

.COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2016 Legislative Session

Resolution No. CR-73-2016

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Davis, Turner, Harrison, Lehman,
Franklin, Patterson and Toles

Date of Introduction September 27, 2016

RESOLUTION

1 A RESOLUTION concerning

2 Karington Development District

3 For the purpose of designating a contiguous area within Prince George’s County, Maryland
4 (the “County”) as a “development district” as that term is used in Sections 12-201 through
5 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as
6 amended (the “Tax Increment Financing Act”), such development district to be located in the
7 City of Bowie, Maryland (the “City”) and to be known as the “Karington Development District”;
8 providing for, and determining, various matters in connection with the establishment of a
9 development district; creating a tax increment fund with respect to the development district;
10 allocating certain County property taxes and certain County hotel occupancy taxes with respect
11 to the development district to be paid over to the tax increment fund as provided in the Tax
12 Increment Financing Act; making certain findings and determinations with respect to the tax
13 increment fund and the uses of such fund; providing that special obligation bonds may be issued
14 from time to time pursuant to an ordinance or ordinances enacted in accordance with the Tax
15 Increment Financing Act and secured by the tax increment fund; and generally relating to the
16 development district.

17 WHEREAS, the Tax Increment Financing Act constitutes those provisions of Maryland
18 law authorizing the County to establish a “development district” (as that term is used in the Tax
19 Increment Financing Act) and a tax increment fund into which the taxes representing the levy on
20 the Tax Increment (hereinafter defined) and the Hotel Tax (hereinafter defined) for the
21 Development District (hereinafter defined) are deposited as provided for herein; and

1 WHEREAS, the owners and developers of the real property in the proposed Karington
2 Development District plan to construct retail, commercial, residential and office facilities and
3 hotels; and

4 WHEREAS, such development will further economic development within the County
5 and thus meet the public purposes contemplated by the Tax Increment Financing Act; and

6 WHEREAS, the Tax Increment Financing Act authorizes the County to issue special
7 obligation bonds from time to time for the purpose of providing funds to be used to fulfill one or
8 more of the purposes of said Act; and

9 WHEREAS, the County expects to issue special obligation bonds in one or more series to
10 finance road improvements, park facilities including a public lake and stormwater management
11 facilities and related infrastructure improvements which will be utilized in connection with a
12 mixed-use development which may include retail, commercial, residential and office facilities
13 and hotels; and

14 WHEREAS, if the County issues its special obligation bonds upon enactment of an
15 ordinance or ordinances, such ordinance or ordinances will provide that the special obligation
16 bonds shall be secured by a pledge of the taxes representing the County's levy on the Tax
17 Increment and the Hotel Taxes (collectively "County Taxes") as more specifically provided for
18 therein.

19 SECTION 1. NOW, THEREFORE, BE IT RESOLVED by the County Council of
20 Prince George's County, Maryland, that for the purposes of this Resolution, the terms defined in
21 the recitals shall have the meanings therein set forth and, in addition, the following terms shall
22 have the meanings set forth below:

23 (1) "Adjusted Assessable Base" means the fair market value of real property that
24 qualifies for a farm or agricultural use under Section 8-209 of the Tax-Property Article of the
25 Annotated of Maryland, without regard to the agricultural use assessment for the property as of
26 January 1 of that year preceding the effective date of the resolution creating the Development
27 District under Section 12-203 of the Tax Increment Financing Act.

28 (2) "Assessable Base" means the total assessable base, as determined by the
29 Supervisor of Assessments, of all real property subject to taxation in the Development District.

30 (3) "Assessment Ratio" means a real property tax assessment ratio, however
31 designated or calculated, that is used under applicable general law to determine the Assessable

1 Base including the assessment percentage as provided under Section 8-103(c) of the Tax-
2 Property Article.

3 (4) "Bonds" includes any revenue bonds or bond, note or notes, or other similar
4 instruments or instrument issued by the County pursuant to and in accordance with this
5 Resolution and the Tax Increment Financing Act.

6 (5) "Development District" means the contiguous area in the County designated
7 in Section 3 of this Resolution as a development district under the Tax Increment Financing Act.

8 (6) "Hotel Tax" means the transient occupancy taxes levied and collected in each
9 Tax Year by the County pursuant to Subdivision 3, Subtitle 10 of the Prince George's County
10 Code, as the same may be amended from time to time, on hotels located in the Development
11 District.

12 (7) "Original Assessable Base" means the Assessable Base as of January 1 of the
13 year preceding the effective date of this Resolution, which is January 1, 2015.

14 (8) "Original Full Cash Value" means the dollar amount that is determined by
15 dividing the Original Assessable Base by the Assessment Ratio used to determine the Original
16 Assessable Base.

17 (9) "Original Taxable Value" means, for any Tax Year, the dollar amount that is:

18 (a) The Adjustable Assessable Base, if an Adjusted Assessable Base applies; or

19 (b) In all other cases, the lesser of:

20 (i) The product of multiplying the Original Full Cash Value by the
21 Assessment Ratio applicable to that Tax Year; and

22 (ii) The Original Assessable Base.

23 (10) "Tax Increment" means for any Tax Year, the amount by which the
24 Assessable Base as of January 1 preceding that Tax Year exceeds the Original Taxable Value
25 divided by the Assessment Ratio used to determine the Original Taxable Value.

26 (11) "Tax Increment Fund" means the tax increment fund established in Section 5
27 of this Resolution.

28 (12) "Tax Year" means the period from July 1 of a calendar year through June 30
29 of the next calendar year.

30 SECTION 2. BE IT FURTHER RESOLVED, that acting pursuant to the Tax Increment
31 Financing Act, it is hereby found and determined that the establishment of the Development

1 District, the creation of the Tax Increment Fund and the present intent to issue Bonds pursuant to
2 the Tax Increment Financing Act, all for the purpose of providing funds to finance the costs of
3 certain road improvements, park facilities including a public lake and stormwater management
4 facilities and related infrastructure improvements accomplishes the public purposes of the Tax
5 Increment Financing Act, and generally promotes the health, welfare and safety of the residents
6 of the State of Maryland and of the County.

7 SECTION 3. BE IT FURTHER RESOLVED, that a contiguous area of the County
8 consisting of the property set forth on Exhibit A attached hereto is hereby designated as a
9 “Development District” (to be known as the “Karington Development District”) pursuant to
10 Section 12-203 of the Tax Increment Financing Act. The Development District shall consist of
11 the property identified in Exhibit A of this Resolution and all adjoining roads, highways, alleys,
12 rights of way and other similar property in order to form a contiguous area as shown on the map
13 attached hereto as Exhibits B and B1 (collectively “Exhibit B”) and submitted to the County
14 Council together with this Resolution. The boundaries of the Development District may be
15 modified prior to and after the issuance of the Bonds as provided in Section 4 of this Resolution.

16 SECTION 4. BE IT FURTHER RESOLVED, that prior to the issuance of the Bonds,
17 the County Executive may, by executive order, reduce or enlarge the boundaries of the
18 Development District by not more than five (5) acres. After the issuance of the Bonds, the
19 County Executive, by executive order, may enlarge the boundaries of the Development District
20 but may not reduce the boundaries of the Development District as long as there are any Bonds
21 outstanding pursuant to the Tax Increment Financing Act and this Resolution, unless the
22 ordinance with respect to such Bonds permits the County to reduce the area constituting the
23 Development District or the holders of the Bonds or a representative on their behalf consents to
24 any such reduction.

25 SECTION 5. BE IT FURTHER RESOLVED, that there is hereby established a special
26 fund to be designated the “Karington Development District Tax Increment Fund” (the “Tax
27 Increment Fund”) with respect to the Karington Development District and the County Executive,
28 Chief Administrative Officer and the Financial Officer of the County are hereby directed and
29 authorized to deposit in such Tax Increment Fund the taxes received by the County for any Tax
30 Year commencing after the effective date of this Resolution equal to that portion of the taxes
31 payable to the County (but not including any taxes payable to the State of Maryland or any other

1 party) representing the levy on the Tax Increment that would normally be paid to the County.
2 The County shall also deposit the Hotel Tax into such fund. The County Executive, the Chief
3 Administrative Officer and the Financial Officer and other officers and employees of the County,
4 to the extent applicable, are hereby authorized to take all necessary steps in order to establish a
5 separate fund to be held by the County. Prior to the issuance of the Bonds, the Tax Increment
6 Fund may be used by the County for any of the purposes set forth in Section 12-209 of the Tax
7 Increment Financing Act, including payments to the County for any legal purpose.

8 SECTION 6. BE IT FURTHER RESOLVED, that Bonds may be issued from time to
9 time pursuant to an ordinance or ordinances enacted in accordance with the Tax Increment
10 Financing Act for the purpose of providing funds for the financing of certain road improvements,
11 a public lake and stormwater management system and related infrastructure improvements. Such
12 ordinance shall specify, in general detail, the improvements to be financed through the issuance
13 of the Bonds and the nature and extent of the pledge of the County Taxes for the payment of debt
14 service on the Bonds, and shall otherwise conform to the requirements of the Tax Increment
15 Financing Act and this Resolution.

16 SECTION 7. BE IT FURTHER RESOLVED, that the County hereby covenants and
17 pledges that if any Bonds issued under the Tax Increment Financing Act with respect to the
18 Development District are outstanding, the property taxes on real property within the
19 Development District shall be divided so that (i) that portion of the taxes which would be
20 produced by the rate at which taxes levied each year by the County upon the Original Taxable
21 Value shall be allocated to and when collected paid into the funds of the County in the same
22 manner as taxes by or for the County on all other property are paid; and (ii) that portion of the
23 taxes representing the levy on the Tax Increment that would normally be paid to the County (but
24 not including any taxes payable to the State of Maryland or any other party) shall be paid into the
25 Tax Increment Fund established hereunder to be applied in accordance with the provisions of
26 Section 12-209 of the Tax Increment Financing Act. The County acknowledges that neither the
27 rate at which taxes are levied on real property within the Development District nor the manner of
28 assessment of the value of real property within the Development District is to vary from the rate
29 or manner of assessment that otherwise would have applied if the Development District were not
30 designated and the Tax Increment Fund not created, except to the extent that a specific valuation

1 adjustment is mandated by the Tax Increment Financing Act for real property that qualifies for
2 farm or agricultural use.

3 SECTION 8. BE IT FURTHER RESOLVED, that the provisions of this Resolution are
4 severable, and if any provision, sentence, clause, section or part hereof is held or determined to
5 be illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such
6 illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of the
7 remaining provisions, sentences, clauses, sections or parts of this Resolution or their application
8 to other persons or circumstances. It is hereby declared to be the legislative intent that this
9 Resolution would have been passed if such illegal, invalid, unconstitutional or inapplicable
10 provision, sentence, clause, section or part had not been included herein, and as if the person or
11 circumstances to which this Resolution or any part hereof are inapplicable had been specifically
12 exempted herefrom.

13 SECTION 9. BE IT FURTHER RESOLVED, that this Resolution is administrative in
14 nature and shall take effect upon approval by the County Executive.

Adopted this 15th day of November, 2016.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Derrick Leon Davis
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
County Executive

EXHIBIT A

DESCRIPTION OF THE PARCELS

(Attached)

EXHIBIT B

PLAT

(Attached)