

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2010, Legislative Day No. 7

Resolution No. 20-10

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

By the County Council, April 5, 2010

1 RESOLUTION concerning repeal of Resolution No. 13-10, the designation of a tax
2 increment development district to be known as the “Village South at Waugh Chapel
3 Development District,” creation of a special tax increment fund, and providing for and
4 determining certain matters in connection with the issuance and payment of tax increment
5 bonds

6
7 FOR the purpose of repealing Resolution No. 13-10, Laws of Anne Arundel County,
8 2010; designating a contiguous area within Anne Arundel County, Maryland (the “County”)
9 as a “development district” as that term is used in Sections 12-201 through 12-213 of the
10 Economic Development Article of the Annotated Code of Maryland (2008 Volume and 2009
11 Supplement) (the “Act”), such development district to be located adjacent to the existing
12 Village at Waugh Chapel commercial development and to be known as the “Village South at
13 Waugh Chapel Development District”; providing for and determining various matters in
14 connection with the establishment of the development district; creating a special tax
15 increment fund with respect to the development district; allocating certain property taxes
16 with respect to the development district to be paid over to such special fund as provided in
17 the Act; making certain findings and determinations with respect to such special fund and the
18 use of such special fund; providing that tax increment revenue bonds may be issued from
19 time to time pursuant to an ordinance enacted in accordance with the Act; and generally
20 providing for and determining various other matters in connection with the development
21 district, such special fund and the issuance and payment of bonds issued under the Act.

22
23 RECITALS

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

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

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

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

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14 Subsequent to the passage of Resolution No. 13-10, Laws of Anne Arundel County,
15 2010, on March 15, 2010, it was discovered that the title or a summary of Resolution No. 13-
16 10 had not been published in a newspaper of general circulation in the County.

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18 SECTION 1. *Be it resolved by the County Council of Anne Arundel County, Maryland,*
19 *That Resolution No. 13-10, Laws of Anne Arundel County, 2010, be and is hereby repealed.*

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21 SECTION 2. *And be it further resolved,* That, for the purposes of this Resolution, the
22 following terms shall have the meanings set forth below:

23
24 (1) "Adjusted Assessable Base" means the fair market value of real property that
25 qualifies for a farm or agricultural use under Section 8-209 of the Tax-Property Article of the
26 Annotated Code of Maryland, without regard to its agricultural use assessment as of January
27 1 of the year preceding the effective date of this Resolution.

28
29 (2) "Assessable Base" means the total assessable base, as determined by the Supervisor
30 of Assessments, of all real property subject to taxation in the Development District.

31
32 (3) "Assessment Ratio" means a real property tax assessment ratio, however designated
33 or calculated, that is used under applicable general law in determining the Assessable Base,
34 including the assessment percentage specified under Section 8-103(c) of the Tax-Property
35 Article of the Annotated Code of Maryland.

36
37 (4) "Bonds" means revenue bonds, notes or other similar instruments issued by the
38 County pursuant to an ordinance enacted by the County in accordance with the Act for the
39 purpose of providing funds for the development, redevelopment, revitalization and
40 renovation of the Development District.

41
42 (5) "Development District" means the contiguous area in the County designated in
43 Section 4 of this Resolution as a development district.

44
45 (6) "Original Assessable Base" means the Assessable Base as of January 1, 2009.

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47 (7) "Original Full Cash Value" means the dollar amount which is determined by dividing
the Original Assessable Base by the Assessment Ratio used to determine the Original

1 Assessable Base.

2
3 (8) “Original Taxable Value” means, for any Tax Year, the dollar amount that is:

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

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

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9 (i) the product obtained by multiplying the Original Full Cash Value by the
10 Assessment Ratio applicable to that Tax Year; and

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12 (ii) the Original Assessable Base.

13
14 (9) “Special Fund” means the special tax increment fund established in Section 6 of this
15 Resolution.

16
17 (10) “Tax Increment” means for any Tax Year, the amount by which the Assessable
18 Base as of January 1 of the preceding Tax Year exceeds the Original Taxable Value divided
19 by the Assessment Ratio used to determine the Original Taxable Value.

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21 (11) “Tax Year” means the period from July 1 of a calendar year through June 30 of
22 the next calendar year.

23
24 SECTION 3. *And be it further resolved*, That, acting pursuant to the Act, it is hereby
25 found and determined that the establishment of the Development District, the creation of the
26 Special Fund and the issuance of Bonds from time to time pursuant to the Act for the
27 purpose of providing funds for the development, redevelopment, revitalization and
28 renovation of the Development District accomplishes the purposes of the Act and promotes
29 the health, welfare and safety of the residents of the State of Maryland and of the County.

30
31 SECTION 4. *And be it further resolved*, That a contiguous area of the County consisting
32 of the tax lots and other property set forth below is hereby designated as a “Development
33 District” to be known as the “Village South at Waugh Chapel Development District”
34 pursuant to Section 12-203 of the Act. The Development District shall consist of the property
35 listed in Exhibit 2 to this Resolution designated by tax lots listed in Exhibit 1 to this
36 Resolution and all adjoining roads, highways, alleys, rights of way, parks and other similar
37 property in order to form a contiguous area as shown on the maps submitted to the County
38 Council together with this Resolution and shown in Exhibit 3 to this Resolution.

39
40 SECTION 5. *And be it further resolved*, That this Resolution may be amended by an
41 administrative resolution of the County Council approved by the County Executive, which
42 resolution may enlarge or reduce the Development District. No such resolution shall be
43 effective to reduce the size of the Development District so long as there are any Bonds
44 outstanding, unless the ordinance authorizing such Bonds permits the County to reduce the
45 area constituting the Development District.

46 SECTION 6. *And be it further resolved*, That there is hereby established a “Special
47 Fund” to be designated the “Village South at Waugh Chapel Development District Tax

1 Increment Fund” in accordance with Section 12-208 of the Act. The County hereby pledges
2 that until the Bonds are fully paid, the real property taxes in the Development District shall
3 be divided as follows: (i) the portion of the taxes that would be produced at the current tax
4 rate on the Original Taxable Value shall be paid to the County in the same manner as taxes
5 on other property are paid and (ii) the portion of the taxes on the Tax Increment that
6 normally would be paid into the general fund of the County shall be paid into the Special
7 Fund and applied in accordance with Section 12-209 of the Act while this Resolution
8 remains in effect. The County Executive, the Chief Administrative Officer, the Controller of
9 the County and other officers and employees of the County are hereby authorized and
10 directed to take all necessary steps in order to establish the Special Fund as a separate fund
11 to be held by the County.

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

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

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

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

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

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29 SECTION 8. *And be it further resolved*, That if any Bonds are outstanding, the Special
30 Fund may be used as described in Section 7 above in any fiscal year only if (a) the balance in
31 the Special Fund exceeds the unpaid debt service payable on the Bonds in such fiscal year
32 and (b) the Special Fund is not restricted so as to prohibit that use.

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34 SECTION 9. *And be it further resolved*, That the provisions of this Resolution are
35 severable, and if any provision, sentence, clause, section or part hereof is held or determined
36 to be illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such
37 illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of
38 the remaining provisions, sentences, clauses, sections or parts of this Resolution or their
39 application to other persons or circumstances. It is hereby declared to be the legislative intent
40 that this Resolution would have been adopted if such illegal, invalid, unconstitutional or
41 inapplicable provision, sentence, clause, section or part had not been included herein and as
42 if the person or circumstances to which this Resolution or any part hereof are inapplicable
43 had been specifically exempted herefrom.

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45 SECTION 10. *And be it further resolved*, That, if during a time when no Bonds are
46 outstanding, the Assessment Ratio mandated by State law is increased from that which
47 applied in determining the Original Assessable Base, it is the intent and expectation of the
48 County, to the extent permitted by law, that a supplemental resolution will be adopted for the

1 purpose of assuring that additional funds are not deposited in the Special Fund as a result of
2 the change in Assessment Ratio as compared to the amount of funds that would have been
3 required to be deposited in the Special Fund if the Assessment Ratio had not been so
4 increased.

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6 SECTION 11. *And be it further resolved*, That this Resolution is administrative in nature
7 and shall take effect upon its approval by the County Executive.