



City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Legislation Text

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INTRODUCTORY*

CITY OF BALTIMORE COUNCIL BILL

Introduced by: The Council President
At the request of: The Administration (Department of Finance)

A BILL ENTITLED

AN ORDINANCE concerning
Supplementary Tax Increment Loan Fund Capital Appropriation - Department of Housing and Community Development - \$85,000,000

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

BY authority of
Article VI - Board of Estimates
Section 8(b)(1) and (c)
Baltimore City Charter
(1996 Edition)

Recitals

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

As further approved by the Board, the Bond Proceeds shall be disbursed pursuant to a funding agreement (the "Funding Agreement") by and between the developer responsible for the Project and the Mayor and City Council of Baltimore (the "City"). The Funding Agreement provides that it shall be approved by the Board of Estimates and shall evidence the agreement of the City to disburse the funds, subject to certain conditions as provided for in the

agreement and in the documents relating to the Bonds (the "Bond Documents").

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

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

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

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

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