

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2010, Legislative Day No. 4

Bill No. 8-10

Introduced by Mr. Middlebrooks, Chairman
(by request of the County Executive)

By the County Council, February 16, 2010

Introduced and first read on February 16, 2010
Public Hearing set for March 15, 2010
Bill Expires May 22, 2010

By Order: Judy C. Holmes, Administrative Officer

1 AN ORDINANCE concerning the creation of a special taxing district to be designated as
2 the “National Business Park - North Special Taxing District” coincident with the
3 National Business Park – North Development District, a tax increment development
4 district located within Anne Arundel County, Maryland (the “County”); the creation
5 of a special fund relating to such special taxing district; providing for the levy of a
6 special tax; providing for the financing of certain infrastructure improvements
7 relating to the National Business Park - North Special Taxing District and the
8 National Business Park - North Development District; authorizing the issuance from
9 time to time of special obligation bonds in an aggregate principal amount not to
10 exceed \$30,000,000 to be secured by taxes levied on the tax increment in the National
11 Business Park - North Development District and by special taxes; and determining
12 certain terms and provisions in connection with the issuance, sale and payment of
13 such bonds.
14

15 FOR the purpose of providing for creation of the National Business Park - North Special
16 Taxing District, located adjacent to the existing National Business Park commercial
17 development and within the boundaries of the County, pursuant to the provisions of
18 Section 9-1301 of Article 24 of the Annotated Code of Maryland (2005 Replacement
19 Volume and 2009 Supplement) and Sections 4-8-101 through 4-8-106 of the Anne
20 Arundel County Code (2005, as amended) (together, the “Special Taxing District
21 Act”); providing for the designation of a geographic area as a “special taxing district”
22 as that term is used in the Special Taxing District Act; providing for and determining
23 the various matters in connection with the creation of the National Business Park -
24 North Special Taxing District; creating a special fund (the “Special Tax Fund”) to
25 secure bonds issued to finance infrastructure improvements permitted by the Special
26 Taxing District Act relating to the National Business Park - North Special Taxing
27 District and the National Business Park - North Development District, a tax increment
28 development district located within the County established pursuant to the provisions
29 of Sections 12-201 through 12-213 of the Economic Development Article of the

1 Annotated Code of Maryland (2008 Volume and 2009 Supplement) (the “Tax
2 Increment Act”) and the provisions of Resolution No. 12-10 adopted by the of the
3 County Council (the “County Council”) on _____, 2010 and approved
4 by the County Executive (the “County Executive”) on _____, 2010 (the
5 “Development District Resolution”); providing for the levy of a special tax in
6 compliance with the Special Taxing District Act; providing that special obligation
7 bonds may be issued from time to time under the provisions of this Ordinance, the
8 Tax Increment Act, the Special Taxing District Act and the Development District
9 Resolution in an aggregate principal amount not to exceed \$30,000,000 for the
10 purpose of financing a portion of the infrastructure improvements; providing for the
11 creation of a debt service reserve fund, the funding of capitalized interest and the
12 payment of costs and expenses related to the issuance of the special obligation bonds;
13 making certain findings and determinations, among others, concerning the public
14 benefit and purpose of such special obligation bonds; providing that such special
15 obligation bonds shall be payable, first, from taxes levied on the tax increment in the
16 National Business Park - North Development District and deposited in the National
17 Business Park - North Development District Tax Increment Fund created pursuant to
18 the Development District Resolution (the “Development District Tax Increment
19 Fund”), and, secondly, to the extent the amount on deposit in the Development
20 District Tax Increment Fund and any other available funds are not sufficient to pay
21 debt service on such special obligation bonds and to pay certain expenses and fund
22 certain reserves for such special obligation bonds, from the special tax to be levied
23 and deposited in the Special Tax Fund, and that the special obligation bonds shall not
24 constitute a general obligation debt of the County or a pledge of the County’s full
25 faith and credit or taxing power other than the tax on the tax increment and the special
26 tax levied hereunder; authorizing the County Executive of the County to specify,
27 prescribe, determine, provide for and approve certain details, forms, documents and
28 procedures in connection with such special obligation bonds and any other matters
29 necessary or desirable in connection with the authorization, issuance, sale and
30 payment of such special obligation bonds; authorizing the County Executive to take
31 certain actions, to execute documents and make certain commitments on behalf of the
32 County in connection with the issuance, sale and delivery of such special obligation
33 bonds; authorizing the execution and delivery of such special obligation bonds and
34 such other documents as may be necessary or desirable to effectuate the financing of
35 the infrastructure improvements and the issuance, sale and delivery of such special
36 obligation bonds; and generally providing for and determining various matters in
37 connection with the foregoing.

38
39 SECTION 1. *Be it enacted by the County Council of Anne Arundel County,*
40 *Maryland,* That pursuant to Section 9-1301 of Article 24 of the Annotated Code of
41 Maryland (2005 Replacement Volume and 2009 Supplement) and Sections 4-8-101
42 through 4-8-106 of the Anne Arundel County Code (2005, as amended) (together, the
43 “Special Taxing District Act”), it is hereby found and determined that the
44 establishment by the County of a special taxing district consisting of the area
45 described on Exhibit A-1 attached hereto and made a part hereof, an unincorporated
46 area of the County, to be known as the “National Business Park - North Special
47 Taxing District” (the “Special Taxing District,” as defined herein) coincident with the
48 National Business Park – North Development District established pursuant to

1 Sections 12-201 through 12-213 of the Economic Development Article of the
2 Annotated Code of Maryland (2008 Volume and 2009 Supplement) (the “Tax
3 Increment Act”) and Resolution No. 12-10, adopted by the of the County Council on
4 _____, 2010, and approved by the County Executive on
5 _____, 2010 (the “Development District Resolution”), in accordance with a
6 petition filed with the County by the owners of all of the property within the Special
7 Taxing District, the creation of a special fund as contemplated by the Special Taxing
8 District Act and the issuance of special obligation bonds pursuant to the Special
9 Taxing District Act and the Tax Increment Act for the purpose of providing funds to
10 finance a portion of the costs of certain public infrastructure improvements (the
11 “Improvements,” as defined herein) related to the development of retail, commercial
12 and office facilities and residential units within the Special Taxing District will
13 accomplish the public purposes of the Special Taxing District Act, the Tax Increment
14 Act and the Development District Resolution.
15

16 Notwithstanding the foregoing, if the County does not issue Bonds (defined
17 herein) within five years from the effective date of this Ordinance, the National
18 Business Park - North Special Taxing District will no longer be a Special Taxing
19 District on the fifth anniversary date of the effective date of this Ordinance without
20 further action of the County Council. The Controller of the County will release the
21 National Business Park - North Special Taxing District from declaration referenced in
22 Section 6 at such time.
23

24 SECTION 2. *And be it further enacted*, That the National Business Park - North
25 Special Taxing District (the “Special Taxing District”) is hereby created, which
26 Special Taxing District shall include the property listed in Exhibit A-1 attached hereto
27 and made a part hereof designated by tax lots listed in Exhibit A-2 to this Ordinance
28 and all adjoining roads, highways, alleys, rights of way and other similar property in
29 order to form a contiguous area as shown on the map submitted to the County
30 Council together with this Ordinance and shown in Exhibit A-3 to this Ordinance.
31

32 SECTION 3. *And be it further enacted*, That there is hereby established a special
33 fund to be designated the “National Business Park - North Special Taxing District
34 Fund” (the “Special Tax Fund”). The County hereby pledges all special taxes
35 received by the County for any tax year commencing on or after July 1, 2010
36 representing the special tax levied in accordance with this Ordinance to the Special
37 Tax Fund in accordance with the provisions of the Special Taxing District Act and all
38 such special taxes shall be deposited therein.
39

40 SECTION 4. *And be it further enacted*, That pursuant to the Special Taxing
41 District Act and the Tax Increment Act, the County is hereby authorized to issue its
42 special obligations bonds from time to time in an aggregate principal amount not to
43 exceed \$30,000,000 (the “Bonds”) for the purpose of financing the public
44 infrastructure improvements described in Exhibit B attached hereto and made a part
45 hereof, which improvements will be situated within the Special Taxing District or
46 will be reasonably related to other infrastructure improvements within the Special
47 Taxing District, are necessary for the development and utilization of the land within
48 the Special Taxing District and will be owned by the County or another governmental

1 unit (collectively, the “Improvements”). Proceeds of the Bonds shall be used to
2 finance costs (as defined in the Special Taxing District Act) of the Improvements
3 permitted to be financed under the Special Taxing District Act and the Tax Increment
4 Act, including interest prior to and during construction and for such limited period
5 after completion of construction as shall be deemed appropriate by the County
6 Executive, to pay costs of issuing the Bonds and to fund a debt service reserve fund
7 and other reserves as shall be determined by the County Executive prior to the
8 issuance of such Bonds in accordance with Section 9. The Bonds shall be special
9 obligations of the County, the principal of and premium, if any, and interest on which
10 shall be payable, to the extent not otherwise paid, first, from the portion of the Taxes
11 (as defined in the Development District Resolution) on the Tax Increment (as defined
12 in the Development District Resolution) received by the County for any tax year
13 commencing after the effective date of the Development District Resolution that
14 normally would be paid to the County deposited in the National Business Park -
15 North Development District Tax Increment Fund created by the Development District
16 Resolution in accordance with the Tax Increment Act and the Development District
17 Resolution (the “Development District Tax Increment Fund”) and, second, to the
18 extent that the Development District Tax Increment Fund does not contain sufficient
19 money to pay the principal of and premium, if any, and interest on the Bonds when
20 due, from a special tax (hereinafter defined) to be levied, collected and deposited in
21 the National Business Park - North Special Taxing District Fund in accordance with
22 the Special Taxing District Act and this Ordinance. The Bonds will not constitute a
23 general obligation debt of the County or a pledge of the County’s full faith and credit
24 or taxing power other than the Tax Increment and the Special Tax on property in the
25 National Business Park - North Special Taxing District.
26

27 SECTION 5. *And be it further enacted,* That there is hereby levied and imposed
28 the “National Business Park - North District Special Tax” (the “Special Tax”) upon
29 all real and personal property within the Special Taxing District, unless exempted by
30 law or by the provisions hereof, in rate and amount sufficient to provide for the
31 payment of the principal of and premium, if any, and interest on the Bonds and other
32 purposes set forth in this Section, to the extent and in the manner provided in Exhibit
33 C attached hereto and made a part hereof, through the application of the procedures
34 provided in Exhibit C. As set forth in Exhibit C, commencing with the first tax year
35 following the issuance of Bonds and thereafter until all of the Bonds have been paid
36 or provision for the payment thereof shall have been made in accordance with the
37 terms of the Bonds, the Special Tax shall be levied in the event that amounts on
38 deposit in the Development District Tax Increment Fund and other available funds are
39 not sufficient to pay the principal of and premium, if any, and interest on the Bonds
40 when due, to replenish the debt service reserve funds for the Bonds and to pay the
41 expenses incurred in connection with the Bonds, including (without limitation) the
42 fees and expenses of any fiscal agent, trustee or other agent, the expenses of the
43 County in carrying out its duties with respect to the Bonds, such as costs of
44 complying with arbitrage rebate requirements and disclosure requirements under
45 applicable federal and state securities law, the costs of levying and collecting the
46 Special Tax, advertising expenses of public notices and costs of administering the
47 Special Taxing District, including the costs of any employees of the County and fees
48 and expenses of any professionals retained by the County to provide such services,

1 and all other costs and expenses of the County incurred in connection with the Bonds
2 or the administration of the Special Taxing District. The County hereby covenants to
3 levy the National Business Park - North Special Taxing District Special Tax in
4 accordance with and to provide for the payments set forth in this Section in rate and
5 amount at least sufficient to provide for such payments, to the extent that such
6 payments are not otherwise provided for. The Special Tax also may be levied with
7 respect to refunding bonds issued under the Special Taxing District Act pursuant to
8 the provisions of an ordinance or resolution enacted or adopted by the County in
9 connection with the issuance of such refunding bonds.

10
11 The County Council has been provided with documentation as to the
12 methodology utilized in apportioning the National Business Park - North Special
13 Taxing District Special Tax among property owners within the Special Taxing
14 District and, based on such documentation, finds that the methodology is reasonable
15 and results in fairly allocating the cost of the Improvements as required by the Special
16 Taxing District Act, conditioned on and subject to certification by qualified experts as
17 to the final methodology adopted in apportioning the Special Tax among the property
18 owners.

19
20 Pursuant to the provisions of the Tax Increment Act and the Development District
21 Resolution, the County hereby pledges that until all of the Bonds have been paid or
22 provision for the payment thereof shall have been made in accordance with the terms
23 of the Bonds, the County shall deposit into the Development District Tax Increment
24 Fund, taxes received by the County for any tax year commencing on or after July 1,
25 2010 in an amount equal to that portion of the taxes on the Tax Increment that
26 normally would be paid to the County. Money in the Development District Tax
27 Increment Fund is hereby pledged to the payment of the outstanding Bonds, subject to
28 the right of the County to use the money in the Development District Tax Increment
29 Fund for other purposes authorized by the Tax Increment Act and the Development
30 District Resolution, including (without limitation) payment of the principal of and
31 premium, if any, and interest on any additional bonds issued in accordance with the
32 Tax Increment Act or other statutory authority and to fund reserves and pay expenses
33 in connection therewith, free and clear of the lien of such pledge to the extent
34 permitted by documents and instruments executed and delivered in connection with
35 the Bonds.

36
37 SECTION 6. *And be it further enacted,* That each contract of sale for real
38 property located in the Special Taxing District and each property tax bill for property
39 in the Special Taxing District shall comply with the provisions of and in accordance
40 with Section 9-1301(c)(3) of the Special Taxing District Act and Section 8-104 of
41 Article 4, Disclosure to buyers, of the Anne Arundel County Code (2005, as
42 amended) and a seller's failure to provide such disclosure renders the contract
43 voidable at the option of the buyer before the date of settlement.

44
45 In addition, before the Bonds are issued, the Controller of the County shall record
46 among the Land Records of the County at the cost of the Special Taxing District a
47 declaration encumbering all real property located in the Special Taxing District
48 except for property exempt by law and designating that property as subject to the

1 Special Taxing District. The declaration shall terminate when the Controller of the
2 County records a release stating that all Bonds are fully repaid or provision for the
3 payment of the Bonds shall have been made in accordance with the terms of the
4 Bonds.

5
6 No Special Tax shall accelerate by reason of a default on the Bonds and no
7 increase in the amount of the maximum Special Tax applicable to any individual
8 property in the Special Taxing District maximum Special Tax shall result from the
9 delinquency in the payment of the Special Tax by any other property owner.

10
11 SECTION 7. *And be it further enacted*, That a debt service reserve fund shall be
12 established for the Bonds in an amount equal to the least of (i) 10% of the proceeds of
13 the Bonds, (ii) 125% of the average annual debt service on the Bonds and (iii) the
14 maximum annual debt service on outstanding Bonds or, if recommended by a
15 financial advisor or underwriter at the time of issuance of the Bonds, in a larger
16 amount. All sinking funds and other reserves securing the Bonds that are available
17 for the payment of debt service on the Bonds shall constitute “debt service reserve
18 fund” for purposes of this Section. Based on customary current municipal market
19 requirements, the County Council considers a debt service reserve fund in such
20 amount adequate for purposes of Section 9-1301(c)(3) of the Special Taxing District
21 Act and Section 8-103(a)(9)(vi) of Article 4 of the Anne Arundel County Code (2005,
22 as amended).

23
24 SECTION 8. *And be it further enacted*, That the Bonds shall be executed in the
25 name of the County and on its behalf by the manual or facsimile signature of the
26 County Executive and the corporate seal of the County or a facsimile thereof shall be
27 impressed or otherwise reproduced thereon and attested by the Secretary to the
28 County Executive by manual or facsimile signature and the Bonds shall be
29 authenticated by the manual or facsimile signature of the Chief Administrative
30 Officer or his authorized deputy as may be required by law.

31
32 SECTION 9. *And be it further enacted*, That prior to the issuance of Bonds from
33 time to time, the County Executive by executive order, shall specify:

34
35 (a) the actual principal amount of the Bonds to be issued;

36
37 (b) the actual rate or rates of interest to be borne by such Bonds, which shall not
38 exceed a maximum rate of interest of ten percent (10%) per annum after giving effect
39 to any federal subsidy;

40
41 (c) the manner in which and terms upon which such Bonds are to be sold, which
42 may be at public or private (negotiated) sale at, above, or below the par amount of the
43 Bonds;

44
45 (d) the manner in which and the times and places that interest on such Bonds is to
46 be paid;

47
48 (e) the time of execution, issuance and delivery of Bonds;

1
2 (f) the form and tenor of such Bonds, and denominations in which the Bonds may
3 be sold;

4
5 (g) the manner in which and the times and places that the principal of such Bonds
6 is to be paid;

7
8 (h) provisions pursuant to which any or all of such Bonds may be called for
9 redemption prior to their stated maturity dates; and

10
11 (i) such other matters in connection with the authorization, sale, issuance,
12 delivery and payment of and for such Bonds and the security for such Bonds not
13 inconsistent with the Special Taxing District Act, the Tax Increment Act or the
14 Development District Resolution as the County Executive shall deem necessary or
15 appropriate.

16
17 Without limiting the generality of the foregoing the County Executive is hereby
18 authorized to appoint bond counsel, a financial advisor and any trustee, registrar,
19 paying agent or other fiscal agent for such Bonds and to enter into one or more
20 agreements on behalf of the County as the County Executive shall deem necessary or
21 appropriate for the issuance, sale, delivery or security of such Bonds, which may
22 include (without limitation) (i) one or more agreements providing for the construction
23 of the Improvements and the acquisition thereof by the County, (ii) underwriting,
24 purchase or placement agreements for Bonds sold at private (negotiated) sale; (iii)
25 trust agreements with commercial banks or trust companies providing for the issuance
26 and security of such Bonds; (iv) dealer, remarketing or similar agreements providing
27 for the placement or remarketing of such Bonds; (v) agreements providing for any
28 credit or liquidity facilities supporting any Bonds; (vi) agreements with commercial
29 banks or trust companies providing for the deposit of proceeds of any Bonds; and
30 (vii) agreements with fiscal agents providing for the issuance of Bonds, their
31 authentication, registration or payment or other similar services. Each such
32 agreement shall be in such form as shall be determined by the County Executive by
33 order. The execution and delivery of each such agreement by the County Executive
34 shall be conclusive evidence of the approval of the form of such agreement on behalf
35 of the County.

36
37 In connection with the sale of any Bonds, the County may prepare and distribute,
38 in conjunction with the underwriter for the Bonds, both a preliminary and a final
39 official statement or other similar offering document to the extent determined to be
40 necessary or desirable for the sale of the Bonds by the County Executive in form and
41 content acceptable to the County Executive.

42
43 The County Executive, the Chief Administrative Officer of the County (the
44 “Chief Administrative Officer”), the Controller of the County and other County
45 officials are hereby authorized to execute and deliver, for and on behalf of the
46 County, any and all additional certificates and documents or other papers and to do
47 any and all things necessary or appropriate in order to effect the issuance and sale of
48 Bonds and to consummate and otherwise implement the transactions contemplated by

1 the Special Taxing District Act, the Tax Increment Act, the Development District
2 Resolution and this Ordinance, subject to the limitations set forth in the Special
3 Taxing District Act, the Tax Increment Act and this Ordinance.
4

5 The delegation of authority to the County Executive in this Ordinance is subject
6 in all respects to the discretion of the County Executive and no Bonds shall be issued
7 unless the County Executive shall have approved all matters in connection with the
8 authorization, sale, issuance, delivery and payment of and for such Bonds and the
9 security for such Bonds. None of the County, the County Executive, the members of
10 the County Council and the officers, employees and agents of the County shall be
11 subject to any liability.
12

13 SECTION 10. *And be it further enacted*, That the County Executive, on behalf of
14 the County, may make such covenants and agreements in connection with the
15 issuance of Bonds issued as tax-exempt bonds (“Tax-Exempt Obligations”) as he
16 shall deem advisable in order to assure owners of such Bonds that interest thereon
17 shall be and remain excludable from gross income for federal income tax purposes.
18 The County Executive, on behalf of the County, is further authorized to take any and
19 all actions as may be necessary or desirable to assure that any Bonds are allowed a tax
20 credit, that the County is entitled to a subsidy from the United States of America or
21 any agency or instrumentality thereof with respect to such Bonds or the interest
22 payable thereon or that any such Bond or the interest thereon is entitled to any other
23 available benefits under the Internal Revenue Code pursuant to the American
24 Recovery and Reinvestment Act of 2009 or otherwise (any such Bonds being referred
25 to herein as “Tax Advantaged Obligations”). Without limiting the generality of the
26 foregoing, the County Executive is hereby authorized to make such covenants or
27 agreements relating to the investment of the proceeds of such Bonds, the payment of
28 rebates (or payments in lieu of rebate) to the United States, limitations on the times
29 within which such proceeds may be expended, the use of specified procedures for
30 accounting for an segregating such proceeds, any required or permitted elections or
31 designations, any actions as shall be necessary to permit any tax credit to be stripped
32 and sold separately from the ownership interest in any Tax Advantaged Obligation
33 and to claim any cash subsidy with respect to any Tax Advantaged Obligation. Such
34 covenants or agreements shall be binding on the County so long as the observance by
35 the County of any such covenants or agreements is necessary in connection with the
36 maintenance of the exclusion of the interest on such Tax-Exempt Obligations from
37 gross income for federal income tax purposes or the entitlement of such Tax
38 Advantaged Obligations to such benefits, respectively.
39

40 SECTION 11. *And be it further enacted*, That in accordance with the provisions of
41 Article V, Section 504 of the Charter of the County, the County Executive is hereby
42 authorized to delegate to the Chief Administrative Officer the power and authority to
43 take any and all actions required or permitted to be taken by the County Executive
44 pursuant to this Ordinance.
45

46 SECTION 12. *And be it further enacted*, That by the enactment of this Ordinance,
47 the County has complied with the provisions of the Tax Increment Act and the
48 Special Taxing District Act, including but not limited to Sections 12-203, 12-208(c)

1 and 12-208(d) of the Tax Increment Act and subsection (f) of the Special Taxing
2 District Act.

3
4 SECTION 13. *And be it further enacted*, That the authorization to issue Bonds
5 pursuant to this Ordinance shall not be exercised unless and until an appropriation
6 shall have been made for the expenditure of the proceeds of such Bonds for the
7 Improvements and related costs authorized to be financed hereunder to the extent
8 required by law.

9
10 SECTION 14. *And be it further enacted*, That the enactment of this Ordinance
11 shall not be deemed to constitute the approval, authorization or consent of the County
12 Council, the County Executive or any department, office or agency of the County to
13 any action or activity within or required for the development of the Special Taxing
14 District and the National Business Park – North Development District, including
15 (without limitation) any land use approval, requirements for the provision of public
16 utilities or services or any administrative, judicial, quasi-judicial, or legislative action
17 that may be required therefor.

18
19 SECTION 15. *And be it further enacted*, That the provisions of this Ordinance are
20 severable, and if any provision, sentence, clause, section or part hereof is held or
21 determined to be illegal, invalid or unconstitutional or inapplicable to any person or
22 circumstances, such illegality, invalidity or unconstitutionality or inapplicability shall
23 not affect or impair any of the remaining provisions, sentences, clauses, sections or
24 parts of this Ordinance or their application to other persons or circumstances. It is
25 hereby declared to be the legislative intent that this Ordinance would have been
26 adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence,
27 clause, section or part had not been included herein and as if the person or
28 circumstances to which this Ordinance or any part hereof are inapplicable had been
29 specifically exempted herefrom.

30
31 SECTION 16. *And be it further enacted*, That this Ordinance shall take effect 45
32 days from the date of its enactment.