

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 352

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “New” in line 2 through “Property” in line 3 and substitute “Economic Development Projects”; in line 5, strike “newly constructed commercial and multifamily residential property” and substitute “economic development projects”; in line 8, strike “a”; and in the same line, strike “term” and substitute “terms; requiring a certain report; stating the intent of the General Assembly”.

AMENDMENT NO. 2

On page 1, in line 20, after “(A)” insert “(1)”; in the same line, strike the comma and substitute “THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.”

(2) “ECONOMIC DEVELOPMENT PROJECT” MEANS A REAL ESTATE DEVELOPMENT PROJECT FOR WHICH A PAYMENT IN LIEU OF TAXES AGREEMENT WAS ENTERED INTO PRIOR TO JUNE 30, 1999, IN ACCORDANCE WITH § 7-504 OF THE TAX - PROPERTY ARTICLE OR A PROJECT CONSISTING OF NEWLY CONSTRUCTED OR REHABILITATED COMMERCIAL OR MULTIFAMILY RESIDENTIAL PROPERTY THAT:

(I) HAS OR WILL RECEIVE A CERTIFICATE OF OCCUPANCY ISSUED ON OR AFTER JANUARY 1, 1999;

(II) IS LOCATED ON ONE OR MORE PARCELS OF LAND, ALL OF WHICH ARE SITUATED IN AN URBAN RENEWAL AREA; AND

(III) INCLUDES AT LEAST ONE OF THE FOLLOWING:

1. A HOTEL THAT:

(Over)

A. PROVIDES AT LEAST 100 FULL-TIME EQUIVALENT
JOB OPPORTUNITIES; AND

B. HAS A PRIVATE CAPITAL INVESTMENT OF EQUITY
AND DEBT COMBINED OF AT LEAST \$20,000,000;

2. AN OFFICE BUILDING THAT:

A. PROVIDES AT LEAST 150 FULL-TIME EQUIVALENT
JOB OPPORTUNITIES; AND

B. HAS A PRIVATE CAPITAL INVESTMENT OF EQUITY
AND DEBT COMBINED OF AT LEAST \$20,000,000;

3. A RETAIL FACILITY THAT:

A. PROVIDES AT LEAST 100 FULL-TIME EQUIVALENT
JOB OPPORTUNITIES; AND

B. HAS A PRIVATE CAPITAL INVESTMENT OF EQUITY
AND DEBT COMBINED OF AT LEAST \$10,000,000;

4. A MULTIFAMILY RESIDENTIAL FACILITY THAT HAS A
PRIVATE CAPITAL INVESTMENT OF EQUITY AND DEBT COMBINED OF AT LEAST
\$5,000,000;

5. AN OFF-STREET PARKING FACILITY THAT:

A. CONTAINS AT LEAST 250 PARKING SPACES; AND

B. HAS A PRIVATE CAPITAL INVESTMENT OF EQUITY
AND DEBT COMBINED OF AT LEAST \$2,500,000; OR

6. A MIXED-USE FACILITY THAT CONTAINS ONE OR

MORE OF THE FACILITIES DESCRIBED IN ITEMS 1 THROUGH 5 OF THIS ITEM, AT LEAST ONE OF WHICH SATISFIES THE MINIMUM CRITERIA SET FORTH IN ITEM 1, 2, 3, 4, OR 5 OF THIS ITEM.

(3)”;

and in lines 24, 25, 26, and 27, strike “(1)”, “(2)”, “(3)”, and “(4)”, respectively, and substitute “(I)”, “(II)”, “(III)”, and “(IV)”, respectively.

On page 2, in lines 1, 2, 4, 5, 6, and 7, strike “(5)”, “(6)”, “(8)”, “(9)”, “(10)”, and “(11)”, respectively, and substitute “(V)”, “(VI)”, “(VII)”, “(VIII)”, “(IX)”, and “(X)”, respectively; in line 2, strike “PROJECT” and substitute “PROJECT 1”; strike in its entirety line 3; in line 6, strike “AND”; and in line 7, after “CENTER” insert “; AND”

(XI) KEY HIGHWAY”.

AMENDMENT NO. 3

On pages 2 and 3, strike in their entirety the lines beginning with line 8 on page 2 through line 14 on page 3, inclusive, and substitute:

“(B) AN ECONOMIC DEVELOPMENT PROJECT IS EXEMPT FROM UP TO 95% OF BALTIMORE CITY REAL PROPERTY TAXES IF:

(1) THE OWNER OR OWNERS OF THE ECONOMIC DEVELOPMENT PROJECT DEMONSTRATE TO THE SATISFACTION OF THE BALTIMORE CITY BOARD OF ESTIMATES:

(I) THAT THE CITY OF BALTIMORE OR ITS DESIGNATED AGENCY HAS CONDUCTED AN ECONOMIC ANALYSIS OF THE PROJECT INCLUDING:

1. A DETAILED DESCRIPTION OF THE PROJECT AND THE DEVELOPMENT BUDGET INCLUDING THE IDENTIFICATION OF ALL SOURCES OF DEBT AND EQUITY FINANCING;

(Over)

2. A MULTI-YEAR CASH FLOW PROFORMA OF THE PROJECT DETAILING ALL INCOMING AND OUTGOING CASH FLOW INCLUDING REVENUES, OPERATING EXPENSES, DEBT SERVICE, TAXES, CAPITAL EXPENDITURES, AND ANY OTHER CASH OUTLAYS;

3. THE PROJECTED RETURN ON INVESTMENT FOR THE OWNER;

4. A DETERMINATION THAT THE PROJECT IS AN ECONOMIC DEVELOPMENT PROJECT THAT MEETS THE REQUIREMENTS OF THIS SECTION; AND

5. ANY OTHER RELEVANT ANALYSIS;

(II) THE PUBLIC BENEFIT THAT THE PROJECT WILL PROVIDE, INCLUDING:

1. THE NUMBER OF JOBS EXPECTED TO BE CREATED, DIRECTLY OR INDIRECTLY, AS A RESULT OF THE PROJECT AND THE PERCENTAGE OF THOSE JOBS EXPECTED TO BE HELD BY RESIDENTS OF BALTIMORE CITY;

2. THE WAGE RATES AND BENEFIT PACKAGES FOR THE JOBS EXPECTED TO BE CREATED;

3. OTHER TAX REVENUES OF BALTIMORE CITY, EXCLUSIVE OF REAL PROPERTY TAXES, THAT THE PROJECT IS EXPECTED TO GENERATE DURING THE TERM OF THE PAYMENT IN LIEU OF TAXES AGREEMENT, INCLUDING ADMISSIONS AND AMUSEMENT, PERSONAL PROPERTY, HOTEL, PARKING, UTILITY , AND OTHER TAXES;

4. THE ENCOURAGEMENT OF ECONOMIC DEVELOPMENT;

5. THE GENERAL PROMOTION AND IMPROVEMENT OF

BALTIMORE CITY AND ITS FACILITIES; AND

6. ANY OTHER RELEVANT BENEFITS;

(III) THE FINANCIAL NECESSITY FOR AN EXEMPTION AS AUTHORIZED UNDER THIS SECTION; AND

(IV) THAT THE PRIVATE CAPITAL INVESTMENT OF EQUITY AND DEBT COMBINED INCLUDES AN EQUITY INVESTMENT THAT IS AT LEAST 10%;

(2) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY HAVE AUTHORIZED THE PROJECT BY A RESOLUTION STIPULATING THAT THE PROJECT WILL NOT INVOLVE GAMBLING ACTIVITIES BEYOND THOSE GAMBLING ACTIVITIES ALLOWED BY LAW AS OF JANUARY 1, 1999;

(3) THE OWNER OR OWNERS OF THE ECONOMIC DEVELOPMENT PROJECT AND THE BALTIMORE CITY BOARD OF ESTIMATES ENTER INTO A PAYMENT IN LIEU OF TAXES AGREEMENT SPECIFYING:

(I) AN AMOUNT THAT THE OWNER OR OWNERS SHALL PAY TO BALTIMORE CITY EACH YEAR IN LIEU OF THE PAYMENT OF BALTIMORE CITY REAL PROPERTY TAXES DURING THE TERM OF THE AGREEMENT THAT IS NOT LESS THAN:

1. THE TAXES ON THE PROPERTY BEFORE THE CONSTRUCTION OR REHABILITATION OF THE PROJECT; AND

2. AT LEAST 5% OF THE BALTIMORE CITY REAL PROPERTY TAXES RELATED TO THE ECONOMIC DEVELOPMENT PROJECT THAT WOULD HAVE OTHERWISE BEEN DUE ABSENT THE AGREEMENT;

(II) THE TERM OF THE AGREEMENT, NOT TO EXCEED 25 YEARS FROM THE DATE A CERTIFICATE OF OCCUPANCY FOR THE PROJECT IS ISSUED; AND

(III) THAT EACH YEAR AFTER THE EXPIRATION OF THE

(Over)

AGREEMENT, FULL PROPERTY TAXES SHALL BE PAYABLE ON THE PROPERTY; AND

(4) WITHIN 1 YEAR FROM THE DATE OF ENTERING INTO THE PAYMENT IN LIEU OF TAXES AGREEMENT, CONSTRUCTION OF THE PROJECT HAS COMMENCED AND ALL CONDITIONS FOR THE FINANCING REQUIRED FOR THE CONSTRUCTION OF THE PROJECT HAVE BEEN SATISFIED OR WAIVED.

(C) AN ECONOMIC DEVELOPMENT PROJECT IS EXEMPT FROM UP TO 95% OF BALTIMORE CITY REAL PROPERTY TAXES AS THE PARTIES AGREE UNDER SUBSECTION (B) OF THIS SECTION.

(D) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE CITY OF BALTIMORE OR ITS DESIGNATED AGENCY SHALL REPORT TO THE PRESIDENT OF THE CITY COUNCIL OF BALTIMORE AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY OF MARYLAND:

(1) A DESCRIPTION OF EACH PROJECT FOR WHICH THE CITY ENTERED INTO A PAYMENT IN LIEU OF TAXES AGREEMENT UNDER THIS SECTION DURING THE PRIOR FISCAL YEAR, INCLUDING A STATEMENT OF:

(I) THE BASIS ON WHICH EACH PROJECT MET THE REQUIREMENTS SET FORTH IN SUBSECTION (A) OF THIS SECTION; AND

(II) THE ANALYSIS OF THE PROJECT DESCRIBED IN SUBSECTION (B)(1) OF THIS SECTION; AND

(2) FOR THOSE PROJECTS THAT HAVE A PAYMENT IN LIEU OF TAXES AGREEMENT AND FOR WHICH CONSTRUCTION OR REHABILITATION HAS BEEN COMPLETED:

(I) THE NUMBER AND TYPES OF JOBS CREATED DURING THE PRECEDING FISCAL YEAR AND ESTIMATED TO BE CREATED DURING THE FOLLOWING FISCAL YEAR;

(II) THE TOTAL TAXES THAT THE PROJECT IS ESTIMATED TO HAVE GENERATED, DIRECTLY AND INDIRECTLY, FOR THE CITY OF BALTIMORE DURING THE PRECEDING FISCAL YEAR AND ESTIMATED TO BE GENERATED DURING THE FOLLOWING FISCAL YEAR; AND

(III) ANY OTHER ECONOMIC BENEFITS OF THE PROJECT.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Baltimore City Board of Estimates shall consistently apply equitable and nondiscriminatory criteria when determining which economic development projects qualify for a payment in lieu of taxes.”;

and in line 15, strike “2.” and substitute “3.”.