

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2010, Legislative Day No. 4

Resolution No. 12-10

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

By the County Council, February 16, 2010

RESOLUTION concerning the designation of a tax increment development district to be known as the “National Business Park - North Development District,” the creation of a special tax increment fund, and providing for and determining certain matters in connection with the issuance and payment of tax increment bonds.

1 FOR the purpose of designating a contiguous area within Anne Arundel County,
2 Maryland (the “County”) as a “development district” as that term is used in Sections 12-
3 201 through 12-213 of the Economic Development Article of the Annotated Code of
4 Maryland (2008 Volume and 2009 Supplement) (the “Act”), such development district to
5 be located adjacent to the existing National Business Park commercial development and
6 to be known as the “National Business Park - North Development District”; providing for
7 and determining various matters in connection with the establishment of the development
8 district; creating a special tax increment fund with respect to the development district;
9 allocating certain property taxes with respect to the development district to be paid over
10 to such special fund as provided in the Act; making certain findings and determinations
11 with respect to such special fund and the use of such special fund; providing that tax
12 increment revenue bonds may be issued from time to time pursuant to an ordinance
13 enacted in accordance with the Act; and generally providing for and determining various
14 other matters in connection with the development district, such special fund and the
15 issuance and payment of bonds issued under the Act.

16
17 RECITALS
18

19 The Tax Increment Financing Act, Sections 12-201 through 12-213 of the Economic
20 Development Article of the Annotated Code of Maryland (2008 Volume and 2009
21 Supplement) (the “Act”), authorizes Anne Arundel County, Maryland (the “County”), to
22 establish a “development district” (as defined in the Act) and a special tax increment fund
23 into which a portion of the taxes on the tax increment (as defined in the Act) in the
24 development district is deposited for the purpose of providing funds for the development,
25 redevelopment, revitalization and renovation of the development district, including the
26 cost of buying, leasing, condemning or otherwise acquiring property, or an interest in
27 property, in the development district or needed for a right-of-way or other easement to or
28 from the development district; site removal; surveys and studies; relocation of businesses
29 or residents; installation of utilities, construction of parks and playgrounds, and other
30 needed improvements, including roads to, from, or within the development district;
31 parking; lighting; construction or rehabilitation of buildings for a governmental purpose

1 or use or purpose; reserves or capitalized interest; necessary costs to issue bonds; and
2 payment of principal and interest on loans, advances or indebtedness incurred by the
3 County for any of the foregoing purposes.

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5 The Act further authorizes the County to issue bonds from time to time for such
6 purposes payable from the special fund and any other funds made available by the
7 County for such purpose.

8
9 Prior to the issuance of bonds by the County under the Act, the County must enact an
10 ordinance specifying the proposed undertaking, the maximum principal amount of the
11 bonds and making certain other findings and determinations with respect to the bonds.

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13 SECTION 1. *Be it resolved by the County Council of Anne Arundel County,*
14 *Maryland,* That, for the purposes of this Resolution, the following terms shall have the
15 meanings set forth below:

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17 (1) “Adjusted Assessable Base” means the fair market value of real property that
18 qualifies for a farm or agricultural use under Section 8-209 of the Tax-Property Article of
19 the Annotated Code of Maryland, without regard to its agricultural use assessment as of
20 January 1 of the year preceding the effective date of this Resolution.

21
22 (2) “Assessable Base” means the total assessable base, as determined by the
23 Supervisor of Assessments, of all real property subject to taxation in the Development
24 District.

25
26 (3) “Assessment Ratio” means a real property tax assessment ratio, however
27 designated or calculated, that is used under applicable general law in determining the
28 Assessable Base, including the assessment percentage specified under Section 8-103(c)
29 of the Tax-Property Article of the Annotated Code of Maryland.

30
31 (4) “Bonds” means revenue bonds, notes or other similar instruments issued by
32 the County pursuant to an ordinance enacted by the County in accordance with the Act
33 for the purpose of providing funds for the development, redevelopment, revitalization and
34 renovation of the Development District.

35
36 (5) “Development District” means the contiguous area in the County designated
37 in Section 3 of this Resolution as a development district.

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39 (6) “Original Assessable Base” means the Assessable Base as of January 1, 2009.

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41 (7) “Original Full Cash Value” means the dollar amount which is determined by
42 dividing the Original Assessable Base by the Assessment Ratio used to determine the
43 Original Assessable Base.

44
45 (8) “Original Taxable Value” means, for any Tax Year, the dollar amount that is:

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47 (a) the Adjusted Assessable Base if an Adjusted Assessable Base applies; or

48
49 (b) in all other cases, the lesser of :

1
2 (i) the product obtained by multiplying the Original Full Cash Value by
3 the Assessment Ratio applicable to that Tax Year; and
4

5 (ii) the Original Assessable Base.
6

7 (9) "Special Fund" means the special tax increment fund established in Section 5
8 of this Resolution.
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10 (10) "Tax Increment" means for any Tax Year, the amount by which the
11 Assessable Base as of January 1 of the preceding Tax Year exceeds the Original Taxable
12 Value divided by the Assessment Ratio used to determine the Original Taxable Value.
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14 (11) "Tax Year" means the period from July 1 of a calendar year through June
15 30 of the next calendar year.
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17 SECTION 2. *And be it further resolved*, That, acting pursuant to the Act, it is
18 hereby found and determined that the establishment of the Development District, the
19 creation of the Special Fund and the issuance of Bonds from time to time pursuant to the
20 Act for the purpose of providing funds for the development, redevelopment, revitalization
21 and renovation of the Development District accomplishes the purposes of the Act and
22 promotes the health, welfare and safety of the residents of the State of Maryland and of
23 the County.
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25 SECTION 3. *And be it further resolved*, That a contiguous area of the County
26 consisting of the tax lots and other property set forth below is hereby designated as a
27 "Development District" to be known as the "National Business Park - North
28 Development District" pursuant to Section 12-203 of the Act. The Development District
29 shall consist of the property listed in Exhibit 2 to this Resolution designated by tax lots
30 listed in Exhibit 1 to this Resolution and all adjoining roads, highways, alleys, rights of
31 way, parks and other similar property in order to form a contiguous area as shown on the
32 maps submitted to the County Council together with this Resolution and shown in
33 Exhibit 3 to this Resolution.
34

35 SECTION 4. *And be it further resolved*, That this Resolution may be amended by
36 an administrative resolution of the County Council approved by the County Executive,
37 which resolution may enlarge or reduce the Development District. No such resolution
38 shall be effective to reduce the size of the Development District so long as there are any
39 Bonds outstanding, unless the ordinance authorizing such Bonds permits the County to
40 reduce the area constituting the Development District.
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42 SECTION 5. *And be it further resolved*, That there is hereby established a Special
43 Fund to be designated the "National Business Park - North Development District Tax
44 Increment Fund" in accordance with Section 12-208 of the Act. The County hereby
45 pledges that until the Bonds are fully paid, the real property taxes in the Development
46 District shall be divided as follows: (i) the portion of the taxes that would be produced at
47 the current tax rate on the Original Taxable Value shall be paid to the County in the same
48 manner as taxes on other property are paid and (ii) the portion of the taxes on the Tax
49 Increment that normally would be paid into the general fund of the County shall be paid

1 into the Special Fund and applied in accordance with Section 12-209 of the Act while this
2 Resolution remains in effect. The County Executive, the Chief Administrative Officer,
3 the Controller of the County and other officers and employees of the County are hereby
4 authorized and directed to take all necessary steps in order to establish the Special Fund
5 as a separate fund to be held by the County.

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7 SECTION 6. *And be it further resolved*, That if no Bonds are outstanding, the
8 County Council may determine, by ordinance, that moneys in the Special Fund may be:

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10 (1) used for any purpose specified in Section 12-207 of the Act;

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12 (2) accumulated to pay debt service on Bonds to be issued after the effective date
13 of this Resolution;

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15 (3) used to pay or reimburse debt service or payments under an agreement
16 described in Section 12-209(b) of the Act that the County is obliged under a general or
17 limited obligation to pay, or has paid, on or related to bonds issued by the State of
18 Maryland or a political subdivision if the proceeds were used for a purpose specified in
19 Section 12-207 of the Act; or

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21 (4) paid to the County for any other legal purpose.

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23 SECTION 7. *And be it further resolved*, That if any Bonds are outstanding, the
24 Special Fund may be used as described in Section 6 above in any fiscal year only if (a)
25 the balance in the Special Fund exceeds the unpaid debt service payable on the Bonds in
26 such fiscal year and (b) the Special Fund is not restricted so as to prohibit that use.

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28 SECTION 8. *And be it further resolved*, That the provisions of this Resolution are
29 severable, and if any provision, sentence, clause, section or part hereof is held or
30 determined to be illegal, invalid or unconstitutional or inapplicable to any person or
31 circumstances, such illegality, invalidity or unconstitutionality or inapplicability shall not
32 affect or impair any of the remaining provisions, sentences, clauses, sections or parts of
33 this Resolution or their application to other persons or circumstances. It is hereby
34 declared to be the legislative intent that this Resolution would have been adopted if such
35 illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or
36 part had not been included herein and as if the person or circumstances to which this
37 Resolution or any part hereof are inapplicable had been specifically exempted herefrom.

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39 SECTION 9. *And be it further resolved*, That, if during a time when no Bonds are
40 outstanding, the Assessment Ratio mandated by State law is increased from that which
41 applied in determining the Original Assessable Base, it is the intent and expectation of
42 the County, to the extent permitted by law, that a supplemental resolution will be adopted
43 for the purpose of assuring that additional funds are not deposited in the Special Fund as
44 a result of the change in Assessment Ratio as compared to the amount of funds that
45 would have been required to be deposited in the Special Fund if the Assessment Ratio
46 had not been so increased.

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48 SECTION 10. *And be it further resolved*, That this Resolution is administrative in
49 nature and shall take effect upon its approval by the County Executive.