

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2012, Legislative Day No. 16
Resolution No. 68-12

Mrs. Vicki Almond, Chairwoman
By Request of County Executive

By the County Council, September 17, 2012

A RESOLUTION to authorize the County Executive or other authorized administrative official to enter into a written agreement on behalf of the County with Pikeswood Apartments LLC (the "Owner") for the payment of stipulated amounts in lieu of regular real property taxes in order to facilitate the redevelopment of a rental housing project to benefit low income households in Baltimore County, and to supersede Resolution 40-12, adopted by the County Council for Baltimore County on May 24, 2012.

WHEREAS, it is in the best interest of the citizens of Baltimore County to encourage and facilitate the development of affordable housing for households of low income; and

WHEREAS, the Owner has acquired a parcel of land located at 3801 Schnaper Drive, Baltimore County (the "Property"), and is renovating one hundred forty (140) rental housing units plus one leasing office and one community room thereon (the "Project"); and

WHEREAS, the Owner intends that ninety-one (91) units will be Income Regulated Units for households with incomes equal to or less than 60% of the area median income ("Low Income Households"). Of those Income Regulated Units, (a) three (3) units shall be for Low-Income Households where at least one of the household members is also disabled or physically impaired, and (b) seven (7) units shall be for households whose annual incomes do not exceed 50% of the median income for the area ("Very Low-Income Households"), two (2) units of which shall be for

Very Low-Income Households where at least one of the household members is also disabled or physically impaired; and

WHEREAS, the Owner will operate the Property for rental housing pursuant to a Declaration of Covenants between the Owner and the County dated July 26, 2012 and recorded among the Land Records of Baltimore County in Liber 32349, folio 289 (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 Baltimore 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, together with the Project developed thereon, 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) For the period from the execution of the Agreement (the “Effective Date”) until the earlier of (i) termination of the Declaration (ii) a change in the use, or a sale or transfer of the Property by the Owner without the prior written consent of the County, or (iii) default by the Owner under the terms of the Agreement (the “Termination Date”), the Owner shall make annual payments in arrears at the end of each calendar year which equal, at a minimum, Three Hundred Dollars (\$300.00) per apartment unit per year (the

“Tax Payment”).

(b) The Tax Payment shall increase by two percent (2%) annually following the first full year of operation.

(c) 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.

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

(e) Repayment shall be made to the County upon any change in use, sale or transfer of the Property without the prior written approval of the County, of the difference between the full real estate taxes which would have otherwise been paid based on the assessed value of the Property less the amount of stipulated payments in lieu of taxes remitted to the County under the Agreement. Any payment under this provision shall be limited to the extent of available proceeds after repayment of all debt and other obligations which constitute liens on the Property; 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 supercedes Resolution 40-12; and

BE IT FURTHER RESOLVED that this Resolution shall take effect from the date of its approval.