
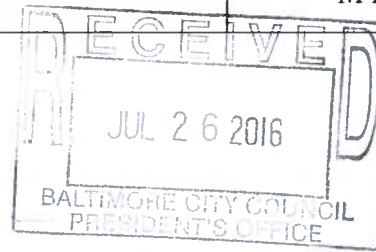


F R O M	NAME & TITLE	Frank J. Murphy, Acting Director	CITY of BALTIMORE	
	AGENCY NAME & ADDRESS	Department of Transportation (DOT) 417 East Fayette Street, Room 527		
	SUBJECT	City Council Bill 16-0670	M E M O	

TO The Honorable President and
Members of the City Council
c/o Natawna Austin
Room 400 City Hall

July 25, 2016



I am herein reporting on City Council Bill 16-0670 - Bond Ordinance for the purposes of authorizing the issuance of special obligation bonds and the pledge of Tax Increment Revenues and Special Tax Revenues to the payment of debt service thereon; providing that such bonds or State Obligations may be issued in an aggregate principal amount not exceeding \$660,000,000 for the purpose of financing infrastructure improvements and related costs, including, without limitation, the Project, and other necessary improvements to, from, or within the development district, and certain other infrastructure improvements permitted by the Acts; providing for the method and sources of payment for such special obligation bonds; authorizing the Board of Finance to specify, provide for and approve the details, forms, documents or procedures in connection with such special obligation; authorizing the Board of Finance to specify, prescribe, determine, provide for, and approve the method and sources of such pledge, the details, forms, documents, or procedures in connection with such pledge; and providing for a special effective date.

This legislation has two companion bills:

- City Council Bill 16-0669 - Port Covington Development District - designates the Port Covington Development District; creates a special tax increment fund for the development district; and allocates certain property taxes to that fund.
- City Council Bill 16-0671, Port Covington - Special Taxing District - creates the Port Covington Special Taxing District and authorizes the City to levy special taxes on the property owners within the District, which will ensure the City's ability to repay the holders of the TIF bonds in the event that the Tax Increment Revenues collected are insufficient to service the debt on the TIF Bonds.

This bill would allow the City to issue special obligation bonds not to exceed the sum of \$660,000,000. This would provide funding for approximately \$534,795,000 for public infrastructure improvements, plus issuance costs, administrative expenses and reserves. This does not include additional infrastructure funds proposed to include Federal, State, and private funding sources. If the amount of the Tax Increment Financing (TIF) bonds do not cover the cost of constructing the infrastructure the additional cost should be paid for by the developer not the City of Baltimore. It should also be noted that the Port Covington Development is subject to a traffic mitigation fee, per Ordinance 11-529 to pay for improvements to the transportation network within the South Baltimore Middle Branch Mitigation Zone that will help the movement of people and goods into, out of, and through the Port Covington area.

If enacted, these three bills will establish TIF to support proposed Port Covington project's redevelopment as a mixed-use community anchored by the new campus headquarters of Under Armour. The TIF will directly support public infrastructure improvements at Port Covington, leveraging private investments as well as anticipated state and federal funding. Transportation improvements proposed as part of the Port Covington redevelopment encompass new and revitalized highway, bus and rail transit, freight rail, and bicycle and pedestrian infrastructure to create multimodal access within, into, and out of Port Covington.

7

For these reasons, the Department of Transportation (DOT) recommends favorable consideration and passage of this legislation.

Thank you for this opportunity to comment.

Respectfully,



Frank J. Murphy
Acting Director

FJM/PAF

cc: Angela Gibson, Mayor's Legislative Liaison