

**CITY OF BALTIMORE
COUNCIL BILL 07-0783
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: September 17, 2007
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 Tax Increment Loan Fund Capital Appropriation –**
3 **Department of Housing and Community Development – \$85,000,000**

4 FOR the purpose of providing a Supplementary Tax Increment Loan Fund Capital Appropriation
5 in the amount of \$85,000,000 to the Department of Housing and Community Development
6 (Account #9910-587-979), to provide tax increment financing and refinancing of the
7 acquisition of property, the relocation of businesses and/or residents, site removal, and
8 certain public improvements in the East Baltimore Research Park area; and providing for a
9 special effective date.

10 BY authority of

11 Article VI - Board of Estimates
12 Section 8(b)(1) and (c)
13 Baltimore City Charter
14 (1996 Edition)

15 **Recitals**

16 This Ordinance provides for the supplementary appropriation of the proceeds (the “Bond
17 Proceeds”) of certain special obligation bonds (the “Bonds”) to be issued for the purpose of
18 financing and refinancing the acquisition of property, the relocation of businesses and/or
19 residents, site removal, and certain public improvements in the East Baltimore Research Park
20 area (the “Project”). The Bonds shall be issued pursuant to a trust agreement (the “Indenture”)
21 by and between the City and a trustee for the Bonds (the “Trustee”), or a materially similar
22 document. Pursuant to Article VII, Section 21 of the Baltimore City Charter, the Board of
23 Finance (the “Board”) is authorized to “determine all matters pertaining to the issuance and sale
24 of certificates of indebtedness,” which includes the Bonds. As approved by the Board, the
25 Indenture shall provide that the Bond Proceeds shall be used for the purpose of financing and
26 refinancing the costs of the Project.

27 As further approved by the Board, the Bond Proceeds shall be disbursed pursuant to a
28 funding agreement (the “Funding Agreement”) by and between the developer responsible for the
29 Project and the Mayor and City Council of Baltimore (the “City”). The Funding Agreement

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

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1 provides that it shall be approved by the Board of Estimates and shall evidence the agreement of
2 the City to disburse the funds, subject to certain conditions as provided for in the agreement and
3 in the documents relating to the Bonds (the “Bond Documents”).

4 The Bond Proceeds are in excess of the revenue relied on by the Board of Estimates in
5 determining the tax levy required to balance the budget for Fiscal Year 2008. The Indenture
6 provides that upon the sale of the Bonds, the Bond Proceeds will be held by the Trustee in trust
7 for the holders of the Bonds and subject to the above-referenced limitations of the Indenture and
8 other Bond Documents. Therefore, the Bond Proceeds do not represent revenue that would ever
9 be relied on by the Board of Estimates to determine the tax levy required to balance the
10 Ordinance of Estimates for Fiscal Year 2008 or for any other year in which the Bond proceeds
11 might be disbursed.

12 Therefore, to the extent required by law, the Board of Estimates on September 12, 2007, has
13 recommended that the City Council of Baltimore approve this Supplementary Tax Increment
14 Loan Fund Capital Appropriation for the purpose of financing and refinancing the costs of the
15 Project.

16 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That to
17 the extent required by law, an amount not to exceed \$85,000,000 shall be made available to the
18 Department of Housing and Community Development (Account #9910-587-979) as a
19 Supplementary Tax Increment Loan Fund Capital Appropriation for Fiscal Year 2008, to provide
20 tax increment financing and refinancing of the acquisition of property, the relocation of
21 businesses and/or residents, site removal, and certain public improvements in the East Baltimore
22 Research Park area. The source of revenue for this appropriation is the proceeds from special
23 obligation bonds (the “Bond Proceeds”) and is in excess of the amount from this source that was
24 relied on by the Board of Estimates in determining the tax levy required to balance the budget
25 for Fiscal Year 2008. The Bond Proceeds, subject to the Bond Documents as approved by the
26 Board of Finance, are to be made available for disbursement through a loan agreement executed
27 by the Mayor and City Council of Baltimore and such other parties as may be necessary.

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