


TJS

FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 417 E. FAYETTE STREET, 8 th FLOOR		
	SUBJECT	CITY COUNCIL BILLS #15-0521, POPPLETON DEVELOPMENT DISTRICT #15-0522 POPPLETON BOND ORDINANCE #15-0523 POPPLETON SPECIAL TAXING DISTRICT		

DATE:

TO

The Honorable President and
 Members of the City Council
 City Hall, Room 400
 100 N. Holliday Street

April 24, 2015

At its regular meeting of April 23, 2015, the Planning Commission considered City Council Bills #15-00521 (For the purpose of designating a "development district" to be known as the "Poppleton Development District), #15-0522 (For the purpose of authorizing the issuance of special obligation bonds) and #15-0523 (For the purpose of designating a "special taxing district). These three bills are the collective Tax Increment Financing package for the Poppleton development project.

In its consideration of these bills, the Planning Commission reviewed the attached staff report, which recommended approval of all three bills and adopted the following resolution 9 members present, (9 in favor).

RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bills #15-0521, #15-0522, and #15-0523 be passed by the City Council.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.

TJS/WA

Attachment

- cc: Ms. Kaliopé Parthemos, Chief of Staff
 Mr. Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
 Mr. Leon Pinkett, Assistant Deputy Mayor for Economic and Neighborhood Development
 Ms. Angela Gibson, Mayor's Office
 The Honorable Rochelle "Rikki" Spector, Council Rep. to Planning Commission
 Mr. David Tanner, BMZA
 Mr. Geoffrey Veale, Zoning Administration
 Mr. Nicholas Blendy, DHCD
 Ms. Barbara Zektick, DOT
 Ms. Elena DiPietro, Law Dept.
 Ms. Natawna Austin, Council Services
 Mr. Lembit Jogi, HCD
 Mr. Dan Bythewood, LaCite Development



*Stephanie Rawlings-
Blake
Mayor*

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman

STAFF REPORT



*Thomas J. Stosur
Director*

April 23, 2015

REQUESTS:

- **City Council Bill #15-0521/ Poppleton Development District**
For the purpose of designating a "development district" to be known as the "Poppleton Development District"; providing for and determining various matters in connection with the establishment of the development district; creating a special, tax increment fund for the development district; allocating certain property taxes to that fund; making certain findings and determinations; providing for a special effective date.
- **City Council Bill #15-0522/ Poppleton Special Obligation Bonds**
For the purpose of authorizing the issuance of special obligation bonds; authorizing the pledge by the City, subject to appropriation, of Tax Increment Revenues and Special Tax Revenues (as such terms are defined herein) to the payment of debt service on such special obligation bonds, the replenishment of any reserves, and the payment of certain expenses and administrative costs; providing that such bonds may be issued from time to time and in one or more issues or series in an aggregate principal amount not exceeding \$58,311,000 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); providing for the method and sources of payment for such special obligation bonds; providing that the City, in each fiscal year in which any such bonds are outstanding, use its best efforts to obtain the appropriation of the Tax Increment Revenues and the Special Tax Revenues in the amounts and at the times specified in a trust agreement or agreements between the City and a bank or trust company appointed as trustee thereunder; authorizing the Board of Finance to specify, prescribe, determine, provide for and approve the details, forms, documents or procedures in connection with such special obligation bonds and any other matters necessary or desirable in connection with the authorization, issuance, sale, and payment of such special obligation bonds; providing for a special effective date; and generally relating to the issuance and payment of such special obligation bonds.
- **City Council Bill #15-0523/ Poppleton Special Taxing District**
For the purpose of designating a "special taxing district" to be known as the "Poppleton Special Taxing District"; providing for and determining various matters in connection with the establishment of the special taxing district; creating a special fund for the special taxing district; providing for the levy of a special tax on all taxable real and personal property located in the special taxing district; authorizing the pledge of the special tax revenues to the payment by or reimbursement to the City for debt service on any special obligation bonds or notes issued by the City in connection with the special taxing district,

the replenishment of any reserve fund; providing for a special effective date; and generally providing for matters relating to the designation and operation of the special taxing district, the establishment and use of the special fund, and the payment of certain expenses and administrative costs related to the operation of the special taxing district.

RECOMMENDATIONS:

- City Council Bill #15-0521: Approval
- City Council Bill #15-0522: Approval
- City Council Bill #15-0523: Approval

STAFF: Ivor Quashie

PETITIONER: Department of Housing and Community Development (HCD)

SITE/GENERAL AREA

Site Conditions: The proposed Tax Increment Financing (TIF) District follows the 13.8 acre development site, generally bounded by North Stockton Street to the west, North Amity to the east, West Mulberry Street to the north and West Fairmont to the south.

General Area: Poppleton is located in Baltimore's West district, situated between Martin Luther King Jr. Boulevard and Carey Street, to the east and west, and Mulberry and Baltimore Streets, to the north and south.

HISTORY

- On March 31, 1975 Ordinance #75-837 the Poppleton Urban Renewal Plan was established.
- In 1995 the United States Department of Housing and Urban Development designated several neighborhoods including Poppleton as an Empowerment Zone.
- On January 11, 2007, the Planning Commission approved City Council Bill #06-0559 which amended the Urban Renewal Plan for Poppleton to allow for certain land use changes in the Plan to authorize the acquisition by purchase or by condemnation of certain properties for urban renewal purposes and to create new disposition lots.
- On January 11, 2007, the Planning Commission approved City Council Bill #06-0560 which rezoned multiple properties within the Poppleton area.
- On January 11, 2007, the Planning Commission approved City Council Bill #06-0561 which granted the approval of certain properties generally bordered on the north by West Mulberry Street, on the west by North Stockton Street, on the south by West Fairmount Avenue and on the east by North Poppleton Street, as a Residential/Business Planned Unit Development.
- On April 7, 2011, the Planning Commission approved City Council Bill #11-0648 to amend the Poppleton Urban Renewal Plan to reauthorize the acquisition of properties within the Project Area.

CONFORMITY TO PLANS

The action is consistent with Baltimore City's Comprehensive Master Plan, specifically LIVE GOAL 1 (Build Human and Social Capital by Strengthening Neighborhoods)

OBJECTIVE 6 (Increase the City's Population by 10,000 Households in 6 Years)

ANALYSIS

A TIF provides the opportunity to leverage limited public financing of public infrastructure and site preparation in order to attract private investment. A TIF functions by pledging real property tax increments, gained over the pre-development year (the “baseline”), as a result of the new development in the tax increment district (the “TIF District”). Under a TIF transaction issue, the City Council ordinance is needed to create a designated TIF District, to establish a special fund to capture the incremental tax payments generated by the TIF District, and subject to appropriation, to release the incremental tax payments to the purchasers of the bonds. The City is the issuer of the TIF bonds, but the bonds do not carry the full faith and credit of the City and the City’s obligation does not extend beyond the customary collection of real property taxes and the release of those funds to the bondholders. Existing property taxes, received by the City, are not pledged to the payment of the bonds.

Repayment of the bonds are limited to the incremental tax revenues generated within the TIF district; areas outside the District cannot be charged or assessed for the improvements built within the TIF District. Development in the TIF district may be single or multiple projects or properties. Whether future property values in the TIF District increase to the level sufficient to pay the debt service on the bonds is the underlying risk of the transaction. Delays in construction or other factors may limit an increase in assessment and a commensurate rise in taxes. To mitigate this uncertainty, the bond purchaser typically requires a “Special Taxing District” to be established within the TIF District. Established by City Ordinance, and only after approval of two thirds of the property owners, the Special Tax District has the authority to assess additional taxes, if necessary, to repay the TIF bonds.

Poppleton Special Obligation Bonds- City Council Bill #15-0521

Special obligation TIF bonds in the amount of approximately \$58,311,000 are proposed to be issued to finance the cost of public improvements, reserve funds, and other costs associated with the bond issue. The development consists of a total of four phases, each of which may contain one or more sub-phases. The overall development is anticipated to be completed over the next 15-plus years. The TIF bonds are expected to be issued in multiple series to correspond with the multiple phases of the development. TIF financed public improvements include road improvements, utilities and utility relocation, park space, landscaping, lighting, other infrastructure, and wireless security system for public areas.

The first Series of Bonds to be issued, identified as Series A bonds, total \$12,249,886, and will finance \$8,508,238 in public improvements for Phase IA. Additional bonds will be issued at the beginning of subsequent phases of the overall development.

Poppleton Development District- City Council Bill #15-0522

The first phase of the development is made up of two sub-phases, Phase 1A and Phase 1B.

- **Phase 1A:** Includes the construction of two mid-rise buildings on the north and south sides of Lexington Street, along N. Schroeder Street. Development will include 257 rental units and approximately 19,000 square feet of ground floor retail space. Of the rental units, 205 will be at market rate and 52 will be affordable to households earning less than 50% of the area median income. Structured and surface parking

totaling 163 spaces will be provided. There will be open/green space, divided between private areas associated with individual buildings and public areas for community use. Construction on Phase IA is expected to start early summer of 2015.

- **Phase IB:** Includes 215 rental housing units and 33,500 square feet of ground floor retail space on the remaining vacant land between N. Schroeder Street and Amity spanning from West Fairmont Avenue to West Saratoga Street. In addition, two parcels deemed as Phase IC for land use planning purposes will be included in the Phase IB development. Construction on Phase IB is expected to start in the beginning of 2018.

Special Taxing District- City Council Bill #15-0523

The approval of a Special Taxing District authorizes the City to levy a special tax on all taxable real and personal property within the Special Taxing District and pledges any special taxes collected to the payment to the City for debt service on the TIF Bonds. The overall purpose of creating the Special Taxing District is to “back-stop” the City’s ability to repay the TIF bonds from tax increment revenues. In this manner and as a result of forming the Special taxing District, the future property owners within the Special Taxing District (in this case the developers of the Poppleton property) through the payment of special taxes on the property are financially responsible to make payment on the bonds.

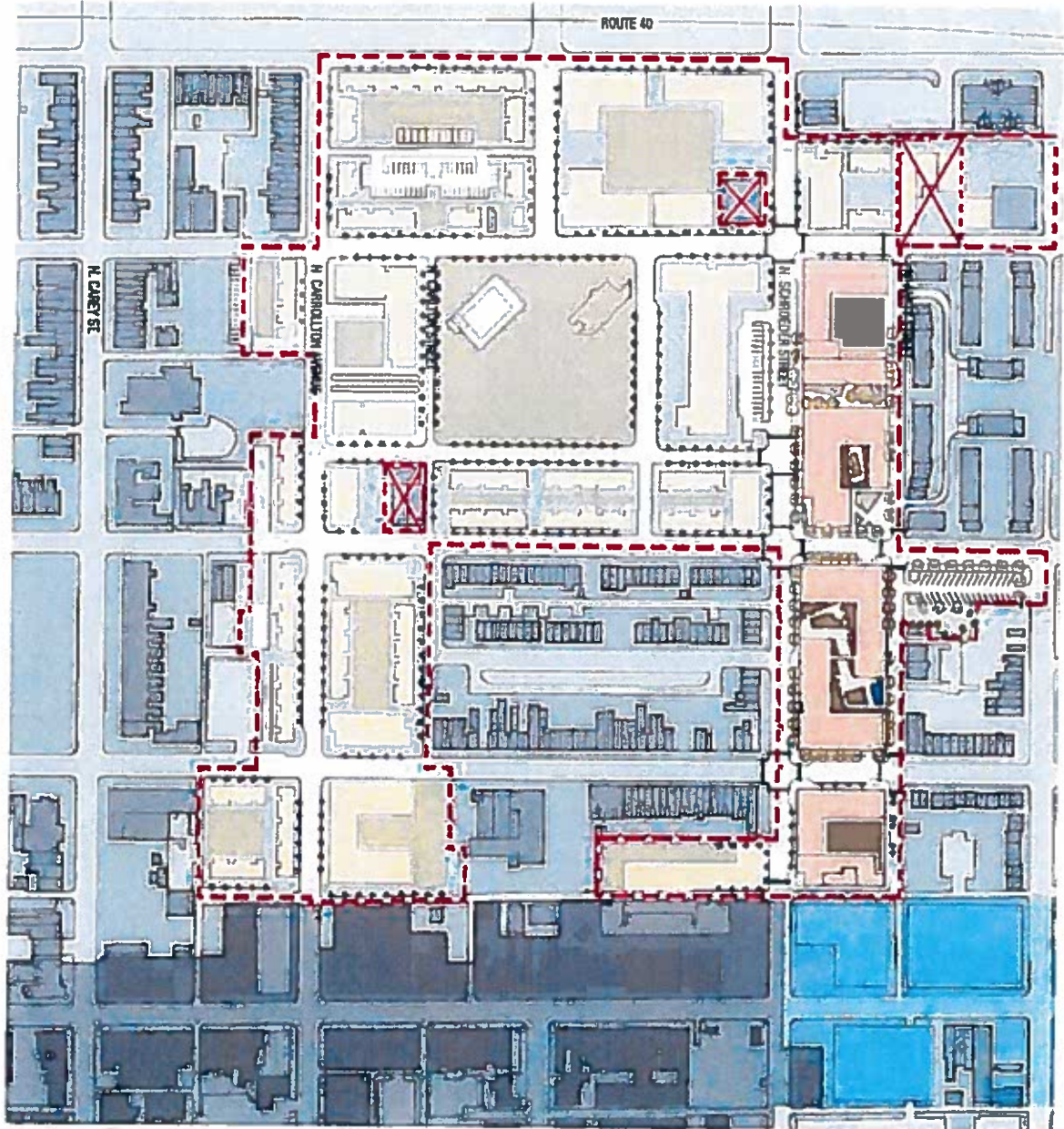
The Development District includes 553 properties, of which all but 75 properties have been acquired by the City (shown by the red x marks on the attached map). HCD will oversee the acquisition of the remaining properties. To date, all properties located in Phase I have been acquired by the City and are included in the initial Special Taxing District. The properties in the development district will be sold to the developer as each phase is about to begin.

In advance of today’s hearing, staff has notified Councilmember William ‘Pete’ Welch, 9th District, HCD, Gwynns Falls Trail Council, Southwest Sanitation Task Force, Western District Police-Community Relations Council, Western Human Services Center, Communities Organized To Improve Life-(COIL), and the West Baltimore Coalition of this action.



Thomas J. Stosur
Director

POPPLETON TIF BOUNDARY



X = Outside of TIF area