

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 559

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after "City;" insert "providing a certain tax exemption for certain existing commercial property;"; and in line 13, after "7-504.3" insert "7-504.4".

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 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:

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;

(Over)

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”; and strike line 3 in its entirety.

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 BALTIMORE CITY REAL PROPERTY TAX IF:

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

(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;

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 MEETING THE REQUIREMENTS OF THIS

(Over)

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 CITY OF BALTIMORE RESIDENTS;

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

3. OTHER CITY OF BALTIMORE TAX REVENUES, 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 BEING INVESTED IN THE ECONOMIC DEVELOPMENT PROJECT INCLUDES AN EQUITY INVESTMENT THAT IS;

1. COMMENSURATE WITH THE OVERALL UNDERTAKING; AND

2. A. AT LEAST \$500,000 EXCEPT IN THE CASE OF A MULTI-FAMILY RESIDENTIAL FACILITY OR AN OFF-STREET PARKING FACILITY; OR

B. AT LEAST \$250,000 IN THE CASE OF A MULTI-FAMILY RESIDENTIAL FACILITY OR AN OFF-STREET PARKING FACILITY;

(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, 1998; AND

(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 IS NOT LESS THAN THE TAXES ON THE PROPERTY BEFORE THE CONSTRUCTION OR REHABILITATION OF THE PROJECT, 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;

(II) THE TERM OF THE AGREEMENT, NOT TO EXCEED 25 YEARS;
AND

(III) THAT EACH YEAR AFTER THE EXPIRATION OF THE AGREEMENT, FULL PROPERTY TAXES SHALL BE PAYABLE ON THE PROPERTY.

(C) AN ECONOMIC DEVELOPMENT PROJECT IS EXEMPT FROM BALTIMORE CITY REAL PROPERTY TAX 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)(3) 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 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.”.

AMENDMENT NO. 4

On page 3, after line 11, insert:

“7-504.4.

AN OWNER OF A COMMERCIAL OFFICE BUILDING AS OF JANUARY 1, 1999 MAY
APPLY FOR AN EXEMPTION FROM BALTIMORE CITY TAXES IF:

(1) THE OWNER INVESTS A MINIMUM OF \$5,000,000 IN PRIVATE CAPITAL
FOR IMPROVEMENTS TO THE EXISTING OFFICE BUILDING;

(2) THE OFFICE BUILDING IS LOCATED IN AN URBAN RENEWAL AREA;

AND

(3) THE OWNER DEMONSTRATES TO THE SATISFACTION OF THE BOARD
OF ESTIMATES OF BALTIMORE CITY:

(I) THE FINANCIAL NECESSITY FOR AN EXEMPTION; AND

(II) THE PUBLIC BENEFIT THE IMPROVEMENTS WILL PROVIDE.”.