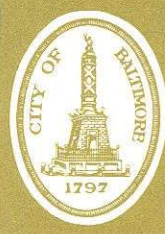


FROM	NAME & TITLE	Stephen M. Kraus, Chief and Clerk to the Board of Finance	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of Treasury Management 200 Holliday Street, Room 7		
	SUBJECT	CC Resolution 13-0113R Harbor Point Accountability		

TO

DATE: July 8, 2013

President and Members
of the City Council of Baltimore
409 City Hall
Baltimore, MD 21202

The purpose of City Council Resolution 13-0113R is to require the Harbor Point development team to contribute a portion of the Enterprise Zone Tax Credit to the Perkins Homes Community. The Resolution seeks a contribution of 30% of the tax credit.

This resolution is predicated on the notion that Perkins Homes was used to skew demographics thereby allowing Harbor Point to be included in the Enterprise Zone. It is our understanding from BDC that at no point in the Enterprise Zone application process were the census tract lines or demographics adjusted to include Perkins Homes as a means to justify the inclusion of Harbor Point. In addition, it appears that, if adopted, this resolution will have no legal or contractual basis to require such an agreement between the developer and the State or the City.

The project analysis completed by the City's financial advisor and provided to the Council, indicates the Harbor Point project will produce positive net revenues and employment to the City even after considering all direct and indirect costs and benefits. The Board of Finance agreed and approved the project concept structure in May 2013, without a contribution of the tax credit. Finance believes this resolution has the potential of establishing a precedent that may deter future projects from moving forward within the City's Enterprise Zone.

For these reasons the Department of Finance cannot support this resolution and recommends the City Council withdraw it from further consideration.

cc: Angela Gibson

