



**ANNE ARUNDEL COUNTY  
OFFICE OF THE COUNTY AUDITOR**

**To:** Councilmembers, Anne Arundel County Council  
**From:** Michelle Bohlayer, County Auditor  
**Date:** July 15, 2022  
**Subject:** Auditor's Review of Legislation for the July 18, 2022 Council Meeting

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**Bill 57-22:  
Zoning – Nurseries with  
Landscaping and Plant  
Sales (As Amended)**

**Summary of Legislation**

This bill amends the definition of nurseries with landscaping and plant sales and adds a conditional use requirement for nurseries with landscaping and plant sales to allow the storage and display of certain materials on a portion of the lot.

We commented on this bill in our letters dated June 17, 2022 and June 29, 2022. At the July 5, 2022 Council meeting, this bill was amended to allow accessory retail or wholesale uses associated with nurseries with landscaping and plant sales on any portion of the lot and to correct an updated reference and typographical error. We have no further comments on this bill.

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**Bill 58-22:  
Issuance, Sale, and  
Delivery of Anne Arundel  
County General  
Obligation Bonds and  
Bond Anticipation Notes  
(As Amended)**

**Summary of Legislation**

This bill authorizes the sale and issuance of bonds, bond anticipation notes, and Maryland Water Quality Loans.

We commented on this bill in our letter dated June 29, 2022. At the July 5, 2022 Council meeting, this bill was amended to make it consistent with the Fiscal Year 2023 (FY23) Approved Capital Budget. This bill was also amended to update the name of the Maryland Water Quality Financing Administration to the Maryland Water Infrastructure Financing Administration and to clarify the reference to the Debt Management Policy. We reviewed the bill and supporting documentation and agree with the information presented.

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**Bill 63-22:  
Zoning – Bulk Regulations  
– Adult Independent  
Dwelling Units (As  
Amended)**

**Summary of Legislation**

This bill establishes maximum density allowed in R1, R2, and R5 residential districts for adult independent dwelling units served by public sewer and located within a two-mile radius of an assisted living facility, County library, or community center.

**Review of Fiscal Impact**

We commented on this bill in our letter dated June 29, 2022. At the July 5, 2022 Council meeting, this bill was amended to correct the purpose paragraph. We have no further comments on this bill.

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**Bill 64-22:  
Public Works – Heritage  
Harbour Condominium  
Phases 1 through 10 Water  
and Wastewater Petition –  
Assessment Correction**

**Summary of Legislation**

This bill repeals Bill 23-19 and the special per-unit front foot benefit assessment rate for the County’s takeover of the Heritage Harbour Condominium, Phases 1 through 10 Water and Wastewater Systems (W805700 and S807500) and for providing an assessment rate for the project.

Per Bill 23-19, a specific rate was approved for the water portion of the project and a separate rate was approved for the wastewater portion of the project. Based on bids received for the project, the per-unit cost would be lower than the approved rate for the water portion of the project and higher than the approved rate for the wastewater portion of the project, however, the total per-unit, per year assessment will be less than the total amount of the assessment approved in Bill 23-19. Since Bill 23-19 was passed, Bill 79-20 was also passed, which allows the assessment rates for both water and wastewater projects to be combined and no longer requires Council approval of the assessment rate for petition projects. If Bill 23-19 is repealed, this will allow the project and related assessment to proceed with a combined assessment, which will not exceed the amount approved by a majority of the property owners within Heritage Harbour Condominium, Phases 1 through 10 which was approved in Bill 23-19.

**Review of Fiscal Impact**

We agree with the Administration’s fiscal note that there is no fiscal impact because property owners reimburse the County for the full cost of the project including interest, annually over 30 years.

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**Bill 65-22:  
Payment in Lieu of Taxes  
– Eagle Park Vista and  
Eagle Park Village,  
Jessup, Maryland**

**Summary of Legislation**

This bill authorizes the County Executive to enter into payment in lieu of taxes (PILOT) Agreements with Eagle Park Senior, LLC to acquire land and develop 72 units and Eagle Park Family, LLC to acquire land and develop 48 units of rental housing for 40 years, effective July 1, 2024. Under the terms of the proposed agreement for Eagle Park Senior, LLC, it will make 72 units available to households earning 60% and below the area median income (AMI). Under the terms of the proposed agreement for Eagle Park Family, LLC, it will make 31 units available to households earning 30% and below the AMI and 17 units available to households earning 50% and below AMI.

**Review of Fiscal Impact**

A PILOT reduces the amount of property taxes collected by the County, however, if the County maximizes the property tax revenue under the tax cap, a PILOT would not impact the property tax revenue collected by the County, but rather would be absorbed by the remaining tax base. Based on the estimated Maryland Department of Assessments and Taxation (SDAT) assessment for the planned projects of \$5,796,300 and \$4,148,800 for Eagle Park Senior, LLC and Eagle Park Family, LLC, respectively; and the FY23 property tax rate, the relative tax burden that will be shifted under this PILOT Agreement is approximately \$75,000 for the first year.

Under the terms of the proposed agreements, the payment required by Eagle Park Senior, LLC will be \$10,800 and the payment required by Eagle Park Family, LLC will be \$7,200 for the first year. The proposed agreements include a 4% annual adjustment factor for each subsequent year of the term.

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**Bill 66-22:  
Payment in Lieu of Taxes  
– Blue Oaks at North  
Odenton Apartments,  
Odenton, Maryland**

**Summary of Legislation**

This bill authorizes the County Executive to enter into PILOT Agreements with North Odenton Associates, LLC to acquire land and develop 55 units and North Odenton Associates II, LLC to acquire land and develop 95 units of rental housing for 40 years, effective July 1, 2024. Under the terms of the proposed agreement for North Odenton Associates, LLC, it will make 36 units available to households earning 30% and below the AMI, 10 units available to households earning 40% and below AMI, and 9 units unrestricted for income. Under the terms of the proposed agreement for North Odenton Associates II, LLC, it will make 95 units available to households earning 60% and below the AMI.

**Review of Fiscal Impact**

A PILOT reduces the amount of property taxes collected by the County, however, if the County maximizes the property tax revenue under the tax cap, a PILOT would not impact the property tax revenue collected by the County, but rather would be absorbed by the remaining tax base.

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**Bill 66-22 (continued)**

Based on the estimated SDAT assessment for the planned projects of \$8,035,600 and \$3,602,300 for North Odenton Associates, LLC and North Odenton Associates II, LLC, respectively; and the FY23 property tax rate, the relative tax burden that will be shifted under this PILOT Agreement is approximately \$53,000 for the first year.

Under the terms of the proposed agreements, the payment required by North Odenton Associates, LLC will be \$13,750 and the payment required by North Odenton Associates II, LLC will be \$41,800 for the first year. The proposed agreements include a 4% annual adjustment factor for each subsequent year of the term.

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**Bill 67-22:  
Payment in Lieu of Taxes  
– The Villages at Marley  
Station, Glen Burnie,  
Maryland****Summary of Legislation**

This bill authorizes the County Executive to enter into a PILOT Agreement with Fairfield Marley Station LP to replace an existing PILOT for 757 units of rental housing for 40 years, effective July 1, 2022. This new PILOT is necessary because of a change in ownership. Under the terms of the proposed agreement for Fairfield Marley Station LP, it will make 757 units available to households earning 60% and below AMI.

**Review of Fiscal Impact**

A PILOT reduces the amount of property taxes collected by the County, however, if the County maximizes the property tax revenue under the tax cap, a PILOT would not impact the property tax revenue collected by the County, but rather would be absorbed by the remaining tax base. Based on the estimated SDAT assessment for the planned project of \$63,678,600 for Fairfield Marley Station LP and the FY23 property tax rate, the relative tax burden that will continue to be shifted under this PILOT Agreement is approximately \$376,000 for the first year.

Under the terms of the proposed agreement, the payment required by Fairfield Marley Station LP will be \$218,120 for the first year. The proposed agreement includes a 4% annual adjustment factor for each subsequent year of the term.

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**Bill 68-22:  
Payment in Lieu of Taxes  
– The Village at Little  
Patuxent, Gambrills,  
Maryland**

**Summary of Legislation**

This bill authorizes the County Executive to enter into a PILOT Agreement with Little Patuxent Senior, LLC to acquire land and develop 78 age-restricted units of rental housing for 40 years, effective July 1, 2024. Under the terms of the proposed agreement for Little Patuxent Senior, LLC, it will make 78 units available to age-restricted households earning 60% and below the AMI.

**Review of Fiscal Impact**

A PILOT reduces the amount of property taxes collected by the County, however, if the County maximizes the property tax revenue under the tax cap, a PILOT would not impact the property tax revenue collected by the County, but rather would be absorbed by the remaining tax base. Based on the estimated SDAT assessment for the planned project of \$6,192,300 for Little Patuxent Senior, LLC and the FY23 property tax rate, the relative tax burden that will be shifted under this PILOT Agreement is approximately \$34,000 for the first year.

Under the terms of the proposed agreement, the payment required by Little Patuxent Senior, LLC will be \$24,180 for the first year. The proposed agreement includes a 4% annual adjustment factor for each subsequent year of the term.

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**Bill 69-22:  
Payment in Lieu of Taxes  
– Willows at Forest Drive,  
Annapolis, Maryland**

**Summary of Legislation**

This bill authorizes the County Executive to enter into a PILOT Agreement with Forest Drive LIHTC, LLC to acquire the land and develop 58 units of rental housing for 40 years, effective July 1, 2024. Under the terms of the proposed agreement for Forest Drive LIHTC, LLC, it will make 12 units available to households earning 20% and below the AMI, 27 units available to households earning 30% and below AMI, 14 units available to households earning 40% and below AMI, and 5 units available to households earning 50% and below AMI.

**Review of Fiscal Impact**

A PILOT reduces the amount of property taxes collected by the County, however, if the County maximizes the property tax revenue under the tax cap, a PILOT would not impact the property tax revenue collected by the County, but rather would be absorbed by the remaining tax base. Based on the estimated SDAT assessment for the planned project of \$3,726,000 for Forest Drive LIHTC, LLC and the FY23 property tax rate, the relative tax burden that will be shifted under this PILOT Agreement is approximately \$9,000 for the first year.

Under the terms of the proposed agreement, the payment required by Forest Drive LIHTC, LLC will be \$11,600 for the first year. The proposed agreement includes a 4% annual adjustment factor for each subsequent year of the term.

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**Bill 70-22:  
Public Safety – Security  
Measures for the Sale of  
Firearms – Effective Date  
Contingency**

**Summary of Legislation**

This bill adds an effective date contingency for the application of County provisions relating to security measures for the sale of firearms.

**Review of Fiscal Impact**

This bill does not have a direct fiscal impact.

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**Resolution 26-22:  
Approving Estimates of  
Health Insurance Benefits  
and Employer Subsidies**

**Summary of Legislation**

This resolution approves the estimates of the annual cost of providing health insurance benefits and employer subsidies used to determine the rates for certain participants in the County's Employee and Retiree Health Benefits Program.

Anne Arundel County Code (Code) § 6-1-308(h)(1) requires the Personnel Officer to prepare an estimate of the annual costs to provide health benefits under the County's health insurance plans for the Council's approval by resolution. Code § 6-1-308(i)(5) requires the Personnel Officer to propose the employer subsidy for non-represented employees and survivors of employees and retirees for the Council's approval by resolution and it requires the resolution to include the proposed rates for part-time employees and any monetary credits given to non-represented employees who opt out of coverage.

Exhibit A, page 1 of this proposed resolution sets forth the estimated annual costs and proposes the employer subsidies for non-represented employees. Exhibit A, page 2 establishes the proposed rates for part-time employees, employer subsidies for retirees by hire date, survivors of retirees and employees, and monetary credits for non-represented employees who opt out of coverage.

**Review of Fiscal Impact**

The County will continue to offer the same options in calendar year 2023 as those that were available in calendar year 2022. The Administration proposed rates for the EPO/HMO and National PPO insurance plans for active employees increased by 6% for calendar year 2023. The per plan increases from the Administration for these plans are consistent with the 6% rate projection estimated by the County's consultant. Medicare Advantage proposed rates increased by 3.43% for calendar year 2023 based on the Medicare Advantage contract that has guaranteed medical rates for calendar years 2022 through 2026.

The rates on Exhibit A, page 1 reflect a rate increase of 2% for the Dental HMO option and a rate decrease of approximately 6% for the Dental PPO and Dental PPO Buy-Up options. The dental rate change for the Dental PPO and Dental PPO Buy-Up options are consistent with the County consultant's rate projections. The County consultant's rate projections do not include the Dental HMO option as it is a fully-insured plan. In addition, the Administration has a proposed decrease of

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**Resolution 26-22  
(continued)**

approximately 25% for the County’s EyeMed vision plan. The rate decrease for the vision plan is consistent with the County consultant’s projections.

A placeholder for an estimated 5.5% increase in health insurance rates on January 1, 2023 was included in the FY23 Approved Budget.

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**Resolution 27-22:  
Approving the Acquisition  
of Fifteen Parcels of Real  
Property in Pasadena**

**Summary of Legislation**

This resolution approves the purchase of 15 parcels of real property, on Ritchie Highway in Pasadena, from Dynasplint Holdings LLC, utilizing funds from the Advanced Land Acquisition (ALA) Capital Project C106700 for a potential fire equipment maintenance facility. This property includes: Parcel 1 consisting of approximately 2.42 acres, identified as County Tax Map 23, Parcel 37 at 8300 Ritchie Highway in Pasadena; and Parcels 2-15 consisting of approximately 12.12 acres, identified by 14 separate County tax maps. Code § 8-3-101(d)(2) requires agreements for purchases of real property utilizing funds from the ALA to be contingent on the approval of the County Council. Additionally, an independent appraisal, environmental study, and feasibility study are required to be submitted to the County Council.

The total purchase price for all parcels of the property is \$8,500,000. The SDAT assessed value for Parcel 1 is \$1,673,000 and for Parcels 2-15 is \$4,448,400, as of January 1, 2022. An independent appraisal noted the estimated market value of Parcel 1 at \$2,108,000 and of Parcels 2-15 at \$6,467,000, as of March 10, 2022, for a total market value of \$8,575,000.

A combined environmental study of Parcels 1 through 15 dated April 28, 2022, revealed seven recognized environmental conditions (RECs) and three de-minimis environmental conditions. The RECs include adjacent former orchard, railroad, former underground storage tanks, soil pile, debris piles and solid wastes, steel piping, and drain cover. The three de-minimis conditions include adjacent property environmental database listings, potable wells and septic tanks, and above ground storage tanks. Based on these findings, it is recommended to remove the identified wastes and perform testing of the soil and ground to determine the impact.

A combined feasibility study of all 15 parcels determined that the property has mixed-use development potential and is highly visible. This property has C1 designation and is located within the planned water and sewer service area.

**Review of Fiscal Impact**

We agree with the Administration’s fiscal note that this real property acquisition will cost the County \$8,500,000 and that there is sufficient appropriation in the ALA for this purchase.

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**Resolution 28-22:  
Endorsing Financial  
Assistance from the  
Maryland Economic  
Development Assistance  
Fund to Catalent, Inc.**

**Summary of Legislation**

This resolution endorses financial assistance from the Maryland Economic Development Assistance Fund (MEDAF) to Catalent, Inc. This endorsement is required by the governing body of the jurisdiction in which a project is located. Catalent, Inc., a pharma, biotech, and consumer health company, has applied for a loan from MEDAF of the State Department of Commerce in the amount of \$2,000,000 to expand its manufacturing operations in the County.

**Review of Fiscal Impact**

Anne Arundel Economic Development Corporation is responsible for a 10% match, which will be fulfilled with \$200,000 in workforce training reimbursements over the life of the agreement for the MEDAF loan, which has not yet been set. The FY23 Budget included \$150,000 in funding for the purpose of MEDAF match for all agreements.

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**Resolution 30-22:  
Proposing a Charter  
Amendment to Make the  
Language of the Charter  
Gender Neutral**

**Summary of Legislation**

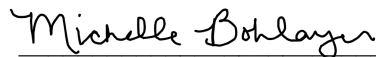
This resolution proposes an amendment to the Charter of Anne Arundel County to make the language of the Charter gender neutral.

**Review of Fiscal Impact**

This resolution does not have a fiscal impact.

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Sincerely,



Michelle Bohlayer  
County Auditor