COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND
AGENDA

County Council Meeting
Council Chambers

Legislative Session 2022, Legislative Day No. 13
June 21, 2022 – 7:00 P.M.

A. Call to Order

B. Invocation (Ms. Haire)

C. Pledge of Allegiance

D. Presentation of Citations

E. Ethics Statement

F. Invitation to Audience

G. Announcement of Items not Appearing on Agenda

H. Preliminary Motion

I. Approval of Minutes

June 6, 2022 – Legislative Day No. 12
June 9, 2022 – FY23 Budget Deliberations
June 14, 2022 – FY23 Final Budget

J. Introduction of Bills

BILL NO. 64-22 – AN ORDINANCE concerning: Public Works – Heritage Harbour Condominium Phases 1 through 10 Water and Wastewater Petition – Assessment Correction – FOR the purpose of repealing Bill No. 23-19 and the special "per-unit" front foot benefit assessment rate for the County's takeover of the Heritage Harbour Condominium, Phases 1 through 10 Water and Wastewater Systems; and providing for an assessment rate for the County's takeover of the Heritage Harbour Condominium, Phases 1 through 10 Water and Wastewater Systems.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 65-22 – AN ORDINANCE concerning: Payment in Lieu of Taxes – Eagle Park Vista and Eagle Park Village, Jessup, Maryland – FOR the purpose of approving exemptions from County real property taxes for a certain property located in Jessup, Maryland; authorizing the County Executive to enter into certain agreements for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 66-22 – AN ORDINANCE concerning: Payment in Lieu of Taxes – Blue Oaks at North Odenton Apartments, Odenton, Maryland – FOR the purpose of approving exemptions from County real property taxes for a certain property located in Odenton, Maryland; authorizing the County Executive to enter into certain agreements for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 67-22 – AN ORDINANCE concerning: Payment in Lieu of Taxes – The Villages at Marley Station, Glen Burnie, Maryland – FOR the purpose of approving exemptions from County real property taxes for a certain property located in Glen Burnie, Maryland; authorizing the County Executive to enter into a certain agreement for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 68-22 – AN ORDINANCE concerning: Payment in Lieu of Taxes – The Village at Little Patuxent, Gambrills, Maryland – FOR the purpose of approving exemptions from County real property taxes for a certain property located in Gambrills, Maryland; authorizing the County Executive to enter into a certain agreement for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 69-22 – AN ORDINANCE concerning: Payment in Lieu of Taxes – Willows at Forest Drive, Annapolis, Maryland – FOR the purpose of approving exemptions from County real property taxes for a certain property located in Annapolis, Maryland; authorizing the County Executive to enter into a certain agreement for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 70-22 – AN ORDINANCE concerning: Public Safety – Security Measures for the Sale of Firearms – Effective Date Contingency – FOR the purpose of adding an effective date contingency for the application of County provisions relating to security measures for the sale of firearms; and generally relating to public safety.
Introduced by Mr. Pruski

K. Introduction of Resolutions

RESOLUTION NO. 16-22 – RESOLUTION appointing an Anne Arundel County citizen to serve on the Chesapeake Bay Bridge Reconstruction Advisory Group
Introduced by Ms. Fiedler

RESOLUTION NO. 17-22 – RESOLUTION adopting the Debt Management Policy for Anne Arundel County, Maryland
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

RESOLUTION NO. 18-22 – RESOLUTION proposing an amendment to the Charter of Anne Arundel County to allow a Councilmember to serve up to three consecutive terms of office
Introduced by Mr. Volke

RESOLUTION NO. 19-22 – RESOLUTION proposing an amendment to the Charter of Anne Arundel County to require that the compensation paid to each member of the County Council be in accordance with recommendations of the Salary Standard Commission that are approved by ordinance of the County Council
Introduced by Mr. Volke and Ms. Lacey

RESOLUTION NO. 20-22 – RESOLUTION proposing an amendment to the Charter of Anne Arundel County to change the term "Chairman" to "Chair"
Introduced by Mr. Pruski and Ms. Lacey

RESOLUTION NO. 21-22 – RESOLUTION proposing an amendment to the Charter of Anne Arundel County to remove the requirement that copies of bills and notices of public hearings be posted on a bulletin board and to require that electronic copies of bills and notice of any public hearing be published to the County Council website and printed copies be made available to the public and press
Introduced by Mr. Pruski and Ms. Lacey

RESOLUTION NO. 22-22 – RESOLUTION proposing an amendment to the Charter of Anne Arundel County to clarify the differences between the two types of emergency ordinances allowed under the Charter and the legislative procedure that applies to each
Introduced by Mr. Pruski and Ms. Lacey

RESOLUTION NO. 23-22 – RESOLUTION proposing an amendment to the Charter of Anne Arundel County to allow the County Council to assign additional functions, duties, and personnel to the County Auditor that are related to the finances and financial affairs of the County
Introduced by Mr. Pruski and Ms. Lacey

RESOLUTION NO. 24-22 – RESOLUTION proposing an amendment to the Charter of Anne Arundel County to change the name of the Charter Revision Commission to the Redistricting and Charter Revision Commission and to amend the date by which a decennial Redistricting and Charter Revision Commission must be appointed by the County Council
Introduced by Mr. Pruski and Ms. Lacey

L. Public Hearings and Call of Bills and Resolutions for Final Reading and/or Vote

BILL NO. 51-22 **(As Amended) (Hearing Concluded) (Eligible for Vote)** – AN ORDINANCE concerning: Personnel – Classified Service; Exempt Service – FOR the purpose of adding new pay schedules for certain classified employees; providing the method for certain classified employees to move to a new pay schedule; providing for increases in pay for certain employees; providing for lump sum payments for certain employees; modifying advancement to new rate of pay for certain employees; modifying pay on promotion, reclassification or grade reallocation for certain employees; removing certain employees removing certain employees eligible for allowances; removing certain employees eligible for overtime pay; modifying disability leave for certain employees; modifying education assistance for certain employees; adding new pay schedules for certain exempt employees; confirming applicability of certain terms related to pay in memoranda of agreements; providing for the application of this Ordinance; and generally relating to personnel.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 52-22 **(As Amended)** – AN ORDINANCE concerning: Personnel – Positions in the Classified Service – Positions in the Exempt Service – FOR the purpose of modifying minimum qualifications for a certain position in the classified service; modifying the pay grade for Police Communications Operators III and IV job classifications to correspond with a new pay scale; adding certain positions in the classified service; providing for the pay grade, work week, and minimum qualifications applicable to positions added to the classified service; modifying the pay grade for certain positions in the exempt service; providing for the elimination of certain exempt positions under certain circumstances; making certain technical and stylistic changes; and generally relating to personnel.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 56-22 – AN ORDINANCE concerning: Personal Property Tax Credits – Foreign Trade Zones – FOR the purpose of extending the termination date established by Bill No. 87-01, as amended by Bill Nos. 38-07, 19-12, and 1-17, of a certain personal property tax credit for personal property located in foreign trade zones; and providing for the application of this Ordinance.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 57-22 **(Amendment(s) Proposed)** – AN ORDINANCE concerning: Zoning – Nurseries with Landscaping and Plant Sales – FOR the purpose of amending the definition of "nurseries with landscaping and plant sales"; adding a conditional use requirement for "nurseries with landscaping and plant sales" to allow the storage and display of certain materials on a portion of the lot; and generally relating to zoning.
Introduced by Ms. Haire and Ms. Fiedler

RESOLUTION NO. 11-22 – RESOLUTION approving the determination of certain County-owned property, located on the North side of Overlea Drive in Severna Park, Maryland, as surplus property
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

RESOLUTION NO. 15-22 – RESOLUTION approving appointments to the Police Accountability Board
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

M. Other Business

N. Adjournment

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Anyone with a disability who requires a reasonable accommodation to fully participate in Council meeting should contact the Administrative Officer at least 72 hours before the meeting to discuss your accessibility needs. The Administrative Officer may be reached by email at CouncilAdmin@aacounty.org or by telephone at 410-222-1401. TTY users, please use Maryland Relay, 7-1-1.

WAYS TO FOLLOW THE COUNTY COUNCIL

Members of the public can watch the June 21, 2022 meeting on local cable channels or via Arundel TV. To find a list of channels or to access Arundel TV, visit: www.aacounty.org/services-and-programs/government-television. For more details on all the ways to participate please visit: https://www.aacounty.org/services-and-programs/county-council-meeting-participation.

ANNE ARUNDEL COUNTY
OFFICE OF THE COUNTY AUDITOR

To:	Councilmembers, Anne Arundel County Council
From:	Michelle Bohlayer, County Auditor
Date:	June 17, 2022
Subject:	Auditor's Review of Legislation for the June 21, 2022 Council Meeting

Bill 51-22:
Personnel – Classified Service; Exempt Service

Summary of Legislation

This bill adds new pay schedules for certain classified and exempt employees, provides the method for certain classified employees to move to a new pay schedule, provides for increase in pay for certain employees, and provides for certain lump sum payments. This bill modifies advancement to a new rate of pay for certain employees, reclassification for certain employees, modifies pay upon promotion, disability leave for certain employees, and education assistance for certain employees. This bill also removes certain employees eligible for overtime pay and allowances.

We commented on this bill in our letter dated June 2, 2022. In addition to the information provided in that letter, there was an additional $464,000 needed to fund the increases for employees covered under the Fraternal Order of Police, AA Co. Lodge 70 which was included in the Fiscal Year 2023 Supplemental Budget. At the June 6, 2022 Council meeting, the vote for this bill was held until the June 21, 2022 meeting. We have no further comments on this bill.

Bill 52-22:
Personnel – Positions in the Classified Service – Positions in the Exempt Service (As Amended)

Summary of Legislation

This bill amends the minimum qualifications of the Fire Fighter/ Emergency Medical Technician-Paramedic position; amends the pay grades for Police Communications Operator III and IV, the Chief Administrative Officer, Fire Chief, Assistant Fire Chief, Fire Chief of Staff, Chief of Police, Deputy Chief of Police, Police Major, and Police Chief of Staff; adds six new positions to the classified service, including pay grade, work week, and minimum qualifications; and eliminates the Deputy Central Services Officer and Deputy Director Aging from the exempt service.

We commented on this bill in our letter dated June 2, 2022. At the June 6, 2022 Council meeting, this bill was amended to add the positions of Assistant Facility Superintendent and Manager, Recreation and Parks Personnel Administration to the classified service. We have no further comments on this bill.

Bill 56-22:
Personal Property Tax Credits – Foreign Trade Zones

Summary of Legislation

This bill extends the termination date of the County's personal property tax credit for personal property located in a foreign trade zone from June 30, 2022 to June 30, 2027.

Review of Fiscal Impact

This personal property tax credit has been in effect since fiscal year 2003. The table below shows the total credits granted over the past five fiscal years from the Administration's fiscal note and for fiscal year 2022 (through May 30th).

Fiscal Year	Amount of Tax Credit
2017	$878,943
2018	$1,071,557
2019	$964,081
2020	$789,715
2021	$1,242,308
2022	$1,353,172

According to the Anne Arundel Economic Development Corporation's management, there are two foreign trade zones in the County, however, only one company is currently applying for and receiving this credit. There are other sites within the foreign trade zones that could be eligible to apply for this credit.

The Office of Finance does not expect a change in workload from the passing of this bill and no additional resources are anticipated. Personal property tax credits reduce taxes collected by the County. However, if the County maximizes the property tax revenue under the tax cap, the additional years of the tax credit renewal would not impact the property tax revenue collected by the County, but rather would be absorbed by the remaining tax base.

Bill 57-22: Zoning – Nurseries with Landscaping and Plant Sales	**Summary of Legislation** This bill amends the definition of nurseries with landscaping and plant sales and adds a conditional use requirement for nurseries with landscaping and plant sales to allow the storage and display of certain materials on a portion of the lot. **Review of Fiscal Impact** The Office of Planning and Zoning does not anticipate a change in workload due to this bill. This bill would make changes to the amount of on-site area that certain nursery businesses may use for certain activities, however, the impact of the changes will be dependent upon the specific circumstances. This bill has no direct fiscal impact.
Resolution 11-22: Determination of Certain County-Owned Property on the North Side of Overlea Drive in Severna Park as Surplus Property	**Summary of Legislation** This resolution declares certain County-owned property comprised of 0.058 acres and identified as Part of Lots 24-26, Block T, Sabrina Park, Plat Book 5, Page 50 on the northern side of Overlea Drive in Severna Park, Maryland as surplus property. According to the State Department of Assessments and Taxation's website, the property is 4,542 square feet (0.104 acres) and has an assessed value as of January 1, 2022 of $467,100. **Review of Fiscal Impact** We reviewed this resolution and the support provided by the Administration and agree with the information presented. This resolution approves the determination of this property as surplus and has no fiscal impact. Pursuant to Code § 8-3-204(g), if the County Council approves this determination as surplus property and the County Executive negotiates for a private disposition, the terms and conditions of the private disposition will be required to obtain County Council approval for the disposition of the property.
Resolution 15-22: Approving Appointments to the Police Accountability Board	**Summary of Legislation** This resolution approves appointments to the Police Accountability Board. **Review of Fiscal Impact** This resolution does not have a direct fiscal impact.

Sincerely,

Michelle Bohlayer

Michelle Bohlayer
County Auditor

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND
Minutes of
Legislative Session 2022, Legislative Day No. 12
June 6, 2022 - 7:00 P.M.

The meeting was called to order by Chair Rodvien at 7:00 P.M. and opened with the Invocation given by Mr. Pruski, followed by the Pledge of Allegiance. The meeting was held in the County Council Chambers, Arundel Center, Annapolis, Maryland. There were approximately 20 persons in the audience.

The following members of the County Council were present:

Sarah F. Lacey	First District
Nathan Volke	Third District
Andrew C. Pruski	Fourth District
Amanda Fiedler	Fifth District
Lisa D.B. Rodvien	Sixth District
Jessica Haire	Seventh District

Allison Pickard, District Two, was absent.

The County Auditor's Office was represented by Michelle Bohlayer.

ETHICS STATEMENT

Laura Corby, Administrative Officer, read aloud the Ethics Statement.

CHARTER REVISION COMMISSION REPORT

Andrea Mansfield, Chair, gave a summary of the Charter Report.

Mr. Pruski, Ms. Haire, and Ms. Rodvien thanked the Commission for its work.

INVITATION TO AUDIENCE

The Administrative Officer stated there were no submissions of public testimony received for Invitation to Audience.

There was no one present who wished to speak, and the Invitation to Audience was concluded.

PRELIMINARY MOTION

On motion of Ms. Lacey, seconded by Mr. Pruski, the Council voted that the partial reading of any bill, resolution, minutes, or amendment constitutes the reading of the whole.

APPROVAL OF MINUTES

On motion of Ms. Lacey, seconded by Mr. Volke, the minutes of the meeting of May 16, 2022, May 18, 2022, and June 1, 2022 were approved as presented.

INTRODUCTION OF BILLS

BILL NO. 58-22 – AN ORDINANCE concerning: the issuance, sale and delivery of Anne Arundel County, Maryland general obligation bonds and bond anticipation notes – FOR the purpose of authorizing the issuance by Anne Arundel County, Maryland (the "County") of bond anticipation notes in an amount to be outstanding at any time not in excess of Six Hundred Million Dollars ($600,000,000) and bonds in an amount not exceeding One Billion Seven Million Five Hundred Thirty Nine Thousand One Hundred Thirteen Dollars ($1,007,539,113) in order to finance in whole or in part the construction of capital projects set forth in the capital budget of the County for the fiscal year ending June 30, 2023, or in such capital budgets for prior fiscal years, or usable portions thereof; authorizing the issuance by the County of refunding bonds to refund some or all of the outstanding bond issues of the County listed on Exhibit II attached hereto and incorporated herein in an aggregate principal amount not to exceed 120% of the aggregate principal amount of the outstanding bonds to be refunded, subject to the requirement that debt service savings shall be achieved in connection with any such refunding; authorizing the County to borrow money and incur indebtedness otherwise authorized to be borrowed and incurred hereunder in the form of bonds or bond anticipation notes by obtaining a loan or loans from the Maryland Water Quality Financing Administration pursuant to and in accordance with Sections 9-1601 through 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland (2014 Replacement Volume and 2021 Supplement) for the public purpose of financing a portion of the costs of acquiring, constructing and equipping certain wastewater facilities and water supply systems; providing for the execution and delivery by the County of a loan agreement and bond to evidence any such loan; reaffirming and clarifying the guides and standards relating to the borrowing of money to finance such capital projects heretofore adopted; listing the capital projects to be financed in whole or in part from the proceeds of sale of the bonds hereby authorized, or usable portions thereof, estimated costs and probable useful lives thereof; showing compliance with the limitations on the power of the County to incur indebtedness; providing for essential flexibility in the financing of such capital projects and the issuance of such bonds by authorizing such bond anticipation notes to be repaid from the proceeds of the sale of such bonds; prescribing the procedure for the issuance and sale of such bond anticipation notes and bonds; empowering the County Executive of the County (the "County Executive"), or the Chief Administrative Officer of the County (the "Chief Administrative Officer") if authorized by the County Executive, subject to such guides and standards, to determine the time and method of sale of such bond anticipation notes and refunding bonds, which sale may be a private (negotiated) sale or a public sale, and the time, place, and procedure for the public sale of such bonds other than refunding bonds; empowering the County Executive, or the Chief Administrative Officer if authorized by the County Executive, subject to such guides and standards, to determine the forms of such bonds and to determine the forms of such bond anticipation notes; empowering the County Executive, or the Chief

Administrative Officer if authorized by the County Executive, to provide for or determine the private (negotiated) sale of any loan agreement or bond to the Maryland Water Quality Financing Administration, the form or forms thereof and other details with respect thereto and to the sales thereof; providing that such bond anticipation notes may be issued as notes in the nature of commercial paper and, in such event, authorizing the County Executive, or the Chief Administrative Officer if authorized by the County Executive, to determine various matters and to take various actions in connection with such issuance; providing that such bonds and bond anticipation notes may be issued as variable rate demand or similar obligations and, in such event, authorizing the County Executive, or the Chief Administrative Officer if authorized by the County Executive, to determine various matters and to take various actions in connection with such issuance; covenanting to issue, upon its full faith and credit, the bonds in anticipation of the sale of which any bond anticipation notes are issued when, and as soon as, the reason for deferring the issuance thereof no longer exists, to pay the principal of and interest on (to the extent such is not otherwise paid) such notes from the proceeds of such bonds and that, if the County shall be unable to issue and sell its bonds in an amount sufficient to pay the principal of and interest on any notes issued, then to appropriate sufficient revenues in each fiscal year following the issuance of such bond anticipation notes to pay the maturing principal thereof and the interest thereon to the extent not otherwise paid; covenanting to appropriate sufficient revenues in each fiscal year following the issuance of such bonds to pay the maturing principal thereof and the interest thereon and to meet such appropriation either by revenues derived from self-liquidating projects or from the proceeds of ad valorem taxes, or a combination of the foregoing; pledging the full faith and credit of the County, to the payment of the bonds and bond anticipation notes issued hereunder and the interest thereon, when due; providing that the pledge of the taxing power to secure such bonds and bond anticipation notes shall be subject to the limitation imposed by Section 710(d) of The Anne Arundel County Charter, except in the case where refunding bonds are issued to refund bonds secured by the pledge of the full faith and credit and unlimited taxing power of the County; covenanting that the proceeds of such bonds and bond anticipation notes, or any money which may be deemed to be proceeds, will not be used in a manner to cause such bonds to be arbitrage bonds; canceling, rescinding, and repealing authority to issue certain bonds only to the extent such authority has not been previously exercised under Bill No. 57-21, as amended, and ratifying, confirming and validating the previous authorization, issuance, sale and delivery of bonds and bond anticipation notes pursuant to applicable authority; ratifying and authorizing the issuance of Shore Erosion Control Construction Loans pursuant to and in accordance with Sections 8-1001 to 8-1008, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (2012 Replacement Volume and 2021 Supplement); and generally providing for the consolidation and authorization of a borrowing program for the County, and matters generally related thereto.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 59-22 – AN ORDINANCE concerning: Planning and Development – Master Plan for Land Preservation, Parks and Recreation – FOR the purpose of repealing the Anne Arundel County 2017 Land Preservation, Parks and Recreation Plan; adopting

the Anne Arundel County 2022 Land Preservation, Parks and Recreation Plan; and generally relating to the master plan for land preservation, parks, and recreation.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 60-22 – AN ORDINANCE concerning: Branches of Government – Orphans' Court – Compensation – FOR the purpose of increasing the salary of the Orphans' Court Judges; providing for the effective date of the salary increases; and generally relating to branches of government.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 61-22 – AN ORDINANCE concerning: Pensions – Deferred Retirement Option Program – Fire Service Retirement Plan – FOR the purpose of modifying the eligibility for the sixth year of participation in DROP for certain participants in the Fire Service Retirement Plan; and generally relating to Pensions.
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

BILL NO. 62-22 – AN ORDINANCE concerning: Crimes, Civil Offenses, and Fines – Littering – Civil Fines – FOR the purpose of Crimes, Civil Offenses, and Fines – FOR the purpose of modifying the civil fines for littering; and generally related to crimes, civil offenses, and fines.
Introduced by Mr. Pruski and Mr. Volke

BILL NO. 63-22 – AN ORDINANCE concerning: Zoning – Bulk Regulations – Adult Independent Dwelling Units – FOR the purpose of establishing maximum density allowed in R1, R2, and R5 residential districts for adult independent dwelling units served by public sewer and located within a two-mile radius of County libraries and community centers; and generally relating to zoning.
Introduced by Ms. Lacey

INTRODUCTION OF RESOLUTIONS

RESOLUTION NO. 13-22 – RESOLUTION appointing a member to the Anne Arundel County Adult Public Guardianship Review Board
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

RESOLUTION NO. 14-22 – RESOLUTION approving the submission of names for the Property Tax Assessment Appeals Board
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

RESOLUTION NO. 15-22 – RESOLUTION approving appointments to the Police Accountability Board
Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

The Chair stated Resolution Nos. 13-22 and 14-22 would be voted on at the end of the meeting.

PUBLIC HEARINGS AND CALL OF BILLS FOR FINAL READING AND/OR VOTE

BILL NO. 36-22 (Public Hearing Continued)

Bill No. 36-22 was withdrawn at the request of the Administration.

BILL NO. 49-22

The Chair called for the public hearing on Bill No. 49-22, An Ordinance concerning: Finance, Taxation, and Budget – Special Community Benefit Districts – Tax – For the purpose of applying certain real property tax exemptions and credits to special community benefit district assessments; providing for the application of this Ordinance; and general relating to finance, taxation, and budget; and the Administrative Officer read a portion of the title.

Pete Baron, Director, Government Affairs, was accompanied by Steven Theroux, Budget Office, and Lori Blair Klasmeier, Deputy County Attorney.

Mr. Baron explained the bill.

The Chair called for the public hearing on Bill No. 49-22.

The Administrative Officer stated there were no submissions of public testimony received for Bill No. 49-22.

There was no one else present who wished to speak and the hearing was concluded.

The Chair called Bill No. 49-22, An Ordinance concerning: Finance, Taxation, and Budget – Special Community Benefit Districts – Tax; and the Administrative Officer read a portion of the title.

Bill No. 49-22 was passed by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

BILL NO. 50-22

The Chair called for the public hearing on Bill No. 50-22, An Ordinance concerning: Finance, Taxation, and Budget – Revenue Reserve Fund – For the purpose of increasing the limit on the Revenue Reserve Fund; and generally relating to finance, taxation, and budget; and the Administrative Officer read portion of the title.

Pete Baron, Director, Government Affairs, was accompanied by Chris Trumbauer, Budget Officer, and Lori Blair Klasmeier, Deputy County Attorney.

Mr. Baron explained the bill.

Mr. Volke thanked the Administration for its services.

The Chair called for the public hearing on Bill No. 50-22.

The Administrative Officer stated there were no submissions of public testimony received for Bill No. 50-22.

There was no one else present who wished to speak and the hearing was concluded.

The Chair called Bill No. 50-22, An Ordinance concerning: Finance, Taxation, and Budget – Revenue Reserve Fund; and the Administrative Officer read a portion of the title.

Bill No. 50-22 was passed by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

BILL NO. 51-22

The Chair called for the public hearing on Bill No. 51-22, An Ordinance concerning: Personnel – Classified Service; Exempt Service – For the purpose of adding new pay schedules for certain classified employees; providing the method for certain classified employees to move to a new pay schedule; providing for increases in pay for certain employees; providing for lump sum payments for certain employees; modifying advancement to new rate of pay for certain employees; modifying pay on promotion, reclassification or grade reallocation for certain employees; removing certain employees eligible for allowances; removing certain employees eligible for overtime pay; modifying disability leave for certain employees; modifying education assistance for certain employees; adding new pay schedules for certain exempt employees; confirming applicability of certain terms related to pay in memoranda of agreements; providing for the application of this Ordinance; and generally relating to personnel; and the Administrative Officer read a portion of the title.

Pete Baron, Director, Government Affairs, was accompanied by Steven Theroux, Budget Office, Anne Budowski, Personnel Officer, Susan Herrold, Personnel Office, and Lori Blair Klasmeier, Deputy County Attorney.

Mr. Baron explained the bill.

The Chair called for the public hearing on Bill No. 51-22.

The Administrative Officer stated there were no submissions of public testimony received for Bill No. 51-22.

There was no one else present who wished to speak and the hearing was concluded.

The Chair called Bill No. 51-22, An Ordinance concerning: Personnel – Classified Service; Exempt Service; and the Administrative Officer read a portion of the title.

Amendment No. 1

This technical amendment removes repetitive language; and corrects a typographical error in the Park Ranger Employees (R) Pay Schedule.

Mr. Baron explained the amendment.

On motion of Mr. Volke, seconded by Mr. Pruski, Amendment No. 1 was adopted by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

Ms. Rodvien stated that the bill was eligible for vote because amendment was technical.

There was discussion regarding the amendment and holding the vote on the bill.

On motion by Mr. Volke, seconded by Ms. Haire, the motion to hold the vote for Bill No. 51-22 until the June 21, 2022 was passed by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey
Nay – Ms. Rodvien

The Chair stated the vote on Bill No. 51-22 would be held until the June 21, 2022 meeting.

BILL NO. 52-22

The Chair called for the public hearing on Bill No. 52-22, An Ordinance concerning: Personnel – Positions in the Classified Service – Positions in the Exempt Service – For the purpose of modifying minimum qualifications for a certain position in the classified service; modifying the pay grade for Police Communications Operators III and IV job classifications to correspond with a new pay scale; adding certain positions in the classified service; providing for the pay grade, work week, and minimum qualifications applicable to positions added to the classified service; modifying the pay grade for certain positions in the exempt service; providing for the elimination of certain exempt positions under certain circumstances; making certain technical and stylistic changes; and generally relating to personnel; and the Administrative Officer read a portion of the title.

Pete Baron, Director, Government Affairs, was accompanied by Steven Theroux, Budget Office, Anne Budowski, Personnel Officer, Jackie Atkinson, Personnel Office, and Lori Blair Klasmeier, Deputy County Attorney.

Mr. Baron explained the bill.

The Chair called for the public hearing on Bill No. 52-22.

The Administrative Officer stated there were no submissions of public testimony received for Bill No. 52-22.

There was no one else present who wished to speak and the hearing was concluded.

The Chair called Bill No. 52-22, An Ordinance concerning: Personnel – Positions in the Classified Service – Positions in the Exempt Service; and the Administrative Officer read a portion of the title.

Amendment No. 1

This amendment adds the positions of "Assistant Facility Superintendent" and "Manager, Recreation and Parks Personnel Administration" to the Classified Service.

Mr. Baron explained the amendment.

On motion of Mr. Pruski, seconded by Ms. Lacey, Amendment No. 1 was adopted by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

The Chair stated Bill No. 52-22, as amended, would be heard on June 21, 2022.

BILL NO. 53-22

The Chair called for the public hearing on Bill No. 53-22, An Ordinance concerning: Planning and Development – Master Plan for Water Supply and Sewerage Systems – For the purpose of repealing the Master Plan for Water Supply and Sewerage Systems, 2017; adopting the Master Plan for Water Supply and Sewerage Systems, 2022; making this Ordinance subject to approval of the Maryland Department of the Environment; and generally relating to the Master Plan for Water Supply and Sewerage Systems; and the Administrative Officer read a portion of the title.

Pete Baron, Director, Government Affairs, was accompanied by Lori Rhodes, Deputy Chief Administrative Officer, Planning and Zoning, Land Use, Christina Pompa, Planning and Zoning, Cindy Carrier, Planning and Zoning, Desirae Williams, Planning and Zoning, Al Herb, Sanitary Engineer, Department of Health, Brian Chew, Department of Health, and Lori Blair Klasmeier, Deputy County Attorney.

Mr. Baron explained the bill.

The Chair called for the public hearing on Bill No. 53-22.

The Administrative Officer stated there were no submissions of public testimony received for Bill No. 53-22.

There was no one else present who wished to speak and the hearing was concluded.

The Chair called Bill No. 53-22, An Ordinance concerning: Planning and Development – Master Plan for Water Supply and Sewerage Systems; and the Administrative Officer read a portion of the title.

Amendment No. 1

This technical amendment fixes certain typographical errors in the Master Plan for Water Supply and Sewerage Systems.

Mr. Baron explained the amendment.

On motion of Mr. Pruski, seconded by Mr. Volke, Amendment No. 1 was adopted by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

Bill No. 53-22, as amended, was passed by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

BILL NO. 54-22

The Chair called for the public hearing on Bill No. 54-22, An EMERGENCY ORDINANCE concerning: Current Expense Budget – Fourth Quarter Fund Transfer and Supplementary Appropriations – For the purpose of transferring appropriations of funds between certain offices, departments, institutions, boards, commissions or other agencies in the general fund; making supplementary appropriations from unanticipated revenues to certain offices, departments, institutions, boards, commissions or other agencies in the general fund and to certain special funds of the County government for the current fiscal year; making this Ordinance an emergency measure; and generally relating to transferring appropriations of funds and making supplementary appropriations of funds to the current expense budget for the fiscal year ending June 30, 2022; and the Administrative Officer read a portion of the title.

Pete Baron, Director, Government Affairs, was accompanied by Steven Theroux, Budget Office, Christine Anderson, Central Services, Karen Henry, Department of Public Works, Mary Lynn Bobbitt, Department of Health, and Lori Blair Klasmeier, Deputy County Attorney.

Mr. Baron explained the bill.

The Chair called for the public hearing on Bill No. 54-22.

The Administrative Officer stated there were no submissions of public testimony received for Bill No. 54-22.

There was no one else present who wished to speak and the hearing was concluded.

The Chair called Bill No. 54-22, An EMERGENCY ORDINANCE concerning: Current Expense Budget – Fourth Quarter Fund Transfer and Supplementary Appropriations; and the Administrative Officer read a portion of the title.

Amendment No. 1

This amendment increases the appropriation to the Park Place Tax Increment Fund by $25,000, the appropriation to the Conference and Visitors Bureau Fund by $650,000, the appropriation to the Arts Council Fund by $115,000, and the appropriation to the Partnership for Children, Youth, and Families by $640,000 to account for unanticipated revenues in excess of budget estimates.

Mr. Baron explained the amendment.

On motion of Mr. Pruski, seconded by Ms. Lacey, Amendment No. 1 was adopted by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

Ms. Haire asked for a brief explanation of some of the contractual services.

Mr. Theroux responded.

Ms. Lacey asked about the contractual services for the Office of Personnel.

Mr. Theroux answered.

Bill No. 54-22 was passed by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

BILL NO. 55-22

The Chair called for the public hearing on Bill No. 55-22, AN EMERGENCY ORDINANCE concerning: Current Expense Budget – Board of Education – Supplementary Appropriation and Transfers of Funds – For the purpose of transferring appropriations of funds between certain offices, departments, institutions, boards, commissions or other agencies in the general fund; making supplementary appropriations from unanticipated revenues to the Local Education Fund for the current fiscal year; making this Ordinance an emergency measure; and generally relating to transferring appropriations of funds and supplementary appropriations to the current expense budget for the fiscal year ending June 30, 2022; and the Administrative Officer read a portion of the title.

Pete Baron, Director, Government Affairs, was accompanied by Steven Theroux, Budget Office, Alex Szachnowicz, Chief Operating Officer, AACPS, Matt Stanski, AACPS Director of Financial Operations, and Lori Blair Klasmeier, Deputy County Attorney.

Mr. Baron explained the bill.

Mr. Pruski disclosed his spouse works in Anne Arundel County Public Schools.

Ms. Rodvien disclosed she is a part time teacher for AACPS.

Mr. Volke asked about the disbursement of funds.

Mr. Szachnowicz responded.

The Chair called for the public hearing on Bill No. 55-22.

The Administrative Officer stated there was one submission of written public testimony received for Bill No. 55-22 through the online testimony tool, which was shared with the Council and posted on the County Council website.

There was no one present who wished to speak and the hearing was concluded.

The Chair called Bill No. 55-22, AN EMERGENCY ORDINANCE concerning: Current Expense Budget – Board of Education – Supplementary Appropriation and Transfers of Funds; and the Administrative Officer read a portion of the title.

Bill No. 55-22 was passed by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

PUBLIC HEARING AND CALL OF RESOLUTION FOR READING AND/OR VOTE

RESOLUTION NO. 13-22

The Chair called for the public hearing on Resolution No. 13-22, Resolution appointing a member to the Anne Arundel County Adult Public Guardianship Review Board; and the Administrative Officer read the title.

Mr. Baron, Director, Government Affairs, accompanied by Lori Blair Klasmeier, Deputy County Attorney, explained the resolution.

Resolution No. 13-22 was adopted by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

RESOLUTION NO. 14-22

The Chair called for the public hearing on Resolution No. 14-22, Resolution approving the submission of names for the Property Tax Assessment Appeals Board; and the Administrative Officer read the title.

Mr. Baron, Director, Government Affairs, accompanied by Lori Blair Klasmeier, Deputy County Attorney, explained the resolution.

Resolution No. 14-22 was adopted by the following roll call vote:

Absent – Ms. Pickard
Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Rodvien
Nay – None

OTHER BUSINESS

Mr. Pruski and Ms. Fiedler congratulated the 2022 graduates.

ADJOURNMENT

There being no further business, on motion of Mr. Volke, seconded by Ms. Lacey, the meeting adjourned at 7:59 P.M.

Respectfully submitted,

By Anna Macaulay

For Laura Corby
Administrative Officer

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND
Minutes of
Final FY 2023 Budget Deliberations
June 9, 2022 – 11:00 A.M.
County Council Chambers

The meeting was called to order by Chair Rodvien at 11:00 A.M. and opened with the Invocation given by Ms. Rodvien, followed by the Pledge of Allegiance. The meeting was held in the County Council Chambers, Arundel Center, Annapolis, Maryland. There were approximately 25 persons in the audience.

The following members of the County Council were present:

Sarah Lacey	First District
Allison Pickard	Second District
Nathan Volke	Third District
Andrew C. Pruski	Fourth District
Amanda Fiedler	Fifth District
Lisa Rodvien	Sixth District
Jessica Haire	Seventh District

The Auditor's Office was represented by the County Auditor Michelle Bohlayer.

PRELIMINARY MOTION

On motion of Ms. Pickard, seconded by Mr. Pruski, the Council voted that the partial reading of any bill, resolution, minutes, or amendment constitutes the reading of the whole.

CALL OF BILLS FOR FINAL READING AND VOTE

The Chairman called Bill No. 37-22, An Ordinance concerning: Annual Budget and Appropriation Ordinance of Anne Arundel County – FOR the purpose of adopting the County Budget, consisting of the Current Expense Budget for the fiscal year ending June 30, 2023, the Capital Budget for the fiscal year ending June 30, 2024, the Capital Program for the fiscal years ending June 30, 2023, June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028; and appropriating funds for all expenditures for the fiscal year beginning July 1, 2022, and ending June 30, 2023; and the Administrative Officer read a portion of the title.

On motion by Mr. Volke, seconded by Mr. Pruski, the motion to vote on Amendment Nos 1-40 as a block was passed by the following roll call vote:

Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Ms. Rodvien
Nay - None

Amendment Nos. 1 through 40

The Administrative Officer read Amendment Nos. 1 through 40.

Chris Trumbauer, Budget Officer, stated the Administration did not object to the block of amendments.

Ms. Rodvien clarified the amendments.

On motion of Mr. Pruski, seconded by Mr. Volke, Amendment Nos. 1 through 40 were adopted by the following roll call vote:

Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Ms. Rodvien
Nay - None

(Amendment Nos. 1 through 40 are attached to the official copy of these minutes.)

Secretary's Note: On June 16, 2022 a typographical error in Amendment No. 29 was discovered. The amount shown is $944,213. The appropriation is actually $994,213.

Amendment No. 41

The Administrative Officer read Amendment No. 41.

Ms. Fielder, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

There was discussion regarding the required money for the facility in Crownsville.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 41 was adopted by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire, Ms. Lacey
Nay – Mr. Pruski, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 41 is attached to the official copy of these minutes.)

Amendment No. 42 (WITHDRAWN)

Amendment No. 42 was withdrawn by the Sponsor.

(Amendment No. 42 is attached to the official copy of these minutes.)

Amendment No. 43

The Administrative Officer read Amendment No. 43.

Ms. Fielder, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

Ms. Haire asked how the amendment would cut salaries.

Mr. Trumbauer responded.
There was discussion regarding the pay for employees.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 43 was defeated by the following roll call vote:

Aye – Ms. Fiedler, Ms. Haire
Nay – Mr. Volke, Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 43 is attached to the official copy of these minutes.)

Amendment No. 44

The Administrative Officer read Amendment No. 44.

Ms. Fielder, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

Mr. Volke asked if the water and wastewater fee would be increased.

Mr. Trumbauer responed.

There was discussion regarding wastewater treatment.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 44 was defeated by the following roll call vote:

Aye – Ms. Fiedler, Ms. Haire
Nay – Mr. Volke, Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 44 is attached to the official copy of these minutes.)

Amendment No. 45

The Administrative Officer read Amendment No. 45.

Ms. Fielder, Co-Sponsor, gave a brief statement about the amendment.

The Administration supports the amendment.

Ms. Pickard shared her concern for safe walkways to the schools.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 45 was adopted by the following roll call vote:

Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard,
Ms. Rodvien
Nay - None

(A copy of Amendment No. 45 is attached to the official copy of these minutes.)

<u>Amendment No. 46</u>

The Administrative Officer read Amendment No. 46.

Ms. Fielder, Co-Sponsor, gave a brief statement about the amendment.

The Administration supports the amendment.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 46 was adopted by the following roll call vote:

Aye – Mr. Volke, Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard,
Ms. Rodvien
Nay - None

(A copy of Amendment No. 46 is attached to the official copy of these minutes.)

<u>Amendment No. 47</u>

The Administrative Officer read Amendment No. 47.

Ms. Haire, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

On motion of Ms. Haire, seconded by Mr. Volke, Amendment No. 47 was defeated by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire
Nay – Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 47 is attached to the official copy of these minutes.)

<u>Amendment No. 48</u>

The Administrative Officer read Amendment No. 48.

Ms. Haire, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

On motion of Ms. Haire, seconded by Mr. Volke, Amendment No. 48 was defeated by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire
Nay – Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 48 is attached to the official copy of these minutes.)

Amendment No. 49

The Administrative Officer read Amendment No. 49.

Ms. Haire, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

On motion of Ms. Haire, seconded by Mr. Volke, Amendment No. 49 was defeated by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire
Nay – Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 49 is attached to the official copy of these minutes.)

Amendment No. 50

The Administrative Officer read Amendment No. 50.

Ms. Haire, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

There was discussion regarding the rainy day fund and emergencies.

On motion of Ms. Haire, seconded by Ms. Fiedler, Amendment No. 50 was defeated by the following roll call vote:

Aye – Ms. Fiedler, Ms. Haire
Nay – Mr. Volke, Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 50 is attached to the official copy of these minutes.)

Amendment No. 51

The Administrative Officer read Amendment No. 51.

Ms. Fiedler, Co-Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

There was discussion regarding the creation of a nonprofit center.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 51 was defeated by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire
Nay – Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 51 is attached to the official copy of these minutes.)

Amendment No. 52

The Administrative Officer read Amendment No. 52.

Ms. Fiedler, Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 52 was defeated by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire
Nay – Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 52 is attached to the official copy of these minutes.)

Amendment No. 53

The Administrative Officer read Amendment No. 53.

Ms. Fiedler, Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

On motion of Ms. Fiedler, seconded by Ms. Haire, Amendment No. 53 was defeated by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire
Nay – Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 53 is attached to the official copy of these minutes.)

Amendment Nos. 54-56 (WITHDRAWN)

Amendment Nos. 54-56 were withdrawn by the Sponsor.

(Amendment Nos. 54-56 are attached to the official copy of these minutes.)

Amendment No. 57

The Administrative Officer read Amendment No. 57.

Mr. Volke, Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

On motion of Mr. Volke, seconded by Ms. Haire, Amendment No. 57 was defeated by the following roll call vote:

Aye – Mr. Volke, Ms. Fiedler, Ms. Haire
Nay – Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien

(A copy of Amendment No. 57 is attached to the official copy of these minutes.)

Amendment No. 58

The Administrative Officer read Amendment No. 58.

Ms. Lacey, Sponsor, gave a brief statement about the amendment.

Mr. Trumbauer explained why the Administration did not support the amendment.

There was discussion regarding the use of boat ramps.

On motion of Ms. Lacey, seconded by Ms. Rodvien, Amendment No. 58 was defeated by the following roll call vote:

Aye – Ms. Lacey
Nay – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Pickard, Ms. Rodvien
Absent – Mr. Volke

(A copy of Amendment No. 58 is attached to the official copy of these minutes.)

RECESS

The Chairman stated the Council would recess at this time to allow the Administration to provide their supplemental budget requests. Mr. Trumbauer stated they would be ready in approximately one hour. The Council recessed at 1:00 P.M.

RECONVENE

The Council reconvened at 2:00 P.M. Mr. Volke was absent. All other Council were present, as was the County Auditor.

SUPPLEMENTAL BUDGET

Chris Trumbauer, Budget Officer, presented the County Executive's proposed supplemental amendments to the budget in accordance with Section 709 of the County Charter.

(The Supplemental Budget letter from Stuart Pittman, County Executive, is attached to the official copy of these minutes).

MOTION TO WAIVE THE PUBLIC HEARING

The Chairman read the following statement: "Under the provisions of Section 709 of the Charter, if the County Executive proposes amendments to increase or add items to the Budget, the County Council must give reasonable public notice of the proposed amendments and hold a public hearing on the amendments. Notice of the purposed supplement amendments has been given. The Council may waive this hearing by a vote of five members."

The motion of Ms. Lacey, seconded by Ms. Pickard, to waive the public hearing was defeated by the following roll call vote:

Aye– Mr. Pruski, Ms. Lacey, Ms. Pickard, Ms. Rodvien
Nay – Ms. Fiedler, Ms. Haire
Absent – Mr. Volke

Ms. Lacey stated that the motion to waive the public hearing under Section 709 of the Charter has failed. Public notice of the supplemental budget being proposed will be advertised, text of the amendments will be posted on the County's website and the public should check the Council's website for ways to submit testimony. The Council's public hearing will be held in the Chambers beginning at 9:00 A.M. on Tuesday, June 14, 2022. Any public testimony received will be posted prior to that time. Upon conclusion of that hearing, the County Council will vote on the supplemental amendments and the FY 2023 Budget Bills No. 37-22 through Bill No. 48-22.

ADJOURNMENT

There being no further business, on motion of Mr. Pruski, seconded by Ms. Pickard, the meeting was adjourned at 2:13 P.M.

Respectfully submitted,

by Anna Macaulay

for Laura Corby
Administrative Officer

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND
Minutes of
Final FY 2023 Budget Deliberations
June 14, 2022 – 9:00 A.M.
County Council Chambers

The meeting was called to order by Chair Rodvien at 9:00 A.M. and opened with the Invocation given by Ms. Fiedler, followed by the Pledge of Allegiance. The meeting was held in the County Council Chambers, Arundel Center, Annapolis, Maryland. There were approximately 10 persons in the audience.

The following members of the County Council were present:

Sarah Lacey	First District
Allison Pickard	Second District
Nathan Volke	Third District
Andrew C. Pruski	Fourth District
Amanda Fiedler	Fifth District
Lisa Rodvien	Sixth District
Jessica Haire	Seventh District

The Auditor's Office was represented by the County Auditor Michelle Bohlayer.

ETHICS STATEMENT

Laura Corby, Administrative Officer, read aloud the Ethics Statement.

PRELIMINARY MOTION

On motion of Ms. Pickard, seconded by Mr. Pruski, the Council voted that the partial reading of any bill, resolution, minutes, or amendment constitutes the reading of the whole.

SECTION 709 PUBLIC HEARING

The Chair called for the public hearing on the County Executive's proposed supplemental amendments to the budget.

The Administrative Officer stated there were no submissions of public testimony received. For the Council's information, she stated there were 179 online submissions for the Budget bills as a whole, which were shared with the Council and posted on the County Council website.

The Chair stated there were no signups for public testimony, and the hearing was concluded.

CALL OF BILLS FOR FINAL READING AND VOTE

The Chairman called Bill No. 37-22, An Ordinance concerning: Annual Budget and Appropriation Ordinance of Anne Arundel County – For the purpose of adopting the County Budget, consisting of the Current Expense Budget for the fiscal year ending June 30, 2023, the

Capital Budget for the fiscal year ending June 30, 2024, the Capital Program for the fiscal years ending June 30, 2023, June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028; and appropriating funds for all expenditures for the fiscal year beginning July 1, 2022, and ending June 30, 2023; and the Administrative Officer read a portion of the title.

Chris Trumbauer, Budget Officer, stated the Administration supports the budget.

On motion of Mr. Pruski, seconded by Mr. Volke, the Council voted to take Amendment Nos. 59 through 98 as a block, by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

Amendment Nos. 59 through 98

The Administrative Officer read Amendment Nos. 59 through 98.

On motion of Ms. Pickard, seconded by Ms. Rodvien, the Council voted to adopt Amendment Nos. 59 through 98 by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

(Amendment Nos. 59 through 98 are attached to the official copy of these minutes.)

Amendment No. 99

The Administrative Officer read Amendment No. 99.

Mr. Trumbauer explained the amendment.

On motion of Mr. Pruski, seconded by Ms. Pickard, Amendment No. 99 was adopted by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

(Amendment No. 99 is attached to the official copy of these minutes.)

RECESS

The Council took a recess at 9:24 A.M.

RECONVENE

The Council reconvened at 9:45 A.M. with all Councilmembers present.

Amendment No. 100

The Administrative Officer read Amendment No. 100.

Mr. Trumbauer explained the amendment.

Ms. Lacey asked how the impact fees would apply to the districts.

Mr. Trumbauer responded.

Ms. Haire asked a technical question.

Mr. Trumbauer answered.

On motion of Mr. Pruski, seconded by Ms. Pickard, Amendment No. 100 was adopted by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

(Amendment No. 100 is attached to the official copy of these minutes.)

The Chairman called Bill No. 37-22, as amended, An Ordinance concerning: Annual Budget and Appropriation Ordinance of Anne Arundel County; and the Administrative Officer read a portion of the title.

Mr. Pruski thanked all who worked on the Budget.

Mr. Volke shared his appreciation for the Budget and explained why he supports it.

Ms. Pickard shared her pride in the Budget.

Ms. Haire expressed her thanks for the hard work put into the Budget. She explained why she would not be supporting it.

Ms. Fiedler expressed her thanks to the staff and all who helped with the Budget.

Ms. Lacey shared her thoughts on the Budget.

Ms. Rodvien expressed her pleasure in supporting the Budget.

Bill No. 37-22, as amended, was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – Ms. Haire

BILL NO. 38-22

The Chairman called Bill No. 38-22, An Ordinance concerning: Tax Levies – Special Community Benefit Districts, Shore Erosion Control Districts, and Waterways Improvement Districts – For the purpose of levying and imposing the tax rates for special community benefit districts, shore erosion control districts, and waterways improvement districts required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 38-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 39-22

The Chairman called Bill No. 39-22, An Ordinance concerning: Tax Levies – Arundel Gateway Special Taxing District – For the purpose of levying and imposing the tax rates for the Arundel Gateway Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 39-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 40-22

The Chairman called Bill No. 40-22, An Ordinance concerning: Tax Levies – Arundel Mills Special Taxing District – For the purpose of levying and imposing the tax rates for the Arundel Mills Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 40-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 41-22

The Chairman called Bill No. 41-22, An Ordinance concerning: Tax Levies – Dorchester Special Taxing District – For the purpose of levying and imposing the tax rates for the Dorchester Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 41-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 42-22

The Chairman called Bill No. 42-22, An Ordinance concerning: Tax Levies – Farmington Village Special Taxing District – For the purpose of levying and imposing the tax rates for the Farmington Village Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 42-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 43-22

The Chairman called Bill No. 43-22, An Ordinance concerning: Tax Levies – National Business Park Special Taxing District – For the purpose of levying and imposing the tax rates for the National Business Park Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 43-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 44-22

The Chairman called Bill No. 44-22, An Ordinance concerning: Tax Levies – National Business Park- North Special Taxing District – For the purpose of levying and imposing the tax rates for the National Business Park North Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 44-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 45-22

The Chairman called Bill No. 45-22, An Ordinance concerning: Tax Levies – Two Rivers Special Taxing District – For the purpose of levying and imposing the tax rates for the Two Rivers Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 45-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 46-22

The Chairman called Bill No. 46-22, An Ordinance concerning: Tax Levies – Village South at Waugh Chapel Special Taxing District – For the purpose of levying and imposing the tax rates for the Village South at Waugh Chapel Special Taxing District required by the County Budget for Fiscal Year 2023; and the Administrative Officer read a portion of the title.

Bill No. 46-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 47-22

The Chairman called Bill No. 47-22, An Ordinance concerning: Finance, Taxation, and Budget – Income Tax – For the purpose of amending the County income tax rate on a bracket basis; providing for a delayed effective date; and generally relating to finance, taxation, and budget; and the Administrative Officer read a portion of the title.

Bill No. 47-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Haire, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – None

BILL NO. 48-22

The Chairman called Bill No. 48-22, An Ordinance concerning: Property Tax and Semiannual Payment Service Charge – For the purpose of levying and imposing a property tax for the use of Anne Arundel County for the taxable year beginning July 1, 2022, and ending June 30, 2023; fixing the rate of the County property tax for the taxable year; and establishing the service charge to be paid by a property owner electing to pay real property taxes and all other taxes and charges billed on the real property tax bill under a semiannual payment schedule; and the Administrative Officer read a portion of the title.

Bill No. 48-22 was passed by the following roll call vote:

Aye – Mr. Pruski, Ms. Fiedler, Ms. Lacey, Ms. Pickard, Mr. Volke, Ms. Rodvien
Nay – Ms. Haire

Chris Trumbauer, Budget Officer, expressed his thanks for everyone's hard work.

Ms. Rodvien thanked all the staff and departments.

ADJOURNMENT

There being no further business, on motion of Mr. Volke, seconded by Ms. Pickard, the meeting adjourned at 10:16 A.M.

Respectfully submitted,

By Anna Macaulay

For Laura Corby
Administrative Officer

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Bill No. 64-22

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

By the County Council, June 21, 2022

Introduced and first read on June 21, 2022
Public Hearing set for July 18, 2022
Bill Expires September 24, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Public Works – Heritage Harbour Condominium Phases 1 through 10 Water and Wastewater Petition – Assessment Correction

FOR the purpose of repealing Bill No. 23-19 and the special "per-unit" front foot benefit assessment rate for the County's takeover of the Heritage Harbour Condominium, Phases 1 through 10 Water and Wastewater Systems; and providing for an assessment rate for the County's takeover of the Heritage Harbour Condominium, Phases 1 through 10 Water and Wastewater Systems.

BY repealing: Bill No. 23-19, Laws of Anne Arundel County 2019

WHEREAS, the "Heritage Harbour Water Takeover", Capital Project Number W805700 and the "Heritage Harbour Sewer Takeover", Capital Project Number S807500, are petition projects under Article 13, Title 5, Subtitle 3 of the Anne Arundel County Code (collectively, the "Project"), for the real property consisting of a total of 106 residential dwelling units which are further identified as "Phase 1 Heritage Harbour Condominium", as set forth in Plat number E-776 through E-779 , recorded in the Plat Records at Plat Book E-16, pages 26 through 49; "Phase 2 Heritage Harbour Condominium", as set forth in Plat number E-1067 through E-1072, recorded in the Plat Records at Plat Book E-22, pages 17 through 22; "Phases 3, 7 and 8 Heritage Harbour Condominium", as set forth in Plat number E-1185 through E-1196, recorded in the Plat Records at Plat Book E-24, pages 35 through 46; "Phases 4 and 6 Heritage Harbour Condominium", as set forth in Plat number E-1114 through E-1120, recorded in the Plat Records at Plat Book E-23, pages 14 through 20; "Phases 5 and 10 Heritage Harbour Condominium", as set forth in Plat number E-1103 through E-1107, recorded in the Plat Records at Plat Book E-23, pages 3 through 7; and "Phase 9 Heritage Harbour Condominium", as set forth in Plat number E-1275 through E-1279, recorded in the Plat Records at Plat Book E-

26, pages 25 through 29 (collectively referred to as "Heritage Harbour Condominium, Phases 1 through 10"); and

WHEREAS, the Council passed Bill No. 23-19, as amended, on May 20, 2019, which approved the rate of front foot benefit assessments separately for the water and wastewater portions of the Project on a "per-unit" basis, per year, such approval being required in accordance with the Anne Arundel County Code provisions in effect at the time; and

WHEREAS, a majority of the property owners within Heritage Harbour Condominium, Phases 1 through 10 voted to approve the rate of assessment that was approved in Bill No. 23-19 prior to the introduction of the Bill, or April 1, 2019; and

WHEREAS, based on bids for the Project received by the Department of Public Works ("DPW"), it has been determined that the "per-unit", per year cost would be lower than the specific rate approved for the water portion of the Project and higher than the specific rate approved for the wastewater portion by Bill No. 23-19, as amended, but that the total per unit, per year assessment will be less than the total amount of the assessment approved by a majority of the residents and approved by Bill No. 23-19, as amended; and

WHEREAS, § 13-5-303 of the County Code, as amended by Bill No. 79-20, authorizes the assessment rates for both water and wastewater projects to be combined, and no longer requires County Council approval of the rate of assessment for petition projects; and

WHEREAS, the Director of DPW has requested that the County Council repeal Bill No. 23-19, as amended, and the specific assessment limits for the water and wastewater portions of the Project therein, so that the Project can proceed with a total combined assessment for the water and wastewater portions of the Project in the amount not exceeding the total approved by a majority of the property owners within Heritage Harbour Condominium, Phases 1 through 10; now therefore

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland*, That the Laws of Anne Arundel County, 2019, Bill No. 23-19 is hereby repealed.

SECTION 2. *And be it further enacted*, That the properties to be serviced by the Project within Heritage Harbour Condominium, Phases 1 through 10, shall be assessed on a "per-unit" basis, with the identification of a "unit" for purposes of the front foot benefit assessment to be each dwelling unit as shown on the plat of Heritage Harbour Condominium, Phases 1 through 10 that has a separate tax identification number according to the Property Account Identification Numbers assigned by the Maryland Department of Assessments and Taxation.

SECTION 3. *And be it further enacted*, That there shall be imposed on each unit to be served by the Project as shown on the plats of Heritage Harbour Condominium, Phases 1 through 10, a single assessment that includes the water and wastewater portions of the Project based on the actual costs of the Project, to be assessed in accordance with the

County Code, in an amount not to exceed the total approved by a majority of the property owners within Heritage Harbour Condominium, Phases 1 through 10.

SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.

ANNE ARUNDEL COUNTY
MARYLAND
Office of Law

Gregory J. Swain, County Attorney

MEMORANDUM

To: Council Members, Anne Arundel County Council

From: Kelly Phillips Kenney, Supervising County Attorney /s/

Via: Gregory J. Swain, County Attorney /s/

Date: June 21, 2022

Subject: Bill No. 64-22 – Public Works – Heritage Harbour Condominium Phases 1 through 10 Water and Wastewater Petition – Assessment Correction

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Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 64-22. The summary is intended to explain the purposes and legal effects of the bill.

Background. In 2019, this Council passed Bill No. 23-19, which approved a front foot benefit assessment rate for the County's takeover of private water and wastewater facilities in the phases of Heritage Harbour described in the Bill. Prior to the introduction of that Bill, as required by the Code, a majority of the owners within the defined property area voted for the County's takeover and also voted in favor of the assessment rate. At that time, as required by the Code, the rates for water and sewer were determined separately, and Council approval was required of any front foot benefit assessment rate over the "maximum rate" established in the Code. The law was changed by Bill No. 79-20, so that Council approval is no longer required for an assessment rate, and also to allow the costs for a water and wastewater petition project to be combined.

Bill No. 23-19 approved a separate rate for the water and wastewater portions of the Project. Recently, the bids for the Project have been submitted to DPW. Based on those bids, the per unit, per year cost for the water portion of the Project is lower than the specific rate approved by Bill No. 23-19, and the per year cost for the wastewater portion is higher than the specific rate approved by Bill No. 23-19. The total assessment will be lower than the total amount approved in Bill No. 23-19.

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

<u>Purpose</u>. Bill No. __-22 repeals Bill No. 23-19, and with that, the specific assessment rates for the water and wastewater portions of the Project. Otherwise, the assessment billing would be in direct contradiction with the specific rates approved in that Bill.

<u>Bill provisions.</u> In **Section 1**, Bill No. 23-19 is repealed. **Section 2** provides that the properties shall be assessed on a per-unit basis. **Section 3** allows for one single assessment to include the water and wastewater portions, based on the actual cost of the Project, in an amount not to exceed the total rate previously approved by the majority of the property owners.

Section 4 provides that the Bill is effective 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you very much.

cc: Honorable Steuart Pittman, County Executive
Matt Power, Chief Administrative Officer
Lori Rhodes, Deputy Chief Administrative Officer for Land Use
Dr. Kai Boggess-de Bruin, PhD, Chief of Staff
Peter Baron, Legislative Liaison
Christopher J. Phipps, Director, DPW
Karen Henry, Assistant Director, DPW
Chris Trumbauer, Budget Officer

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 64-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

BILL: **AN ORDINANCE CONCERNING: PUBLIC WORKS — HERITAGE HARBOUR CONDOMINIUM PHASES 1 THROUGH 10 WATER AND WASTEWATER PETITION — ASSESSMENT CORRECTION**

SUMMARY OF LEGISLATION

The purpose of this legislation is to repeal Bill No. 23-19 and provide for an assessment rate for the County's takeover of the Heritage Harbour Condominium, Phases 1 through 10 Water and Wastewater Systems.

FISCAL IMPACT

There is no estimated fiscal impact associated with this legislation. Property owners reimburse the County for the full cost of the project, including interest, annually over 30 years.

Chris Trumbauer
Budget Officer

6/17/2022
Date

Prepared by: Samantha Chiriaco
Reviewed by: Hannah Dier

cc: Karin McQuade, Controller

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Bill No. 65-22

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

By the County Council, June 21, 2022

Introduced and first read on June 21, 2022
Public Hearing set for July 18, 2022
Bill Expires September 24, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Payment in Lieu of Taxes – Eagle Park Vista and Eagle Park Village, Jessup, Maryland

FOR the purpose of approving exemptions from County real property taxes for a certain property located in Jessup, Maryland; authorizing the County Executive to enter into certain agreements for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.

WHEREAS, the County Council recognizes there is a significant need for quality multifamily housing communities in Anne Arundel County for households of limited income; and

WHEREAS, exemptions from County real property taxes for certain properties that provide rental housing for persons with limited incomes is authorized by § 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, provided the County and the property owner enter into an agreement for the payment of a negotiated amount in lieu of the County real property tax; now, therefore,

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland*, That, in accordance with § 7-506.1 of the Tax-Property Article of the State Code, there is an exemption from County real property taxes for the real property known as Eagle Park Vista and Eagle Park Village, which is located at Rockenbach Road, Jessup, Maryland, currently identified under the Tax Account Number 4420-9022-7211 (“Property”).

SECTION 2. *And be it further enacted*, That the County Executive is hereby authorized to enter into the payment in lieu of taxes (“PILOT”) Agreements between Anne Arundel County and Eagle Park Senior, LLC and Eagle Park Family, LLC, the owners of the

Property, for a payment in lieu of real property taxes for the Property, as more fully described in the PILOT Agreement between Anne Arundel County and Eagle Park Senior, LLC, attached to this Ordinance as Exhibit A, and the PILOT Agreement between Anne Arundel County and Eagle Park Family, LLC, attached to this Ordinance as Exhibit B.

SECTION 3. *And be it further enacted*, That these exemptions and payment in lieu of taxes may not take effect until the requirements of § 7-506.1(a) of the Tax-Property Article of the State Code are met, and shall take effect in accordance with the terms of the PILOT Agreements between Anne Arundel County and Eagle Park Senior, LLC and Eagle Park Family, LLC.

SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.

AGREEMENT BETWEEN
EAGLE PARK SENIOR LLC
AND ANNE ARUNDEL COUNTY, MARYLAND

THIS AGREEMENT, Made this _________ day of _________________ , 2022, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and Eagle Park Senior, LLC, a limited liability company formed in the State of Maryland (hereinafter referred to as the "Owner").

WHEREAS, the Owner proposes to develop seventy-two (72) units of age-restricted rental housing, located at Rockenbach Road, Jessup, currently identified under the Tax Account Number 4420-9022-7211(the "Property"), for which the Owner will obtain a 99-year ground lease, for the purposes of providing rental housing to low income households (the "Project"); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental

housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

WHEREAS, Section 6-102 (d) of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, that an interest of a tenant under a 99-year lease is subject to property tax as though the tenant or user of the proeprty were the owner of the property; and

WHEREAS, the Owner plans to operate the Project as age-restricted rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. _____, adopted ______________, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit Covenant between the Owner and the Community Development Administration, a unit of the

Division of Development Finance of the Maryland Department of Housing and Community Development (herein the "Extended Use Covenant"); (b) that, with Payment in Lieu of Taxes ("PILOT"), it will make seventy-two (72) units available to households earning 60 percent and below the area median income; (c) that the Project qualifies and will continue to qualify in all respects under the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. If the Owner acquires the Property or enters into a leasehold of 99-years prior to July 1, 2024 and the Project is in compliance with paragraph 1 of this Agreement by that date, then, beginning ***in Fiscal Year 2025 (July 1, 2024)***, the Property shall be exempt from ordinary County property taxes. If the Owner does not aquire the Property or enter into a leashold of 99-years prior to July 1, 2024 or if the Project is not in compliance with paragraph 1 of this Agreement by that date, this Agreement shall become effective on July 1 following the aquisition of the Property and compliance with paragraph 1 of this Agreement. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through the later of Fiscal Year 2064, ending June 30, 2064, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2.

3. This Agreement shall be in effect through ***Fiscal Year 2064, ending June 30, 2064*****, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2**, or until one of the following occurs: (a) the Project is not owned or used for the provision of rental housing and related facilities to low income households at

limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For ***Fiscal Year 2025 (July 1, 2024 through June 30, 2025)***, or for the first Fiscal Year after the requirements of paragraph 2 are met, the Owner's annual payment in lieu of taxes shall be equal to **$10,800**. For ***each Fiscal Year thereafter through Fiscal Year 2064, or for a period of 40 years from the commencement of the payment in lieu of taxes under paragraph 2, whichever is later***, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30th of each year, the County shall bill the Owner for the payment which is due by September 30th of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all

mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been brought current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2024 or on July 1 of the year after which the requirements of paragraph 2 are met, and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project’s income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the

Project has net cash from the operation of the Project after payment of all expenses (including, but not limited to, reimbursement of all certified development and construction costs, management fees, investor servicing fees, debt service payments (including any payments from Surplus Cash required to be made by the Owner under any first priority or subordinate debt loan documents), anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and an eight percent (8%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY:	Office of Finance Anne Arundel County, Maryland MS 1103 44 Calvert Street Annapolis, Maryland 21401
With a copy to:	Anne Arundel County Office of Law 2660 Riva Road, 4th Floor Annapolis, Maryland 21401
TO OWNER:	Eagle Park Senior, LLC c/o Osprey Property Company II, LLC 175 Admiral Cochrane Drive, Suite 201 Annapolis, Maryland 21401
With a copy to:	Foundation Development Group, LLC 10220 Old Columbia Road, Suite M Columbia, Maryland 21046

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors, assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property (excluding transfers made to effectuate initial finance closing), unless the continued financial need for the PILOT can be demonstrated and the transfer of this Agreement is approved by the County Council.

14. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits against it, and that the County reserves the right to plead governmental immunity in such suit in law or in equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

15. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in its name by its Managing Member, duly attested to by its Secretary.

ATTEST:

Eagle Park Senior, LLC
a Maryland limited liability company

By: ____________________________

By: ____________________________

____

______________________________________ (Seal)
Name
Title

ATTEST: ANNE ARUNDEL COUNTY, MARYLAND

______________________________ By: _____________________________________(Seal)
Matthew J. Power
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY
ANNE ARUNDEL COUNTY, MARYLAND
GREGORY J. SWAIN, COUNTY ATTORNEY

By:_______________________________________ ___________________________
Office of Law Date

APPROVED:

By:_______________________________________ ___________________________
Controller Date

AGREEMENT BETWEEN
EAGLE PARK FAMILY, LLC
AND ANNE ARUNDEL COUNTY, MARYLAND

THIS AGREEMENT, Made this _________ day of _________________ , 2022, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the “County”), and Eagle Park Family, LLC, a limited liability company formed in the State of Maryland (hereinafter referred to as the “Owner”).

WHEREAS, the Owner proposes to acquire real property and develop forty-eight (48) units of rental housing, located at Rockenbach Road, Jessup currently identified under the Tax Account Number 4420-9022-7211 (the “Property”), for the purposes of providing rental housing to low income households (the “Project”); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

(3)

WHEREAS, the Owner plans to operate the Project as rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. _____, adopted ______________, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit Covenant between the Owner and the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community

Development (herein the "Extended Use Covenant"); (b) that, with Payment in Lieu of Taxes ("PILOT"), it will make thirty-one (31) units available to households earning 30 percent and below the area median income ("AMI") and seventeen (17) units available to households earning 50 percent and belowAMI; (c) that the Project qualifies and will continue to qualify in all respects under the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. If the Owner acquires the Property prior to July 1, 2024 and the Project is in compliance with paragraph 1 of this Agreement by that date, then, beginning ***in Fiscal Year 2025 (July 1, 2024)***, the Property shall be exempt from ordinary County property taxes. If the Owner does not acquire the Property prior to July 1, 2024 or if the Project is not in compliance with paragraph 1 of this Agreement by that date, this Agreement shall become effective on July 1 following the acquisition of the Property and compliance with paragraph 1 of this Agreement. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through the later of Fiscal Year 2064, ending June 30, 2064, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2.

3. This Agreement shall be in effect through ***Fiscal Year 2064, ending June 30, 2064*****, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2**, or until one of the following occurs: (a) the Project is not owned or used for the provision of rental housing and related facilities to low income households at limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with

Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For ***Fiscal Year 2025 (July 1, 2024 through June 30, 2025)***, or for the first Fiscal Year after the requirements of paragraph 2 are met, the Owner's annual payment in lieu of taxes shall be equal to **$7,200**. For ***each Fiscal Year thereafter through Fiscal Year 2064, or for a period of 40 years from the commencement of the payment in lieu of taxes under paragraph 2, whichever is later***, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30th of each year, the County shall bill the Owner for the payment which is due by September 30th of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been

brought current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2024 or on July 1 of the year after which the requirements of paragraph 2 are met, and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project’s income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the Project has net cash from the operation of the Project after payment of all expenses (including,

but not limited to, reimbursement of all certified development and construction costs, management fees, investor servicing fees, debt service payments (including any payments from Surplus Cash required to be made by the Owner under any first priority or subordinate debt loan documents), anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and an eight percent (8%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY: Office of Finance
Anne Arundel County, Maryland
MS 1103
44 Calvert Street
Annapolis, Maryland 21401

With a copy to:	Anne Arundel County Office of Law 2660 Riva Road, 4th Floor Annapolis, Maryland 21401
TO OWNER:	Eagle Park Family, LLC c/o Osprey Property Company II, LLC 175 Admiral Cochrane Drive, Suite 201 Annapolis, Maryland 21401
With a copy to:	Foundation Development Group, LLC 10220 Old Columbia Road, Suite M Columbia, Maryland 21046

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors, assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property (excluding transfers made to effectuate initial finance closing), unless the continued financial need for the PILOT can be demonstrated and transfer of this Agreement is approved by the County Council.

14. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits against it, and that the County reserves the right to plead governmental immunity in such suit in

law or in equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

15. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in its name by its Managing Member, duly attested to by its Secretary.

ATTEST: Eagle Park Family, LLC
a Maryland limited liability company

By: ____________________________

By: ____________________________

________________________________ ______________________________________ (Seal)
Name
Title

ATTEST: ANNE ARUNDEL COUNTY, MARYLAND

_____________________________ By: ___________________________________(Seal)
Matthew J. Power
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY
ANNE ARUNDEL COUNTY, MARYLAND
GREGORY J. SWAIN, COUNTY ATTORNEY

By:_____________________________________ __________________________
Office of Law Date

APPROVED:

By:_____________________________________ __________________________
Controller Date

ANNE ARUNDEL COUNTY
MARYLAND
Office of Law

Gregory J. Swain, County Attorney

MEMORANDUM

To: Council Members, Anne Arundel County Council

From: Gregory J. Swain, County Attorney /s/

Via: Kelly Phillips Kenney, Supervising County Attorney /s/

Date: June 21, 2022

Subject: Bill No. 65-22 – Payment in lieu of taxes (PILOT) – Eagle Park Vista and Eagle Park Village

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Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 65-22. The summary is intended to explain the purposes and legal effects of the bill.

Background. PILOT Agreements are authorized by State law for certain types of properties, including but not limited to, housing for persons of limited income, subsidized housing, housing commission or housing authority properties, and housing for senior citizens. Md. Code Ann., Tax-Prop., §§ 7-501, et seq. The State law allows a county to exempt those specific properties from county real property taxes if certain conditions are met, including entry into an agreement for a negotiated amount in lieu of property taxes. The agreement must be entered with the owner of the property and the governing body of the county, which in Anne Arundel County, requires approval by both the County Council and the County Executive. Once a PILOT is in place and the conditions are met, the owner pays the negotiated amount, rather than any County real property taxes.

Purpose. The primary purpose of this Bill is to authorize the County Executive to enter into two Payment in Lieu of Taxes ("PILOT") Agreements. One is with Eagle Park Senior, LLC, which will be developing Eagle Park Vista, a 72-unit complex to serve age-restricted households of limited income. Eagle Park Family, LLC, will be developing Eagle Park Village, a 48-unit complex to serve households of various levels of limited income. Both projects will be on the same property located at Rockenbach Road, Jessup, Maryland.

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

Bill provisions.

Section 1 of the Ordinance authorizes an exemption from County real property taxes for Eagle Park Vista and Eagle Park Village in accordance with § 7-506.1 of the Tax-Property Article of the State Code, which provides, among other things, that real property may be exempt from county property tax if:

> (i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and
>
> (ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:
>
> > (1) funds construction, or insures its financing in whole or in part, or
> >
> > (2) provides interest subsidy, rent subsidy or rent supplements; and
>
> (iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable county property taxes on the Property; and
>
> (iv) the owner:
>
> > (1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or
> >
> > (2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years.

Section 2 authorizes the County Executive to enter into the PILOT Agreements, which are attached to the Ordinance as Exhibits A and B. Both identify the Property in paragraph 1, and the number of age-restricted units and low-income units that will be made available to various income levels. The dwelling units have not yet been constructed.

The PILOT Agreement with Eagle Park Senior is attached to the Ordinance as Exhibit A. Eagle Park Senior intends to obtain a 99-year lease on the Property from Eagle Park Family. Under § 6-102 of the Tax-Property Article of the State Code, as a 99-year tenant, Eagle Park Senior can be treated as though it were the owner of the property, thereby authorizing its entry into the PILOT Agreement. The PILOT Agreement with Eagle Park Family is attached as Exhibit B.

Both Agreements provide that the payment in lieu of taxes shall begin on the later of July 1, 2024, or after the Property (or leasehold) is acquired and the dwelling units are constructed and in compliance with the conditions of paragraph 1 of the PILOT. The PILOT shall be in place for 40 years, unless any of the events listed in paragraph 3 occur.

Paragraph 5 of both PILOT Agreements sets forth the payment amount. For Eagle Park Senior, the payment in lieu of taxes for the first Fiscal Year shall be $10,800. The initial payment for the first Fiscal Year for Eagle Park Family is $7,200. For both agreements for the remaining fiscal years, the payment in lieu of taxes shall be the previous year's amount, plus 4% per annum.

Section 3 provides that the exemptions and PILOT may not take effect until the requirements of § 7-506.1 of the Tax-Property Article of the State Code are met.

Section 4 provides that the Ordinance shall take effect 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you very much.

cc: Honorable Steuart Pittman, County Executive
Matt Power, Chief Administrative Officer
Lori Rhodes, Deputy Chief Administrative Officer for Land Use
Pamela Jordan, Deputy Chief Administrative Officer of Health and Human Services
Dr. Kai Boggess-de Bruin, PhD, Chief of Staff
Peter Baron, Legislative Liaison
Erin Shearman Karpewicz, Arundel Community Development Services
Karin McQuade, Controller
Chris Trumbauer, Budget Officer

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 65-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

BILL: **AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES – EAGLE PARK VISTA AND EAGLE PARK VILLAGE, JESSUP, MARYLAND**

SUMMARY OF LEGISLATION

The purpose of this legislation is to authorize the County Executive to enter into a payment in lieu of taxes (PILOT) agreement in association with the development of intergenerational rental community consisting of a total 120 units located at the Rockenbach Road entrance to Fort Meade in Hanover. The complex will provide rental housing for persons with limited incomes.

FISCAL IMPACT

The proposed 40-year PILOT agreement provides for a payment that totals $18,000 for the first year, and increases by an annual adjustment factor of 4% for each successive year. The State Assessment Office estimates the property value to be $9,945,062, under the assumption that the property will be approved as an affordable housing complex. Absent a PILOT agreement, this property would generate approximately $92,787 in County property tax revenue annually at the $0.933 per $100 assessment (current property tax rate). Under the proposed PILOT agreement, annual County revenue associated with the property is reduced by $77,787.

In general, a PILOT agreement of this nature has no negative fiscal impact due to the County's property tax cap and the County's policy and practice of maximizing property tax revenue under the cap. The total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will. Based on the estimated assessment and fiscal 2023 property tax rate, the relative tax burden that will be shifted under this PILOT agreement is about $77,787 annually.

Chris Trumbauer
6/17/2022

Chris Trumbauer **Date**
Budget Officer

Prepared by: Hujia Hasim
Reviewed by: Hannah Dier

cc: Karin McQuade, Controller

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Bill No. 66-22

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

By the County Council, June 21, 2022

Introduced and first read on June 21, 2022
Public Hearing set for July 18, 2022
Bill Expires September 24, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Payment in Lieu of Taxes – Blue Oaks at North Odenton Apartments, Odenton, Maryland

FOR the purpose of approving exemptions from County real property taxes for a certain property located in Odenton, Maryland; authorizing the County Executive to enter into certain agreements for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.

WHEREAS, the County Council recognizes there is a significant need for quality multifamily housing communities in Anne Arundel County for households of limited income; and

WHEREAS, exemptions from County real property taxes for certain properties that provide rental housing for persons with limited incomes is authorized by § 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, provided the County and the property owner enter into an agreement for the payment of a negotiated amount in lieu of the County real property tax; now, therefore,

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland*, That, in accordance with § 7-506.1 of the Tax-Property Article of the State Code, there is an exemption from County real property taxes for the real property known as Blue Oaks at North Odenton Apartment, which is located at 1566, 1566R, 1572, 1576, 1580, 1582, and 1584, and two (2) unnumbered parcels Annapolis Rd., Odenton, MD 20755 (“Property”).

SECTION 2. *And be it further enacted*, That the County Executive is hereby authorized to enter into the payment in lieu of taxes ("PILOT") Agreements between Anne Arundel County and North Odenton Associates, LLC and North Odenton Associates II, LLC, the prospective owners of the Property, for a payment in lieu of real property taxes for the Property, as more fully described in the PILOT Agreements between Anne Arundel County and North Odenton Associates, LLC, attached to this Ordinance as Exhibit A, and the PILOT Agreement between Anne Arundel County and North Odenton Associates II, LLC, attached to this Ordinance as Exhibit B.

SECTION 3. *And be it further enacted*, That these exemptions and payment in lieu of taxes may not take effect until the requirements of § 7-506.1(a) of the Tax-Property Article of the State Code are met, and shall take effect in accordance with the terms of the PILOT Agreements between Anne Arundel County and Anne Arundel County and North Odenton Associates, LLC and North Odenton Associates II, LLC.

SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.

AGREEMENT BETWEEN
NORTH ODENTON ASSOCIATES, LLC
AND ANNE ARUNDEL COUNTY, MARYLAND

THIS AGREEMENT, made this _________ day of _________________ , 2022, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and North Odenton Associates, LLC, a limited liability company formed in the State of New York and authorized to do business in the State of Maryland (hereinafter referred to as the "Owner").

WHEREAS, the Owner has acquired real property and proposes to develop fifty-five (55) units of rental housing, located at 1566, 1566R, 1572, 1576, 1580, 1582, and 1584, and two (2) unnumbered parcels Annapolis Road, Odenton identified under the following Tax Account Numbers, intended to be consolidated into three tax parcels: 4000-0558-4600, 4000-0557-0625, 4000-0216-1600, 4000-0043-8200, 4000-0215-8800, 4000-0215-4600, 4000-0215-3200, and 4000-0051-3283 (the "Property"), for the purposes of providing rental housing to low income households (the "Project"); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

WHEREAS, the Owner plans to operate the Project as rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. _____, adopted ______________, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit

Covenant between the Owner and the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (herein the "Extended Use Covenant"); (b) that, with Payment in Lieu of Taxes ("PILOT"), it will make thirty-six (36) units available to households earning 30 percent and below the area median income ("AMI"), ten (10) units available to households earning 40 percent and below the AMI, and nine (9) units unrestricted; and (c) that the Project qualifies and will continue to qualify in all respects under the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. If the Project is in compliance with paragraph 1 of this Agreement by July 1, 2024, then, beginning ***in Fiscal Year 2025 (July 1, 2024)***, the Property shall be exempt from ordinary County property taxes. If the Project is not in compliance with paragraph 1 of this Agreement by July 1, 2024, this Agreement shall become effective on July 1 following compliance with paragraph 1 of this Agreement. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through the later of Fiscal Year 2064, ending June 30, 2064, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2.

3. This Agreement shall be in effect through ***Fiscal Year 2064, ending June 30, 2064*****, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2**, or until one of the following occurs: (a) the Project is not owned or used for the provision of rental housing and related facilities to low income households at limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with

Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For ***Fiscal Year 2025 (July 1, 2024 through June 30, 2025)***, or for the first Fiscal Year after the requirements of paragraph 2 are met, the Owner's annual payment in lieu of taxes shall be equal to **$13,750**. For ***each Fiscal Year therafter through Fiscal Year 2064, or for a period of 40 years from the commencement of the payment in lieu of taxes under paragraph 2, whichever is later***, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30th of each year, the County shall bill the Owner for the payment which is due by September 30th of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been

brought current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2024 or on July 1 of the year after which the requirements of paragraph 2 are met, and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project’s income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the Project has net cash from the operation of the Project after payment of all expenses (including,

but not limited to, reimbursement of all certified development and construction costs, management fees, investor servicing fees, debt service payments (including any payments from Surplus Cash required to be made by the Owner under any first priority or subordinate debt loan documents), anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and an eight percent (8%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY: Office of Finance
Anne Arundel County, Maryland
MS 1103
44 Calvert Street
Annapolis, Maryland 21401

With a copy to: Anne Arundel County
Office of Law
2660 Riva Road, 4th Floor
Annapolis, Maryland 21401

TO OWNER: North Odenton Associates, LLC
1000 University Ave, Suite 500
Rochester, NY 14607
Attn: Sam Leone, President

With a copy to: North Odenton Associates, LLC
1000 University Ave, Suite 500
Rochester, NY 14607
Attn: Susan Sturman Jennings, ESQ
Senior Vice President and General Counsel

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors, assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property (excluding transfers made to effectuate initial finance closing), unless the continued financial need for the PILOT can be demonstrated and the transfer of this agreement is approved by the County Council.

14. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits

against it, and that the County reserves the right to plead governmental immunity in such suit in law or in equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

15. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in its name by its Managing General Partner, duly attested to by its Secretary.

ATTEST:	North Odenton Associates, LLC a New York limited liability company
	By: Conifer Realty, LLC
____________________________	By:__________________________ Sam Leone President
ATTEST:	ANNE ARUNDEL COUNTY, MARYLAND
____________________________	By: __________________________________(Seal) Matthew J. Power Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY
ANNE ARUNDEL COUNTY, MARYLAND
GREGORY J. SWAIN, COUNTY ATTORNEY

By:______________________________ ______________________
Office of Law Date

APPROVED:

By:______________________________ ______________________
Controller Date

AGREEMENT BETWEEN NORTH ODENTON ASSOCIATES II, LLC AND ANNE ARUNDEL COUNTY, MARYLAND

THIS AGREEMENT, made this _______ day of _____________ , 2022, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and North Odenton Associates II, LLC, a limited liability company formed in the State of New York and authorized to do business in the State of Maryland (hereinafter referred to as the "Owner").

WHEREAS, the Owner proposes to acquire real property and develop ninety-five (95) units of rental housing located at 1566, 1566R, 1572, 1576, 1580, 1582, and 1584, and two (2) unnumbered parcels Annapolis Road, Odenton identified under the following Tax Account Numbers intended to be consolidated into three tax parcels: 4000-0558-4600, 4000-0557-0625, 4000-0216-1600, 4000-0043-8200, 4000-0215-8800, 4000-0215-4600, 4000-0215-3200, and 4000-0051-3283 (the "Property"), for the purposes of providing rental housing to low income households (the "Project"); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements;

and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

WHEREAS, the Owner plans to operate the Project as rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. _____, adopted ______________, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit Covenant

between the Owner and the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (herein the "Extended Use Covenant"); (b) that, with Payment in Lieu of Taxes ("PILOT"), it will make ninety-five (95) units available to households earning 60 percent and below the area median income; (c) that the Project qualifies and will continue to qualify in all respects under the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. If the Owner acquires the Property prior to July 1, 2024 and the Project is in compliance with paragraph 1 of this Agreement by that date, then, beginning ***in Fiscal Year 2025 (July 1, 2024)***, the Property shall be exempt from ordinary County property taxes. If the Owner does not aquire the Property prior to July 1, 2024 or if the Project is not in compliance with paragraph 1 of this Agreement by that date, this Agreement shall become effective on July 1 following the aquisition of the Property and compliance with paragraph 1 of this Agreement. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through the later of Fiscal Year 2064, ending June 30, 2064, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2.

3. This Agreement shall be in effect through ***Fiscal Year 2064, ending June 30, 2064,*** **or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2**, or until one of the following occurs: (a) the Project is not owned or used for the provision of rental housing and related facilities to low income households at limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with Section 7-506.1 of

the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For ***Fiscal Year 2025 (July 1, 2024 through June 30, 2025)***, or for the first Fiscal Year after the requirements of paragraph 2 are met, the Owner's annual payment in lieu of taxes shall be equal to **$41,800**. For ***each Fiscal Year thereafter through Fiscal Year 2064, or for a period of 40 years from the commencement of the payment in lieu of taxes under paragraph 2, whichever is later***, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30th of each year, the County shall bill the Owner for the payment which is due by September 30th of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been brought

current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2024 or on July 1 of the year after which the requirements of paragraph 2 are met, and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project's income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the Project has net cash from the operation of the Project after payment of all expenses (including, but not limited to, reimbursement

of all certified development and construction costs, management fees, investor servicing fees, debt service payments (including any payments from Surplus Cash required to be made by the Owner under any first priority or subordinate debt loan documents), anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and an eight percent (8%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY: Office of Finance
Anne Arundel County, Maryland
MS 1103
44 Calvert Street
Annapolis, Maryland 21401

With a copy to: Anne Arundel County
Office of Law
2660 Riva Road, 4th Floor
Annapolis, Maryland 21401

TO OWNER: North Odenton Associates II, LLC
1000 University Ave, Suite 500
Rochester, NY 14607
Attn: Sam Leone, President

With a copy to: North Odenton Associates II, LLC
1000 University Ave, Suite 500
Rochester, NY 14607
Attn: Susan Sturman Jennings, ESQ
Senior Vice President and General Counsel

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors,assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property (excluding transfers made to effectuate initial finance closing), unless the continued financial need for the PILOT can be demonstrated and the transfer of this agreement is approved by the County Council.

14. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits against it, and that the County reserves the right to plead governmental immunity in such suit in law or in

equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

15. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in its name by its Managing General Partner, duly attested to by its Secretary.

ATTEST:

North Odenton Associates II, LLC
a New York limited liability company
By: Conifer Realty, LLC

____

By:____________________________
Sam Leone
President

ATTEST:

ANNE ARUNDEL COUNTY, MARYLAND

____

By: __________________________________(Seal)
Matthew J. Power
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY
ANNE ARUNDEL COUNTY, MARYLAND
GREGORY J. SWAIN, COUNTY ATTORNEY

By:__________________________________ _________________________
Office of Law Date

APPROVED:

By:__________________________________ _________________________
Controller Date

ANNE ARUNDEL COUNTY
MARYLAND
Office of Law

Gregory J. Swain, County Attorney

MEMORANDUM

To: Council Members, Anne Arundel County Council

From: Gregory J. Swain, County Attorney /s/

Via: Kelly Phillips Kenney, Supervising County Attorney /s/

Date: June 21, 2022

Subject: Bill No. 66-22 – Payment in lieu of taxes (PILOT) – Blue Oaks at North Odenton Apartments

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Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 66-22. The summary is intended to explain the purposes and legal effects of the bill.

Background. PILOT Agreements are authorized by State law for certain types of properties, including but not limited to, housing for persons of limited income, subsidized housing, housing commission or housing authority properties, and housing for senior citizens. Md. Code Ann., Tax-Prop., §§ 7-501, *et seq.* The State law allows a county to exempt those specific properties from county real property taxes if certain conditions are met, including entry into an agreement for a negotiated amount in lieu of property taxes. The agreement must be entered with the owner of the property and the governing body of the county, which in Anne Arundel County, requires approval by both the County Council and the County Executive. Once a PILOT is in place and the conditions are met, the owner pays the negotiated amount, rather than any County real property taxes.

Purpose. The primary purpose of this Bill is to authorize the County Executive to enter into two Payment in Lieu of Taxes ("PILOT") Agreements. One is with North Odenton Associates, LLC, which will be developing a 55-unit complex, to serve various levels of limited income, except for nine units that will be offered at market rate. North Odenton Associates II, LLC, will be developing a 95-unit complex to serve households of various levels of limited income. Both projects will be on the same property (intended to be consolidated in several parcels) located at 1566, 1566R, 1572, 1576, 1580, 1582, and 1584 Annapolis Road, Odenton, Maryland.

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

<u>Bill provisions.</u>

Section 1 of the Ordinance authorizes an exemption from County real property taxes for Blue Oaks at North Odenton Apartments in accordance with § 7-506.1 of the Tax-Property Article of the State Code, which provides, among other things, that real property may be exempt from county property tax if:

> (i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and
>
> (ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:
>
> > (1) funds construction, or insures its financing in whole or in part, or
> >
> > (2) provides interest subsidy, rent subsidy or rent supplements; and
>
> (iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable county property taxes on the Property; and
>
> (iv) the owner:
>
> > (1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or
> >
> > (2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years.

Section 2 authorizes the County Executive to enter into the PILOT Agreements, which are attached to the Ordinance as Exhibits A and B. Both identify the Property in paragraph 1, and the number of low-income units that will be made available to various income levels. The dwelling units have not yet been constructed.

The PILOT Agreement with North Odenton Associates, LLC is attached to the Ordinance as Exhibit A. The PILOT Agreement with North Odenton Associates II, LLC is attached as Exhibit B. Both Agreements provide that the payment in lieu of taxes shall begin on the later of July 1, 2024, or after the Property is acquired (for North Odenton Associates II) and the dwelling units are constructed and in compliance with the conditions of paragraph 1 of the PILOT. The PILOT shall be in place for 40 years, unless any of the events listed in paragraph 3 occur.

Paragraph 5 of both PILOT Agreements sets forth the payment amount. For North Odenton

Associates, LLC, the payment in lieu of taxes for the first Fiscal Year shall be $13,750. The initial payment for the first fiscal year for North Odenton Associates II, LLC is $41,800. For both agreements for the remaining fiscal years, the payment in lieu of taxes shall be the previous year's amount, plus 4% per annum.

Section 3 provides that the exemptions and PILOT may not take effect until the requirements of § 7-506.1 of the Tax-Property Article of the State Code are met.

Section 4 provides that the Ordinance shall take effect 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you very much.

cc: Honorable Steuart Pittman, County Executive
Matt Power, Chief Administrative Officer
Lori Rhodes, Deputy Chief Administrative Officer for Land Use
Pamela Jordan, Deputy Chief Administrative Officer of Health and Human Services
Dr. Kai Boggess-de Bruin, PhD, Chief of Staff
Peter Baron, Legislative Liaison
Erin Shearman Karpewicz, Arundel Community Development Services
Karin McQuade, Controller
Chris Trumbauer, Budget Officer

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 66-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

BILL: **AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES – BLUE OAKS AT NORTH ODENTON APARTMENTS, ODENTON, MARYLAND**

SUMMARY OF LEGISLATION

The purpose of this legislation is to authorize the County Executive to enter into a payment in lieu of taxes (PILOT) agreement in association with the development of Blue Oaks at North Odenton, a mixed-income rental community consisting of 150 apartment units located at 1570 - 1580 Annapolis Rd., Odenton Maryland 21113. The complex will provide rental housing for persons with limited incomes.

FISCAL IMPACT

The proposed 40-year PILOT agreement provides for a payment that totals $55,550 for the first year, and increases by an annual adjustment factor of 4% for each successive year. The State Assessment Office estimates the property value to be $11,637,959, under the assumption that the property will be approved as a Section 42 affordable housing complex. Absent a PILOT agreement, this property would generate approximately $108,582 in County property tax revenue annually at the $0.933 per $100 assessment (current property tax rate). Under the proposed PILOT agreement, annual County revenue associated with the property is reduced by $53,032.

In general, a PILOT agreement of this nature has no negative fiscal impact due to the County's property tax cap and the County's policy and practice of maximizing property tax revenue under the cap. The total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will. Based on the estimated assessment and fiscal 2023 property tax rate, the relative tax burden that will be shifted under this PILOT agreement is about $53,032 annually.

Chris Trumbauer
Budget Officer

6/17/2022
Date

Prepared by: Hujia Hasim
Reviewed by: Hannah Dier

cc: Karin McQuade, Controller

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Bill No. 67-22

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

By the County Council, June 21, 2022

Introduced and first read on June 21, 2022
Public Hearing set for July 18, 2022
Bill Expires September 24, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Payment in Lieu of Taxes – The Villages at Marley Station, Glen Burnie, Maryland

FOR the purpose of approving exemptions from County real property taxes for a certain property located in Glen Burnie, Maryland; authorizing the County Executive to enter into a certain agreement for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.

WHEREAS, the County Council recognizes there is a significant need for quality multifamily housing communities in Anne Arundel County for households of limited income; and

WHEREAS, exemptions from County real property taxes for certain properties that provide rental housing for persons with limited incomes is authorized by § 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, provided the County and the property owner enter into an agreement for the payment of a negotiated amount in lieu of the County real property tax; now, therefore,

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland*, That, in accordance with § 7-506.1 of the Tax-Property Article of the State Code, there is an exemption from County real property taxes for the real property known as The Villages at Marley Station, which is located at 7841 Bruton Drive, Glen Burnie currently identified under the Tax Account Number 3000-2066-7800 (“Property”).

SECTION 2. *And be it further enacted*, That the County Executive is hereby authorized to enter into the payment in lieu of taxes (“PILOT”) Agreement between Anne Arundel County and Fairfield Marley Station LP, the owner of the Property, for a payment in lieu of real property taxes for the Property, as more fully described in the PILOT Agreement between Anne Arundel County and Fairfield Marley Station LP, attached to this Ordinance as Exhibit A.

SECTION 3. *And be it further enacted*, That these exemptions and payment in lieu of taxes may not take effect until the requirements of § 7-506.1(a) of the Tax-Property Article of the State Code are met, and shall take effect in accordance with the terms of the PILOT Agreement between Anne Arundel County and Fairfield Marley Station LP.

SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.

AGREEMENT BETWEEN
FAIRFIELD MARLEY STATION LP
AND ANNE ARUNDEL COUNTY, MARYLAND

THIS AGREEMENT, Made this _______ day of _____________ , 2022, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and Fairfield Marley Station LP, a limited partnership formed in the State of Delaware (hereinafter referred to as the "Owner").

WHEREAS, the Owner is the owner of seven hundred and fifty-seven (757) units of rental housing, located at 7841 Bruton Drive, Glen Burnie currently identified under the Tax Account Number 3000-2066-7800 (the "Property"), for the purposes of providing rental housing to low income households (the "Project"); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental

housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

WHEREAS, the Owner will operate the Project as rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. _____, adopted ______________, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit Covenant between the Owner and the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (herein the "Extended Use Covenant"); (b) that, with Payment in Lieu of Taxes ("PILOT"), it will make seven hundred fifty-seven (757) units available to households earning 60% and below the area median income; (c) that the Project qualifies and will continue to qualify in all respects under

the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. Beginning ***in Fiscal Year 2023 (July 1, 2022)***, the Property shall be exempt from ordinary County property taxes. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through Fiscal Year 2062.

3. This Agreement shall be in effect through ***Fiscal Year 2062, ending June 30, 2062***, or until one of the following occurs: (a) the Project is not owned or used for the provision of rental housing and related facilities to low income households at limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For ***Fiscal Year 2023 (July 1, 2022 through June 30, 2023)***, the Owner's annual payment in lieu of taxes shall be equal to **$218,120**. For ***Fiscal Year 2024 through Fiscal Year 2062***, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30th of each year, the County shall bill the Owner for the payment, which is due by September 30th of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been brought current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty

(30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2022 and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project's income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the Project has net cash from the operation of the Project after payment of all expenses (including, but not limited to, reimbursement of all certified development and construction costs, management fees, investor servicing fees, debt service payments (including any payments from Surplus Cash required to be made by the Owner under any first priority or subordinate debt loan documents), anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and an eight percent (8%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY:	Office of Finance Anne Arundel County, Maryland MS 1103 44 Calvert Street Annapolis, Maryland 21401
With a copy to:	Anne Arundel County Office of Law 2660 Riva Road, 4^{th} Floor Annapolis, Maryland 21401
TO OWNER:	Fairfield Marley Station LP 5355 Mira Sorrento Place Suite 100 San Diego, California 92121 Attention: Jenna Woods
With a copy to:	Fairfield Marley Station LP 5355 Mira Sorrento Place Suite 100 San Diego, California 92121 Attention: Mike Alcantara

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors, assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property (excluding transfers made to effectuate initial finance closing), unless the continued financial need for the PILOT can be demonstrated and the transfer of this agreement is approved by the County Council.

14. This Agreement shall be constued to be effective retroactive to July 1, 2022.

15. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits against it, and that the County reserves the right to plead governmental immunity in such suit in law or in equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

16. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in its name by its General Partner, duly attested to by its Secretary.

ATTEST:

Fairfield Marley Station LP,
a Delaware limited partnership

By: FRH Marley Station LLC,
a Delaware limited liability company,
its General Partner

By: FRH GP LLC,
a Delaware limited liability company,
its Non-Member Manager

By: ________________________
Name:
Title: ________________________

ATTEST:

ANNE ARUNDEL COUNTY, MARYLAND

____

By: ___________________________________(Seal)
Matthew J. Power
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY
ANNE ARUNDEL COUNTY, MARYLAND
GREGORY J. SWAIN, COUNTY ATTORNEY

By:____________________________________
Office of Law

____
Date

APPROVED:

By:____________________________________
Controller

____
Date

ANNE ARUNDEL COUNTY
MARYLAND
Office of Law

Gregory J. Swain, County Attorney

MEMORANDUM

To: Council Members, Anne Arundel County Council

From: Gregory J. Swain, County Attorney /s/

Via: Kelly Phillips Kenney, Supervising County Attorney /s/

Date: June 21, 2022

Subject: Bill No. 67-22 – Payment in lieu of taxes (PILOT) – The Villages at Marley Station

Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 67-22. The summary is intended to explain the purposes and legal effects of the bill.

Background. PILOT Agreements are authorized by State law for certain types of properties, including but not limited to, housing for persons of limited income, subsidized housing, housing commission or housing authority properties, and housing for senior citizens. Md. Code Ann., Tax-Prop., §§ 7-501, *et seq.* The State law allows a county to exempt those specific properties from county real property taxes if certain conditions are met, including entry into an agreement for a negotiated amount in lieu of property taxes. The agreement must be entered with the owner of the property and the governing body of the county, which in Anne Arundel County, requires approval by both the County Council and the County Executive. Once a PILOT is in place and the conditions are met, the owner pays the negotiated amount, rather than any County real property taxes.

Purpose. The primary purpose of this Bill is to authorize the County Executive to enter into a Payment in Lieu of Taxes ("PILOT") Agreement with Fairfield Marley Station LP, the new owner of The Villages at Marley Station, an existing 757-unit apartment complex that serves households of various levels of limited income, which is located at 7841 Bruton Drive, Glen Burnie.

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

Bill provisions.

Section 1 of the Ordinance authorizes an exemption from County real property taxes for The Villages at Marley Station in accordance with § 7-506.1 of the Tax-Property Article of the State Code, which provides, among other things, that real property may be exempt from county property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable county property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years.

Section 2 authorizes the County Executive to enter into the PILOT Agreement, which is attached to the Ordinance as Exhibit A. The PILOT Agreement identifies the property and in paragraph 1, the number of units that are available to various income levels. As set forth in the Agreement, the payment in lieu of taxes shall begin retroactive to July 1, 2022. The PILOT shall be in place for 40 years, unless any of the events listed in paragraph 3 occur. Under paragraph 5 of the PILOT Agreement, the payment in lieu of taxes for the first Fiscal Year shall be $218,120. For the remaining fiscal years, the payment in lieu of taxes shall be the previous year's amount, plus 4% per annum.

Section 3 provides that the exemptions and PILOT may not take effect until the requirements of § 7-506.1 of the Tax-Property Article of the State Code are met.

Section 4 provides that the Ordinance shall take effect 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you very much.

cc: Honorable Steuart Pittman, County Executive
Matt Power, Chief Administrative Officer
Lori Rhodes, Deputy Chief Administrative Officer for Land Use
Pamela Jordan, Deputy Chief Administrative Officer of Health and Human Services
Dr. Kai Boggess-de Bruin, PhD, Chief of Staff
Peter Baron, Legislative Liaison
Erin Shearman Karpewicz, Arundel Community Development Services
Karin McQuade, Controller
Chris Trumbauer, Budget Officer

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 67-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

BILL: **AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES – THE VILLAGES AT MARLEY STATION, GLEN BURNIE, MARYLAND**

SUMMARY OF LEGISLATION

The purpose of this legislation is to authorize the County Executive to enter into a payment in lieu of taxes (PILOT) agreement in association with the Villages at Marley Station, which is the largest affordable housing community in Anne Arundel County, consisting of 757 units located at 7805 Bruton Drive, Glen Burnie. The property had a previous PILOT which was terminated upon the purchase of the property by the current owner in 2021. At the time of expiration, the FY2022 PILOT amount was $209,731.

FISCAL IMPACT

The proposed 40-year PILOT agreement provides for a payment that totals $218,120 for the first year, and increases by an annual adjustment factor of 4% for each successive year. The State Assessment Office estimates the property value to be $63,678,642, under the assumption that the property will be approved as an affordable housing complex. Absent a PILOT agreement, this property would generate approximately $594,122 in County property tax revenue annually at the $0.933 per $100 assessment (current property tax rate). Under the proposed PILOT agreement, the annual County revenue associated with the property is reduced by $376,022.

In general, a PILOT agreement of this nature has no negative fiscal impact due to the County's property tax cap and the County's policy and practice of maximizing property tax revenue under the cap. The total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will. Based on the estimated assessment and fiscal 2023 property tax rate, the relative tax burden that will be shifted under this PILOT agreement is about $376,022 annually.

Chris Trumbauer 6/17/2022

Chris Trumbauer **Date**
Budget Officer

Prepared by: Hujia Hasim
Reviewed by: Hannah Dier

cc: Karin McQuade, Controller

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Bill No. 68-22

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

By the County Council, June 21, 2022

Introduced and first read on June 21, 2022
Public Hearing set for July 18, 2022
Bill Expires September 24, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Payment in Lieu of Taxes – The Village at Little Patuxent, Gambrills, Maryland

FOR the purpose of approving exemptions from County real property taxes for a certain property located in Gambrills, Maryland; authorizing the County Executive to enter into a certain agreement for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.

WHEREAS, the County Council recognizes there is a significant need for quality age-restricted housing communities in Anne Arundel County for seniors of limited income; and

WHEREAS, exemptions from County real property taxes for certain properties that provide age-restricted rental housing for persons with limited incomes is authorized by § 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, provided the County and the property owner enter into an agreement for the payment of a negotiated amount in lieu of the County real property tax; now, therefore,

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland*, That, in accordance with § 7-506.1 of the Tax-Property Article of the State Code, there is an exemption from County real property taxes for the real property known as The Village at Little Patuxent, which is located at 1074 Crain Highway (Maryland Route 3) South, Gambrills, Maryland 21054, currently identified under the Tax Account Number 4000-0232-1000 ("Property").

SECTION 2. *And be it further enacted*, That the County Executive is hereby authorized to enter into the payment in lieu of taxes ("PILOT") Agreement between Anne Arundel County and Little Patuxent Senior, LLC, the owner of the Property, for a payment in lieu of real property taxes for the Property, as more fully described in the PILOT Agreement between Anne Arundel County and Little Patuxent Senior, LLC attached to this Ordinance as Exhibit A.

SECTION 3. *And be it further enacted*, That these exemptions and payment in lieu of taxes may not take effect until the requirements of § 7-506.1(a) of the Tax-Property Article of the State Code are met, and shall take effect in accordance with the terms of the PILOT Agreement between Anne Arundel County and Little Patuxent Senior, LLC.

SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.

AGREEMENT BETWEEN LITTLE PATUXENT SENIOR, LLC AND ANNE ARUNDEL COUNTY, MARYLAND

THIS AGREEMENT, Made this _______ day of _____________ , 2022, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and Little Patuxent Senior, LLC, a limited liability corporation formed in the State of Maryland (hereinafter referred to as the "Owner").

WHEREAS, the Owner proposes to acquire real property and develop seventy-eight (78) units of age-restricted rental housing, located at 1074 Crain Highway (Maryland Route 3) South, Gambrills currently identified under the Tax Account Number 4000-0232-1000 (the "Property"), for the purposes of providing rental housing to low income households (the "Project"); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental

housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

WHEREAS, the Owner plans to operate the Project as age-restricted rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. _____, adopted _____________, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as age-restricted rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit Covenant between the Owner and the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (herein the “Extended Use Covenant”); (b) that, with Payment in Lieu of Taxes (“PILOT”), it will make seventy-eight (78) units available to households earning 60% and below the area median income; (c) that the Project qualifies and will continue to qualify in all respects

under the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. If the Owner acquires the Property prior to July 1, 2024 and the Project is in compliance with paragraph 1 of this Agreement, then, beginning ***in Fiscal Year 2025 (July 1, 2024)***, the Property shall be exempt from ordinary County property taxes. If the Owner does not aquire the Property prior to July 1, 2024 or if the Project is not in compliance with paragraph 1 of this Agreement by that date, this Agreement shall become effective on July 1 following the aquisition of the Property and compliance with paragraph 1 of this Agreement. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through the later of Fiscal Year 2064, ending June 30, 2064, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2.

3. This Agreement shall be in effect through the later of ***Fiscal Year 2064, ending June 30, 2064***, ***or for a period of 40 years from the commencement of the payment in lieu of taxes under paragraph 2***, or until one of the following occurs: (a) the Project is not owned or used for the provision of age-restricted rental housing and related facilities tolow income households at limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are

less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For ***Fiscal Year 2025 (July 1, 2024 through June 30, 2025),*** or for the first Fiscal Year after the requirements of paragraph 2 are met, the Owner's annual payment in lieu of taxes shall be equal to **$24,180**. For ***each Fiscal Year thereafter through Fiscal Year 2064, or for a period of 40 years from the commencement of the payment in lieu of taxes under paragraph 2, whichever is later***, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30th of each year, the County shall bill the Owner for the payment, which is due by September 30th of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been brought current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights

under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2024 or on July 1 of the year after which the requirements of paragraph 2 are met, and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project's income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the Project has net cash from the operation of the Project after payment of all expenses (including, but not limited to, reimbursement of all certified development and construction costs, management fees, investor servicing fees, debt service payments (including any payments from Surplus Cash required to be made by the Owner under any first priority or subordinate debt loan documents), anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments

of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and an eight percent (8%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY:	Office of Finance Anne Arundel County, Maryland MS 1103 44 Calvert Street Annapolis, Maryland 21401
With a copy to:	Anne Arundel County Office of Law 2660 Riva Road, 4th Floor Annapolis, Maryland 21401

TO OWNER:	Little Patuxent Senior, LLC c/o Green Street Housing, LLC 212 E. Main St., Suite 200 Salisbury, MD 21801
With a copy to:	The Danneman Firm Attn: George Danneman 3411 Silverside Road Webster Building, Suite 108 Wilmington, DE 19810

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors, assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property (excluding transfers made to effectuate initial finance closing), unless the continued financial need for the PILOT can be demonstrated and the transfer of this agreement is approved by the County Council.

14. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits against it, and that the County reserves the right to plead governmental immunity in such suit in law or in equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

15. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for

Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in its name by its Managing Member, duly attested to by its Secretary.

ATTEST:

Little Patuxent Senior, LLC, a Maryland limited liability company

By: Little Patuxent Senior MM, LLC, its Managing Member

By: ______________________________
Thomas J. Ayd, Jr., Authorized Person

ATTEST:

ANNE ARUNDEL COUNTY, MARYLAND

____

By: __________________________(Seal)
Matthew J. Power
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY
ANNE ARUNDEL COUNTY, MARYLAND
GREGORY J. SWAIN, COUNTY ATTORNEY

By: ______________________________ ______________________
Office of Law Date

APPROVED:

By: ______________________________ ______________________
Controller Date

ANNE ARUNDEL COUNTY
MARYLAND
Office of Law

Gregory J. Swain, County Attorney

MEMORANDUM

To: Council Members, Anne Arundel County Council

From: Gregory J. Swain, County Attorney /s/

Via: Kelly Phillips Kenney, Supervising County Attorney /s/

Date: June 21, 2022

Subject: Bill No. 68-22 – Payment in lieu of taxes (PILOT) – The Village at Little Patuxent

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Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 68-22. The summary is intended to explain the purposes and legal effects of the bill.

Background. PILOT Agreements are authorized by State law for certain types of properties, including but not limited to, housing for persons of limited income, subsidized housing, housing commission or housing authority properties, and housing for senior citizens. Md. Code Ann., Tax-Prop., §§ 7-501, *et seq.* The State law allows a county to exempt those specific properties from county real property taxes if certain conditions are met, including entry into an agreement for a negotiated amount in lieu of property taxes. The agreement must be entered with the owner of the property and the governing body of the county, which in Anne Arundel County, requires approval by both the County Council and the County Executive. Once a PILOT is in place and the conditions are met, the owner pays the negotiated amount, rather than any County real property taxes.

Purpose. The primary purpose of this Bill is to authorize the County Executive to enter into a Payment in Lieu of Taxes ("PILOT") Agreement with Little Patuxent Senior, LLC, which will be developing The Village at Little Patuxent, a 78-unit age-restricted complex to serve households of various levels of limited income, to be located at 1074 Crain Highway (Maryland Route 3) South, Gambrills.

Bill provisions.

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

Section 1 of the Ordinance authorizes an exemption from County real property taxes for The Village at Little Patuxent in accordance with § 7-506.1 of the Tax-Property Article of the State Code, which provides, among other things, that real property may be exempt from county property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable county property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years.

Section 2 authorizes the County Executive to enter into the PILOT Agreement, which is attached to the Ordinance as Exhibit A. The PILOT Agreement identifies the property and in paragraph 1, the number of units that will be made available to various income levels. The dwelling units have not yet been constructed. As set forth in the Agreement, the payment in lieu of taxes shall begin on the later of July 1, 2024, or after the Property is acquired and the dwelling units are constructed and in compliance with the conditions of paragraph 1 of the PILOT. The PILOT shall be in place for 40 years, unless any of the events listed in paragraph 3 occur. Under paragraph 5 of the PILOT Agreement, the payment in lieu of taxes for the first Fiscal Year shall be $24,180. For the remaining fiscal years, the payment in lieu of taxes shall be the previous year's amount, plus 4% per annum.

Section 3 provides that the exemptions and PILOT may not take effect until the requirements of § 7-506.1 of the Tax-Property Article of the State Code are met.

Section 4 provides that the Ordinance shall take effect 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you very much.

cc: Honorable Steuart Pittman, County Executive
Matt Power, Chief Administrative Officer
Lori Rhodes, Deputy Chief Administrative Officer for Land Use
Pamela Jordan, Deputy Chief Administrative Officer of Health and Human Services
Dr. Kai Boggess-de Bruin, PhD, Chief of Staff
Peter Baron, Legislative Liaison
Erin Shearman Karpewicz, Arundel Community Development Services
Karin McQuade, Controller
Chris Trumbauer, Budget Officer

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 68-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

BILL: **AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES – THE VILLAGE AT LITTLE PATUXENT, GAMBRILLS, MARYLAND**

SUMMARY OF LEGISLATION

The purpose of this legislation is to authorize the County Executive to enter into a payment in lieu of taxes (PILOT) agreement in association with the development of seventy-eight (78) unit age restricted apartment community located within the Waugh Chapel Town Center.

FISCAL IMPACT

The proposed 40-year PILOT agreement provides for a payment that totals $24,180 for the first year, and increases by an annual adjustment factor of 4% for each successive year. The State Assessment Office estimates the property value to be $ 6,192,331, under the assumption that the property will be approved as an affordable housing complex. Absent a PILOT agreement, this property would generate approximately $57,774 in County property tax revenue annually at the $0.933 per $100 assessment (current property tax rate). Under the proposed PILOT agreement, annual County revenue associated with the property is reduced by $33,594.

In general, a PILOT agreement of this nature has no negative fiscal impact due to the County's property tax cap and the County's policy and practice of maximizing property tax revenue under the cap. The total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will. Based on the estimated assessment and fiscal 2023 property tax rate, the relative tax burden that will be shifted under this PILOT agreement is about $33,594 annually.

Chris Trumbauer 6/17/2022

Chris Trumbauer **Date**
Budget Officer

Prepared by: Hujia Hasim
Reviewed by: Hannah Dier

cc: Karin McQuade, Controller

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Bill No. 69-22

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

By the County Council, June 21, 2022

Introduced and first read on June 21, 2022
Public Hearing set for July 18, 2022
Bill Expires September 24, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Payment in Lieu of Taxes – Willows at Forest Drive, Annapolis, Maryland

FOR the purpose of approving exemptions from County real property taxes for a certain property located in Annapolis, Maryland; authorizing the County Executive to enter into a certain agreement for payment of a negotiated amount in lieu of County real property taxes; and providing for the time and terms under which the tax exemptions will take effect.

WHEREAS, the County Council recognizes there is a significant need for quality multifamily housing communities in Anne Arundel County for households of limited income; and

WHEREAS, exemptions from County real property taxes for certain properties that provide rental housing for persons with limited incomes is authorized by § 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, provided the County and the property owner enter into an agreement for the payment of a negotiated amount in lieu of the County real property tax; now, therefore,

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland*, That, in accordance with § 7-506.1 of the Tax-Property Article of the State Code, there is an exemption from County real property taxes for the real property known as Willows at Forest Drive, which is located at 1701 Forest Drive, one (1) unnumbered parcel on Forest Drive, and two (2) unnumbered parcels on East Juliana Circle, Annapolis, Maryland 21401, currently identified under the Tax Account Numbers 6000-0631-6800, 6000-9010-2218, 6702-9009-9221, and 6702-9009-9222 (“Property”).

SECTION 2. *And be it further enacted*, That the County Executive is hereby authorized to enter into the payment in lieu of taxes ("PILOT") Agreement between Anne Arundel County and Forest Drive LIHTC, LLC, the owner of the Property, for a payment in lieu of real property taxes for the Property, as more fully described in the PILOT Agreement between Anne Arundel County and Forest Drive LIHTC, LLC attached to this Ordinance as Exhibit A.

SECTION 3. *And be it further enacted*, That these exemptions and payment in lieu of taxes may not take effect until the requirements of § 7-506.1(a) of the Tax-Property Article of the State Code are met, and shall take effect in accordance with the terms of the PILOT Agreement between Anne Arundel County and Forest Drive LIHTC, LLC.

SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.

AGREEMENT BETWEEN
FOREST DRIVE LIHTC, LLC
AND ANNE ARUNDEL COUNTY, MARYLAND

THIS AGREEMENT, made this ________ day of _____________, 2022, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the "County"), and Forest Drive LIHTC, LLC, a limited liability company formed in the State of Maryland (hereinafter referred to as the "Owner").

WHEREAS, the Owner proposes to acquire real property and develop fifty-eight (58) units of rental housing, located at 1701 Forest Drive, one (1) unnumbered parcel on Forest Drive, and two (2) unnumbered parcels on East Juliana Circle, Annapolis, currently identified under the Tax Account Numbers 6000-0631-6800, 6000-9010-2218, 6702-9009-9221, and 6702-9009-9222 (the "Property"), for the purposes of providing rental housing to low income households (the "Project"); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

WHEREAS, the Owner plans to operate the Project as rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. _____, adopted ______________, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit Covenant between the Owner and the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (herein the “Extended Use Covenant”); (b) that, with Payment in Lieu of Taxes (“PILOT”), it will

make twelve (12) units available to households with income 20 percent and below the area median income ("AMI"); twenty-seven (27) units available to households with income 30 percent and below AMI; fourteen (14) units available to households with income 40 percent and below AMI; and five (5) units available to households with income 50 percent and below AMI; and (c) that the Project qualifies and will continue to qualify in all respects under the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. If the Owner acquires the Property prior to July 1, 2024 and the Project is in compliance with paragraph 1 of this Agreement by that date, then, beginning ***in Fiscal Year 2025 (July 1, 2024)***, the Property shall be exempt from ordinary County property taxes. If the Owner does not aquire the Property prior to July 1, 2024 or if the Project is not in compliance with paragraph 1 of this Agreement by that date, this Agreement shall become effective on July 1 following the aquisition of the Property and compliance with paragraph 1 of this Agreement. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through the later of Fiscal Year 2064, ending June 30, 2064, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2.

3. This Agreement shall be in effect through the later of ***Fiscal Year 2064, ending June 30, 2064*****, or for a period of 40 years beginning from the commencement of the payment in lieu of taxes under paragraph 2**, or until one of the following occurs: (a) the Project is not owned or used for the provision of rental housing and related facilities to low income households at limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with

Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For ***Fiscal Year 2025 (July 1, 2024 through June 30, 2025)***, or for the first Fiscal Year after the requirements of paragraph 2 are met, the Owner's annual payment in lieu of taxes shall be equal to **$11,600**. For ***each Fiscal Year thereafter through Fiscal Year 2064, or for a period of 40 years from the commencement of the payment in lieu of taxes under paragraph 2, whichever is later***, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30th of each year, the County shall bill the Owner for the payment which is due by September 30th of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been brought

current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2024 or on July 1 of the year after which the requirements of paragraph 2 are met, and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project's income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the Project has net cash from the operation of the Project after payment of all expenses (including, but not limited to, reimbursement

of all certified development and construction costs, management fees, investor servicing fees, debt service payments (including any payments from Surplus Cash required to be made by the Owner under any first priority or subordinate debt loan documents), anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and a eight percent (8%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY: Office of Finance
Anne Arundel County, Maryland
MS 1103
44 Calvert Street
Annapolis, Maryland 21401

With a copy to: Anne Arundel County
Office of Law
2660 Riva Road, 4th Floor
Annapolis, Maryland 21401

TO OWNER: Forest Drive LIHTC, LLC
Attn: M Brad Ingerman
5 Powell Lane
Collingswood, NJ 08108

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors, assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property (excluding transfers made to effectuate initial finance closing), unless the continued financial need for the PILOT can be demonstrated and the transfer of this agreement is approved by the County Council.

14. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits against it, and that the County reserves the right to plead governmental immunity in such suit in law or in equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

15. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for

Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in its name by its Managing Member, duly attested to by its Secretary.

ATTEST:

FOREST DRIVE LIHTC, LLC, a Maryland limited liability company

____
By: Forest Drive MM, LLC, a Maryland limited liability company, its Managing Member

By: ________________________ (SEAL)
M. Brad Ingerman
President

ATTEST:

ANNE ARUNDEL COUNTY, MARYLAND

____

By: ______________________(Seal)
Matthew J. Power
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY
ANNE ARUNDEL COUNTY, MARYLAND
GREGORY J. SWAIN, COUNTY ATTORNEY

By: ______________________________ ______________________
Office of Law Date

APPROVED:

By: ______________________________ ______________________
Controller Date

ANNE ARUNDEL COUNTY
MARYLAND
Office of Law

Gregory J. Swain, County Attorney

MEMORANDUM

To:	Council Members, Anne Arundel County Council	
From:	Gregory J. Swain, County Attorney	/s/
Via:	Kelly Phillips Kenney, Supervising County Attorney	/s/
Date:	June 21, 2022	
Subject:	Bill No. 69-22 – Payment in lieu of taxes (PILOT) – Willows at Forest Drive	

Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 69-22. The summary is intended to explain the purposes and legal effects of the bill.

Background. PILOT Agreements are authorized by State law for certain types of properties, including but not limited to, housing for persons of limited income, subsidized housing, housing commission or housing authority properties, and housing for senior citizens. Md. Code Ann., Tax-Prop., §§ 7-501, *et seq.* The State law allows a county to exempt those specific properties from county real property taxes if certain conditions are met, including entry into an agreement for a negotiated amount in lieu of property taxes. The agreement must be entered with the owner of the property and the governing body of the county, which in Anne Arundel County, requires approval by both the County Council and the County Executive. Once a PILOT is in place and the conditions are met, the owner pays the negotiated amount, rather than any County real property taxes.

Purpose. The primary purpose of this Bill is to authorize the County Executive to enter into a Payment in Lieu of Taxes ("PILOT") Agreement with Forest Drive LIHTC, LLC, which will be developing Willows at Forest Drive, a 58-unit apartment complex to serve households of various levels of limited income, to be located at 1701 Forest Drive, one (1) unnumbered parcel on Forest Drive, and two (2) unnumbered parcels on East Juliana Circle, Annapolis, Maryland 21401 ("Property"). The Property is in the City of Annapolis, and the PILOT only applies to County taxes.

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

Bill provisions.

Section 1 of the Ordinance authorizes an exemption from County real property taxes for Willows at Forest Drive in accordance with § 7-506.1 of the Tax-Property Article of the State Code, which provides, among other things, that real property may be exempt from county property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and

(ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:

(1) funds construction, or insures its financing in whole or in part, or

(2) provides interest subsidy, rent subsidy or rent supplements; and

(iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable county property taxes on the Property; and

(iv) the owner:

(1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years.

Section 2 authorizes the County Executive to enter into the PILOT Agreement, which is attached to the Ordinance as Exhibit A. The PILOT Agreement identifies the property and in paragraph 1, the number of units that will be made available to various income levels. The dwelling units have not yet been constructed. As set forth in the Agreement, the payment in lieu of taxes shall begin on the later of July 1, 2024, or after the Property is acquired and the dwelling units are constructed and in compliance with the conditions of paragraph 1 of the PILOT. The PILOT shall be in place for 40 years, unless any of the events listed in paragraph 3 occur. Under paragraph 5 of the PILOT Agreement, the payment in lieu of taxes for the first Fiscal Year shall be $11,600. For the remaining fiscal years, the payment in lieu of taxes shall be the previous year's amount, plus 4% per annum.

Section 3 provides that the exemptions and PILOT may not take effect until the requirements of § 7-506.1 of the Tax-Property Article of the State Code are met.

Section 4 provides that the Ordinance shall take effect 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you very much.

cc: Honorable Steuart Pittman, County Executive
Matt Power, Chief Administrative Officer
Lori Rhodes, Deputy Chief Administrative Officer for Land Use
Pamela Jordan, Deputy Chief Administrative Officer of Health and Human Services
Dr. Kai Boggess-de Bruin, PhD, Chief of Staff
Peter Baron, Legislative Liaison
Erin Shearman Karpewicz, Arundel Community Development Services
Karin McQuade, Controller
Chris Trumbauer, Budget Officer

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

BILL NUMBER: 69-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

BILL: **AN ORDINANCE CONCERNING: PAYMENT IN LIEU OF TAXES – WILLOWS AT FOREST DRIVE, ANNAPOLIS, MARYLAND**

SUMMARY OF LEGISLATION

The purpose of this legislation is to authorize the County Executive to enter into a payment in lieu of taxes (PILOT) agreement in association with Willows at Forest Drive is a proposed fifty-eight (58) unit new construction family rental community located at 1701 Forest Drive in Annapolis.

FISCAL IMPACT

The proposed 40-year PILOT agreement provides for a payment that totals $11,600 for the first year, and increases by an annual adjustment factor of 4% for each successive year. The State Assessment Office estimates the property value to be $3,725,983, under the assumption that the property will be approved as an affordable housing complex. Absent a PILOT agreement, this property would generate approximately $20,828 in County property tax revenue annually at the $0.559 per $100 assessment (current County property tax rate within the City of Annapolis city limit). Under the proposed PILOT agreement, annual County revenue associated with the property is reduced by $9,228.

In general, a PILOT agreement of this nature has no negative fiscal impact due to the County's property tax cap and the County's policy and practice of maximizing property tax revenue under the cap. The total amount of property tax collected by the County will not change, but the relative tax burden among all property tax payers will. Based on the estimated assessment and fiscal 2023 property tax rate, the relative tax burden that will be shifted under this PILOT agreement is about $9,228 annually.

Chris Th

Chris Trumbauer
Budget Officer

6/17/2022
Date

Prepared by: Hujia Hasim
Reviewed by: Hannah Dier

cc: Karin McQuade, Controller

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Bill No. 70-22

Introduced by Mr. Pruski

By the County Council, June 21, 2022

Introduced and first read on June 21, 2022
Public Hearing set for July 18, 2022
Bill Expires September 24, 2022

By Order: Laura Corby, Administrative Officer

A BILL ENTITLED

AN ORDINANCE concerning: Public Safety – Security Measures for the Sale of Firearms – Effective Date Contingency

FOR the purpose of adding an effective date contingency for the application of County provisions relating to security measures for the sale of firearms; and generally relating to public safety.

BY renumbering: §§ 12-6-101 through 12-6-107, respectively, and the subtitle "Subtitle 1. Dealers" to be 12-6-201 through 12-6-207, respectively, and the subtitle "Subtitle 2. Dealers"; 12-6-201 through 12-6-205, respectively, and the subtitle "Subtitle 2. Gun Shows" to be 12-6-301 through 12-6-305, respectively, and the subtitle "Subtitle 3. Gun Shows"; and 12-6-301, and the subtitle "Subtitle 3. Enforcement" to be 12-6-401, and the subtitle "Subtitle 4. Enforcement"
Anne Arundel County Code (2005, as amended)

BY adding: § 12-6-101, and the subtitle "Subtitle 1. Effective Date Contingency"
Anne Arundel County Code (2005, as amended)

SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland*, That §§ 12-6-101 through 12-6-107, respectively, and the subtitle "Subtitle 1. Dealers"; 12-6-201 through 12-6-205, respectively, and the subtitle "Subtitle 2. Gun Shows"; and 12-6-301, and the subtitle "Subtitle 3. Enforcement" of the Anne Arundel County Code (2005, as amended) be renumbered to be to §§ 12-6-201 through 12-6-207, respectively, and the subtitle "Subtitle 2. Dealers"; 12-6-301 through 12-6-305, respectively, and the subtitle "Subtitle 3. Gun Shows"; and 12-6-401, and the subtitle "Subtitle 4. Enforcement".

EXPLANATION: CAPITALS indicate new matter added to existing law.
[[Brackets**]]** indicate matter stricken from existing law.
Captions and taglines in **bold** in this bill are catchwords and are not law.

SECTION 2. *And be it further enacted,* That Section(s) of the Anne Arundel County Code (2005, as amended) read as follows:

ARTICLE 12. PUBLIC SAFETY

TITLE 6. SECURITY MEASURES FOR THE SALE OF FIREARMS

SUBTITLE 1. EFFECTIVE DATE CONTINGENCY

12-6-101. Effective date contingency.

NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THIS TITLE SHALL BECOME EFFECTIVE 30 DAYS FOLLOWING ANY FINAL JUDICIAL OR LEGISLATIVE ACTION THAT VOIDS OR REPEALS § 5-145.1 OF THE PUBLIC SAFETY ARTICLE OF THE MARYLAND CODE, AS ADDED BY 2022 MARYLAND LAWS CH. 55 (H.B. 1021).

SECTION 3. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 16-22

Introduced by Ms. Fiedler

By the County Council, June 21, 2022

RESOLUTION appointing an Anne Arundel County citizen to serve on the Chesapeake Bay Bridge Reconstruction Advisory Group

WHEREAS, § 4-212 of the Transportation Article of the State Code establishes a Chesapeake Bay Bridge Reconstruction Advisory Group within the State Department of Transportation (the "Advisory Group"); and

WHEREAS, § 4-212(h) provides that the duties of the Advisory Group are, in general, to provide the Maryland Transportation Authority with an independent, citizen-informed perspective on operations at the Chesapeake Bay Bridge, assist in assessing potential concerns about activity relating to the Chesapeake Bay Bridge, assist in educating the general public about activity relating to the Chesapeake Bay Bridge, and provide pertinent input related to traffic and customer service issues; and

WHEREAS, § 4-212(c)(4) provides that two citizen members are to be appointed to the Advisory Group by the Anne Arundel County Council; and

WHEREAS, § 4-212(d) provides that the term of an appointed member is three years and that, at the end of a term, an appointed member continues to serve until a successor is appointed and qualified; and

WHEREAS, § 4-212(d) further provides that the initial terms of the appointed members were to be staggered as provided by law; and

WHEREAS, S. Hamilton Chaney was appointed by the County Council, via Resolution No. 26-20, to serve an initial two year term that will end on July 1, 2022; and

WHEREAS, the County Council finds Peter F. Bradley, an Anne Arundel County citizen, qualified to serve on the Advisory Group for a three year term commencing on July 1, 2022; now, therefore, be it

Resolved by the County Council of Anne Arundel County, Maryland, That it hereby appoints Peter F. Bradley to serve on the Chesapeake Bay Bridge Reconstruction Advisory Group for a three year term commencing on July 1, 2022; and be it further

Resolved, That copies of this Resolution be sent to James F. Ports, Jr., Executive Director, Maryland Transportation Authority; and Peter F. Bradley, appointee.

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022 Legislative Day No. 13

Resolution No. 17-22

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

By the County Council, June 21, 2022

RESOLUTION adopting the Debt Management Policy for Anne Arundel County, Maryland

WHEREAS, § 17-207 of the Local Government Article of the State Code requires each governmental entity to adopt by resolution a local debt policy that meets requirements of State and local law and meets the needs of the governmental entity; and

WHEREAS, the Controller has prepared the Debt Management Policy for Anne Arundel County dated June 21, 2022; and

WHEREAS, the County Executive has determined that the Debt Management Policy for Anne Arundel County dated June 21, 2022, incorporated herein by reference as if fully set forth, meets the requirements of State law and local law and the needs of the governmental entity, has approved the Debt Management Policy for Anne Arundel County dated June 21, 2022, and now submits it to the County Council for adoption; and

WHEREAS, as required by § 17-207 of the Local Government Article of the State Code, the County Council finds that the Debt Management Policy dated June 21, 2022, meets the requirements of State law and local law and the needs of the governmental entity, and desires to adopt the Debt Management Policy dated June 21, 2022; now, therefore, be it

Resolved by the County Council of Anne Arundel County, *Maryland*, That, in accordance with the provisions of § 17-207 of the Local Government Article of the State Code, it hereby adopts the Debt Management Policy dated June 21, 2022, incorporated herein by reference as if fully set forth, prepared by the Controller, as the Debt Management Policy for the County; and be it further

Resolved, That a copy of the Debt Management Policy dated June 21, 2022, be kept on file in the office of the Administrative Officer to the County Council; and be it further

Resolved, That a copy of the Debt Management Policy dated June 21, 2022, be certified by the Administrative Officer to the County Council and mailed to the State Treasurer, as required by § 17-207 of the Local Government Article of the State Code.

Anne Arundel County Debt Management Policy

I. Overview

A. Purpose: The County recognizes the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The debt policy should recognize a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. Adherence to a debt policy helps to ensure that a government maintains a sound debt position and that credit quality is protected. From time to time, certain circumstances arise which could cause the Office of Finance to deviate from the policies herein. Advantages of a debt policy are as follows:

- enhances the quality of decisions by imposing order and discipline and by promoting consistency and continuity in decision making,
- rationalizes the decision-making process,
- identifies objectives for staff to implement,
- demonstrates a commitment to long-term financial planning objectives, and
- is regarded positively by the rating agencies in reviewing credit quality.

B. Responsibility: The Office of Finance is responsible for drafting this policy and incorporating comments from the County's Financial Advisor and Bond Counsel.

C. Policy Updates: The policy will be reviewed and updated (as needed) at least annually.

D. Definitions: See Appendix A.

II. Spending Affordability Advisory Committee

A. Purpose: The Spending Affordability Advisory Committee was established by Charter Amendment approved by the voters of Anne Arundel County at the general Election in November, 1990. The Committee is charged with making advisory recommendations to the Office of the Budget, the County Executive, and the County Council relating to spending affordability including County spending levels to reflect the ability of the taxpayer to finance County services and long-term debt. Consistent with this mission, the Committee has historically provided the Office of the Budget, the County Executive, and the County Council with a recommended General Fund Current Expense Budget appropriation limit and a recommended General Fund debt limit. In addition to these recommended spending affordability limits, the Committee has also provided comments on a wide-range of issues related to the County budget, County operations, and the County's capital infrastructure.

B. Members: The Committee is composed of County citizens and confirmed by resolution of the County Council.

C. Debt Affordability Measures: The Committee examines four statistical measures to determine debt capacity and compares these ratios to those of other counties, rating agency standards and the County's historical ratios to determine debt affordability.

1. **Tax supported debt measured as a percent of Full Value. 2**% and below is considered an appropriate level.

2. **Tax supported debt measured against the population on a per-capita basis.** The County aims to maintain a level below $3,500. Starting FY2024, the $3,500 limit will be increased annually based on the January Consumer Price Index (All Urban Consumers – U.S. City Average-All Items).

3. **Tax supported debt measured as a percent of the jurisdiction's personal income.** The Committee uses this measure in conjunction with measure number one, as this measure factors in the wealth, not just the number of residents. The County aims to maintain a level below 4%.

4. **Debt service for tax supported debt as a percent of current revenues. 11.5**% or below is considered an appropriate level.

III. Comprehensive Capital Planning

A. Planning

1. **General Plan:** The Department of Planning and Zoning is responsible for the comprehensive planning of growth, development and conservation in the County. The department coordinates the preparation and revision of a general plan that includes policies for land use and land conservation and multi-year development plans for

transportation, public facilities, water, sewerage, parkland, housing, human services and environmental protection.

2. **Master Plans:** Supporting the general plan are 10-year capital improvement master plans for transportation (roads, bridges and public transportation), water and sewer, solid waste, and schools which are updated annually. In addition to the requirements of the County Code, master plans are prepared by the Anne Arundel County Library and the Department of Recreation and Parks.

3. **Adequate Public Facilities:** The general plan guides where growth occurs, while the adequate public facilities process and standards manage growth so that facilities can be constructed in a timely manner. Adequate public facilities legislation requires the testing of proposed developments for adequacy of schools, roads, and other infrastructure facilities as a condition of subdivision or site development plan approval. Milestones established in that legislation require properties to move in an orderly and predictable manner through the development process.

4. **Capital Improvement Plan:** Section 705 of the County's Charter requires that the County prepare a multi-year capital program for consideration and adoption by the County Council as part of the County's budget process. The concurrency management plan contained in the General Development Plan shall guide the allocation of funds to the County capital improvement program. Annually, the capital budget identifies revenue sources and expenditures for the coming current year and the next succeeding five fiscal years, as required by the Charter. The plan is updated annually.

5. **Effect on Future Operating Budgets:** Each capital project includes projections of the effect it will have on future operating budgets.

B. **Funding of the Capital Improvement Program:** Capital projects generally have a long useful life and will serve future taxpayers as well as current taxpayers. It is an inequitable and unreasonable fiscal burden to make current taxpayers pay fully for those projects out of the current tax revenues. This concept of taxpayer equity (those benefiting from a project should share in funding the cost of the project) is a consideration in how capital projects are funded. The County first attempts to fund capital projects with grants or developer contributions, then turns to several dedicated revenues that fund the capital program either as pay-as-you-go or to fund debt service. Dedicated revenues include but are not limited to impact fees, water/sewer ad valorem fees and water/sewer front foot fees. If these are not available, the County will use excess surplus, general revenues, and bond financing. Water and sewer projects are funded solely by water and sewer charges and fees of the Enterprise Fund.

C. Maintenance, Replacement and Renewal: The County intends to set aside sufficient current revenues to finance ongoing maintenance needs and to provide periodic replacement and renewal. It is the County's philosophy to maintain safe and cost-effective buildings, maintain a sound working environment, preserve longevity of buildings and equipment, and protect public property and investment.

D. Debt Authorization: The Bond Ordinance approved by County Council authorizes the County debt to be issued to fund capital projects appropriated in the capital budget. No County debt issued for the purpose of funding capital projects may be authorized by the County Council unless an appropriation has been included in the capital budget.

IV. Planning and Structure of County Indebtedness:

A. Overview: The County plans long and short term debt issuances to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The Controller oversees and coordinates the time, issuance process and marketing of the County's borrowing and capital funding activities required in support of the capital improvement plan.

The County finances its capital needs on a regular basis dictated by its capital spending pattern. The County monitors market conditions and takes advantage of refinancing opportunities to reduce its interest cost as far as practicable.

B. Financing Team: The County employs outside financial consultants to assist in developing a bond issuance strategy, preparing bond documents and marketing bonds to investors. The key players in the County's financing transactions include its Financial Advisor and Bond Counsel, the Underwriter (on a Negotiated Sale) and County representatives (the Controller and the Budget Officer, among others). Other outside firms, such as those providing paying agent/registrar, trustee, credit enhancement, auditing, or printing services, are retained as required.

The financing team meets annually to review the overall financing strategy of the County for the upcoming year.

C. Overlapping Debt: The City of Annapolis is the only incorporated municipality in the County that issues debt. The County is not obligated to pay such debt or the interest thereon and neither the full faith and credit nor the taxing power of the County is pledged to the payment of the principal of or interest on such indebtedness.

D. Term of Debt Repayment: The County follows guidelines set by Section 720 of the Anne Arundel County Charter. Borrowings by the County mature over a term that does not exceed the average economic life of the improvements that they finance. The County consolidates its long-lived municipal improvements into Consolidated General Improvement Bonds (with a maximum term of 30 years) and its long-lived sewer and water system improvements into Consolidated Water and Sewer Bonds (with a maximum term of 30 years).

Capital Projects that have a useful life of five years or more are considered eligible for bond funding. Individual Capital Projects are matched to the bond maturity schedule to ensure that each project is financed over a period of time no longer than its useful life. All County debt shall be payable under an annual installment plan that commences payments not more than two years from the date of issue.

E. Legal Borrowing Limitations:

1. **General Obligation Bonds**. In accordance with Section 10-203 of the Local Government Article of the Annotated Code of Maryland and in accordance with Section 4-10-101(a) of Article 4, Finance Taxation, and Budget of the Anne Arundel County Code the aggregate amount of General County indebtedness outstanding at one time (excluding I-III in the paragraph below) shall not exceed:

   a. 5.2% of the assessable basis of real property;
   b. 13% of the County's assessable basis of personal property; and
   c. 13% of the operating real property described in Section 8-109(c) of the Tax-Property Article of the Annotated Code of Maryland .

In determining outstanding indebtedness, the following shall be excluded.

I. Tax anticipation notes and other indebtedness with a maturity of one year or less;

II. Bonds or other indebtedness of the County payable from taxes levied from special taxing areas; and

III. Self-supporting bonds or other debt.

2. **Water and Wastewater Bonds.** In accordance with Section 4-10-103(d) of Article 4, Finance Taxation, and Budget of the Anne Arundel County Code the aggregate amount of Water & Wastewater County indebtedness outstanding at one time shall not exceed:

   a. 5.6% of the assessable basis of real property;
   b. 14% of the County's assessable basis of personal property; and
   c. 14% of the operating real property described in Section 8-109(c) of the Tax-Property Article of the Annotated Code of Maryland .

F. Watershed Protection and Restoration Fund Bonds: Before bonds are issued as part of a separate series to finance watershed protection and restoration projects ("WPRF Bonds"), a determination shall be made that the estimated fund balance and/or net revenues to the Watershed Protection and Restoration Revenue Fund established under Section 4-11-119 of Article 4, Finance, Taxation and Budget of the Anne Arundel County Code will be sufficient to pay the debt service payable on such WPRF Bonds. Any such determination is made solely for the purpose of ongoing management of debt affordability by the County and shall not impact in any way the validity of, or the rights of bondholders under, WPRF Bonds.

G. Bond Features:

1. **Security for General Obligation Bonds.** The Consolidated General Improvement Bonds are general obligations of the County for the payment of which the County's full faith and credit and taxing power are pledged, subject to the limitation on the taxing power set forth in Section 710(d) of the County Charter. The Consolidated Water and Sewer Bonds are general obligations of the County to which its full faith and credit and taxing power are pledged, subject to the limitation on the taxing power set forth in Section 710(d) of the Charter, payable primarily from net revenues of water and wastewater projects.

2. **Debt Service Structure for General Obligation Bonds.**

   a. Consolidated General Improvement Bonds. The County finances its long-lived municipal improvements over a maximum of 30-year term, and generally structures the principal repayments on these bonds such that they are approximately equal for each year such bonds are outstanding.

   b. Consolidated Water and Sewer Bonds. The County finances its long-lived water and sewer improvements over a maximum 30-year term and generally structures the principal repayments on these bonds such that they are approximately equal for each year such bonds are outstanding. .

3. **Tax Increment Financing Bonds.** All Tax Increment Financing Bonds ("TIF Bonds") will be approved in accordance with Title 12, Subtitle 2 of the Economic Development Article of the Annotated Code of Maryland (the Tax Increment Financing Act). Applications for TIF Bonds will be reviewed by the Tax Increment Financing Committee, as defined in the Tax Increment Financing Guidelines, and a recommendation will be made to the County Executive. All applications will include a financial analysis that indicates that the total incremental tax revenues generated by the development exceed the annual debt service on the bonds. The applicant will be responsible for costs of a consultant's review of the financial analysis, Bond Counsel and any other legal counsel. An annual report on revenues collected to service debt requirements is required.

   In most cases a companion Special Taxing District established by the County pursuant to Title 21, Subtitle 5 of the Local Government Article of the Annotated Code of Maryland (the Special Taxing District Act) will be established to authorize the collection of Special Taxes to supplement the Tax Increment District tax increment as needed to meet debt service obligations.

4. **Special Taxing District Bonds.** All Special Taxing District Bonds ("Special Taxing District Bonds") will be approved in accordance with the Special Taxing District Act. Applications for Special Taxing District Bonds will be reviewed by the Special Taxing District Financing Committee, as defined in the Special Taxing District Guidelines, and a recommendation will be made to the County Executive. All applications will include a financial analysis that indicates that the total special tax revenues generated by the development exceed the annual debt service on the bonds. The applicant will be responsible for costs of a consultant's review of the financial analysis, Bond Counsel and any other legal counsel. An annual report on revenues collected to service debt requirements is required.

5. **Original issue discount or Premium.** The County's bonds may be sold at a discount or Premium in order to market its bonds more effectively, achieve interest cost savings or meet other financing objectives. The maximum permitted discount is stated in the Notice of Sale accompanying the County's preliminary Official Statement.

Bond Premiums generated from issuance of County bonds shall be used for the funding of capital improvements financed by the bonds.

6. **Call provisions.** The County seeks to balance the protection from Optional Redemption given to bondholders, with its desire to obtain the lowest possible interest rates on its bonds. The County's bonds are generally subject to Optional Redemption. The County seeks early calls at low or no Premiums because such features have allowed it in the past to refinance debt more easily for debt service savings when interest rates dropped. The County and its Financial Advisor evaluate Optional Redemption provisions for each issue to assure that the County does not pay unacceptably higher interest rates to obtain such advantageous calls.

7. **Interest rates.** The County uses variable or fixed-rate debt to finance its capital needs. The County's policy is to limit the amount of long-term variable rate debt to 20% of the County's total outstanding consolidated general improvement or consolidated water and sewer obligation debt (whichever is applicable).

8. **Capitalized interest.** Capitalized Interest increases the amount of debt to be issued and therefore will be avoided unless beneficial from a credit standpoint, as in the case of lease-purchase obligations. Interest on General Obligation Bonds will not be capitalized. Interest may be capitalized on TIF Bonds.

H. Installment Purchase Agreements. The County has an agricultural land preservation program that enables it to purchase development rights on farmland in the County. The County may enter into installment purchase agreements pursuant to Section 17-10-206(b)(2) of Article 17, Subdivision and Development of the Anne Arundel County Code to acquire easements provided that the face value of the installment purchase agreement is less than the appraised value of the easement by an amount that provides a significant economic benefit to the County. The financing for this program complies with all County statutory requirements pertinent to bonds and Title 10, Subtitle 2 of Article 17, Subdivision and Development of the County Code relating to Agricultural Land Preservation. An individual easement can be purchased from a landowner using an installment purchase agreement that pays interest semi-annually and the principal at the end of 30 years. The final principal payment is paid from the proceeds of stripped U.S. Treasury bonds, known as "zeros", maturing on the appropriate date. The program is fully funded by an allocation from the transfer tax revenues. A spending affordability analysis, which is updated annually, is used to determine how many preservation easements can be purchased.

I. **Lease Debt.** The County will use lease financing when it is economic and efficient.

J. **Other Long-Term Obligations**

1. **Vested vacation benefits.** Vacation benefits are earned by County employees based on time in service, and the rights to such benefits are vested. The County records vested vacation benefits as earned in accordance with generally accepted accounting principles. In the Governmental Activities, the amount owed to current and former employees at year end is accrued as an expense and recorded as a liability. The total liability related to the proprietary-type funds is accrued as an expense and liability in that fund. The amount of vested vacation benefits is not included in measures used to evaluate the County's debt affordability.

2. **Landfill closure and post closure care cost.** State and federal laws and regulations require the County to cover its landfill cells when filled and to monitor and maintain such cells for 30 years after closure. The County recognizes a portion of these costs in each operating period based on estimated landfill capacity used as of each balance sheet date. The amount of accrued landfill closure costs is not included in measures used to evaluate the County's debt affordability.

V. Bond Anticipation Notes (As Authorized By Section 19-212 of the Local Government of Article of the Annotated Code of Maryland)

A. **Construction Financing.** The County may issue fixed or variable-rate bond anticipation notes (BANs) when their use is judged to be prudent and advantageous. The County may elect to use BANs to provide interim construction financing for its capital improvement program as a method of managing its available cash. BANs may be sold in either a Competitive or Negotiated Sale, subject to prior authorization by the County Council. The maximum BAN amount of construction financing is limited to the estimated construction cost of capital projects during a two year period.

B. **Credit or Liquidity Enhancement.** The County may seek to use credit or liquidity enhancement when such enhancement proves to be cost-effective or to improve or establish a credit rating on BANs. Selection of an enhancement provider is subject to an evaluation process developed by the Underwriter and Financial Advisor and approved by the Controller. Criteria to be used in selecting an enhancement provider include:

1. the short and long term credit ratings of the institution**;**

2. the relative trading level of debt supported by the enhancement provider;

3. the institution's experience with providing credit or liquidity facilities to municipal bond issuers;

4. competitiveness of fees, interest charged on liquidity draws and maximum legal and administrative fees;

5. ability to agree to state and county legal requirements including providing an annual financial report and prompt notification of any credit rating downgrades; and

6. the amount and number of liquidity facilities currently outstanding in the market.

VI. Method of Sale

The County will select a method of sale that is the most appropriate in light of financial, market, transaction-specific and other conditions. The County will comply with requirements of Section 721 of the Anne Arundel County Charter, which requires long-term general obligation bonds for non-refunding purposes to be sold competitively.

A. Competitive Sales: Long-term bonds are generally issued through a Competitive Sale. The County and its Financial Advisor will set the terms of the sale to encourage as many bidders as possible. By maximizing bidding, the County seeks to obtain the lowest possible interest costs on its bonds. Some of the conditions that generally favor a Competitive Sale include:

1. the market is familiar with the County;

2. the County is a stable and regular borrower in the public market;

3. there is an active secondary market with a broad investor base for the County's bonds;

4. County bonds have a non-enhanced credit rating of A or above or can obtain a credit enhancement prior to the Competitive Sale;

5. the debt structure is backed by the County's full faith and credit or a strong, known or historically performing revenue stream;

6. the issue is neither too large to be easily absorbed by the market nor too small to attract investors without a concerted sale effort;

7. the issue does not include complex or innovative features or require explanation as to the bonds' security;

8. the issue can be sold and closed on a schedule that does not need to be accelerated or shortened for market or policy reasons; and

9. interest rates are stable and market demand is strong.

B. Negotiated Sales: In situations where Competitive Sales are not required by law, Negotiated Sales may be considered. In these situations, when certain conditions favorable for a Competitive Sale do not exist and when a Negotiated Sale will provide significant benefits to the County that would not be achieved through a Competitive Sale, the County may elect to sell its debt obligations through a private or Negotiated Sale, as authorized by ordinance enacted by the County Council. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program. The underwriting team is selected through a competitive process. The following practices are observed in the event of a Negotiated Sale:

1. ensure fairness by using a competitive Underwriter selection process through a request for proposals where multiple proposals are considered;

2. remain actively involved in each step of the negotiation and sale processes to uphold the public trust;

3. ensure that either an employee of the County or the Financial Advisor, who is familiar with and abreast of the condition of the municipal market, is available to assist in structuring the issue, pricing, and monitoring sales activities;

4. require that the Financial Advisor not act as Underwriter;

5. require that financial professionals disclose the name or names of any person or firm, including attorneys, lobbyists and public relations professionals, compensated in connection with a Negotiated Sale; and

6. request all financial professionals submitting joint proposals or intending to enter into joint accounts or any fee-splitting arrangements in connection with a Negotiated Sale to fully disclose to the County any plan or arrangements to share tasks, responsibilities and fees earned and to disclose the financial professionals with whom the sharing is proposed, the method used to calculate the fees to be earned, and any changes thereto.

VII. Refinancing of Outstanding Debt

Section 19-207 of the Local Government Article of the Annotated Code of Maryland authorizes refinancing of any County Bonds. The County may refinance outstanding long-term debt when such refinancing allows the County to realize significant debt service savings without lengthening the term of refinanced debt and without increasing debt service in any subsequent fiscal year. A review of potential savings is performed annually.

The Internal Revenue Code provides that Advance Refunding bonds may not be issued on a tax-exempt basis for federal income tax purposes after 2017. The County may accomplish an Advance Refunding on a taxable basis, either by redeeming the prior bonds on the first call date or by providing for the repayment of the prior bonds at their maturity dates, when the public policy benefits of replacing such debt outweigh the costs associated with new issuance as well as any increase in annual debt service.

VIII. Conduit Financings

Conduit financing are securities issued by a government agency to finance a project of a third party, such as a non-profit 501(c)(3) organization or other private entity. The County may sponsor conduit financings for those activities (e.g., economic development, housing, volunteer fire departments) that have a general public purpose and are consistent with the County's overall service and policy objectives.

The County will require such third parties to provide such information to the County as the County deems appropriate or necessary, including the provision of annual financial statements. Existing conduit financings do not in any way pledge the County's full faith and credit of the County.

IX. Derivatives

No Derivative products will be used unless authorized by the County Council. No Derivative products shall be utilized without an analysis by an independent Financial Advisor and the implementation of an independent monitoring program. Prior to entering into any swap or Derivative transaction, the County will develop a swap policy that addresses risk management aspects of Derivative transactions. No Derivative products shall be used for the purpose of interest rate speculation.

A. Interest Rate Swaps:

1. All Interest Rate Swap agreements entered into by the County must comply with Section 19-236 of the Local Government Article of the Annotated Code of Maryland.

2. The counterparty to a swap agreement must have received a minimum credit rating of Aa3 or AA- or equivalent from two nationally recognized rating agencies.

X. Credit Ratings

A. **Rating Agency Relationships:** The Controller is responsible for maintaining relationships with the rating agencies that assign ratings to the County's various debt obligations. This effort includes providing periodic updates on the County's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

B. **Quality of Ratings:** The County shall request ratings prior to the sale of securities from at least two of the three major rating agencies for municipal bond issues: Moody's Investors Service, S&P Global Ratings and Fitch Ratings. The County may provide a written and/or oral presentation to the rating agencies to help each credit analyst make an informed evaluation. The County will make every reasonable effort to maintain its high quality credit ratings to aid in minimizing borrowing costs and preserving access to credit.

XI. Management Practices

The County has instituted sound management practices and will continue to follow practices that will reflect positively on it in the rating process. Among these are the County development of and adherence to long-term financial and capital improvement plans, management of expense growth in line with revenues and maintenance of an adequate level of operating reserves.

A. **Revenue Reserve Fund, known as the Rainy Day Fund:** Section 4-11-106 of the Anne Arundel County Code establishes a Rainy Day Fund for the purpose of retaining revenues for future use to maintain a consistent level of service without requiring a substantial tax increase if estimated revenues decline substantially during the course of the budget year. The budget as proposed by the County Executive and approved by the County Council may contain an appropriation to fund the Revenue Reserve Fund except that the amount of the annual appropriation to the Revenue Reserve Fund may not cause the sum of the balance of the Revenue Reserve Fund plus the appropriation to exceed an amount equal to 7% of the estimated General Fund Revenues for the upcoming fiscal year. The balance referred to above refers to the budgetary fund balance reported on the Current Expense Budget document. This amount plus the appropriation and the estimated investment income are used to calculate the not to exceed amount.

B. **Rebate Reporting and Covenant Compliance:** The Controller is responsible for maintaining a system of record keeping and reporting to meet the Arbitrage rebate and other requirements of the federal tax code. This effort includes tracking investment earnings on bond and BANs proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the County's outstanding debt issues. Additionally, other requirements embodied in bond covenants, such as restrictions on private use of bond-financed projects, are monitored to ensure compliance with all covenants.

C. **Reporting Practices:** The County will comply with the standards of the Government Finance Officers Association for financial reporting and budget presentation and the disclosure requirements of the Securities and Exchange Commission. All financial reports will meet GAAP (Generally Accepted Accounting Principles) and GASB (Governmental Accounting Standards Board) standards. The County will also provide an audited comprehensive annual report on the financial condition of the County as required by Title 16, Subtitle 3 of the Local Government Article of the Annotated Code of Maryland and Sections 311 and 513 of the County Charter.

Signed this _________day of ___________, 2022.

____
Karin McQuade, Controller

____
Matthew Power, Chief Administrative Officer

As adopted by Council Resolution No.________ on ____________, 2022.

Appendix A

Definitions

1. Advance Refunding: A bond is treated as issued to advance refund another bond if it is issued more than 90 days before the Redemption of the refunded bond.
2. Arbitrage: In the municipal securities context, the difference between the interest paid on tax-exempt bonds and the interest earned on investments in normally higher-yielding taxable securities.
3. Assessable Base: The total market value of real estate and personal property located within the jurisdiction.
4. Bond Counsel: An attorney or firm retained by the issuer to give a legal opinion that the issuer is authorized to issue the proposed securities and the issuer has met all legal requirements necessary for issuance, and whether interest on the proposed securities will be exempt from federal and/or state income taxation. Bond counsel typically advises the issuer on statutory requirements, prepares authorizing resolutions or ordinances, trust indentures, closing documents and other documents required for the issuance of securities.
5. Callable: Able to be redeemed by the issuer prior to maturity.
6. Capitalized Interest: A portion of the proceeds of a bond issue set aside to pay interest on the securities for a specified period of time.
7. Closing Date: With respect to municipal securities, the date upon which the securities are delivered and payment in consideration thereof is received.
8. Competitive Sale: Bonds are advertised by way of a Notice of Sale indicating the terms of the sale and the bond issue and the designated time and place for opening of bids. The bonds are awarded to the Underwriter offering the lowest True Interest Cost.
9. Continuing Disclosure: An issuer's or obligor's provision to the public of updated financial information and operating data and notices of Material Events regarding such issuer or obligor as required by Rule 15c2-12 and the SEC.
10. Defeasance: For legal purposes, the rendering of outstanding bonds as paid upon the deposit of funds and other actions taken as prescribed in the document authorizing the issuance of the bonds.
11. Derivative: A financial product that derives its value from an underlying security, asset, debt, index or reference rate. In the tax-exempt market, there are primary and secondary derivative products.
12. Financial Advisor: A consultant who advises the issuer on matters pertinent to the issue, such as structure, timing, marketing, fairness of pricing, terms and bond ratings.
13. Full Value: The total market value of real property and personal property located within the jurisdiction.
14. Interest Rate Risk: Potential Price fluctuations in a bond due to changes in the general level of interest rates.
15. Interest Rate Swap: A contractual agreement between two parties to exchange certain cash flows for a defined period of time. The swap is not a debt instrument

between the issuer and the counterparty and does not result in the creation of new principal amounts.

16. Material Events: In the municipal market, with regard to Rule 15c2-12, specified events that must be disclosed to investors if they occur.
17. Maturity Date: The date when the principal amount of a security becomes due and payable, if not subject to a prior call or Redemption.
18. Negotiated Sale: The sale of bonds is by negotiation and agreement with an underwriter or underwriting syndicate selected by the issuer prior to the moment of sale.
19. Notice of Sale: An official document disseminated by an issuer of municipal securities that gives pertinent information regarding an upcoming bond issue and invites bids from prospective Underwriters.
20. Official Statement (OS): The official document for municipal securities that is prepared by or on behalf of the issuer. The OS discloses security features and economic, financial and legal information about the issue. The final OS contains the pricing information on the issue that is not contained in the preliminary official statement.
21. Optional Redemption: A right of the issuer to redeem or call an issue or a portion thereof prior to the stated maturity. May require the payment of a Premium for its exercise, with the amount of the Premium decreasing the nearer the option exercise date is to the final Maturity Date of the issue.
22. Premium: The amount by which the Price of a security exceeds its principal amount.
23. Price: The dollar amount to be paid for a security, stated as a percentage of its face value, or par. Bond prices are best reflected in their Yields, which vary inversely with the dollar price.
24. Redemption: The issuer's retirement of the bonds by payment to the owners thereof as specified in the document authorizing the issuance of the bonds.
25. Refunding: Sale of a new issue, the proceeds of which are to be used, immediately or in the future, to retire an outstanding issue by, essentially, replacing the outstanding issue with the new issue. Refundings are done to save interest cost, extend the maturity of the debt, or to relax existing restrictive covenants.
26. True Interest Cost: The rate that will discount all future cash payments so the sum of the present value of all cash flows will equal the bond proceeds. This calculation takes into account the time value of money.
27. Underwriter: The securities dealer who purchases a bond or note issued from an issuer and resells it to investors. If a syndicate or selling group is formed, the underwriter who coordinates the financing and runs the group is called the senior or lead manager.
28. Yield: The annual percentage rate of return earned on a security. Yield is a function of a security's purchase price and coupon interest rate.
29. Zero-coupon Bond: A bond for which no periodic interest payments are made. The investor receives one payment at maturity equal to the principal invested plus interest earned compounded semi-annually at the original interest rate to maturity.

ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET

RES. NUMBER: 17-22

INTRO. DATE: June 21, 2022

FISCAL NOTE

RESOLUTION: **ADOPTING THE DEBT MANAGEMENT POLICY FOR ANNE ARUNDEL COUNTY, MARYLAND**

SUMMARY OF LEGISLATION

The purpose of this legislation is to adopt the revised Debt Management Policy for Anne Arundel County.

FISCAL IMPACT

The revised Debt Management Policy reflects updates to the debt affordability measures and clarifies that the revenue reserve fund calculation is calculated on a budgetary basis. These updates were adopted as part of the FY2023 Approved Budget, and the fiscal impact associated with the revised policy is reflected in the budget, which was passed on June 14, 2022.

Chris Trumbauer

Chris Trumbauer
Budget Officer

6/17/2022
Date

Prepared by: Hujia Hasim
Reviewed by: Hannah Dier

cc: Karin McQuade, Controller

SUBJECT TO APPROVAL
AT THE GENERAL ELECTION
TO BE HELD ON NOVEMBER 8, 2022

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 18-22

Introduced by Mr. Volke

By the County Council, June 21, 2022

A RESOLUTION ENTITLED
Charter Amendment – County Council – Terms of Office

RESOLUTION proposing an amendment to the Charter of Anne Arundel County to allow a Councilmember to serve up to three consecutive terms of office

Be it resolved by the County Council of Anne Arundel County, Maryland, That the following amendment to the Anne Arundel County Charter is proposed for submission to the qualified voters of the County at the General Election in November 2022:

Article II. The County Council

Sec. 203. Term of office.

Each member of the County Council shall hold office for a term of four years commencing on the first Monday in December following election, or as soon thereafter as practicable, and shall enter upon the duties of the office immediately upon qualification and serve until a successor shall qualify. **[[**No person elected or appointed to the office of County Councilmember shall be eligible to succeed himself or herself in the office if he or she has served in the office for two full consecutive four-year terms at or after January 1, 1994.**]]** NO COUNCIL MEMBER MAY SERVE MORE THAN THREE CONSECUTIVE TERMS.

And be it further resolved, That the following question is adopted for submittal to the qualified voters of the County at the General Election in November 2022 for their adoption or rejection:

"To amend the Anne Arundel County Charter to provide that no person elected or appointed to the office of County Councilmember may serve more than three full consecutive four-year terms."

And be it further resolved, That this question shall be designated as Question "__" on the ballot at the General Election in November 2022.

And be it further resolved, That if the majority of qualified votes cast in the election are for the Charter Amendment, this amendment shall stand adopted from and after the 30th day following the election.

SUBJECT TO APPROVAL
AT THE GENERAL ELECTION
<u>TO BE HELD ON NOVEMBER 8, 2022</u>

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 19-22

Introduced by Mr. Pruski and Ms. Lacey

By the County Council, June 21, 2022

A RESOLUTION ENTITLED
Charter Amendment – The County Council – Compensation

RESOLUTION proposing an amendment to the Charter of Anne Arundel County to require that the compensation paid to each member of the County Council be in accordance with recommendations of the Salary Standard Commission that are approved by ordinance of the County Council

Be it resolved by the County Council of Anne Arundel County, Maryland, That the following amendment to the Anne Arundel County Charter is proposed for submission to the qualified voters of the County at the General Election in November 2022:

Article II. The County Council

Sec. 204. Compensation.

Each member of the County Council shall be paid **[[**for the performance of his duties as provided in this Charter the sum of Twenty-one Hundred Dollars ($2,100.00) per annum. Such salary shall be**]]** IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE SALARY STANDARD COMMISSION ADOPTED BY ORDINANCE OF THE COUNTY COUNCIL in full compensation for all services required by law or by this Charter to be performed by the members of the County Council. No member of the County Council shall be entitled to any other allowance of any kind, except **[[**that**]]**, subject to approval of the Council, **[[**he may be allowed his**]]** actual necessary expenses incurred in representing the County beyond the geographical boundaries thereof.

And be it further resolved, That the following question is adopted for submittal to the qualified voters of the County at the General Election in November 2022 for their adoption or rejection:

“To amend the Anne Arundel County Charter to require that the compensation paid to each member of the County Council be paid in accordance with recommendations of the Salary Standard Commission that are approved by ordinance of the County Council.”

And be it further resolved, That this question shall be designated as Question “__” on the ballot at the General Election in November 2022.

And be it further resolved, That if the majority of qualified votes cast in the election are for the Charter Amendment, this amendment shall stand adopted from and after the 30th day following the election.

SUBJECT TO APPROVAL
AT THE GENERAL ELECTION
TO BE HELD ON NOVEMBER 8, 2022

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 20-22

Introduced by Mr. Pruski and Ms. Lacey

By the County Council, June 21, 2022

A RESOLUTION ENTITLED
Charter Amendment – The Legislative Branch – Terminology

RESOLUTION proposing an amendment to the Charter of Anne Arundel County to change the term "Chairman" to "Chair"

Be it resolved by the County Council of Anne Arundel County, Maryland, That the following amendment to the Anne Arundel County Charter is proposed for submission to the qualified voters of the County at the General Election in November 2022:

Article III. The Legislative Branch

Sec. 302. Officers.

(a) **Presiding Officer.** The County Council at its regular meeting or session in December of each year shall elect from its membership a **[[**Chairman**]]** CHAIR and a Vice **[[**Chairman**]]** CHAIR. The **[[**Chairmen**]]** CHAIR, or, in **[[**his**]]** THE CHAIR'S absence, the Vice **[[**Chairman**]]** CHAIR, shall preside at all meetings and legislative sessions. In the event of the death, resignation, or disqualification of the **[[**Chairman**]]** CHAIR, the Vice **[[**Chairman**]]** CHAIR shall serve as **[[**Chairman**]]** CHAIR until a new **[[**Chairman**]]** CHAIR is elected as provided in this section. On all questions before the County Council the **[[**Chairman**]]** CHAIR and Vice **[[**Chairman**]]** CHAIR shall have and may exercise the vote to which each is entitled as a Councilmember. In the event of the absence of both the **[[**Chairman**]]** CHAIR and Vice **[[**Chairman**]]** CHAIR, the members present, shall select one of their member to act as **[[**Chairman**]]** CHAIR pro tem, who, while so acting shall have all the authority and voting rights of the **[[**Chairman**]]** CHAIR.

And be it further resolved, That the following question is adopted for submittal to the qualified voters of the County at the General Election in November 2022 for their adoption or rejection:

"To amend the Anne Arundel County Charter to change the term "Chairman" to "Chair"."

And be it further resolved, That this question shall be designated as Question "__" on the ballot at the General Election in November 2022.

And be it further resolved, That if the majority of qualified votes cast in the election are for the Charter Amendment, this amendment shall stand adopted from and after the 30th day following the election.

SUBJECT TO APPROVAL
AT THE GENERAL ELECTION
TO BE HELD ON NOVEMBER 8, 2022

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 21-22

Introduced by Mr. Pruski and Ms. Lacey

By the County Council, June 21, 2022

A RESOLUTION ENTITLED

Charter Amendment – The Legislative Branch – Legislative Procedure – Publication of County Laws

RESOLUTION proposing an amendment to the Charter of Anne Arundel County to remove the requirement that copies of bills and notices of public hearings be posted on a bulletin board and to require that electronic copies of bills and notice of any public hearing be published to the County Council website and printed copies be made available to the public and press

Be it resolved by the County Council of Anne Arundel County, Maryland, That the following amendment to the Anne Arundel County Charter is proposed for submission to the qualified voters of the County at the General Election in November 2022:

Article III. The Legislative Branch

Sec. 307. Legislative Procedure.

(h) **Publication of County Laws.** On the introduction of any bill, **[[**a**]]** AN ELECTRONIC copy thereof and notice of the time and place of the hearing shall be posted by the Administrative Officer to the County Council as soon as practicable **[[**on an official bulletin board to be set up by the County Council in a public place**]]** ON THE COUNTY COUNCIL WEBSITE. **[[**and additional**]]** PRINTED copies of the bill shall be made available to the public and to the press. Every copy of each bill shall bear the name of the member of the Council introducing it and the date it was introduced for the consideration of the Council; and no bill, unless it be an emergency bill, shall be passed before the seventh calendar day after such date. **[[**Upon the passage of any bill by the County Council, it**]]** EACH BILL shall receive such publication as may from time to time be required by law.

And be it further resolved, That the following question is adopted for submittal to the qualified voters of the County at the General Election in November 2022 for their adoption or rejection:

"To amend the Anne Arundel County Charter to remove the requirement that copies of bills and notices of public hearings be posted on a bulletin board and to require that electronic copies of bills and notice of any public hearing be published to the County Council website and that printed copies of bills be made available to the public and press and that bills receive required publication."

And be it further resolved, That this question shall be designated as Question "__" on the ballot at the General Election in November 2022.

And be it further resolved, That if the majority of qualified votes cast in the election are for the Charter Amendment, this amendment shall stand adopted from and after the 30th day following the election.

SUBJECT TO APPROVAL
AT THE GENERAL ELECTION
TO BE HELD ON NOVEMBER 8, 2022

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 22-22

Introduced by Mr. Pruski and Ms. Lacey

By the County Council, June 21, 2022

A RESOLUTION ENTITLED

Charter Amendment – The Legislative Branch – Legislative Procedure – Emergency Ordinances

RESOLUTION proposing an amendment to the Charter of Anne Arundel County to clarify the differences between the two types of emergency ordinances allowed under the Charter and the legislative procedure that applies to each

Be it resolved by the County Council of Anne Arundel County, Maryland, That the following amendment to the Anne Arundel County Charter is proposed for submission to the qualified voters of the County at the General Election in November 2022:

Article III. The Legislative Branch

Sec. 307. Legislative Procedure.

(i) **Effective Date of Ordinances.** Except as provided in Section 710 of this Charter for the Annual Budget and Appropriation Ordinance and ordinances levying taxes or assessments to support the budget, and except for any ordinance related to transfers of appropriations under Charter Section 711, supplementary appropriations under Charter Section 712, and amendments of the capital budget under Charter Section 716, any ordinance enacted by the County Council shall take effect forty-five days after it becomes law, unless declared to be effective on a later date. Ordinances related to transfers of appropriations under Charter Section 711, supplementary appropriations under Charter Section 712, and amendments of the capital budget under Charter Section 716 shall take effect from the date they become law. If an ordinance is an emergency ordinance as defined in Section 208(d) IT SHALL TAKE EFFECT FROM THE DATE IT BECOMES LAW. **[[**or if**]]** THE COUNTY COUNCIL MAY DECLARE an ordinance passed at an annual legislative session or a monthly legislative session-day **[[**be declared by the County Council**]]** to be an emergency ordinance necessary for the immediate preservation of the public peace, health, safety and welfare, AND it shall take effect from the date it becomes law. An emergency ordinance UNDER SUBSECTION 208(E) OR THIS SUBSECTION **[[**shall**]]** MAY not levy taxes, create revenue, or grant a franchise or special privilege, or abolish or create any office or change any salary, term or duty of any officer or create any vested right or interest or create or expand any Capital Project, or increase the funding thereof (except in cases where the increase in funding is required solely to meet cost escalation and does not affect the scope of the project as originally budgeted).

And be it further resolved, That the following question is adopted for submittal to the qualified voters of the County at the General Election in November 2022 for their adoption or rejection:

"To amend the Anne Arundel County Charter to clarify the differences between the two types of emergency ordinances allowed under the Charter and the legislative procedure that applies to each."

And be it further resolved, That this question shall be designated as Question "__" on the ballot at the General Election in November 2022.

And be it further resolved, That if the majority of qualified votes cast in the election are for the Charter Amendment, this amendment shall stand adopted from and after the 30th day following the election.

SUBJECT TO APPROVAL
AT THE GENERAL ELECTION
TO BE HELD ON NOVEMBER 8, 2022

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 23-22

Introduced by Mr. Pruski and Ms. Lacey

By the County Council, June 21, 2022

A RESOLUTION ENTITLED
Charter Amendment – The Legislative Branch – Duties of the County Auditor

RESOLUTION proposing an amendment to the Charter of Anne Arundel County to allow the County Council to assign additional functions, duties, and personnel to the County Auditor that are related to the finances and financial affairs of the County

Be it resolved by the County Council of Anne Arundel County, Maryland, That the following amendment to the Anne Arundel County Charter is proposed for submission to the qualified voters of the County at the General Election in November 2022:

Article III. The Legislative Branch

Sec. 311. Duties of the County Auditor.

(c) **County Council – power to assign additional duties.** The County Council shall have the power to implement the provisions of this section and to assign additional functions, duties, and personnel to the County Auditor **[[**not inconsistent with those provided herein**]]** RELATED TO THE FINANCES AND FINANCIAL AFFAIRS OF THE COUNTY. The County Council to the extent permitted by law may by resolution authorize the County Auditor to examine and audit the books and records of persons or firms contracting with the County when in its judgment such action is needed to protect the interests of the County. All actions of the County Council pursuant to this section shall be exempt from the executive veto.

And be it further resolved, That the following question is adopted for submittal to the qualified voters of the County at the General Election in November 2022 for their adoption or rejection:

"To amend the Anne Arundel County Charter to allow the County Council to assign additional functions, duties, and personnel to the County Auditor that are related to the finances and financial affairs of the County."

And be it further resolved, That this question shall be designated as Question "__" on the ballot at the General Election in November 2022.

And be it further resolved, That if the majority of qualified votes cast in the election are for the Charter Amendment, this amendment shall stand adopted from and after the 30th day following the election.

SUBJECT TO APPROVAL
AT THE GENERAL ELECTION
TO BE HELD ON NOVEMBER 8, 2022

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2022, Legislative Day No. 13

Resolution No. 24-22

Introduced by Mr. Pruski and Ms. Lacey

By the County Council, June 21, 2022

A RESOLUTION ENTITLED
Charter Amendment – Redistricting and Charter Revision Commission

RESOLUTION proposing an amendment to the Charter of Anne Arundel County to change the name of the Charter Revision Commission to the Redistricting and Charter Revision Commission and to amend the date by which a decennial Redistricting and Charter Revision Commission must be appointed by the County Council

Be it resolved by the County Council of Anne Arundel County, Maryland, That the following amendment to the Anne Arundel County Charter is proposed for submission to the qualified voters of the County at the General Election in November 2022:

Article XII. Termination of Charter; Amendments to Charter

Sec. 1203. Decennial Redistricting and Charter Revision Commission.

[[At or before**]]** ON the first DAY OF THE annual legislative session of the County Council **[[**after the publication**]]** IN THE YEAR of each decennial census of the population of the United States, the County Council shall appoint by resolution a REDISTRICTING AND Charter Revision Commission for the purpose of making a comprehensive study of the County government and the updating of its Charter where necessary, including the matter of the revision of the councilmanic districts of the County. The Commission shall be composed of a number of representative citizens of the County equal to the number of councilmanic districts in the County, with each member of the County Council making one appointment, who shall report to the Council their findings and recommendations, together with drafts of any recommended revisions of the Charter, within twelve months after their appointment. The REDISTRICTING AND Charter Revision Commission shall receive from the County an appropriation sufficient to carry out its duties and responsibilities.

And be it further resolved, That the following question is adopted for submittal to the qualified voters of the County at the General Election in November 2022 for their adoption or rejection:

"To amend the Anne Arundel County Charter to change the name of the Charter Revision Commission to the Redistricting and Charter Revision Commission and to amend the date by which a decennial Redistricting and Charter Revision Commission must be appointed by the County Council."

And be it further resolved, That this question shall be designated as Question "__" on the ballot at the General Election in November 2022.

And be it further resolved, That if the majority of qualified votes cast in the election are for the Charter Amendment, this amendment shall stand adopted from and after the 30^{th} day following the election.

AMENDMENT TO BILL NO. 57-22
(Zoning – Nurseries with Landscaping and Plant Sales)

June 21, 2022

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

Amendment No. 1

On page 1 of the proposed bill, in line 5, after the semi-colon insert "making the effective date of certain parts of this Ordinance contingent on the approval of the Maryland Critical Area Commission;".

On page 2, strike in their entirety lines 30 and 31, inclusive, and substitute:

"SECTION 2. *And be it further enacted*, That, for nurseries with landscaping and plant sales located in the resource conservation area (RCA) of the critical area, Section 1 of this Ordinance shall take effect 45 days from the date it becomes law, or upon approval of the Maryland Critical Area Commission under the authority granted by § 8-1801 *et. seq.* of the Natural Resources Article of the State Code, whichever is later. If approved, in whole or in part, after the 45 days, the approved provisions of Section 1 of this Ordinance shall take effect for nurseries with landscaping and plant sales located in the RCA of the critical area on the date the notice of approval is received by the Office of Planning and Zoning. If disapproved, in whole or in part, nurseries with landscaping and plant sales located in the RCA of the critical area shall be governed by the law as it existed before the effective date of Bill 57-22, without the necessity of further action by the County Council. The Office of Planning and Zoning, within five days after receiving any notice from the Maryland Critical Area Commission, shall forward a copy to the Administrative Officer to the County Council.

SECTION 3. *And be it further enacted,* That, for nurseries with landscaping and plants sales not subject to Section 2 of this Ordinance, Section 1 of this Ordinance shall take effect 45 days from the date it becomes law.".

(This amendment makes the effective date for "nurseries with landscaping and plant sales" located in the RCA of the critical area contingent upon certain approval of the Maryland Critical Area Commission.)

AMENDMENT TO BILL NO. 57-22
(Zoning – Nurseries with Landscaping and Plant Sales)

June 21, 2022

Introduced by Ms. Rodvien, Chair
(by request of the County Executive)

Amendment No. 2

On page 1 of the proposed bill, in line 26, after "onsite" insert "OR OFFSITE".

On page 2, in line 1, before "SALE" insert "ACCESSORY"; strike in their entirety lines 15 through 28, inclusive, and substitute:

"(3) **[[**Accessory retail or wholesale uses may not occupy more than 1% of the lot, but a retail or wholesale use does not include green houses and required setbacks, growing areas, or plant display areas.

(4) Any accessory**]]** ACCESSORY landscaping or tree cutting operations OR ACCESSORY RETAIL OR WHOLESALE USES, INCLUDING STORAGE AND DISPLAY AREAS FOR MATERIALS AND PRODUCTS USED AND SOLD FOR LANDSCAPING AND THE CULTIVATION OF NURSERY ITEMS, SUCH AS STONE, MULCH, OR FERTILIZER, may not occupy more than **[[**15% of the lot, excluding required setbacks**]]** 45% OF THE AREA USED FOR THE PRINCIPAL NURSERY OPERATION, OR ONE ACRE, WHICHEVER IS LESS.

~~(5) THE STORAGE AND DISPLAY AREAS FOR MATERIALS AND PRODUCTS USED AND SOLD FOR LANDSCAPING AND THE CULTIVATION OF PLANTS, BUSHES, TREES, AND OTHER NURSERY ITEMS, SUCH AS STONE, MULCH, OR FERTILIZER, MAY NOT OCCUPY MORE THAN 30% OF THE LOT, OR ONE ACRE, WHICHEVER IS LESS.~~

[[(5)**]]** ~~(6)~~ (4) A conditional use granted under this section and in use as of April 7, 2014 shall be **[[**governed by the law in effect as of that date**]]** A LAWFUL USE IF LOCATED ON A LOT OF AT LEAST FIVE ACRES IN A R2 ZONING DISTRICT, OR ON A LOT OF LEAST TWO ACRES IN ALL OTHER ZONING DISTRICTS, AND IF THE REQUIREMENTS OF SUBSECTIONS (2) AND (3) ARE MET.".

(This amendment modifies the definition of "nurseries with landscaping and plant sales"; modifies the conditional use requirements for "nurseries with landscaping and plant sales" to restrict accessory uses to the lesser of 45% of the area used for the nursery operation or one acre; and provides that "nurseries with landscaping and plant sales" in existence as of April 7, 2014 will be considered a lawful use if certain requirements are met.)

AMENDMENT TO BILL NO. 57-22
(Zoning – Nurseries with Landscaping and Plant Sales)

June 21, 2022

Introduced by Ms. Haire and Ms. Fiedler

Amendment No. 3

On page 2 of the proposed bill, in line 28, before "governed" insert opening brackets; and in the same line, after "date" insert closing brackets and "A LAWFUL USE IF LOCATED ON A LOT OF AT LEAST FIVE ACRES IN A R2 ZONING DISTRICT, OR ON A LOT OF AT LEAST TWO ACRES IN ALL OTHER ZONING DISTRICTS, AND IF THE REQUIREMENTS OF SUBSECTIONS (2) THROUGH (5) ARE MET".

(This amendment clarifies that the change to the definition of "nurseries with landscaping and plant sales" and certain other conditions apply to conditional uses granted and in use as of April 7, 2014.)