

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2016, Legislative Day No. 19

Resolution No. 123-16

Mrs. Vicki Almond, Chairwoman
By Request of County Executive

By the County Council, November 7, 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 ~~St. Ambrose Housing Aid Center, Inc.~~ Aigburth Vail II, LLC (the “Future Owner”) for the payment of stipulated amounts in lieu of regular real property taxes in order to preserve 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 retention of family rental housing for eligible households; and

WHEREAS, the Future Owner is acquiring a parcel of land located at 212 Aigburth Road in Baltimore County (the “Property”), improved by a seventy (70) unit rental housing development for low income, elderly persons, twenty eight (28) units of which are reserved for elderly persons whose incomes do not exceed 60% of the median income for the Baltimore metropolitan area, thirty nine (39) units of which are reserved for elderly persons whose incomes do not exceed 50% of the median income, and three (3) units of which are reserved for elderly persons whose incomes do not exceed 30% of the median income; and

WHEREAS, the current owner is operating the Property pursuant to a Declaration of

Covenants entered into with the County dated January 29, 2002 and recorded among the Land Records of Baltimore County in Liber SM No. 16048, folio 423 *et seq.* (the “Original Declaration”); and

WHEREAS, the Future Owner intends to continue to operate the Property pursuant to the terms of the Declaration, as amended by a Modification to Declaration to be recorded among the Land Records of Baltimore County (the Original Declaration and the Modification to Declaration hereinafter referred to as 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 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 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 January 1, 2017 (the “Effective Date”) and shall remain effective until the Termination Date (hereinafter defined).

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 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 Future Owner without the prior written consent of the County, (iv) failure of the Future Owner to comply in all other respects with the conditions of Section 7-506.1, supra, (v) default by the Future 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) December 31, 2031 (the “Termination Date”).

(b) Commencing on the Effective Date, the Future 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 Three Hundred Fifty Dollars and No Cents (\$350.00) per unit.

(c) The Tax Payment shall increase by 2% 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 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 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 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 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.