

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2016, Legislative Day No. 9

Resolution No. 58-16

Mrs. Vicki Almond, Chairwoman
By Request of County Executive

By the County Council, May 2, 2016

A RESOLUTION to authorize the County Executive or other authorized administrative official to enter into a written agreement on behalf of the County with AHC Dunfield, LLC (the “Owner”) for the payment of stipulated amounts in lieu of regular real property taxes in order to facilitate the development of a rental housing project to benefit eligible persons in Baltimore County.

WHEREAS, it is in the best interest of the citizens of Baltimore County to encourage and facilitate the development of family rental housing for eligible households; and

WHEREAS, the Owner has acquired a parcel of land located at 78 Insley Way in Nottingham, Baltimore County (the “Property”), improved by three hundred twelve (312) units of rental housing thereon; and

WHEREAS, the Owner is operating a portion of the Property as rental housing for eligible residents (the “Project”) pursuant to a Declaration of Covenants entered into between the Owner and the County dated December 10, 2015 and recorded among the Land Records of Baltimore County in Liber JLE No. 36970, folio 565 *et seq.* (the “Declaration”); and

WHEREAS, Section 7-506.1, Tax Property Article of the Annotated Code of Maryland provides for a real property tax exemption under certain circumstances, provided that the County and the Owner enter into a written agreement for the payment of a negotiated amount in lieu of the applicable real property tax;

NOW THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND that pursuant to said State statute, it is determined that the Property shall be exempt from real property taxes for the term specified herein; and

BE IT FURTHER RESOLVED, that the County Executive or other authorized administrative official is hereby authorized to enter into a written agreement (the “Agreement”) with the Owner on behalf of the County to make the following payments to the County in lieu of paying regular real property taxes:

- a) This Agreement shall be effective from July 1, 2016 (the “Effective Date”) and shall remain effective until the Termination Date (hereinafter defined). The payments to be made by the Owner to the County shall be in lieu of all ordinary Baltimore County real property taxes on real property under the Tax-Property Article of the Annotated Code of Maryland (2001 Replacement Volume), as amended. Such payments shall be made by the Owner and shall be accepted by the County until the earlier of: (i) a termination of the Declaration prior to the expiration date in (vii) below, (ii) a change in the use of the Project for the provision of rental housing for eligible households and related facilities, (iii) sale or other transfer of the Property by the Owner without the prior written consent of the County, (iv) failure of the Owner to comply in all other respects with the

conditions of Section 7-506.1, supra, (v) default by the Owner under the terms of this Agreement, (vi) refinance of the Property such that it would no longer be subject to the Declaration, or (vii) June 30, 2026 (the “Termination Date”).

(b) Commencing on the Effective Date, the Owner shall make annual payments (the “Tax Payment”) in arrears at the end of each calendar year. The Tax Payment shall be made prior to payment of any debt service on the Property. For the first year, the Tax Payment shall be One Thousand Ninety Two Dollars and No Cents (\$1,092.00) per unit. For the second year, the Tax Payment shall be One Thousand Two Hundred Thirty Three Dollars and Fifty Cents (\$1,233.50) per unit. For the third year, the Tax Payment shall be One Thousand Three Hundred Seventy Five Dollars and No Cents (\$1,375.00) per unit.

(c) Commencing with the fourth year, the Tax Payment shall increase by 3% annually; provided, however, if the Property is transferred or sold subject to the Declaration, the Tax Payment shall increase by four percent (4%) annually.

(d) Upon the Termination Date, the Agreement for stipulated payments in lieu of real property taxes shall expire, and the Owner shall thereafter pay all real property taxes in full when due.

(e) At no time shall the Owner be required to pay more than the full amount of taxes based on the Property’s then current assessment.

(f) The difference between the amount of stipulated payments in lieu of taxes remitted to the County under this Agreement and the amount of full real estate taxes which would have otherwise been paid based on the assessed value of the Property, shall be repaid upon the occurrence of any of the events listed in items (i) through (vi) of Paragraph (a) prior to the expiration date set forth in Paragraph (a)(vii); and

BE IT FURTHER RESOLVED, that this Resolution shall obligate the Owner to submit audited financial statements annually to the Baltimore County Office of Budget and Finance and the Department of Planning within ninety (90) days of the close of the Owner's fiscal year; and

BE IT FURTHER RESOLVED that this Resolution shall take effect from the date of its passage by the County Council.