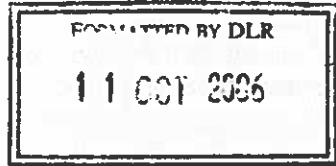


INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____



Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)

A BILL ENTITLED

AN ORDINANCE concerning

Mondawmin Mall Special Taxing District

FOR the purpose of designating a "special taxing district" to be known as the "Mondawmin Mall 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 property located in the special taxing district; and generally relating to the designation and operation of the special taxing district, the establishment and use of the special fund and the issuance and payment of bonds issued in connection with the special taxing district.

BY authority of
Article II - General Powers
Section (62A)
Baltimore City Charter
(1996 Edition)

Recitals

The Special Taxing District Act, Article II, Section (62A) of the Baltimore City Charter (the "Act") authorizes the Mayor and City Council of Baltimore to establish a "special taxing district" (as defined in the Act) and a special fund into which the special taxes levied in the special taxing district are deposited, for the purpose of providing financing, refinancing, or reimbursement for the cost of infrastructure improvements.

The Act also authorizes the City, subject to certain requirements, to issue and deliver bonds, for the purpose of providing financing, refinancing, or reimbursement for the cost of the infrastructure improvements.

The City has been requested to designate and create the Mondawmin Mall Special Taxing District from both (i) the owners of at least two-thirds of the assessed valuation of the real property located in the proposed special taxing district; and (ii) at least two-thirds of the owners of the real property located in the proposed special taxing district.

The Act provides that no bonds may be issued by the City until an ordinance is enacted that (i) designates an area or areas as a "special taxing district"; (ii) creates a special fund for the special taxing district; and (iii) provides for the levy of an ad valorem or special tax on all real property in the special taxing district at a rate or amount designed to provide adequate revenues

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THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

to pay the principal of, interest on, and redemption premium, if any, on the bonds, to replenish any debt service reserve fund, and for any other purpose related to the ongoing expenses of or security for the bonds.

Mondawmin Business Trust, a Maryland business trust (the "Developer") has indicated its intention to redevelop the Mondawmin Mall (the "Mall") retail space located in Baltimore City. The Developer will initially use its own funds to redevelop the Mall. The bonds issued to finance or refinance the Infrastructure Improvements will be held in escrow until the satisfaction of certain conditions, including completion of the Mall redevelopment and Infrastructure Improvements.

The Mayor and City Council wishes to establish a special taxing district within the City, establish a special fund for the special taxing district, and provide for the levy of a special tax on all taxable real property in the special taxing district for the purpose of providing financing for the development of infrastructure improvements relating to the redevelopment of the Mall in the special taxing district.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That for the purposes of this Ordinance, the following terms have the meanings indicated:

- (a) "Act" means the Special Taxing District Act, as codified in Article II, Section (62A) of the Baltimore City Charter.
- (b) "Bond" means any bond, note, or other similar instrument issued by the Mayor and City Council of Baltimore under the Act.
- (c) "Infrastructure improvements" means the following infrastructure improvements constructed in accordance with all required City approvals:
 - (1) the design and construction of roads, including removal of existing paving, new paving and installation of curbs, gutters, sidewalks, lighting, landscaping, and utilities (including sanitary sewer, storm water, gas, water, fire suppression, electric and traffic signal work);
 - (2) site removal, including regrading and preparation, the removal of excess soil; and demolition of buildings;
 - (3) the design, construction and renovation of parking lots and/or structured parking, including paving and the installation of curbs, gutters, sidewalks, utilities, lighting and landscaping; and
 - (4) the design, acquisition, construction, renovation and development of other infrastructure improvements that are necessary for the completion of the foregoing infrastructure improvements for their intended public purposes.
- (d) "Special Tax Fund" means the special fund established by Section 4 of this Ordinance.
- (e) "Special Taxing District" means the area in the City designated in Section 3 of this Ordinance as a special taxing district under the Act.

SECTION 2. AND BE IT FURTHER ORDAINED, That the Mayor and City Council of Baltimore finds and determines that the establishment of the Mondawmin Mall Special Taxing District, the

creation of the Special Tax Fund for that District and the issuance of bonds from time to time, all for the purpose of providing funds for the financing of the infrastructure improvements, accomplishes the purposes of the Act, serves public purposes, including the direct and indirect enhancement of the taxable base of the City and the facilitation of planned improvements to the Mondawmin Mall development, and generally promotes the health, welfare, and safety of the residents of the State of Maryland and of the City of Baltimore.

SECTION 3. AND BE IT FURTHER ORDAINED, That the contiguous area consisting of the properties designated as Ward 15, Section 19, Block 3262F, Lots 001, 002, 003, and 005 (as the same may be renumbered or redesignated), together with the adjoining roads, highways, alleys, rights-of-way and other similar property, shown on the map attached to this Ordinance as Exhibit 1, and made a part of this Ordinance, is designated as a special taxing district to be known as the "Mondawmin Mall Special Taxing District."

SECTION 4. AND BE IT FURTHER ORDAINED, That a special fund is established for the Special Taxing District to be known as the "Mondawmin Mall Special Tax Fund". The Director of Finance shall deposit in the Special Tax Fund all special taxes levied and collected in accordance with Section 5 of this Ordinance. The Director of Finance and other officers and employees of the City shall take all necessary steps in order to establish the Special Tax Fund as a separate fund to be held by or for the account of the City.

SECTION 5. AND BE IT FURTHER ORDAINED, That:

- (a) A special tax shall be levied upon all real property in the Special Taxing District, unless exempted by the provisions of this Ordinance or otherwise by law, for the purposes, to the extent and in the manner set forth in the Rate and Method of Apportionment of the Special Taxes attached to this Ordinance as Exhibit 2 and made a part of this Ordinance.
- (b) The revenues and receipts from the special tax, the Special Tax Fund, and any other fund into which all or any of these revenues and receipts are deposited after they have been appropriated by the City are pledged to the payment of the principal of and interest on the bonds. These revenues, receipts and funds are not, however, irrevocably pledged to the payment of the principal of and interest on the bonds and the obligation to pay this principal and interest is subject to annual appropriation by the City.
- (c) Special taxes levied in the Special Taxing District may not be accelerated by reason of bond default. The maximum special taxes applicable to any individual property may not be increased in the event that other property owners become delinquent in the payment of the special taxes.

SECTION 6. AND BE IT FURTHER ORDAINED, That the Mayor and City Council of Baltimore finds that:

- (a) The construction of the infrastructure improvements will create a public benefit and special benefits to the properties in the Special Taxing District;
- (b) The special taxes levied under this Ordinance are levied in an amount that does not exceed the special benefit that the properties within the Special Taxing District will receive from the infrastructure improvements, as shown by the Special Tax Allocation Report attached to this Ordinance as Exhibit 3 and made a part of this Ordinance; and

- (c) The special taxes levied on each property in the Special Taxing District are a fair allocation of the cost of the infrastructure improvements to each property in the Special Taxing District, as shown by the Special Tax Allocation Report.

SECTION 7. AND BE IT FURTHER ORDAINED, That the Director of Finance may do all acts and things and execute all documents and certificates relating to the Special Taxing District and the Special Tax Fund.

SECTION 8. AND BE IT FURTHER ORDAINED, That any approvals, authorizations, or activities provided in this Ordinance do not constitute and may not be deemed to constitute or imply that the City Council, the Mayor, or any department, office or agency of the City has given or will give, any approval, authorization or consent to any action or activity within or required for the development of the Special Taxing District, including any land use approval, requirements for the provision of public utilities or services, or any other administrative, judicial, quasi-judicial, or legislative approval, authorization, or consent.

SECTION 9. AND BE IT FURTHER ORDAINED, That this Ordinance may be amended by a subsequent ordinance of the Mayor and City Council of Baltimore, which ordinance may enlarge or reduce the Special Taxing District, upon receipt of a request from both (i) the owners of at least two-thirds of the assessed valuation of the real property located with the proposed special taxing district; and (ii) at least two-thirds of the owners of the real property located within the proposed special taxing district. However, no ordinance may be effective to reduce the size of the Special Taxing District so long as there are any outstanding bonds secured by the Special Tax Fund, unless the ordinance authorizing the issuance of the bonds permits the City to reduce the area constituting the Special Taxing District, the holders of the bonds or an authorized representative on their behalf consents to the reduction or the indenture authorizing the bonds permits the reduction.

SECTION 10. AND BE IT FURTHER ORDAINED, That the provisions of this Ordinance are severable. If any provision, sentence, clause, section or other part of this Ordinance is held or determined to be illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, that illegality, invalidity, unconstitutionality, or inapplicability does not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Ordinance or their application to other persons or circumstances. It is the intent of the Mayor and City Council that this Ordinance would have been passed even if the illegal, invalid, unconstitutional, or inapplicable provision, sentence, clause, section, or other part had not been included in this Ordinance, and as if the person or circumstances to which this Ordinance or part are inapplicable had been specifically exempted.

SECTION 11. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30th day after the date it is enacted.

EXHIBIT 1

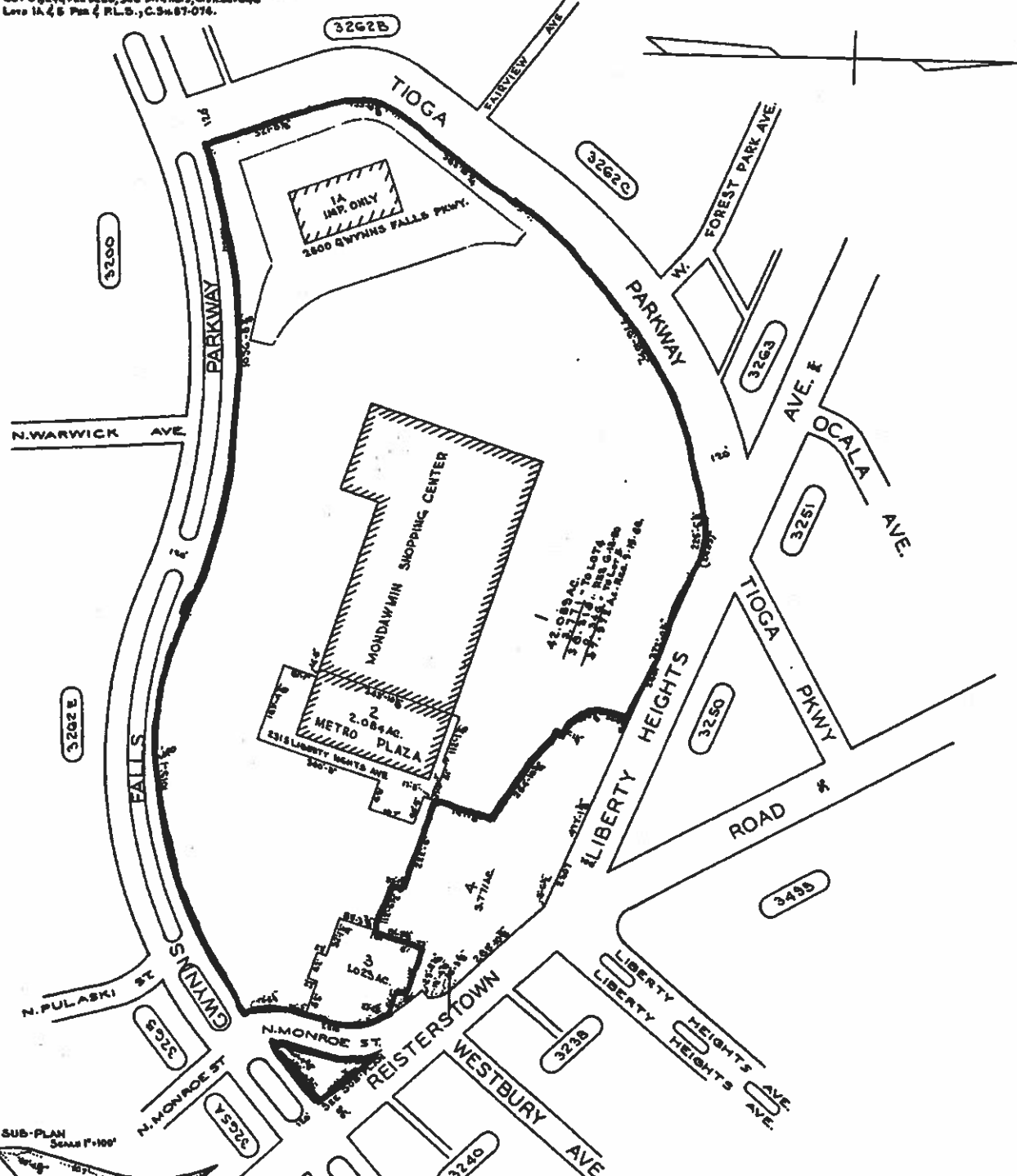
Map of the Special Taxing District



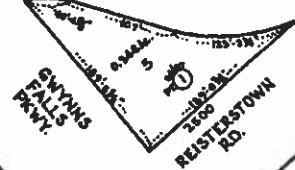
REVISIONS

LOT 5, 214 PER DESD, SUB-DIVISION, C-5186-646
Lots 1A & B Part of R.L.B., C-3487-076.

EXHIBIT 1



SUB-PLAN
Scale 1"=100'



TRACED BY D.G.
 LETTERED BY D.G.
 CHECKED BY.....

NOTICE
 THIS IS A REAL PROPERTY PLAT AS PROVIDED
 FOR UNDER ARTICLE 76(d) OF THE CITY CHARTER
 IT IS COMPILED FROM TITLE AND OTHER
 SOURCES AND IS NOT AN AUTHENTIC SURVEY.

CITY OF BALTIMORE
 DEPARTMENT OF PUBLIC WORKS
 PROPERTY LOCATION DIVISION
 WARD 15 SECTION 19
 BLOCK 3262-F
 SCALE 1/2"=100' DATE JUN 13 1992

MONDAWMIN MALL

EXHIBIT 2

Rate and Method of Apportionment of the Special Taxes

MONDAWMIN MALL SPECIAL TAXING DISTRICT

CITY OF BALTIMORE, MARYLAND

SPECIAL TAX ALLOCATION REPORT

Prepared By:

MuniCap, Inc.

October 10, 2006

**MONDAWMIN MALL SPECIAL TAXING DISTRICT
CITY OF BALTIMORE, MARYLAND
SPECIAL TAX ALLOCATION REPORT**

Purpose of Report

The Mondawmin Mall Special Taxing District is being created to help finance infrastructure improvements for the property in the district. Bonds are expected to be issued to fund the improvements. The bonds will include the cost of the improvements, issuance costs, interest on the bonds during construction and for a period after construction, and a reserve fund.

The City of Baltimore will levy a special tax each year to provide funds for the payment of debt service on the bonds, the cost of administration of the district, and other costs related to the bonds. The district is being created, special taxes levied, and bonds issued pursuant to the Special Taxing District Act, Article II, Section (62A) of the Baltimore City Charter (the "Act"), as amended from time to time. The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes levied as described in the "Rate and Method of Apportionment of Special Taxes" for the Mondawmin Mall Special Taxing District.

Description of the Special Taxing District

The real property proposed to be included in the special taxing district consists of the Mondawmin Mall property. The mall was built in 1956 by the Rouse Company and serves West Baltimore. The mall currently contains a mix of retail and office uses and is adjacent to a Maryland Transit Administration hub. The proposed development will consist of the following:

- 375,000 SF mall (renovation)
- 127,000 SF retailer (new construction)
- 67,000 SF grocer (new construction)
- 23,300 SF retailer (new construction)
- 12,800 SF sit-down restaurant space (new construction)

The development proposes to make significant infrastructure upgrades, add approximately 150,000 square feet of retail space to the property, renovate the interior and exterior of the mall, add new landscaping to the parking lots, and upgrade landscaping surrounding the mall.

Proposed Improvements

The purpose of the special taxing district, the special taxes to be levied in the special taxing district, and the special obligation bonds to be issued with respect to the special taxing district is to finance all or a part of the costs of the following infrastructure improvements:

- (1) the design and construction of roads, including removal of existing paving, new paving and installation of curbs, gutters, sidewalks, lighting, landscaping, and utilities (including sanitary sewer, storm water, gas, water, fire suppression, electric and traffic signal work);
- (2) site removal, including re-grading and preparation, the removal of excess soil; and demolition of buildings;
- (3) the design, construction and renovation of parking lots and/or structured parking, including paving and the installation of curbs, gutters, sidewalks, utilities, lighting and landscaping; and
- (4) the design, acquisition, construction, renovation and development of other infrastructure improvements that are necessary for the completion of the foregoing infrastructure improvements for their intended purposes.

The bonds issued by the special taxing district will fund these improvements. It is expected that these improvements will be completed by Autumn 2008.

Projected Issuance of Bonds

Bonds are projected to be issued to finance the costs of the infrastructure improvements. Table A, on the next page, shows the estimated sources and uses of funds for the issuance of bonds.

Table A
Projected Issuance of Bonds

Sources of funds:	
Total bond proceeds	\$15,199,000
Interest earned in the improvement fund	\$0
Total sources of funds	\$15,199,000
Total uses of funds:	
Improvements	\$12,000,000
Issuance costs	\$250,000
Underwriter's discount	\$227,985
Capitalized interest	\$1,000,390
Reserve fund	\$1,519,900
Contingency	\$200,725
Total uses of funds	\$15,199,000

The actual issuance of the bonds may vary from these estimates depending on the interest

rate on the bonds, the date the bonds are issued, the cost of issuing the bonds, reinvestment rates on bond proceeds, and other factors.

Bond issuance costs include legal fees, financial consulting fees, the cost of the appraisal and market study, the set-up and first year's fee of the trustee, trustee's counsel, city expenses, document printing costs, and other miscellaneous costs related to the issuance of the bonds.

Capitalized interest will fund the interest on the bonds for approximately twelve months to allow time for the infrastructure improvements and other property in the district to be constructed, for the property to be added to the property tax roll, and property taxes to be collected from the property and applied to the payment of the debt service on the bonds.

Determination of Special Taxes

Special taxes must be levied in a reasonable manner. The reasonable basis for the special taxes levied in the Mondawmin Mall Special Taxing District is based on the following:

- (i) the special benefit of the infrastructure improvements to the property subject to the special taxes exceeds the cost of the special taxes;
- (ii) the amount of special taxes to be levied each year is equal to or less than the amount required to repay the bonds issued to finance the infrastructure improvements; and
- (iii) special taxes are allocated to parcels within the special taxing district on the basis of the use of the infrastructure improvements made by the property that will be taxed.

Dates/Order

Special Benefit

The property in the special taxing district subject to the special taxes will receive a special benefit from the infrastructure improvements to be provided by the special taxing district and this special benefit will be equal to or greater than the cost of the special taxes levied on the property. The special benefit is confirmed by two means. First, the owners of the property in the special taxing district have petitioned the City and requested the special taxes to be imposed on the property for the purpose of providing the infrastructure improvements. It is reasonable to believe the owners are acting in their interest and making this request because the benefit they receive from the infrastructure improvements exceeds the cost of the special taxes.

Second, the special taxes are being levied to provide infrastructure improvements that are required for the highest and best use of the property (i.e., the use of the property that is most valuable). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition.*) The four criteria for highest and best use are (i) legally permissible, (ii) physically possible, (iii) financially feasible, and (iv) maximally productive.

The highest and best use of the property in the special taxing district is the redevelopment proposed for the property. The use of the property in this manner will require the infrastructure improvements to be provided by the special taxing district.

Additionally, the City will provide a credit to the special taxes for the incremental property taxes paid for each parcel. As a result, the financing provided by the special taxing district is the most beneficial means of financing the improvements.

In summary, the special taxes result in a special benefit to the property owner for the following reasons:

1. The improvements to be provided by the special taxing district are required for the highest and best use of the property;
2. The highest and best use of the property is the use of the property that is most valuable (including any costs associated with the use of the property);
3. The financing provided by the special taxing district is the most beneficial means of financing the improvements; and,
4. As a result, the special benefits to the property from the improvements to be provided by the special taxing district will be equal to or greater than the cost of the special taxes that will finance the improvements necessary to achieve the highest and best use of the property.

Special Taxes Required to Repay the Bonds

Special taxes may first be levied for the 2007-08 fiscal year. These special taxes would be applied to debt service due on March 1 and September 1, 2009. The annual debt service on the bonds is estimated at approximately \$1,063,930, based on seven percent interest rate and a twenty six-year amortization of the bonds. The maximum special tax necessary to pay the estimated debt service due on the bonds is \$1,200,000, which is equal to the debt service on the bonds, an extra ten percent to provide adequate debt service coverage and the cost of administrative expenses.

The maximum special tax on all of the property in the district is set in a manner consistent with the estimate of the annual debt service on the bonds to be issued to finance the infrastructure improvements plus the required debt service coverage and administrative expenses and is therefore set in a reasonable manner.

The actual debt service on the bonds may be less than estimated herein. The "Rate and Method of Apportionment of Special Taxes" provides for the maximum special tax to be reduced based on the actual debt service on the bonds, so that the special taxes actually collected do not exceed the amount necessary to repay the bonds and to pay related administrative expenses.

Allocation of Special Taxes to Parcels

The previous section explained the maximum special taxes required to be levied on all of

the property in the district in order to pay the debt service on the bonds. This section explains how the maximum special taxes are allocated to the property in the special taxing district in a reasonable manner.

Special taxes are allocated to parcels in the district equally per square foot of leasable building area. All of the property in the district is expected to be developed as retail property, and as a result, the potential use of the property in the district is expected to be equivalent, adjusted for the development on each parcel.

Adjusted Maximum Special Tax

The adjusted maximum special tax that may be levied on each parcel in the district is equal to the lesser of the (i) maximum special tax and (ii) the allocated share of debt service to each parcel less the tax increment revenues collected from the parcel. The tax increment revenues represent the increase in property taxes that results from the development of the property. The tax increment revenues are pledged to the repayment of the bonds issued to finance the infrastructure improvements. To the extent property produces tax increment revenues, and these revenues cover the debt service on the bonds, the property is contributing its share of the cost of the infrastructure improvements through the tax increment revenues. The special taxes effectively cover each property's share of the cost of the infrastructure improvements not otherwise covered by the property's tax increment revenues.

Summary of Reasonable Basis of the Special Taxes

Special taxes are levied on the taxable property in the district according to the provisions of the "Rate and Method of Apportionment of Special Taxes." The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes. The reasonable basis may be summarized as follows:

1. The special benefit of the infrastructure improvements to the property subject to the special taxes exceeds the cost of the special taxes;
2. Taxes levied on all of the property in the district each year are equal to the amount required to pay the debt service on the bonds, after taking into consideration tax increment revenues;
3. The bonds are issued to finance the costs of the infrastructure improvements, which will be utilized by the property in the district, and other costs related to the issuance of the bonds;
4. The special taxes levied each year are allocated to each property within the district on the basis of the estimated use of the infrastructure by each property; and,
5. The maximum special tax to which each property is subject is reduced by the tax increment revenues produced from each property, since the tax increment revenue contributes to the property's share of the cost of the infrastructure improvements.

For these reasons, the special taxes are levied on the taxable property in the district in a reasonable manner.

EXHIBIT 3

Special Tax Allocation Report

CITY OF BALTIMORE, MARYLAND
MONDAWMIN MALL SPECIAL TAXING DISTRICT

*RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES*

A Special Tax is hereby levied and shall be collected in the City of Baltimore Mondawmin Mall Special Taxing District (the "District") each Fiscal Year, beginning with the 2007-2008 Fiscal Year and continuing until the year provided for in Section F hereof, in an amount determined through the application of the procedures described below. All of the real and personal property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms used herein shall have the following meanings:

"Act" means Article II, Section (62A) of the Baltimore City Charter, as amended from time to time.

"Adjusted Maximum Special Tax" means the Special Tax determined in accordance with Section B.2.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee employed by the City in connection with any Bonds; the expenses of the City in carrying out its duties under the Indenture of Trust, including, but not limited to, levying and collecting the Special Tax and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including the costs of any employees of the City and fees of any professionals retained by the City to provide services for such purposes; and all other costs and expenses of the City, Trustee, or Administrator incurred in connection with the discharge of their respective duties under the Indenture of Trust, including legal expenses associated with such duties, and, in the case of the City, in any way related to the administration of the District.

"Administrator" means the designee of the Director of Finance for purposes of estimating the annual Special Tax Requirement and the Special Tax to be levied each Fiscal Year and for providing other services as required by the Indenture of Trust.

"Bond Year" shall have the meaning given to such term in the Indenture of Trust.

"Bonds" means any bonds or other debt, including refunding bonds, whether in one or more series, issued by the City relating to the District pursuant to the Act.

"Building Square Footage" means the actual leasable building area as shown on the building permit, architectural plans or other available documents, as estimated by the Administrator.

1
2 **“City”** means the Mayor and City Council of Baltimore, Maryland.

3
4 **“Director of Finance”** means the official of the City who is the director of finance or other
5 comparable officer of the City or designee thereof.

6
7 **“Equivalent Unit Factors”** means 1.0 per square foot of Building Square Footage.

8
9 **“Equivalent Units”** means, for any Parcel, the Equivalent Unit Factor multiplied by the square
10 feet of Building Square Footage for any Parcel.

11
12 **“Fiscal Year”** means the period starting any July 1 and ending on the following June 30.

13
14 **“Indenture of Trust”** means the indenture of trust relating to the Bonds, as modified, amended
15 and/or supplemented from time to time.

16
17 **“Maximum Special Tax”** means the Special Tax determined in accordance with Section B.1.

18
19 **“Parcel”** means a lot or parcel of real property within the District with a parcel number assigned
20 by the Supervisor.

21
22 **“Proportionate”** means that the ratio of the Special Tax actually levied as a percent of the
23 Adjusted Maximum Special Tax is equal for each Parcel (excluding those Parcels for which the
24 Adjusted Special Tax is zero).

25
26 **“Public Improvements”** means those improvements the City has authorized to be provided by
27 the District.

28
29 **“Public Property”** means property within the boundaries of the District owned by, or
30 irrevocably offered for dedication (in a plat map approved by the City or otherwise) to the
31 federal government, State of Maryland, City, or other public agency or easements for the
32 exclusive use of a public utility provider; provided, however, that exclusive use utility easements
33 and real property that has been irrevocably dedicated includes only those parcels for which a
34 copy of the easement or offer has been provided to the Administrator.

35
36 **“Special Tax”** means the Special Tax that may be levied by the City each Fiscal Year to fund
37 the Special Tax Requirement.

38
39 **“Special Tax Credit”** means, for any Fiscal Year, the Tax Increment Revenues collected from a
40 Parcel for that Fiscal Year. For purposes of calculating the Tax Increment Revenues for each
41 Parcel, the base year value shall be allocated to each Parcel on the basis of the assessed value of
42 each Parcel.

43
44 **“Special Tax Requirement”** has the meaning given to it in Section C.1.

45
46 **“Supervisor”** means the Supervisor of Assessments for the City.

1
2 **“Tax Increment Fund”** means the account of such name established for the District pursuant to
3 an ordinance enacted by the City.
4

5 **“Tax Increment Revenues”** means the amounts paid into the Tax Increment Fund each year by
6 the City.
7

8 **“Taxable Property”** means any Parcel that is not Public Property.
9

10 **“Trustee”** means the trustee appointed by the City for the District to carry out the duties of the
11 trustee specified in the Indenture of Trust.
12

13 **B. SPECIAL TAX RATES**

14
15 1. **Maximum Special Tax**
16

17 The Maximum Special Tax for the 2007-08 Fiscal Year shall be equal to \$1,200,000. On each
18 July 1, commencing July 1, 2008, the Maximum Special Tax shall be increased to 102 percent of
19 the respective Maximum Special Tax in effect in the previous Fiscal Year. The Maximum
20 Special Tax for each Parcel shall be equal to the following formula:
21

$$A = (B \div C) \times D$$

22
23
24 Where the terms have the following meaning:
25

26	A	=	The Maximum Special Tax for a Parcel
27	B	=	The Equivalent Units of a Parcel
28	C	=	The total Equivalent Units estimated for all of the Parcels in the District
29	D	=	The Maximum Special Tax as stated above.

30
31 2. **Adjusted Maximum Special Tax**
32

33 The Adjusted Maximum Special Tax for each Parcel shall be equal to the lesser of (but not less
34 than zero) (i) the Maximum Special Tax for the Parcel and (ii) the amount calculated by the
35 following formula:
36

$$A = [(B \div C) \times D] - E$$

37
38
39 Where the terms have the following meaning:
40

41	A	=	The Adjusted Special Tax for a Parcel
42	B	=	The Maximum Special Tax for the District
43	C	=	The total Equivalent Units estimated for all of the Parcels in the District
44	D	=	The Equivalent Units of a Parcel.
45	E	=	The Special Tax Credit for the Parcel

46

1 The Special Tax Credit applied to all Parcels shall not exceed the Tax Increment Revenues
2 applied to the Special Tax Requirement as provided for in Section C. 1.

3
4 **3. Personal Property**

5
6 The special tax rate on personal property shall be zero.

7
8 **C. LEVY AND COLLECTION OF THE SPECIAL TAX**

9
10 **1. Levy of the Special Taxes**

11
12 Special Taxes are levied in an amount equal to the Maximum Special Tax each year from the
13 2007-2008 Fiscal Year through the fiscal year provided for in Section F.

14
15 **2. Collection of the Special Tax**

16
17 **a. Special Tax Requirement**

18
19 The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and
20 determined by the Director of Finance and shall be an amount equal to (A) the amount required
21 in any Fiscal Year to pay: (1) debt service and other periodic costs (including deposits to any
22 sinking funds) on the Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2)
23 Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal
24 Year and not paid by the District, (3) any amount required to replenish any reserve fund
25 established in association with any Bonds, (4) an amount equal to the estimated delinquencies
26 expected in payment of the Special Tax not otherwise taken into account, and (5) the costs of
27 remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees
28 for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of
29 cash), less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement
30 for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as
31 capitalized interest, reserves, and investment earnings on any account balances, and (3) any other
32 revenues available to apply to the Special Tax Requirement.

33
34 **b. Special Tax to be Collected**

35
36 Commencing with the 2007-08 Fiscal Year and for each following Fiscal Year, the Special Tax
37 shall be collected in an Proportionate amount on each Parcel of Taxable Property in an amount
38 up to the Adjusted Maximum Special Tax for each Parcel such that the total of the Special Tax to
39 be collected is equal to the Special Tax Requirement.

40
41 The Administrator shall provide an estimate to the Director of Finance each Fiscal Year of the
42 amount of the Special Tax to be collected from each Parcel in conformance with the provisions
43 of this section.

44
45 **3. Circumstances Under Which the Special Tax May be Increased as a Result of a Default**

1 The circumstances under which the Special Tax to be collected from any Parcel may be
2 increased as a result of a default in the payment of the Special Tax to be collected from any other
3 Parcel is based on the provisions of Section C. 1. and 2. The Special Tax to be collected from
4 any Parcel cannot be increased above the Adjusted Maximum Special Tax as a result of a default
5 in the payment of the Special Tax to be collected from any other Parcel. If the Special Tax to be
6 collected from any Parcel pursuant to the provisions of Section C.1. and 2. is less than the
7 Adjusted Maximum Special Tax for such Parcel, the Special Tax may be increased up to the
8 Adjusted Maximum Special Tax as a result of a default in the payment of the Special Tax to be
9 collected on any Parcel.

10
11 **D. EXEMPTIONS**

12
13 A Special Tax shall not be collected from Public Property.

14
15 **E. MANNER OF COLLECTION**

16
17 The Special Tax shall be collected in the same manner and at the same time as ordinary real
18 property taxes; provided, however, the Special Tax may be collected at a different time or in a
19 different manner as determined by the Director of Finance, provided that such time or manner is
20 not inconsistent with the provisions of the Indenture of Trust.

21
22 **F. TERMINATION OF SPECIAL TAX**

23
24 Except for any delinquent Special Taxes and related penalties and interest, Special Taxes shall
25 not be collected after the earlier of (i) the repayment or defeasance of the Bonds, (ii) thirty years
26 after the issuance of the Bonds, and (iii) such time provided for by the Indenture of Trust.

27
28 **G. REDUCTION IN THE MAXIMUM PROPERTY TAX RATE**

29
30 The Director of Finance may reduce the Maximum Special Tax once the Bonds are issued to an
31 amount necessary to provide the minimum debt service coverage required pursuant to the
32 Indenture of Trust.

33
34 **H. APPEALS OF THE SPECIAL TAX TO BE COLLECTED**

35
36 Any property owner claiming that the amount of the Special Tax to be collected from a Parcel
37 owned by the owner is not correct and requesting a refund may file a written notice of appeal and
38 refund to that effect with the Administrator not later than one calendar year after having paid the
39 Special Tax that is disputed. The Administrator shall promptly review the appeal and, if
40 necessary, meet with the property owner, consider written and oral evidence regarding the
41 amount of the Special Tax, and decide the appeal. If the decision of the Administrator requires
42 the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not
43 be made (except for the last year of levy or if there are otherwise sufficient funds to meet the
44 Special Tax Requirement), but an adjustment shall be made to the Special Tax to be collected on
45 that Parcel in the following fiscal year. The decision of the Administrator may be appealed to

1
2 **"City"** means the Mayor and City Council of Baltimore, Maryland.

3
4 **"Director of Finance"** means the official of the City who is the director of finance or other
5 comparable officer of the City or designee thereof.

6
7 **"Equivalent Unit Factors"** means 1.0 per square foot of Building Square Footage.

8
9 **"Equivalent Units"** means, for any Parcel, the Equivalent Unit Factor multiplied by the square
0 feet of Building Square Footage for any Parcel.

1
2 **"Fiscal Year"** means the period starting any July 1 and ending on the following June 30.

3
4 **"Indenture of Trust"** means the indenture of trust relating to the Bonds, as modified, amended
5 and/or supplemented from time to time.

6
7 **"Maximum Special Tax"** means the Special Tax determined in accordance with Section B.1.

8
9 **"Parcel"** means a lot or parcel of real property within the District with a parcel number assigned
0 by the Supervisor.

1
2 **"Proportionate"** means that the ratio of the Special Tax actually levied as a percent of the
3 Adjusted Maximum Special Tax is equal for each Parcel (excluding those Parcels for which the
4 Adjusted Special Tax is zero).

5
6 **"Public Improvements"** means those improvements the City has authorized to be provided by
7 the District.

8
9 **"Public Property"** means property within the boundaries of the District owned by, or
0 irrevocably offered for dedication (in a plat map approved by the City or otherwise) to the
1 federal government, State of Maryland, City, or other public agency or easements for the
2 exclusive use of a public utility provider; provided, however, that exclusive use utility easements
3 and real property that has been irrevocably dedicated includes only those parcels for which a
4 copy of the easement or offer has been provided to the Administrator.

5
6 **"Special Tax"** means the Special Tax that may be levied by the City each Fiscal Year to fund
7 the Special Tax Requirement.

8
9 **"Special Tax Credit"** means, for any Fiscal Year, the Tax Increment Revenues collected from a
0 Parcel for that Fiscal Year. For purposes of calculating the Tax Increment Revenues for each
1 Parcel, the base year value shall be allocated to each Parcel on the basis of the assessed value of
2 each Parcel.

3
4 **"Special Tax Requirement"** has the meaning given to it in Section C.1.

5
6 **"Supervisor"** means the Supervisor of Assessments for the City.

1
2 **“Tax Increment Fund”** means the account of such name established for the District pursuant to
3 an ordinance enacted by the City.
4

5 **“Tax Increment Revenues”** means the amounts paid into the Tax Increment Fund each year by
6 the City.
7

8 **“Taxable Property”** means any Parcel that is not Public Property.
9

10 **“Trustee”** means the trustee appointed by the City for the District to carry out the duties of the
11 trustee specified in the Indenture of Trust.
12

13 **B. SPECIAL TAX RATES**

14
15 1. **Maximum Special Tax**
16

17 The Maximum Special Tax for the 2007-08 Fiscal Year shall be equal to \$1,200,000. On each
18 July 1, commencing July 1, 2008, the Maximum Special Tax shall be increased to 102 percent of
19 the respective Maximum Special Tax in effect in the previous Fiscal Year. The Maximum
20 Special Tax for each Parcel shall be equal to the following formula:
21

$$A = (B \div C) \times D$$

22
23
24 Where the terms have the following meaning:
25

26	A	=	The Maximum Special Tax for a Parcel
27	B	=	The Equivalent Units of a Parcel
28	C	=	The total Equivalent Units estimated for all of the Parcels in the District
29	D	=	The Maximum Special Tax as stated above.

30
31 2. **Adjusted Maximum Special Tax**
32

33 The Adjusted Maximum Special Tax for each Parcel shall be equal to the lesser of (but not less
34 than zero) (i) the Maximum Special Tax for the Parcel and (ii) the amount calculated by the
35 following formula:
36

$$A = [(B \div C) \times D] - E$$

37
38
39 Where the terms have the following meaning:
40

41	A	=	The Adjusted Special Tax for a Parcel
42	B	=	The Maximum Special Tax for the District
43	C	=	The total Equivalent Units estimated for all of the Parcels in the District
44	D	=	The Equivalent Units of a Parcel.
45	E	=	The Special Tax Credit for the Parcel

1 The Special Tax Credit applied to all Parcels shall not exceed the Tax Increment Revenues
2 applied to the Special Tax Requirement as provided for in Section C. 1.

3
4 3. Personal Property

5 The special tax rate on personal property shall be zero.

6
7
8 **C. LEVY AND COLLECTION OF THE SPECIAL TAX**

9
0 1. Levy of the Special Taxes

1 Special Taxes are levied in an amount equal to the Maximum Special Tax each year from the
2 2007-2008 Fiscal Year through the fiscal year provided for in Section F.

3
4
5 2. Collection of the Special Tax

6
7 a. Special Tax Requirement

8 The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and
9 determined by the Director of Finance and shall be an amount equal to (A) the amount required
0 in any Fiscal Year to pay: (1) debt service and other periodic costs (including deposits to any
1 sinking funds) on the Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2)
2 Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal
3 Year and not paid by the District, (3) any amount required to replenish any reserve fund
4 established in association with any Bonds, (4) an amount equal to the estimated delinquencies
5 expected in payment of the Special Tax not otherwise taken into account, and (5) the costs of
6 remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees
7 for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of
8 cash), less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement
9 for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as
0 capitalized interest, reserves, and investment earnings on any account balances, and (3) any other
1 revenues available to apply to the Special Tax Requirement.

2
3
4 b. Special Tax to be Collected

5 Commencing with the 2007-08 Fiscal Year and for each following Fiscal Year, the Special Tax
6 shall be collected in an Proportionate amount on each Parcel of Taxable Property in an amount
7 up to the Adjusted Maximum Special Tax for each Parcel such that the total of the Special Tax to
8 be collected is equal to the Special Tax Requirement.

9 The Administrator shall provide an estimate to the Director of Finance each Fiscal Year of the
0 amount of the Special Tax to be collected from each Parcel in conformance with the provisions
1 of this section.

2
3
4
5 3. Circumstances Under Which the Special Tax May be Increased as a Result of a Default
6

1 The circumstances under which the Special Tax to be collected from any Parcel may be
2 increased as a result of a default in the payment of the Special Tax to be collected from any other
3 Parcel is based on the provisions of Section C. 1. and 2. The Special Tax to be collected from
4 any Parcel cannot be increased above the Adjusted Maximum Special Tax as a result of a default
5 in the payment of the Special Tax to be collected from any other Parcel. If the Special Tax to be
6 collected from any Parcel pursuant to the provisions of Section C.1. and 2. is less than the
7 Adjusted Maximum Special Tax for such Parcel, the Special Tax may be increased up to the
8 Adjusted Maximum Special Tax as a result of a default in the payment of the Special Tax to be
9 collected on any Parcel.

10
11 **D. EXEMPTIONS**

12
13 A Special Tax shall not be collected from Public Property.

14
15 **E. MANNER OF COLLECTION**

16
17 The Special Tax shall be collected in the same manner and at the same time as ordinary real
18 property taxes; provided, however, the Special Tax may be collected at a different time or in a
19 different manner as determined by the Director of Finance, provided that such time or manner is
20 not inconsistent with the provisions of the Indenture of Trust.

21
22 **F. TERMINATION OF SPECIAL TAX**

23
24 Except for any delinquent Special Taxes and related penalties and interest, Special Taxes shall
25 not be collected after the earlier of (i) the repayment or defeasance of the Bonds, (ii) thirty years
26 after the issuance of the Bonds, and (iii) such time provided for by the Indenture of Trust.

27
28 **G. REDUCTION IN THE MAXIMUM PROPERTY TAX RATE**

29
30 The Director of Finance may reduce the Maximum Special Tax once the Bonds are issued to an
31 amount necessary to provide the minimum debt service coverage required pursuant to the
32 Indenture of Trust.

33
34 **H. APPEALS OF THE SPECIAL TAX TO BE COLLECTED**

35
36 Any property owner claiming that the amount of the Special Tax to be collected from a Parcel
37 owned by the owner is not correct and requesting a refund may file a written notice of appeal and
38 refund to that effect with the Administrator not later than one calendar year after having paid the
39 Special Tax that is disputed. The Administrator shall promptly review the appeal and, if
40 necessary, meet with the property owner, consider written and oral evidence regarding the
41 amount of the Special Tax, and decide the appeal. If the decision of the Administrator requires
42 the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not
43 be made (except for the last year of levy or if there are otherwise sufficient funds to meet the
44 Special Tax Requirement), but an adjustment shall be made to the Special Tax to be collected on
45 that Parcel in the following fiscal year. The decision of the Administrator may be appealed to

the Director of Finance. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

I. AMENDMENTS

This Rate and Method of Apportionment of Special Taxes may be amended by the Director of Finance and, to the maximum extent permitted by the Act, such amendments may be made without further notice under the Act and without notice to owners of Taxable Property within the District in order to (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of the Special Tax so as to assure the efficient collection of the Special Tax for the benefit of the owners of the Bonds, and (iii) otherwise improve the ability of the City to fulfill its obligations to levy and collect the Special Tax and to make it available for the payment of the Bonds and Administrative Expenses. No such amendment shall be made unless and until the Director of Finance has (a) found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of the Bonds and (b) received an opinion of a nationally recognized bond counsel to the effect that the amendment is authorized pursuant to the terms of the Act, the Indenture of Trust, and any ordinances or resolutions adopted by the City related to the Bonds. Any such amendment may not increase the Maximum Special Tax.

J. INTERPRETATION OF PROVISIONS

The Director of Finance shall make all interpretations and determinations related to the application of this Rate and Method of Apportionment of Special Taxes, unless stated otherwise herein or in the Indenture of Trust, and as long as there is a rational basis for the determination made by the Director of Finance, such determination shall be conclusive.

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Prepared by: Department of Legislative Reference

Date: October 11, 2006

Referred to: TAXATION AND FINANCE Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL 06-0524

A BILL ENTITLED

AN ORDINANCE concerning

Mondawmin Mall Special Taxing District

FOR the purpose of designating a "special taxing district" to be known as the "Mondawmin Mall 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 property located in the special taxing district; and generally relating to the designation and operation of the special taxing district, the establishment and use of the special fund and the issuance and payment of bonds issued in connection with the special taxing district.

BY authority of
Article II - General Powers
Section (62A)
Baltimore City Charter
(1996 Edition)

****The Introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

MUNICIPAL AGENCY REFERRALS

Board of Municipal & Zoning Appeals

Employees' Retirement System

City Solicitor

Fire & Police Employees' Retirement System

COMMISSIONS

Civic Design Commission

Commission for Historical & Architectural Preservation

Planning Commission

Wage Commission

Off-Street Parking Commission

DEPARTMENTS

Department of Housing & Community Development

Baltimore Development Corporation

Department of Public Works

Police Department

Department of Recreation & Parks

Department of Real Estate

Fire Department

Department of Education

Health Department

Department of Comptroller

Office of the Mayor

Board of Finance

Department of Finance

Board of Estimates

OTHER

Date

President

CITY OF BALTIMORE
ORDINANCE **06 - 376**
Council Bill 06-0524

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: October 16, 2006
Assigned to: Taxation and Finance Committee

Committee Report: Favorable
Council action: Adopted
Read second time: November 20, 2006

AN ORDINANCE CONCERNING

Mondawmin Mall Special Taxing District

1
2 FOR the purpose of designating a "special taxing district" to be known as the "Mondawmin Mall
3 Special Taxing District"; providing for and determining various matters in connection with
4 the establishment of the special taxing district; creating a special fund for the special taxing
5 district; providing for the levy of a special tax on all taxable real property located in the
6 special taxing district; and generally relating to the designation and operation of the special
7 taxing district, the establishment and use of the special fund and the issuance and payment of
8 bonds issued in connection with the special taxing district.

9 BY authority of
10 Article II - General Powers
11 Section (62A)
12 Baltimore City Charter
13 (1996 Edition)

14 **Recitals**

15 The Special Taxing District Act, Article II, Section (62A) of the Baltimore City Charter (the
16 "Act") authorizes the Mayor and City Council of Baltimore to establish a "special taxing
17 district" (as defined in the Act) and a special fund into which the special taxes levied in the
18 special taxing district are deposited, for the purpose of providing financing, refinancing, or
19 reimbursement for the cost of infrastructure improvements.

20 The Act also authorizes the City, subject to certain requirements, to issue and deliver bonds,
21 for the purpose of providing financing, refinancing, or reimbursement for the cost of the
22 infrastructure improvements.

23 The City has been requested to designate and create the Mondawmin Mall Special Taxing
24 District from both (i) the owners of at least two-thirds of the assessed valuation of the real
25 property located in the proposed special taxing district; and (ii) at least two-thirds of the owners
26 of the real property located in the proposed special taxing district.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

Council Bill 06-0524

1 The Act provides that no bonds may be issued by the City until an ordinance is enacted that
2 (i) designates an area or areas as a "special taxing district"; (ii) creates a special fund for the
3 special taxing district; and (iii) provides for the levy of an ad valorem or special tax on all real
4 property in the special taxing district at a rate or amount designed to provide adequate revenues
5 to pay the principal of, interest on, and redemption premium, if any, on the bonds, to replenish
6 any debt service reserve fund, and for any other purpose related to the ongoing expenses of or
7 security for the bonds.

8 Mondawmin Business Trust, a Maryland business trust (the "Developer") has indicated its
9 intention to redevelop the Mondawmin Mall (the "Mall") retail space located in Baltimore City.
10 The Developer will initially use its own funds to redevelop the Mall. The bonds issued to finance
11 or refinance the Infrastructure Improvements will be held in escrow until the satisfaction of
12 certain conditions, including completion of the Mall redevelopment and Infrastructure
13 Improvements.

14 The Mayor and City Council wishes to establish a special taxing district within the City,
15 establish a special fund for the special taxing district, and provide for the levy of a special tax on
16 all taxable real property in the special taxing district for the purpose of providing financing for
17 the development of infrastructure improvements relating to the redevelopment of the Mall in the
18 special taxing district.

19 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That for**
20 **the purposes of this Ordinance, the following terms have the meanings indicated:**

21 (a) "Act" means the Special Taxing District Act, as codified in Article II, Section (62A)
22 of the Baltimore City Charter.

23 (b) "Bond" means any bond, note, or other similar instrument issued by the Mayor and
24 City Council of Baltimore under the Act.

25 (c) "Infrastructure improvements" means the following infrastructure improvements
26 constructed in accordance with all required City approvals:

27 (1) the design and construction of roads, including removal of existing paving, new
28 paving and installation of curbs, gutters, sidewalks, lighting, landscaping, and
29 utilities (including sanitary sewer, storm water, gas, water, fire suppression,
30 electric and traffic signal work);

31 (2) site removal, including regrading and preparation, the removal of excess soil; and
32 demolition of buildings;

33 (3) the design, construction and renovation of parking lots and/or structured parking,
34 including paving and the installation of curbs, gutters, sidewalks, utilities, lighting
35 and landscaping; and

36 (4) the design, acquisition, construction, renovation and development of other
37 infrastructure improvements that are necessary for the completion of the
38 foregoing infrastructure improvements for their intended public purposes.

39 (d) "Special Tax Fund" means the special fund established by Section 4 of this
40 Ordinance.

Council Bill 06-0524

1 (e) "Special Taxing District" means the area in the City designated in Section 3 of this
2 Ordinance as a special taxing district under the Act.

3 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council of Baltimore
4 finds and determines that the establishment of the Mondawmin Mall Special Taxing District, the
5 creation of the Special Tax Fund for that District and the issuance of bonds from time to time, all
6 for the purpose of providing funds for the financing of the infrastructure improvements,
7 accomplishes the purposes of the Act, serves public purposes, including the direct and indirect
8 enhancement of the taxable base of the City and the facilitation of planned improvements to the
9 Mondawmin Mall development, and generally promotes the health, welfare, and safety of the
10 residents of the State of Maryland and of the City of Baltimore.

11 **SECTION 3. AND BE IT FURTHER ORDAINED,** That the contiguous area consisting of the
12 properties designated as Ward 15, Section 19, Block 3262F, Lots 001, 002, 003, and 005 (as the
13 same may be renumbered or redesignated), together with the adjoining roads, highways, alleys,
14 rights-of-way and other similar property, shown on the map attached to this Ordinance as Exhibit
15 1, and made a part of this Ordinance, is designated as a special taxing district to be known as the
16 "Mondawmin Mall Special Taxing District."

17 **SECTION 4. AND BE IT FURTHER ORDAINED,** That a special fund is established for the
18 Special Taxing District to be known as the "Mondawmin Mall Special Tax Fund". The Director
19 of Finance shall deposit in the Special Tax Fund all special taxes levied and collected in
20 accordance with Section 5 of this Ordinance. The Director of Finance and other officers and
21 employees of the City shall take all necessary steps in order to establish the Special Tax Fund as
22 a separate fund to be held by or for the account of the City.

23 **SECTION 5. AND BE IT FURTHER ORDAINED, That:**

24 (a) A special tax shall be levied upon all real property in the Special Taxing District,
25 unless exempted by the provisions of this Ordinance or otherwise by law, for the
26 purposes, to the extent and in the manner set forth in the Rate and Method of
27 Apportionment of the Special Taxes attached to this Ordinance as Exhibit 2 and made
28 a part of this Ordinance.

29 (b) The revenues and receipts from the special tax, the Special Tax Fund, and any other
30 fund into which all or any of these revenues and receipts are deposited after they have
31 been appropriated by the City are pledged to the payment of the principal of and
32 interest on the bonds. These revenues, receipts and funds are not, however,
33 irrevocably pledged to the payment of the principal of and interest on the bonds and
34 the obligation to pay this principal and interest is subject to annual appropriation by
35 the City.

36 (c) Special taxes levied in the Special Taxing District may not be accelerated by reason
37 of bond default. The maximum special taxes applicable to any individual property
38 may not be increased in the event that other property owners become delinquent in
39 the payment of the special taxes.

40 **SECTION 6. AND BE IT FURTHER ORDAINED,** That the Mayor and City Council of Baltimore
41 finds that:

Council Bill 06-0524

1 (a) The construction of the infrastructure improvements will create a public benefit and
2 special benefits to the properties in the Special Taxing District;

3 (b) The special taxes levied under this Ordinance are levied in an amount that does not
4 exceed the special benefit that the properties within the Special Taxing District will
5 receive from the infrastructure improvements, as shown by the Special Tax
6 Allocation Report attached to this Ordinance as Exhibit 3 and made a part of this
7 Ordinance; and

8 (c) The special taxes levied on each property in the Special Taxing District are a fair
9 allocation of the cost of the infrastructure improvements to each property in the
10 Special Taxing District, as shown by the Special Tax Allocation Report.

11 **SECTION 7. AND BE IT FURTHER ORDAINED,** That the Director of Finance may do all acts
12 and things and execute all documents and certificates relating to the Special Taxing District and
13 the Special Tax Fund.

14 **SECTION 8. AND BE IT FURTHER ORDAINED,** That any approvals, authorizations, or
15 activities provided in this Ordinance do not constitute and may not be deemed to constitute or
16 imply that the City Council, the Mayor, or any department, office or agency of the City has given
17 or will give, any approval, authorization or consent to any action or activity within or required
18 for the development of the Special Taxing District, including any land use approval,
19 requirements for the provision of public utilities or services, or any other administrative, judicial,
20 quasi-judicial, or legislative approval, authorization, or consent.

21 **SECTION 9. AND BE IT FURTHER ORDAINED,** That this Ordinance may be amended by a
22 subsequent ordinance of the Mayor and City Council of Baltimore, which ordinance may enlarge
23 or reduce the Special Taxing District, upon receipt of a request from both (i) the owners of at
24 least two-thirds of the assessed valuation of the real property located with the proposed special
25 taxing district; and (ii) at least two-thirds of the owners of the real property located within the
26 proposed special taxing district. However, no ordinance may be effective to reduce the size of
27 the Special Taxing District so long as there are any outstanding bonds secured by the Special
28 Tax Fund, unless the ordinance authorizing the issuance of the bonds permits the City to reduce
29 the area constituting the Special Taxing District, the holders of the bonds or an authorized
30 representative on their behalf consents to the reduction or the indenture authorizing the bonds
31 permits the reduction.

32 **SECTION 10. AND BE IT FURTHER ORDAINED,** That the provisions of this Ordinance are
33 severable. If any provision, sentence, clause, section or other part of this Ordinance is held or
34 determined to be illegal, invalid, unconstitutional, or inapplicable to any person or
35 circumstances, that illegality, invalidity, unconstitutionality, or inapplicability does not affect or
36 impair any of the remaining provisions, sentences, clauses, sections, or parts of this Ordinance or
37 their application to other persons or circumstances. It is the intent of the Mayor and City
38 Council that this Ordinance would have been passed even if the illegal, invalid, unconstitutional,
39 or inapplicable provision, sentence, clause, section, or other part had not been included in this
40 Ordinance, and as if the person or circumstances to which this Ordinance or part are inapplicable
41 had been specifically exempted.

42 **SECTION 11. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th
43 day after the date it is enacted.

Council Bill 06-0524

EXHIBIT 1

Map of the Special Taxing District

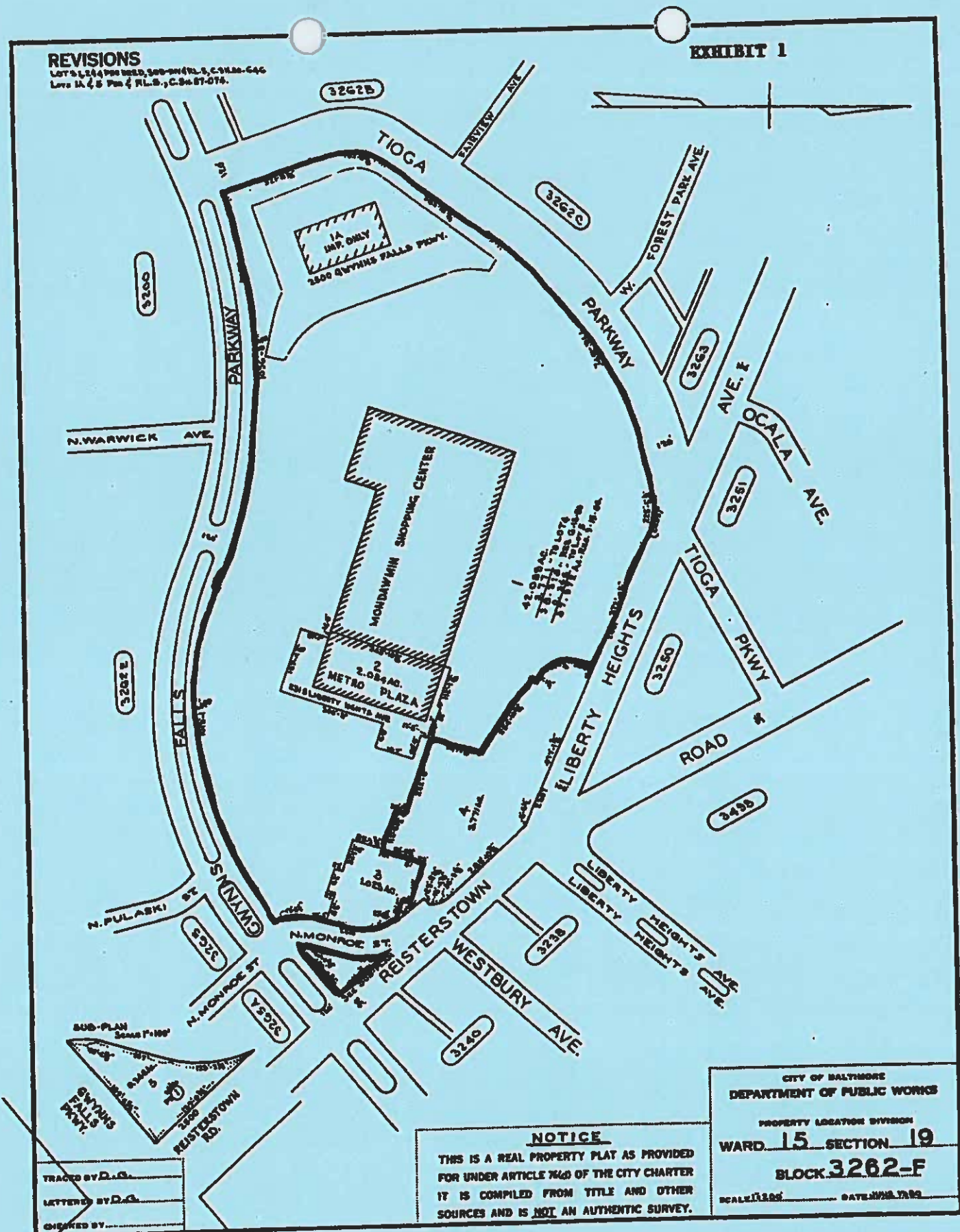
1

2

REVISIONS

LOT 2, 244 AND 245, 300-244-2, C-1420-646
 Lots 1A & B Plan of R.L.S., C-34-87-076.

EXHIBIT 1



TRACED BY	D.A.
LETTERED BY	D.A.
CHECKED BY	

NOTICE
 THIS IS A REAL PROPERTY PLAT AS PROVIDED FOR UNDER ARTICLE 74-0 OF THE CITY CHARTER IT IS COMPILED FROM TITLE AND OTHER SOURCES AND IS NOT AN AUTHENTIC SURVEY.

CITY OF BALTIMORE
 DEPARTMENT OF PUBLIC WORKS
 PROPERTY LOCATION DIVISION
 WARD 15 SECTION 19
 BLOCK 3262-F
 SCALE: 1"=200' DATE: 1/24/79

MONDAWMIN MALL

Council Bill 06-0524

EXHIBIT 2

Rate and Method of Apportionment of the Special Taxes

1

2

MONDAWMIN MALL SPECIAL TAXING DISTRICT

CITY OF BALTIMORE, MARYLAND

SPECIAL TAX ALLOCATION REPORT

Prepared By: |

MuniCap, Inc.

October 10, 2006

**MONDAWMIN MALL SPECIAL TAXING DISTRICT
CITY OF BALTIMORE, MARYLAND
SPECIAL TAX ALLOCATION REPORT**

Purpose of Report

The Mondawmin Mall Special Taxing District is being created to help finance infrastructure improvements for the property in the district. Bonds are expected to be issued to fund the improvements. The bonds will include the cost of the improvements, issuance costs, interest on the bonds during construction and for a period after construction, and a reserve fund.

The City of Baltimore will levy a special tax each year to provide funds for the payment of debt service on the bonds, the cost of administration of the district, and other costs related to the bonds. The district is being created, special taxes levied, and bonds issued pursuant to the Special Taxing District Act, Article II, Section (62A) of the Baltimore City Charter (the "Act"), as amended from time to time. The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes levied as described in the "Rate and Method of Apportionment of Special Taxes" for the Mondawmin Mall Special Taxing District.

Description of the Special Taxing District

The real property proposed to be included in the special taxing district consists of the Mondawmin Mall property. The mall was built in 1956 by the Rouse Company and serves West Baltimore. The mall currently contains a mix of retail and office uses and is adjacent to a Maryland Transit Administration hub. The proposed development will consist of the following:

- 375,000 SF mall (renovation)
- 127,000 SF retailer (new construction)
- 67,000 SF grocer (new construction)
- 23,300 SF retailer (new construction)
- 12,800 SF sit-down restaurant space (new construction)

The development proposes to make significant infrastructure upgrades, add approximately 150,000 square feet of retail space to the property, renovate the interior and exterior of the mall, add new landscaping to the parking lots, and upgrade landscaping surrounding the mall.

Proposed Improvements

The purpose of the special taxing district, the special taxes to be levied in the special taxing district, and the special obligation bonds to be issued with respect to the special taxing district is to finance all or a part of the costs of the following infrastructure improvements:

- (1) the design and construction of roads, including removal of existing paving, new paving and installation of curbs, gutters, sidewalks, lighting, landscaping, and utilities (including sanitary sewer, storm water, gas, water, fire suppression, electric and traffic signal work);
- (2) site removal, including re-grading and preparation, the removal of excess soil; and demolition of buildings;
- (3) the design, construction and renovation of parking lots and/or structured parking, including paving and the installation of curbs, gutters, sidewalks, utilities, lighting and landscaping; and
- (4) the design, acquisition, construction, renovation and development of other infrastructure improvements that are necessary for the completion of the foregoing infrastructure improvements for their intended purposes.

The bonds issued by the special taxing district will fund these improvements. It is expected that these improvements will be completed by Autumn 2008.

Projected Issuance of Bonds

Bonds are projected to be issued to finance the costs of the infrastructure improvements. Table A, on the next page, shows the estimated sources and uses of funds for the issuance of bonds.

Table A
Projected Issuance of Bonds

Sources of funds:	
Total bond proceeds	\$15,199,000
Interest earned in the improvement fund	\$0
Total sources of funds	\$15,199,000
Total uses of funds:	
Improvements	\$12,000,000
Issuance costs	\$250,000
Underwriter's discount	\$227,985
Capitalized interest	\$1,000,390
Reserve fund	\$1,519,900
Contingency	\$200,725
Total uses of funds	\$15,199,000

The actual issuance of the bonds may vary from these estimates depending on the interest

rate on the bonds, the date the bonds are issued, the cost of issuing the bonds, reinvestment rates on bond proceeds, and other factors.

Bond issuance costs include legal fees, financial consulting fees, the cost of the appraisal and market study, the set-up and first year's fee of the trustee, trustee's counsel, city expenses, document printing costs, and other miscellaneous costs related to the issuance of the bonds.

Capitalized interest will fund the interest on the bonds for approximately twelve months to allow time for the infrastructure improvements and other property in the district to be constructed, for the property to be added to the property tax roll, and property taxes to be collected from the property and applied to the payment of the debt service on the bonds.

Determination of Special Taxes

Special taxes must be levied in a reasonable manner. The reasonable basis for the special taxes levied in the Mondawmin Mall Special Taxing District is based on the following:

- (i) the special benefit of the infrastructure improvements to the property subject to the special taxes exceeds the cost of the special taxes;
- (ii) the amount of special taxes to be levied each year is equal to or less than the amount required to repay the bonds issued to finance the infrastructure improvements; and
- (iii) special taxes are allocated to parcels within the special taxing district on the basis of the use of the infrastructure improvements made by the property that will be taxed.

Deletect

Special Benefit

The property in the special taxing district subject to the special taxes will receive a special benefit from the infrastructure improvements to be provided by the special taxing district and this special benefit will be equal to or greater than the cost of the special taxes levied on the property. The special benefit is confirmed by two means. First, the owners of the property in the special taxing district have petitioned the City and requested the special taxes to be imposed on the property for the purpose of providing the infrastructure improvements. It is reasonable to believe the owners are acting in their interest and making this request because the benefit they receive from the infrastructure improvements exceeds the cost of the special taxes.

Second, the special taxes are being levied to provide infrastructure improvements that are required for the highest and best use of the property (i.e., the use of the property that is most valuable). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition.*) The four criteria for highest and best use are (i) legally permissible, (ii) physically possible, (iii) financially feasible, and (iv) maximally productive.

The highest and best use of the property in the special taxing district is the redevelopment proposed for the property. The use of the property in this manner will require the infrastructure improvements to be provided by the special taxing district.

Additionally, the City will provide a credit to the special taxes for the incremental property taxes paid for each parcel. As a result, the financing provided by the special taxing district is the most beneficial means of financing the improvements.

In summary, the special taxes result in a special benefit to the property owner for the following reasons:

1. The improvements to be provided by the special taxing district are required for the highest and best use of the property;
2. The highest and best use of the property is the use of the property that is most valuable (including any costs associated with the use of the property);
3. The financing provided by the special taxing district is the most beneficial means of financing the improvements; and,
4. As a result, the special benefits to the property from the improvements to be provided by the special taxing district will be equal to or greater than the cost of the special taxes that will finance the improvements necessary to achieve the highest and best use of the property.

Special Taxes Required to Repay the Bonds

Special taxes may first be levied for the 2007-08 fiscal year. These special taxes would be applied to debt service due on March 1 and September 1, 2009. The annual debt service on the bonds is estimated at approximately \$1,063,930, based on seven percent interest rate and a twenty six-year amortization of the bonds. The maximum special tax necessary to pay the estimated debt service due on the bonds is \$1,200,000, which is equal to the debt service on the bonds, an extra ten percent to provide adequate debt service coverage and the cost of administrative expenses.

The maximum special tax on all of the property in the district is set in a manner consistent with the estimate of the annual debt service on the bonds to be issued to finance the infrastructure improvements plus the required debt service coverage and administrative expenses and is therefore set in a reasonable manner.

The actual debt service on the bonds may be less than estimated herein. The "Rate and Method of Apportionment of Special Taxes" provides for the maximum special tax to be reduced based on the actual debt service on the bonds, so that the special taxes actually collected do not exceed the amount necessary to repay the bonds and to pay related administrative expenses.

Allocation of Special Taxes to Parcels

The previous section explained the maximum special taxes required to be levied on all of

the property in the district in order to pay the debt service on the bonds. This section explains how the maximum special taxes are allocated to the property in the special taxing district in a reasonable manner.

Special taxes are allocated to parcels in the district equally per square foot of leasable building area. All of the property in the district is expected to be developed as retail property, and as a result, the potential use of the property in the district is expected to be equivalent, adjusted for the development on each parcel.

Adjusted Maximum Special Tax

The adjusted maximum special tax that may be levied on each parcel in the district is equal to the lesser of the (i) maximum special tax and (ii) the allocated share of debt service to each parcel less the tax increment revenues collected from the parcel. The tax increment revenues represent the increase in property taxes that results from the development of the property. The tax increment revenues are pledged to the repayment of the bonds issued to finance the infrastructure improvements. To the extent property produces tax increment revenues, and these revenues cover the debt service on the bonds, the property is contributing its share of the cost of the infrastructure improvements through the tax increment revenues. The special taxes effectively cover each property's share of the cost of the infrastructure improvements not otherwise covered by the property's tax increment revenues.

Summary of Reasonable Basis of the Special Taxes

Special taxes are levied on the taxable property in the district according to the provisions of the "Rate and Method of Apportionment of Special Taxes." The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes. The reasonable basis may be summarized as follows:

1. The special benefit of the infrastructure improvements to the property subject to the special taxes exceeds the cost of the special taxes;
2. Taxes levied on all of the property in the district each year are equal to the amount required to pay the debt service on the bonds, after taking into consideration tax increment revenues;
3. The bonds are issued to finance the costs of the infrastructure improvements, which will be utilized by the property in the district, and other costs related to the issuance of the bonds;
4. The special taxes levied each year are allocated to each property within the district on the basis of the estimated use of the infrastructure by each property; and,
5. The maximum special tax to which each property is subject is reduced by the tax increment revenues produced from each property, since the tax increment revenue contributes to the property's share of the cost of the infrastructure improvements.

For these reasons, the special taxes are levied on the taxable property in the district in a reasonable manner.

Council Bill 06-0524

EXHIBIT 3

Special Tax Allocation Report

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CITY OF BALTIMORE, MARYLAND
MONDAWMIN MALL SPECIAL TAXING DISTRICT

***RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES***

A Special Tax is hereby levied and shall be collected in the City of Baltimore Mondawmin Mall Special Taxing District (the "District") each Fiscal Year, beginning with the 2007-2008 Fiscal Year and continuing until the year provided for in Section F hereof, in an amount determined through the application of the procedures described below. All of the real and personal property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms used herein shall have the following meanings:

"Act" means Article II, Section (62A) of the Baltimore City Charter, as amended from time to time.

"Adjusted Maximum Special Tax" means the Special Tax determined in accordance with Section B.2.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee employed by the City in connection with any Bonds; the expenses of the City in carrying out its duties under the Indenture of Trust, including, but not limited to, levying and collecting the Special Tax and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including the costs of any employees of the City and fees of any professionals retained by the City to provide services for such purposes; and all other costs and expenses of the City, Trustee, or Administrator incurred in connection with the discharge of their respective duties under the Indenture of Trust, including legal expenses associated with such duties, and, in the case of the City, in any way related to the administration of the District.

"Administrator" means the designee of the Director of Finance for purposes of estimating the annual Special Tax Requirement and the Special Tax to be levied each Fiscal Year and for providing other services as required by the Indenture of Trust.

"Bond Year" shall have the meaning given to such term in the Indenture of Trust.

"Bonds" means any bonds or other debt, including refunding bonds, whether in one or more series, issued by the City relating to the District pursuant to the Act.

"Building Square Footage" means the actual leasable building area as shown on the building permit, architectural plans or other available documents, as estimated by the Administrator.

1
2 **"Tax Increment Fund"** means the account of such name established for the District pursuant to
3 an ordinance enacted by the City.

4
5 **"Tax Increment Revenues"** means the amounts paid into the Tax Increment Fund each year by
6 the City.

7
8 **"Taxable Property"** means any Parcel that is not Public Property.

9
10 **"Trustee"** means the trustee appointed by the City for the District to carry out the duties of the
11 trustee specified in the Indenture of Trust.

12
13 **B. SPECIAL TAX RATES**

14
15 1. **Maximum Special Tax**

16
17 The Maximum Special Tax for the 2007-08 Fiscal Year shall be equal to \$1,200,000. On each
18 July 1, commencing July 1, 2008, the Maximum Special Tax shall be increased to 102 percent of
19 the respective Maximum Special Tax in effect in the previous Fiscal Year. The Maximum
20 Special Tax for each Parcel shall be equal to the following formula:

21
22
$$A = (B + C) \times D$$

23
24 Where the terms have the following meaning:

- 25
26 A = The Maximum Special Tax for a Parcel
27 B = The Equivalent Units of a Parcel
28 C = The total Equivalent Units estimated for all of the Parcels in the District
29 D = The Maximum Special Tax as stated above.

30
31 2. **Adjusted Maximum Special Tax**

32
33 The Adjusted Maximum Special Tax for each Parcel shall be equal to the lesser of (but not less
34 than zero) (i) the Maximum Special Tax for the Parcel and (ii) the amount calculated by the
35 following formula:

36
37
$$A = [(B + C) \times D] - E$$

38
39 Where the terms have the following meaning:

- 40
41 A = The Adjusted Special Tax for a Parcel
42 B = The Maximum Special Tax for the District
43 C = The total Equivalent Units estimated for all of the Parcels in the District
44 D = The Equivalent Units of a Parcel.
45 E = The Special Tax Credit for the Parcel
46

The Special Tax Credit applied to all Parcels shall not exceed the Tax Increment Revenues applied to the Special Tax Requirement as provided for in Section C. 1.

3. **Personal Property**

The special tax rate on personal property shall be zero.

C. LEVY AND COLLECTION OF THE SPECIAL TAX

1. **Levy of the Special Taxes**

Special Taxes are levied in an amount equal to the Maximum Special Tax each year from the 2007-2008 Fiscal Year through the fiscal year provided for in Section F.

2. **Collection of the Special Tax**

a. **Special Tax Requirement**

The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and determined by the Director of Finance and shall be an amount equal to (A) the amount required in any Fiscal Year to pay: (1) debt service and other periodic costs (including deposits to any sinking funds) on the Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2) Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal Year and not paid by the District, (3) any amount required to replenish any reserve fund established in association with any Bonds, (4) an amount equal to the estimated delinquencies expected in payment of the Special Tax not otherwise taken into account, and (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash), less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as capitalized interest, reserves, and investment earnings on any account balances, and (3) any other revenues available to apply to the Special Tax Requirement.

b. **Special Tax to be Collected**

Commencing with the 2007-08 Fiscal Year and for each following Fiscal Year, the Special Tax shall be collected in an Proportionate amount on each Parcel of Taxable Property in an amount up to the Adjusted Maximum Special Tax for each Parcel such that the total of the Special Tax to be collected is equal to the Special Tax Requirement.

The Administrator shall provide an estimate to the Director of Finance each Fiscal Year of the amount of the Special Tax to be collected from each Parcel in conformance with the provisions of this section.

3. **Circumstances Under Which the Special Tax May be Increased as a Result of a Default**

1 The circumstances under which the Special Tax to be collected from any Parcel may be
2 increased as a result of a default in the payment of the Special Tax to be collected from any other
3 Parcel is based on the provisions of Section C. 1. and 2. The Special Tax to be collected from
4 any Parcel cannot be increased above the Adjusted Maximum Special Tax as a result of a default
5 in the payment of the Special Tax to be collected from any other Parcel. If the Special Tax to be
6 collected from any Parcel pursuant to the provisions of Section C.1. and 2. is less than the
7 Adjusted Maximum Special Tax for such Parcel, the Special Tax may be increased up to the
8 Adjusted Maximum Special Tax as a result of a default in the payment of the Special Tax to be
9 collected on any Parcel.

10
11 **D. EXEMPTIONS**

12 A Special Tax shall not be collected from Public Property.

13
14
15 **E. MANNER OF COLLECTION**

16
17 The Special Tax shall be collected in the same manner and at the same time as ordinary real
18 property taxes; provided, however, the Special Tax may be collected at a different time or in a
19 different manner as determined by the Director of Finance, provided that such time or manner is
20 not inconsistent with the provisions of the Indenture of Trust.

21
22 **F. TERMINATION OF SPECIAL TAX**

23
24 Except for any delinquent Special Taxes and related penalties and interest, Special Taxes shall
25 not be collected after the earlier of (i) the repayment or defeasance of the Bonds, (ii) thirty years
26 after the issuance of the Bonds, and (iii) such time provided for by the Indenture of Trust.

27
28 **G. REDUCTION IN THE MAXIMUM PROPERTY TAX RATE**

29
30 The Director of Finance may reduce the Maximum Special Tax once the Bonds are issued to an
31 amount necessary to provide the minimum debt service coverage required pursuant to the
32 Indenture of Trust.

33
34 **H. APPEALS OF THE SPECIAL TAX TO BE COLLECTED**

35
36 Any property owner claiming that the amount of the Special Tax to be collected from a Parcel
37 owned by the owner is not correct and requesting a refund may file a written notice of appeal and
38 refund to that effect with the Administrator not later than one calendar year after having paid the
39 Special Tax that is disputed. The Administrator shall promptly review the appeal and, if
40 necessary, meet with the property owner, consider written and oral evidence regarding the
41 amount of the Special Tax, and decide the appeal. If the decision of the Administrator requires
42 the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not
43 be made (except for the last year of levy or if there are otherwise sufficient funds to meet the
44 Special Tax Requirement), but an adjustment shall be made to the Special Tax to be collected on
45 that Parcel in the following fiscal year. The decision of the Administrator may be appealed to

the Director of Finance. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

I. AMENDMENTS

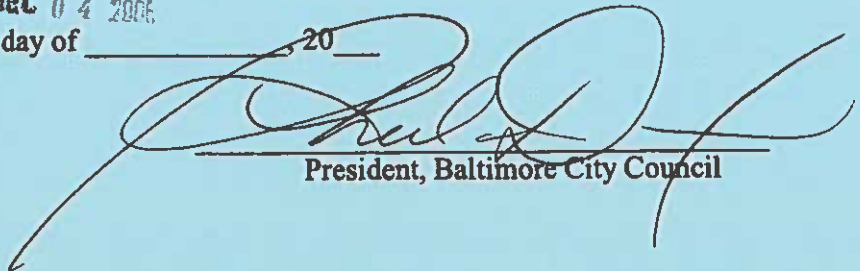
This Rate and Method of Apportionment of Special Taxes may be amended by the Director of Finance and, to the maximum extent permitted by the Act, such amendments may be made without further notice under the Act and without notice to owners of Taxable Property within the District in order to (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of the Special Tax so as to assure the efficient collection of the Special Tax for the benefit of the owners of the Bonds, and (iii) otherwise improve the ability of the City to fulfill its obligations to levy and collect the Special Tax and to make it available for the payment of the Bonds and Administrative Expenses. No such amendment shall be made unless and until the Director of Finance has (a) found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of the Bonds and (b) received an opinion of a nationally recognized bond counsel to the effect that the amendment is authorized pursuant to the terms of the Act, the Indenture of Trust, and any ordinances or resolutions adopted by the City related to the Bonds. Any such amendment may not increase the Maximum Special Tax.

J. INTERPRETATION OF PROVISIONS

The Director of Finance shall make all interpretations and determinations related to the application of this Rate and Method of Apportionment of Special Taxes, unless stated otherwise herein or in the Indenture of Trust, and as long as there is a rational basis for the determination made by the Director of Finance, such determination shall be conclusive.

Council Bill 06-0524

Certified as duly passed this DEC 04 2006 day of _____, 20__



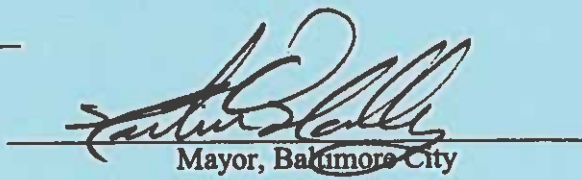
President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,
this DEC 04 2006 day of _____, 20__

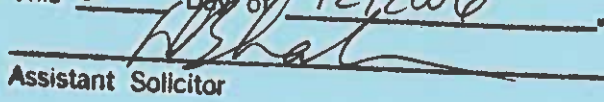


Chief Clerk

Approved this DEC 08 2006 day of _____, 20__



Mayor, Baltimore City

Approved For Form and Legal Sufficiency
This 5th Day of 12/2006


Assistant Solicitor

A TRUE COPY
Edward J. Gallagher
Director of Finance



CITY OF BALTIMORE

BOARD OF ESTIMATES

Room 204, City Hall
Baltimore, Maryland 21202
410-396-4755



SHEILA DIXON
PRESIDENT, CITY COUNCIL

MARTIN O'MALLEY
MAYOR

JOAN M. PRATT
COMPTROLLER

GEORGE L. WINFIELD
DIRECTOR OF PUBLIC WORKS

RALPH S. TYLER
CITY SOLICITOR

BERNICE H. TAYLOR
DEPUTY COMPTROLLER
AND CLERK TO THE BOARD

November 22, 2006

Honorable President and Members
of the City Council

Ladies and Gentlemen:

On November 22, 2006 the Board had before it for consideration the following Pending City Council Bills:

06-0410 - An Ordinance concerning Franchise - Bridgeway over the 2600 Block of West North Avenue for the purpose granting a franchise to Coppin State University to construct, use, and maintain a private pedestrian bridgeway above and across the 2600 Block of West North Avenue, connecting a classroom and laboratory building to be constructed on the south side of West North Avenue, to a parking garage to be constructed on the north side of West North Avenue; subject to certain terms, conditions, and reservations; and providing for a special effective date.

THE DIRECTOR OF THE DEPARTMENT OF PUBLIC WORKS RECOMMENDED AN ANNUAL FRANCHISE FEE OF \$10,560.00.

06-0523 - An Ordinance concerning Mondawmin Mall Development District for the purpose of designating a "development district" to be known as the "Mondawmin Mall 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; and generally relating to the designation and operation of the development district, the establishment and use of the tax

CITY COUNCIL BILLS - cont'd

increment fund and the issuance and payment of special obligation bonds issued in connection with the development district.

06-0524 - An Ordinance concerning Mondawmin Mall Special Taxing District for the purpose of designating a "special taxing district" to be known as the "Mondawmin Mall 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 property located in the special taxing district; and generally relating to the designation and operation of the special taxing district, the establishment and use of the special fund and the issuance and payment of bonds issued in connection with the special taxing district.


06-0525 - An Ordinance concerning Mondawmin Mall Special Obligation Bonds for the purpose of providing for the issuance of special obligation bonds in an amount not exceeding \$15,000,000 for the purpose of financing infrastructure improvements; providing for the method and sources of payment for these special obligation bonds; authorizing the Board of Finance to specify, prescribe, determine, provide for and approve the details, forms, documents or procedures in connection with the special obligation bonds and any other matters necessary or desirable in connection with the authorization, issuance, sale and payment of these special obligation bonds; and generally relating to the issuance and payment of special obligation bonds.

CITY COUNCIL BILLS - cont'd

After NOTING AND CONCURRING in all favorable reports received, the Board approved the Bills and referred them to the City Council with the recommendation that they be approved and passed by that Honorable Body.

The President ABSTAINED from voting.

Sincerely,



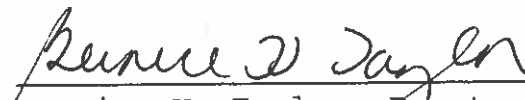
Bernice H. Taylor
Clerk to the Board of Estimates

BHT/amq

TO BE INSERTED UNDER MUNICIPAL NOTICES

In accordance with the provisions of Article VIII, Section 6 of the Baltimore City Charter 1996 Edition Notice is hereby given that application has been made by Coppin State University Johns Hopkins University to construct, use, and maintain a private pedestrian bridgeway above and across the 2600 Block of West North Avenue, connecting a classroom and laboratory building to be constructed on the north side of West North Avenue; subject to certain terms, conditions, and reservations; and providing for a special effective date.

Sincerely,



Bernice H. Taylor, Deputy Comptroller
Clerk Board of Estimates

Three days:

THE SUN

Attn: Ms. Margaret Anderson
Calvert and Center Street
Baltimore, Maryland 21202

THE AFRO-AMERICAN NEWSPAPER

Attn: Ms. Lynn Hamilton
2519 N. Charles Street
Baltimore, Maryland 21218

BALTIMORE CITY COUNCIL TAXATION AND FINANCE COMMITTEE VOTING RECORD

DATE: 11-16-06

BILL#: 06-0524

BILL TITLE: Mondawmin Mall Special Taxing District

MOTION BY: Holton SECONDED BY: Young

- FAVORABLE FAVORABLE WITH AMENDMENTS
 UNFAVORABLE WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Mitchell, K., Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Holton, H., Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conaway, B.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reisinger, E.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Young, B.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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TOTALS	/ 4	—	1	—

CHAIRPERSON: [Signature]
 COMMITTEE STAFF: *, Initials: [Signature]



November 9, 2006

WE HEREBY CERTIFY, that the annexed advertisement of
Baltimore Development Corp.
CC Bill 06-0524

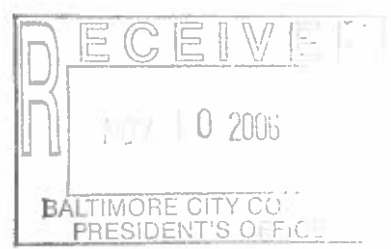
was published in "THE BALTIMORE SUN" a daily newspaper printed and published in
the City of Baltimore
on November 1, 2006

The Baltimore Sun Company

By Margaret Anderson

7331

** TOTAL PAGE.03 **



THE DAILY RECORD

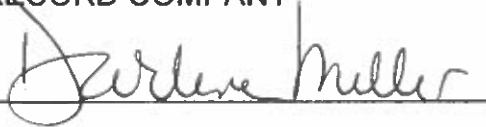
Baltimore, November 1, 2006

We hereby certify that the annexed advertisement of Bill #06-0524 - Baltimore City Council - Notice of Public Hearing on Bill CC 06-0524. was published in THE DAILY RECORD, a daily newspaper published in the City and County of Baltimore on 11/01/2006.

First insertion November 1, 2006

THE DAILY RECORD COMPANY

Per



Bill #06-0524 - Baltimore City Council - Notice of Public Hearing on Bill CC 06-0524.

Inv:# 30370679

**BALTIMORE CITY COUNCIL
NOTICE OF PUBLIC HEARING ON
CC 06-0524 - Mondawmin Mall Special
Taxing District**

The Taxation and Finance Committee of the Baltimore City Council will meet on **Thursday, November 16, 2006 at 1:00 p.m.**, in the Clarence "Du" Burns City Council Chamber, 4th Floor, City Hall, 100 N. Holliday Street, Baltimore, Maryland 21202 to conduct a public hearing on:

**A BILL ENTITLED
AN ORDINANCE concerning
Mondawmin Mall Special Taxing
District**

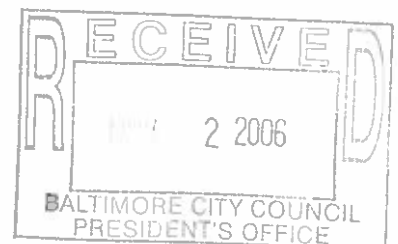
For the purpose of designating a "special taxing district" to be known as the "Mondawmin Mall Special Taxing District"; providing for and determining various matters in connection with the establishment of the special taxing district; creating a special fund for the special taxing district; providing for the levy of a special tax on all taxable real property located in the special taxing district; and generally relating to the designation and operation of the special taxing district, the establishment and use of the special fund and the issuance and payment of bonds issued in connection with the special taxing district.

Interested persons are invited to attend the public hearing and will have a reasonable opportunity to express their views, both orally and in writing. Written statements may be submitted to the City Council at or prior to the time of the public hearing. Any written statements submitted prior to the hearing should be sent to the following address:

President and Members of the Baltimore City Council
City Hall, Room 408,
100 N. Holliday Street
Baltimore, Maryland 21202
Attention: Ms. Karen Randle.

Keiffer J. Mitchell, Jr., Chair,
Taxation & Finance Committee.

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FROM	NAME & TITLE	OTIS ROLLEY, III, DIRECTOR <i>Otis Rolley, III</i>
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 417 EAST FAYETTE STREET, 8 TH FLOOR
	SUBJECT	CITY COUNCIL BILL #06-0524 / MONDAWMIN MALL SPECIAL TAXING DISTRICT

CITY of
BALTIMORE
MEMO



DATE: November 6, 2006

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

At its regular meeting of November 2, 2006, the Planning Commission considered City Council Bill #06-0524, for the purpose of designating a “development district” to be known as “The Mondawmin Mall Development 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 property located in the special taxing district; and generally relating to the designation and operation of the special taxing district, the establishment and use of the special fund and the issuance and payment of bonds issued in connection with the special taxing district.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended approval of City Council Bill #06-0524 and adopted the following resolution; eight members being present (eight in favor).

RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and **recommends** that City Council Bill #06-0524 **be passed** by the City Council.

If you have questions, please contact Mr. Gary Cole, Chief of Land Use and Urban Design at 410-396-8337.

OR/GC/jrm

Attachment

- Ms. Jeanne Hitchcock, Mayor’s Office
- Ms. Angela Gibson, Mayor’s Office
- Ms. Jennifer Mielke, Mayor’s Office
- The Honorable Rochelle “Rikki” Spector
- Ms. Jennifer Coates, Councilmanic Services
- Mr. Donald Small, DHCD
- Applicant



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PLANNING COMMISSION

STAFF REPORT

November 2, 2006

REQUESTS:

- City Council Bill #06-0523: For the purpose of designating the “Mondawmin Mall Development District”
- City Council Bill #06-0524: For the purpose of designating the “Mondawmin Mall Special Taxing District”
- City Council Bill #06-0525: For the purpose of providing for the issuance of special obligation bonds in an amount not to exceed \$15,000,000 for the purpose of financing infrastructure improvements for the Mondawmin Mall Development District

RECOMMENDATION:

- City Council Bill #06-0523 (Development District): Approval
- City Council Bill #06-0524 (Special Taxing District): Approval
- City Council Bill #06-0525 (Special Obligation Bonds): Approval

STAFF: Natasha Poole

PETITIONER: Baltimore Development Corporation on behalf of General Growth Properties

OWNER: General Growth Properties and the Maryland Mass Transit Administration

SITE/GENERAL AREA

Site Conditions: The Mondawmin Mall PUD comprises an area roughly 38 acres in size bounded by Liberty Heights Avenue on the north, Tioga Parkway on the west, Gwynns Falls Parkway on the south, and Monroe Street and Reisterstown Road on the east. The site includes Mondawmin Mall – an enclosed shopping center with 454,000 square feet of leaseable retail built in 1956. The mall will be undergoing refurbishment and additions in accordance with the newly approved PUD Development Plan. The site also includes a branch office of the Maryland Motor Vehicle Administration, the MTA’s Mondawmin Metro Station, and a related bus transfer center. Much of the mall’s acreage is devoted to surface parking, and the site carries the B-2-1 zoning designation.

General Area: The Mondawmin Mall parcel is located in northwest Baltimore near Druid Hill Park, Frederick Douglass High School, and Coppin State University. The area surrounding the mall is developed with a predominance of single-family rowhouse structures of several different eras. But there are also some low-intensity commercial uses in the area as well.

HISTORY

- Ordinance No. 77-348, approved June 22, 1977, authorized the creation of the Mondawmin Mall Planned Unit Development.

- Ordinance No. 79-1024, approved May 24, 1979, authorized the Mondawmin Transit Station Urban Renewal Plan.
- Ordinance No. 87-1009, dated July 2, 1987, amended the Park Heights and Mondawmin Transit Station Urban Renewal Plans
- Ordinance No. 06-0257, approved June 14, 2006, repealed the Development Plan for Mondawmin Mall and approved a new Development Plan for the Mondawmin Mall Planned Unit Development

CONFORMITY TO PLANS

The requests are consistent with the goals and objectives of the Mondawmin Transit Station Urban Renewal Plan. They are also found to be in conformance with the following Goals, Objectives, and Strategies of Baltimore City's Comprehensive Master Plan: LIVE Section, Goal 2, Objective 1 (Improve design quality of Baltimore's built environment) and Objective 3 (Promote Transit Oriented Development and mixed-use development to reinforce neighborhood centers and Main Streets).

ANALYSIS

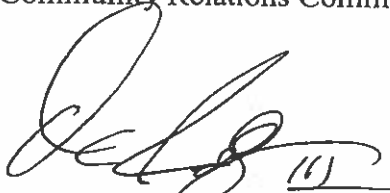
These three bills are the required legislation that works in concert to establish a Tax Increment Financing structure (TIF) to aid in the redevelopment of Mondawmin Mall. The Mondawmin Mall Planned Unit Development (PUD) was repealed and replaced in June of this year. The new Development Plan was designed in a manner that accommodates contemporary big-box retail, while simultaneously allowing the parcel to realize its potential as a site for mixed-use transit-oriented development. The building program for the site includes a significant amount of new retail and a repositioning of retail already present. There is to be a 127,000 square foot "big box" store, which would be located to the southwest of the existing mall. To the east of the mall, and directly south of the MTA transit center, would be a 67,000 square foot supermarket site, as well as a 20,000 square foot "junior box" store. Additionally, there are to be two retail pad sites north of the existing mall at the entrance from Liberty Heights Road, each allowing a 6,500 square foot building – currently envisioned for restaurant or bank tenants.

General Growth Properties is the owner and redeveloper of the site and has requested public assistance for the project. The assistance would come in the form of a \$15 million bond issued for the purposes of demolition, site preparation, utilities, and public infrastructure costs, plus eligible issuance costs, capitalized interest, and reserves. The \$15 million bond would be issued for a period of 30 years at a coupon rate of 7%. In this case, the "development" and "special taxing" districts are coterminous – meaning that only those properties in which the money was spent could be levied for additional taxes in the event of default.

In analyzing the request at hand, staff has considered information provided to Baltimore Development Corporation by MuniCap, Inc. Their consulting role was to determine whether the project would be feasible in the absence of public assistance, and their conclusion was that it would not be. General Growth Properties faces significant site-related cost issues, given the age of the mall (originally constructed in 1956) and the complexity of site grading. Without public assistance, the rate of return to the developer would not be enough to move the project forward.

From the standpoint of what makes sense for the City, a repositioning of the mall site has long been favored as part of a broader redevelopment strategy for the area. Specifically, providing a new grocery store and upgrading retail proximate to a transit station will do much to further goals of the City's Comprehensive Master Plan. Furthermore, it is anticipated that the City will experience economic gains in the form of a 9.6% projected rate of return on its investment. The project will have other positive spillover effects in the form of job creation. It is anticipated that the project will lead to 655 construction jobs and 400 new full-time retail jobs, 200 of which are estimated to be held by City residents. For these multiple reasons, staff is supportive of the requests.

Staff notified the following community groups of the requested actions: Mondawmin Neighborhood Improvement Association, Inc., Mondawmin Merchants Association, Inc., Coppin Heights Community Development Corporation, Parkview Improvement Association, Inc. Friends of Druid Hill Park, the New Auchentoroly Terrace Association, Western Community Action Center, Liberty Square Neighborhood Association, and the Western District Police Community Relations Committee.



Otis Rolley, III
Director

CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



DEPARTMENT OF LAW

RALPH S. TYLER, City Solicitor
101 City Hall
Baltimore, Maryland 21202

October 26, 2006

The Honorable President and Members
of the Baltimore City Council
c/o Karen Randle, Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 06-0524 – Mondawmin Mall Special Taxing District

Dear Madame President and City Council Members:

The Law Department has reviewed City Council Bill 06-0524. The bill would: (1) designate a special taxing district to be known as the Mondawmin Mall Special Taxing District (the "Special Taxing District"); (2) establish a special fund to be known as the Mondawmin Mall Special Tax Fund (the "Special Tax Fund"); and (3) authorize the levy of a special tax upon all real property within the Special Taxing District. The special tax revenues would be deposited into the Special Tax Fund and pledged to the payment of the principal of and interest on certain bonds (the "Bonds"), which would finance infrastructure improvements related to the Mondawmin Mall.

Council Bill 06-0524 is consistent with Article II, § 62A of the Baltimore City Charter. Section 62A permits the City to designate a special taxing district, to authorize the levy of a special tax, and to issue bonds to finance infrastructure improvements within the special taxing district. As a prerequisite to issuing bonds under § 62A, the City must by ordinance: (1) "designate an area or areas as a special taxing district;" (2) "create a special fund with respect to the special taxing district"; and (3) "provide for the levy of an ad valorem or special tax on all real and personal property within the special taxing district at a rate or amount designed to provide adequate revenues to pay the principal of, interest on, and redemption premium, if any, on the bonds, to replenish any debt service reserve fund, and for any other purpose related to the ongoing expenses of or security for the bonds." See § 62A(e).

Council Bill 06-0524 fulfills the prerequisites specified in § 62A by designating the Special Taxing District, creating the Special Tax Fund, and authorizing the levy of a special tax, as described in Exhibit 2 of the bill. Accordingly, the Law Department **would approve** the bill



The Honorable President and Members
of the Baltimore City Council
October 26, 2006
Page 2 of 2

for form and legal sufficiency.

Very truly yours,



Christine Wellons
Assistant Solicitor

cc: The Honorable Sheila Dixon
The Honorable Keiffer J. Mitchell
Ralph S. Tyler, City Solicitor
Angela C. Gibson, Mayor's Legislative Liaison
Linda C. Barclay, Chief Solicitor
Elena R. DiPietro, Senior Solicitor
Deepa Bhattacharyya, Assistant Solicitor



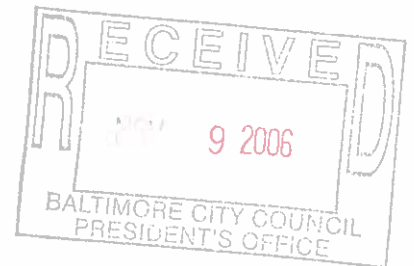
MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Karen Randle, Executive Secretary

FROM: M. J. Brodie, President *MJ Brodie*

DATE: November 6, 2006

SUBJECT: City Council Bill No. 06-0524
Mondawmin Mall Special Taxing District



This office has been asked to comment on City Council bill 06-0524, an ordinance for the purpose of designating a “Special Taxing District”, to be known as the “Mondawmin Mall Special Taxing District”, and for creating a special fund for the levy of a special tax on all taxable real property located in the Special Taxing District for the payment of special bonds issued in connection with the Special Taxing District.

Under Bill 06-0524, in conjunction with City Council bills 06-0523, 06-0525, and 06-0532, the Council is being requested to approve a tax-increment financing (TIF) transaction in Baltimore City for the Mondawmin Mall Redevelopment Project, located in the northwest neighborhood of Greater Mondawmin. A TIF provides the opportunity to leverage private financing to construct the public infrastructure needed to attract private investment. The City has been granted authority to issue TIF bonds under Article II, Section 62 of the Baltimore City Charter by the General Assembly, effective October 1, 2000, and as amended on July 1, 2001.

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 “Development District”). The City agrees to create a designated Development District, to establish a special fund to capture the incremental tax payments generated by the Development 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 and faith” 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.

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Repayment of the bonds is limited to the incremental tax revenues generated within the Development District; areas outside the District cannot be charged or assessed for the improvements built within the District. Whether future property values in the Development 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 same boundaries as the Development 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.

Mondawmin Mall Business Trust (the “Developer”) is proposing a \$68 million redevelopment of the Mondawmin Mall (the “Mall”). Constructed in 1956, Mondawmin Mall is situated on a 46-acre site that, prior to the construction of the mall, was the largest undeveloped tract within three miles of the center of Baltimore City. The site is made up of four individual lots, improved by the mall, which consists of nearly 500,000 sq. ft. of specialty retail, supermarket, restaurants and services, and two out-parcels (the Motor Vehicle Administration and Murray’s).

Located just south of Druid Hill Park, Mondawmin Mall is bordered by Coppin State University to the south and stable communities such as Auchentoroly Terrace and Ashburton to the east and west respectively. This retail center is centrally located at the crossroads of three major thoroughfares and is well-served by the MTA public transportation system, including a METRO stop, 8 transit bus stops and a neighborhood shuttle.

The project, to be completed in the summer of 2008, will consist of a 127,000 square foot “big box” retailer, a 67,000 square foot Shopper’s Food Warehouse as a full service grocer, two pad sites for sit-down restaurants or banks, a new 15,000 to 20,000 square foot “junior anchor” and extensive renovation of the existing mall.

Due to the age of the mall and the challenges inherent in the grading of the mall site, the site costs associated with the redevelopment of Mondawmin Mall are unusual, making the project infeasible without public financial assistance.

General Growth Properties (GGP) is the owner and manager of Mondawmin Mall. GGP is the country’s second largest regional mall real estate investment trust (“REIT”), owning, developing, operating, and/or managing shopping malls in 44 states. As of 2005, GGP had ownership interests in and/or management responsibility for more than 200 regional shopping malls totaling more than 200 million square feet of retail space. GGP also is the largest third-party manager for owners of regional malls.

There are four ordinances to be considered by the Council for this TIF bond transaction, as follows:

1. Bill 06-0523: approval of Mondawmin Mall as a designated Development District and the creation of the tax increment fund necessary for the issuance and payment of special obligation bonds issued in connection with the Development District. The boundaries of the Development District will be limited to the contiguous area consisting of the properties designated as Ward 15, Section 19, Block 3262F, Lots 001,002,003 and 005.
2. Bill 06-0524: approval of Mondawmin Mall Special Taxing District whereby the developer and/ or property owners agree to pay a special assessment, if necessary, if the incremental taxes generated by the project are insufficient to cover the bond debt service. The boundaries of the Special Taxing District will be the same as the Development District.
3. Bill 06-0525: bond authorization up to \$15,000,000 (gross bond amount) for construction of infrastructure. The TIF funds must be used solely for infrastructure improvements, in an amount not to exceed \$12,000,000, for design and construction of roads, paving, curbs, gutters, sidewalks, lighting, landscaping, utilities (including sanitary sewer, storm water, gas, water, fire suppression, electric and traffic signal work), site removal (including regrading and preparation, the removal of excess soil; and demolition of buildings), parking lots and/or structured parking, and the design, acquisition, construction, renovation and development of other infrastructure improvements that are necessary for the completion of the foregoing infrastructure improvements for their intended public purposes. The remainder of the gross bond proceeds will be used to fund reserve accounts, capitalized interest and issuance costs. No City funds are used for the renovation or construction of the commercial buildings.
4. Bill 06-0532: a supplemental appropriation, not to exceed \$15,000,000 (gross bond amount), to permit the disbursement of the bond proceeds for infrastructure, including construction and renovation of roads, curbs, gutters, sidewalks, lighting, utilities, site removal and parking lots at Mondawmin Mall.

The redevelopment of Mondawmin Mall will not only have a significant economic impact on the neighborhoods that are adjacent to the mall, but this project will benefit all of West Baltimore. Incremental City benefits are estimated as follows:

- ▶ 30-year City IRR of 9.6 percent on an investment of \$14.955 million;
- ▶ 30-year City NPV of incremental city tax revenues (using a 6 percent discount rate) of \$7,555,249;
- ▶ \$629,480 in City taxes collected during construction from recordation taxes, permits and other fees;

City Council Bill 06-0524: Mondawmin Mall – Special Taxing District

November 1, 2006

Page 4

- ▶ 400 full-time equivalent retail and restaurant jobs created, with 200 (50%) estimated to be City residents, at an average salary of \$20,120;
- ▶ 655 construction jobs (assumes one-year duration), with an average salary of \$52,969.

Approval by the City Council of bills 06-0523, 06-0524, 06-0525, and 06-0532 will be the catalyst for the largest commercial redevelopment project in West Baltimore, with a developer who is recognized internationally as an owner, operator and manager of shopping malls. This project which enjoys strong support from the community is an example of the Mayor's strength-based development strategy for Baltimore. BDC **strongly supports passage** of City Council bills 06-0523, 06-0524, 06-0525, and 06-0532.

cc: Clarence Bishop
Jeanne Hitchcock
Angela Gibson



BALTIMORE HOUSING

MARTIN O'MALLEY
Mayor

PAUL T. GRAZIANO
Executive Director, HABC
Commissioner, HCD

MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Karen Randle, Executive Secretary

From: Paul T. Graziano

Date: November 3, 2006

Re: City Council Bill 06-0524 Mondawmin Mall Special Taxing District

The Department of Housing and Community Development has reviewed City Council bill 06-0524 for the purpose of designating a "Special Taxing District", to be known as the "Mondawmin Mall Special Taxing District" and for creating a special fund for the levy of a special tax on all taxable real property located in the Special Taxing District for the payment of special bonds issued in connection with the Special Taxing District.

This legislation, along with its companion bills 06-0523, 06-0525, and 06-0532, are a part of a tax-increment financing (TIF) transaction for the Mondawmin Mall Redevelopment Project, located in the northwest Baltimore neighborhood of Greater Mondawmin. A TIF provides the opportunity to leverage private financing to construct the public infrastructure needed to attract private investment.

This bill, along with the companion bills, is consistent with the City's comprehensive plan and economic development strategy. The redevelopment of Mondawmin Mall is an example of the administration's development strategy of building on strength. Approval of this transaction will permit the City to make a significant investment in an under-served, but stable West Baltimore community, while providing a catalyst to future development in this area.

The Department of Housing and Community Development **strongly supports** passage of City Council Bill 06-0524.

PTG:KW

cc: Ms. Angela Gibson
Ms. Jeanne Hitchcock

11-8-06
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FROM	NAME & TITLE	Raymond S. Wacks, Chief <i>Raymond S. Wacks</i>
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410 396-4941)
	SUBJECT	City Council Bill #06-0524

CITY of
BALTIMORE
MEMO



TO

DATE: October 26, 2006

The Honorable President and
Members of the City Council
Room 400, City Hall

Attention: Ms. Karen Randle

City Council Bill #06-0524 is a bill that that has been proposed for the purpose of designating a "special taxing district" to be knows as the Mondawmin Mall Special Taxing District; creating a special fund for the special taxing district and providing for the levy of a special tax on all taxable real property located in the special taxing district. This is part of a package of bills that is necessary to implement a tax increment-financing package for the renovation of the Mondawmin Mall. In addition to this bill, other bills will create the special development district; provide for the issuance of bonds, and establish the authority in the budget for the bonds.

General Growth Properties (GGP), the owner of Mondawmin Mall, is requesting gross proceeds of \$15 million in Tax Increment Financing (TIF) to fund the demolition, site preparation, utilities and public infrastructure costs associated with the \$68 million redevelopment of Mondawmin Mall. The project consists of a 127,000 square foot anchor store, a 67,000 square foot full service grocer, two pad sites for sit-down restaurants or banks, a new 15,000 to 20,000 square foot "junior anchor" and renovation of the existing mall. The Board of Finance approved the project on June 26, 2006.

The Department of Finance **recommends approval** of the legislation.

cc: Edward J. Gallagher
Stanley Milesky
Angela Gibson



CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



BOARD OF MUNICIPAL AND
ZONING APPEALS

DAVID C. TANNER, Executive Director
417 E. Fayette Street, Room 1432
Baltimore, Maryland 21202

October 18, 2006

The Honorable President and
Members of the City Council
City Hall

Re: City Council Bill #06-0524—Mondawmin Mall Special Taxing District

Ladies and Gentlemen:

City Council Bill No. 06-0524 has been referred by your Honorable Body to the Board of Municipal and Zoning Appeals for study and report.

The purpose of this legislation is to designate a "special taxing district" to be known as The Mondawmin Mall 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 property located in the special taxing district; and generally relating to the designation and operation of the special taxing district, the establishment and use of the special fund and the issuance and payment of bonds issued in connection with the special taxing district.

The Board of Municipal and Zoning Appeals has reviewed this legislation and is in support of the concept of the special taxing district however, this legislation has no impact on zoning and is not affected by it. Therefore, the Board of Municipal and Zoning Appeals **defers to other agencies.**

Sincerely,

David C. Tanner
Executive Director

*Defers
with*



C.C. 06-0524
Page 2

DCT/lag

C.c. Mayors Office of Council Relations
Legislative Reference



November 2, 2006

Lyncir Richardson
Vice President, Urban Land Development
General Growth Properties
110 North Wacker Drive
Chicago, IL 60606

Subject: Mondawmin Mall TIF Legislation

Dear Mr. Richardson:

A public hearing has been scheduled by the Taxation Committee of the Baltimore City Council in order to discuss City Council Bill 06-0523, 06-0524, 06-0525, and 06-0532. The City Council is being asked to consider these bills which would designate a "development district" to be known as the "Mondawmin Mall Development District" and provide for the issuance of special obligation bonds for the financing of certain public infrastructure improvements within the District. This hearing will be held on Thursday, November 16, 2006 at 1:00 p.m., in the City Council Chambers, 4th floor, City Hall, 100 N. Holliday Street.

The purpose of the hearing is to familiarize the members of the Taxation Committee with the provisions of these bills and to hear comments from interested persons and organizations. The Committee will utilize the information gathered through this forum to make a recommendation to the City Council as to whether or not Bills 06-0523, 06-0524, 06-0525, and 06-0532 should be passed.

If you wish further information, please call Mr. Leon Pinkett at 410-837-9305.

Sincerely,


M. J. Brodic
President

cc: Granvel Tate



HEARING NOTES

Bill: 06-0524

Mondawmin Mall Special Taxing District

Committee: Taxation and Finance

Chaired By: Councilmember Keiffer J. Mitchell, Jr.

Hearing Date: Thursday, November 16, 2006

Time (Beginning): 1:00 PM

Time (Ending): 1:25 PM

Location: City Council Chambers

Attendance: 22

Bill Synopsis in the file?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Attendance sheet in the file?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Agency reports read?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Hearing televised or audio-taped?	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Certification of advertising/posting notices in the file?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Evidence of notification to property owners?	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Final vote taken at this hearing?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a

Major Speakers

(This is not an attendance record.)

- M.J. Brodie, Baltimore Development Corporation
- Leon Pinkett, Baltimore Development Corporation
- Granvel Tate, General Growth Properties
- Charlotte Waters, General Growth Properties



Major Issues Discussed

1. If enacted, CC 06-0524 would designate a "Special Taxing District" to be known as the Mondawmin Mall Special Taxing. The special tax levy would be on all real and personal property within the Special Taxing District at a rate or an amount designed to provide adequate revenues to repay debt service and etc. on the bonds.
2. A hearing was held simultaneously for bills 06-0523, 06-0524, 06-0525 and 06-532.
3. Representatives gave testimony that included an overview of the redevelopment of the Mondawmin Mall. Per Mr. Brodie, this is one of the most exciting projects brought before the Council. There has not been any significant renovation to the Mall in over twenty years. Many contractors have met to discuss a vision for the Mall. Infrastructure changes are needed at Mondawmin Mall. Our ambition is to make Mondawmin Mall the kind of Mall that is attractive and conducive to the surrounding communities.
4. The plan involves an \$68 million investment and the TIF would be approximately \$15 million.
5. A significant amount of trees will be added to the landscape around the Mall.
6. The Committee questioned the attendees on the policy for Mondawmin Mall that pertains to political activity. In response, it was noted that the policy of the contractor is: "that no political activity can take place in the Mondawmin Mall." The Committee stated that "We (the public) should be able to wear a tee-shirt in the Mall. The response: We don't have a problem helping to register voters. The company holds a neutral position when it comes to any specific political party and/or person. However, the representative from Mondawmin Mall stated that she would take the City Council concerns back and share them with the company.

Further Study

Was further study requested?

yes no

If yes, describe.

M.M.
Marguerite Murray, Committee Staff

Date: November 6, 2006

cc: Bill File
OCS Chrono File