City also wishes to modify certain parcel references
16 that do not affect the boundaries of the development district, repeal provisions
17 relating to state obligations, and make certain additional revisions.

18 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
19 laws of Baltimore City read as follows:

20 **Ordinance 10-401**

21 Recitals

22 The Tax Increment Financing Act, Article II, Section (62) of the Baltimore City
23 Charter (the “Act”) authorizes the Mayor and City Council of Baltimore (the
24 “City”) to establish a “development district” (as defined in the Act) and a special,
25 tax increment fund into which the revenues and receipts from the real property
26 taxes representing the levy on the “tax increment” (as defined in the Act) for the
27 development district are deposited for the purpose of providing funds for the
28 development of the development district.

29 The Act also authorizes the City, subject to certain requirements, to borrow
30 money by issuing and selling Bonds (as defined herein) for the purpose of
31 financing and refinancing the development of an industrial, commercial, or
32 residential area in Baltimore City. The Act provides, however, that no Bonds may
33 be issued by the City until an ordinance is enacted that (i) designates an area or
34 areas within the City as a “development district” and (ii) provides that, until the
35 Bonds have been fully paid, the property taxes on real property within the
36 development district shall be allocated as provided in the Act.

37 [The Act also authorizes the City, subject to certain requirements, to pledge tax
38 increment revenues to the payment by or reimbursement to the City for debt
39 service which the City is obligated to pay or has paid (whether such obligation is
40 general or limited) on State Obligations issued and sold by the Maryland
41 Economic Development Corporation (“MEDCO”) or any other State Issuer (as

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1 defined herein) for the purpose of providing funds for the development of the
2 development district.]

3 The City wishes to establish a development district within Baltimore City and to
4 establish a special, tax increment fund for that development district for the
5 purpose of providing funds for the costs of the infrastructure improvements and
6 related costs permitted by the Act, including, without limitation, street and road
7 improvements, site removal, the acquisition of land, costs of construction or
8 rehabilitation of buildings that are devoted to a governmental use or purpose,
9 parking facilities that are publicly owned or privately owned but serve a public
10 purpose, and the installation of utilities, construction of parks, including public
11 recreational facilities, PUBLIC RESTROOMS, and playgrounds, and other
12 improvements relating to the development of residential, commercial and office
13 uses both to or from or within the development district.

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

- 17 (a) "Act" means the Tax Increment Financing Act, as codified in
18 Article II, Section (62) of the Baltimore City Charter.
- 19 (b) "Assessable base" means the total assessable base of all real
20 property in the Development District subject to taxation, as
21 determined by the Supervisor of Assessments.
- 22 (c) (1) "Assessment ratio" means any real property tax assessment
23 ratio, however designated or calculated, that is used or
24 applied under applicable general law in determining the
25 assessable base.
- 26 (2) "Assessment ratio" includes the assessment percentage
27 provided under §8-103(c) of the State Tax-Property
28 Article, as amended, replaced, or supplemented from
29 time to time.
- 30 (d) "Bonds" means any bonds or bond, notes or note, or other
31 similar instruments or instrument issued by the City pursuant to
32 and in accordance with the Act.
- 33 (e) "City District Expenses" means the expenses of the City in
34 carrying out its duties under this Ordinance, including but not
35 limited to all costs and expenses of the City incurred in
36 connection with the establishment of the Development District,
37 the use of Tax Increment revenues, the issuance of Bonds [or
38 State Obligations], and the discharge of its duties under any
39 Bond indenture or INDENTURES [Contribution Agreement],
40 including the costs of any employees of the City and legal
41 expenses associated with those duties, and in any way related to
42 the administration of the Development District.

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- 1 [(f) "Contribution Agreement" means one or more contribution
2 agreements or such other agreements executed by the City
3 and a State Issuer, pursuant to which the City will evidence
4 a pledge of certain tax and other revenues for the purpose
5 of securing the payment of debt service on State
6 Obligations, the replenishment of any reserve fund, and the
7 payment of other costs with respect to the State
8 Obligations, including, without limitation, any City District
9 Expenses, State Issuer Expenses, and other administrative
10 costs.]
- 11 (F) [(g) "Development District" means the area in the City
12 designated in Section 3 of this Ordinance as a development
13 district under the Act.
- 14 [(h) "MEDCO" means the Maryland Economic Development
15 Corporation.]
- 16 [(i) "Obligations" means, collectively, any Bonds and any State
17 Obligations.]
- 18 (G) [(j) "Original assessable base" means, COLLECTIVELY:
- 19 (1) the assessable base as of January 1, 2009, OF THE
20 PROPERTIES DESIGNATED AS WARD 03, SECTION 07,
21 BLOCK 1825, LOTS 001, 002, 003A, AND 006; BLOCK
22 1817, LOTS 001 AND 004; AND BLOCK 1816, LOT 001;
23 AND
- 24 (2) THE ASSESSABLE BASE AS OF JANUARY 1, 2012, OF THE
25 PROPERTIES DESIGNATED AS WARD 03, SECTION 07,
26 BLOCK 1825, LOT 003; BLOCK 1817, LOTS 010 AND
27 010A; BLOCK 1816, LOT 001A; AND BLOCK 1815, LOTS
28 001 AND 002.
- 29 (H) [(k) "Original full cash value" means the dollar amount that is
30 determined by dividing the original assessable base by the
31 assessment ratio used to determine the original assessable
32 base.
- 33 (I) [(l) "Original taxable value" means, for any tax year, the dollar
34 amount that is the lesser of:
- 35 (1) the product of the original full cash value times the
36 assessment ratio applicable to that tax year; or
- 37 (2) the original assessable base.

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1 (J) [(m)] "Project" means the following improvements and
2 activities that are to be completed in accordance with all
3 required City approvals:

4 (1) the design and construction of street and road
5 improvements to, from or within the Development
6 District, including, without limitation, the installation of
7 curbs, gutters, STREETS, BRIDGES, sidewalks, lighting
8 and landscaping, and the improvements which are
9 designed to improve traffic flow to and from the
10 Development District;

11 (2) the installation of utilities, including, without limitation,
12 water, sewer, lighting, PUBLICLY-OWNED DUCTBANKS,
13 and stormwater management facilities, the construction
14 of parks, including public recreational facilities AND
15 PUBLIC RESTROOMS, plazas, promenades, and transit
16 piers, and the construction of other necessary
17 improvements to, from, or within the Development
18 District and other facilities;

19 (3) the acquisition by purchase, lease, or condemnation of
20 land or other property, or an interest in them, in the
21 Development District or as necessary for a right-of-way
22 or other easement to or from the Development District;

23 (4) the acquisition, design, construction, reconstruction,
24 renovation, and development of buildings that are to be
25 devoted to a governmental use or purpose or will
26 provide units of affordable housing and condemning or
27 otherwise acquiring structures, real or personal
28 property, rights, rights-of-way, franchises, easements,
29 and interests in furtherance of this purpose;

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

33 (6) site removal, including site preparation, earthwork,
34 clearing, grading, and filling;

35 (7) surveys and studies; and

36 (8) the acquisition, construction, renovation, and
37 development of other related infrastructure
38 improvements and the financing or refinancing of any
39 related costs as permitted by the Act that are necessary
40 for the completion of the foregoing for their intended
41 public purposes.

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1 [(n) "State Issuer" means MEDCO, the State of Maryland, or any
2 agency, department, or political subdivision thereof.]

3 [(o) "State Issuer Expenses" means administrative costs and other
4 expenses related to the State Obligations of the State Issuer
5 permitted by the Act and approved by the Director of
6 Finance to be paid by the City pursuant to a Contribution
7 Agreement.]

8 [(p) "State Obligations" means any bonds or bond, notes or note, or
9 other similar instruments or instrument issued by a State
10 Issuer, the proceeds of which have been used for any of the
11 purposes specified in this Ordinance or the Act.]

12 (K) [(q)] "Tax increment" means for any tax year, the amount by
13 which the assessable base as of January 1 preceding that tax
14 year exceeds the original taxable value, divided by the
15 assessment ratio used to determine the original taxable
16 value.

17 (L) [(r)] "Tax Increment Fund" means the special fund established
18 by Section 4 of this Ordinance.

19 (M) [(s)] "Tax year" means the period from July 1 of a calendar
20 year through June 30 of the next calendar year.

21 SECTION 2. AND BE IT FURTHER ORDAINED, That the Mayor and City Council
22 of Baltimore finds and determines that the establishment of the Development
23 District, the creation of the Tax Increment Fund for the Development District, the
24 issuance of Bonds from time to time, and the pledge of amounts, subject to
25 appropriation, on deposit in the Tax Increment Fund to the payment of debt
26 service on and other costs related to any Bonds [or, pursuant to a Contribution
27 Agreement, any State Obligations], all for the purpose of providing funds for the
28 financing and refinancing of a portion of the costs of the Project, accomplishes the
29 purposes of the Act, serves public purposes, including the direct and indirect
30 enhancement of the taxable base of the City, the creation of new employment
31 opportunities, the encouragement of additional economic activities, the
32 development or redevelopment of slum, blighted or deteriorated areas, the
33 undertaking of urban renewal projects, and the facilitation of planned
34 improvements to the Development District, and generally promotes the health,
35 welfare, and safety of the residents of the State of Maryland and of the City of
36 Baltimore.

37 SECTION 3. AND BE IT FURTHER ORDAINED, That the contiguous area
38 consisting of the properties designated as Ward 03, Section 07, Block 1825, Lots
39 001, 002, 003, 003A, and 006; Block 1817, Lots 001, [and] 004, 010, AND 010A;
40 [and] Block 1816, [Lot] LOTS 001 AND 001A; AND BLOCK 1815, LOTS 001 AND
41 002 [and properties that are expected to be designated Ward 03, Section 07, Block
42 1815, Lot 002-2; and Block 1816, Lot 003 and Lot 004 (as the same may be
43 renumbered or redesignated as a result of any subdivision or resubdivision of such

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1 property)], together with the adjoining roads, highways, alleys, rights-of-way and
2 other similar property, shown on the map attached to this Ordinance as REVISED
3 Exhibit 1, and made a part of this Ordinance, is designated [as a development
4 district to be known] as the “Harbor Point Development District.”
5

6 SECTION 5. AND BE IT FURTHER ORDAINED, That:

7 (a) For each tax year that begins after the effective date of this
8 Ordinance, the Director of Finance shall divide the property
9 taxes on real property within the Development District so that:

10 (1) the portion of the taxes that would be produced by the
11 rate at which taxes are levied each year by the City upon
12 the original taxable value shall be allocated to and,
13 when collected, paid into the funds of the City in the
14 same manner as taxes levied and collected by the City
15 on all other property are paid; and

16 (2) the portion of the taxes representing the levy on the tax
17 increment that would normally be paid to the City shall
18 be paid into the Tax Increment Fund, to be applied in
19 accordance with the provisions of this Ordinance, any
20 ordinance authorizing the issuance of Bonds [or State
21 Obligations], and the Act.

22 (b) The City acknowledges that neither the rate at which taxes are
23 levied on real property within the Development District nor the
24 manner of assessment of the value of real property within the
25 Development District may vary from the rate or manner of
26 assessment that otherwise would have applied if the
27 Development District were not designated and the Tax
28 Increment Fund not created.

29 SECTION 6. AND BE IT FURTHER ORDAINED, That:

30 (a) If no Bonds [or State Obligations] are outstanding with respect
31 to the Development District, money in the Tax Increment Fund
32 may be:

33 (1) used for any other purposes described in the Act,
34 including the payment or reimbursement of costs of the
35 Project;

36 (2) accumulated for payment of debt service on Bonds [or,
37 pursuant to a Contribution Agreement, debt service on
38 State Obligations, to be subsequently issued under the
39 Act or by a State Issuer, respectively];

40 (3) used to pay or reimburse the City for debt service or
41 other related costs that the City is obligated to pay or

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1 has paid (whether as a general or limited obligation of
2 the City) on any Bonds issued by the City [or State
3 Obligations issued by any State Issuer], the proceeds of
4 which have been used for any of the purposes specified
5 in the Act; or

6 (4) paid to the City to provide funds to be used for any
7 legal purpose.

8 (b) In the case of Sections 6(a)(2) and (a)(3) above, the use must be
9 approved by appropriate action of the Mayor and City Council,
10 and in the case of Sections 6(a)(1) and (a)(4), the use must be
11 approved by the appropriate action of the Board of Finance,
12 which action may generally specify the purpose for which the
13 Tax Increment Fund may be used and the maximum amount
14 that may be applied for that purpose, without specifying the
15 actual amounts to be applied.

16 SECTION 7. AND BE IT FURTHER ORDAINED, That:

17 (a) If any BONDS [Obligations] are outstanding with respect to the
18 Development District, money in the Tax Increment Fund may
19 be used in any fiscal year as provided in Section 6 of this
20 Ordinance and in any indenture authorizing the issuance of
21 such BONDS [Obligations], but only to the extent that:

22 (1) the amount in the Tax Increment Fund exceeds the debt
23 service payable on the BONDS [Obligations] and the
24 amounts necessary to replenish any reserves and to pay
25 any City District Expenses[, State Issuer Expenses,] and
26 administrative costs in that fiscal year, and is not
27 otherwise restricted so as to prohibit its use; and

28 (2) the use is not prohibited by any ordinance authorizing
29 the issuance of the Bonds [or the State Obligations] and
30 the pledge of amounts on deposit in the Tax Increment
31 Fund.

32 (b) In each case, the use must be approved by appropriate action of the Board of
33 Finance, which action may generally specify the purpose for which the Tax
34 Increment Fund may be used and the maximum amount that may be applied
35 for that purpose, without specifying the actual amounts to be applied.
36

.....

37 SECTION 10. AND BE IT FURTHER ORDAINED, That this Ordinance may be
38 amended by a subsequent ordinance of the Mayor and City Council of Baltimore,
39 which ordinance may enlarge or reduce the size of the Development District or
40 provide for a future pledge of the Tax Increment Fund other than as contemplated
41 under this Ordinance. However, no ordinance may be effective to reduce the size
42 of the Development District so long as there are any outstanding BONDS

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1 [Obligations] secured by the Tax Increment Fund, unless the ordinance
2 authorizing the issuance of the Bonds [or the pledge of revenue pursuant to a
3 Contribution Agreement to the payment of the State Obligations] permits the City
4 to reduce the area constituting the Development District, the holders of such
5 BONDS [Obligations] or an authorized representative on their behalf consents to
6 the reduction, or the indenture authorizing the issuance of such BONDS
7 [Obligations] permits the reduction.

8 **SECTION 2. AND BE IT FURTHER ORDAINED**, That the Mayor and City Council of Baltimore
9 affirms and ratifies the establishment of the Harbor Point Development District, the creation of a
10 Tax Increment Fund for such Development District and the issuance of bonds from time to time,
11 all for the purposes set forth in Ordinance 10-401, as amended hereby, and except as hereby
12 specifically amended, Ordinance 10-401, is hereby confirmed and ratified in all respects and shall
13 remain in full force and effect according to its terms.

14 **SECTION 3. AND BE IT FURTHER ORDAINED**, That the Mayor and City Council of Baltimore
15 finds and determines that the expansion of the Harbor Point Development District and the
16 issuance of Bonds from time to time, for the purpose of providing funds for the financing of
17 infrastructure improvements and the acquisition of land within and outside the Development
18 District, accomplishes the purposes of the Act, serves public purposes, including the direct and
19 indirect enhancement of the taxable base of Baltimore City and the facilitation of planned
20 improvements to the Harbor Point area, and generally promotes the health, welfare, and safety of
21 the residents of the State of Maryland and of the City of Baltimore.

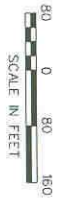
22 **SECTION 4. AND BE IT FURTHER ORDAINED**, That the provisions of this Ordinance are
23 severable. If any provision, sentence, clause, section or other part of this Ordinance is held or
24 determined to be illegal, invalid, unconstitutional, or inapplicable to any person or circumstances,
25 that illegality, invalidity, unconstitutionality, or inapplicability does not affect or impair any of
26 the remaining provisions, sentences, clauses, sections, or parts of this Ordinance or their
27 application to other persons or circumstances. It is the intent of the Mayor and City Council of
28 Baltimore that this Ordinance would have been passed even if the illegal, invalid,
29 unconstitutional, or inapplicable provision, sentence, clause, section, or other part had not been
30 included in this Ordinance, and as if the person or circumstances to which this Ordinance or part
31 are inapplicable had been specifically exempted.

32 **SECTION 5. AND BE IT FURTHER ORDAINED**, That this Ordinance takes effect on the date it is
33 enacted.

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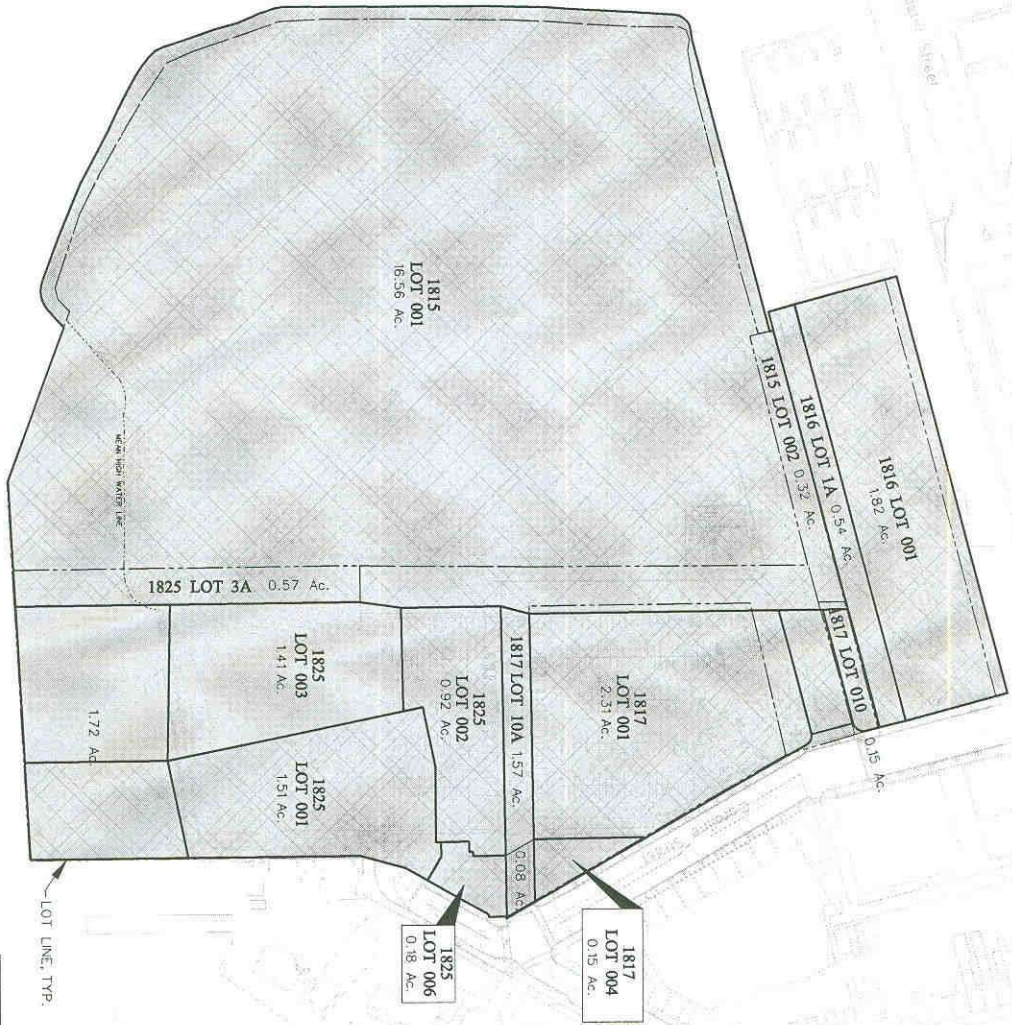
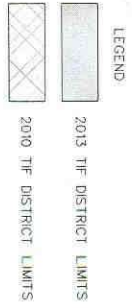
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REVISED EXHIBIT 1
Map of Development District
(See next page)



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HARBOR POINT
TIF DEVELOPMENT DISTRICT
 MAY 21, 2013
 CS-1



GENERAL NOTE
 EXISTING TOPOGRAPHIC SITE FEATURES, SUCH AS (BUILDINGS, ROADS, PROPERTY BOUNDARIES, FENCE LINES AND SHORELINE FERMETERS) ARE BASED ON SURVEY'S PERFORMED BY GREENHORNE & O'MARA, INC. DATED JAN 2004, MORRIS RITCHIE ASSOC., DATED JUNE 1993/MAY 2008, DANIEL CONSULTANTS, INC. DATED MARCH 1999 & BOWMAN CONSULTING, DATED JAN 2010.



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Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,

this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City