

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2016, Legislative Day No. 17

Resolution No. 109-16

Mrs. Vicki Almond, Chairwoman
By Request of the County Executive

By the County Council, October 3, 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 Golden Ring 2 LLC (the “Future Owner”) for the payment of stipulated amounts in lieu of regular real property taxes in order to facilitate the development of an housing project to benefit low income households in Baltimore County.

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 Future Owner will acquire and renovate one hundred fifty three (153) rental units located at 8620 Kelso Drive, (parcel # 22-00-012456), in the Essex community in Baltimore County for elderly persons whose incomes do not exceed 60% of the median income for the Baltimore metropolitan area (the “Project”); 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 Future 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 Future 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, 2017 (the “Effective Date”) and shall remain effective until the Termination Date (as defined in Paragraph 3 below). The Future Owner hereby agrees to maintain the Property as housing for lower income elderly persons as set forth in the third recital of this Resolution for a term of at least five (5) years. The payments to be made by the Future 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 Future Owner and shall be accepted by the County until the earlier of: (i) a termination of the Declaration of Covenants to be entered into by and between the County and the Future Owner, and recorded among the Land Records of Baltimore County (the “Declaration”) prior to the date set forth in (vi) below, or (ii) a change in the use of the Property for the provision of rental housing for low-income elderly persons and related facilities, or (iii) a sale or transfer of the Property by the Future Owner without the prior written consent of the County, or (iv) failure of the Future Owner to comply in all other respects with the conditions of Section 7-506.1, supra, or

(v) default by the Future Owner under the terms of the PILOT, or (vi) June 30, 2027 (the “Termination Date”).

(b) For the period from the Effective Date until the Termination Date, the Future 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”).

(c) The Tax Payment shall increase by 2% annually; provided, however, if the Property is transferred or sold subject to the Declaration of Covenants, 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 Future Owner shall thereafter pay all real property taxes in full when due.

(e) At no time shall the Future Owner be required to pay more than the full amount of taxes based on the Project’s 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 Future 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 Future Owner’s fiscal year; and

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