

*BALTIMORE COUNTY COUNCIL
NOTES TO THE AGENDA
LEGISLATIVE SESSION 2017*

*Issued: December 7, 2017
Work Session: December 12, 2017
Legislative Day No. 21: December 18, 2017*

*The accompanying notes are
compiled from unaudited
information provided by
the Administration and
other sources.*



OFFICE OF THE COUNTY AUDITOR

BALTIMORE COUNTY COUNCIL

December 18, 2017

NOTES TO THE AGENDA

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* See Addendum

**BALTIMORE COUNTY COUNCIL AGENDA
LEGISLATIVE SESSION 2017, LEGISLATIVE DAY NO. 21
December 18, 2017 6:00 P.M.**

CEB = CURRENT EXPENSE BUDGET
BY REQ. = AT REQUEST OF COUNTY EXECUTIVE

Page

CALL OF BILLS FOR FINAL READING AND VOTE

COUNCIL

- 1 Bill 72-17 – Mr. Crandell - Parking

APPROVAL OF FISCAL MATTERS/CONTRACTS

WILL ANDERSON, DIRECTOR, DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT

- * 1. Development Agreement – Towson Row Statutory Trust-Support for mixed-use development plan-Towson Row-DEWD
- * 2. First Amendment-Amended, Restated & Consolidated Ground Lease–BC Revenue Authority-Repairs-Washington Ave. Garage-DEWD

COL. STEVE HLAVACH/LT. BIFF BENSON, POLICE DEPARTMENT

- 2 3. Contract –Acme Auto Leasing, LLC–Rental/repair-Vehicles leased by BCPD–Regional Automobile Theft Task Force-PD

STEVE WALSH, DIRECTOR, DEPARTMENT OF PUBLIC WORKS

- 4 4. Contract – C.L. Felts and Company, Inc. – Snow removal and salt application – DPW

AMY GROSSI, REAL ESTATE COMPLIANCE

- 7 5. Contract of Sale – Civic League of Inverness, Inc. – Purchase of easement area – 201 Bayside Drive, 21222-REC

MISCELLANEOUS BUSINESS

AMY GROSSI, REAL ESTATE COMPLIANCE

- 10 1. Res. 116-17 – Mr. Quirk(By Req.) – Accept donation – 3 parcels of land – Lyons Mill Partnership, LLP – Owings Mills

KEITH DORSEY, DIRECTOR, OFFICE OF BUDGET AND FINANCE

- 14 2. Res. 117-17 – Mr. Quirk(By Req.) – Accept monetary gift – State of MD Public Safety and Correctional Services-911 Center

* See Addendum

Bill 72-17

Council District(s) 7

Mr. Crandell

Parking

Bill 72-17 prohibits commercial vehicles in excess of three-quarters of a ton from parking on the following streets in the Dundalk Commercial Revitalization District: Shipping Place, Center Place, Commerce Street, Trading Place, N. Center Place, S. Center Place, and Dunmanway.

Violation of this section is a misdemeanor.

With the affirmative vote of five members of the County Council and signature by the County Executive, Bill 72-17 will take effect on January 1, 2018.

FM-3 (Contract)

Council District(s) All

Police Department

Rental/Repair – Vehicles Leased by BCPD – Regional Automobile Theft Task Force

The Administration is requesting approval of a contract with Acme Auto Leasing LLC to rent and repair various types of vehicles for the Police Department’s Regional Automobile Theft Task Force. The contract commences upon Council approval, continues for 2 years, and will automatically renew for three additional 1-year periods with the option to further extend the initial term or any renewal term an additional 120 days. The contract does not specify a maximum compensation for the initial 2-year term. Compensation may not exceed \$964,000 for the entire 5-year and 4-month term, including the renewal and extension periods.

Fiscal Summary

Funding Source	Maximum Compensation	Notes
County	--	⁽¹⁾ Maryland Vehicle Theft Prevention Council funds. ⁽²⁾ Maximum compensation for the entire 5-year and 4-month term, including the renewal and extension periods. The contract does not specify a maximum compensation for the initial 2-year term.
State ⁽¹⁾	\$ 964,000	
Federal	--	
Other	--	
Total	\$ 964,000 ⁽²⁾	

Analysis

The Department’s Regional Automobile Theft Task Force (RATT) works in conjunction with the Baltimore City and Anne Arundel County Police Departments and the Maryland State Police to reduce the incidence of automobile theft in the Baltimore metropolitan area. The contractor will provide, maintain, and repair 16 vehicles to support the operations of RATT, including 10 sport utility vehicles and 5 full size pick-up trucks to be used primarily for surveillance, and 1 vehicle to

be used for the “Decoy Vehicle” program. The contractor must also have a minimum of two additional vehicles available to replace any vehicles removed from service (e.g., for repairs). Vehicle monthly rates are \$750 for surveillance vehicles, \$725 for vehicles for the Investigative Unit, and \$595 for the decoy vehicle.

The contract commences upon Council approval, continues for 2 years, and will automatically renew for three additional 1-year periods with the option to further extend the initial term or any renewal term an additional 120 days on the same terms and conditions, unless the County provides notice of non-renewal. The contract does not specify a maximum compensation for the initial 2-year term. Compensation may not exceed \$964,000 for the entire 5-year and 4-month term, including the renewal and extension periods.

Prior to the commencement of each renewal period, the County may entertain a request for an escalation in unit prices in accordance with the Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower. The County may terminate the agreement by providing 30 days prior written notice.

The County awarded the contract through a competitive procurement process based on low bid from two bids received.

On June 3, 2013, the Council approved a similar 5-year and 3-month contract (which commenced February 1, 2013) not to exceed \$758,500 with Acme Auto Leasing, LLC. As of November 28, 2017, the County’s financial system indicated that \$726,273 has been expended/encumbered under this contract.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year...”

FM-4 (Contract)

Council District(s) All

Department of Public Works

Snow Removal and Salt Application

The Administration is requesting approval of a contract with C.L. Felts and Company, Inc. to provide on-call snow removal and salt application services. The contract commenced November 1, 2017, continues through April 30, 2018, and may not exceed \$25,000 unless approved by the Council. If approved, the contract may be renewed for nine additional years (November 1 through April 30 constitutes a snow season). Compensation for this contract, together with all other contracts for these services, may not exceed the amount appropriated for snow removal and salt application services during the entire 9-year and 6-month term, including renewals.

Fiscal Summary

Funding Source	Initial Term	Combined Maximum Compensation
County ⁽¹⁾	*	*
State	--	--
Federal	--	--
Other	--	--
Total	* ⁽²⁾	* ⁽³⁾

⁽¹⁾ General Fund Operating Budget.

⁽²⁾ The hourly rates for the contractor are \$110 and \$140, depending on the type of equipment provided, with no specified maximum compensation. The contract, together with all other contracts for these services, is limited in the aggregate to the amount appropriated for snow removal and salt application services. The contract amount is not reasonably estimable at this time.

⁽³⁾ Maximum compensation, together with all other contracts for these services for the entire 9-year and 6-month term, including renewals, may not exceed the amount appropriated for snow removal and salt application services each year. The amounts are not reasonably estimable at this time.

Analysis

In accordance with the Department's snow removal plan, responsibility for most Priority 1 routes (i.e., roads with traffic volumes of at least 10,000 vehicles per day) will be assigned to contractors, allowing the County to focus its efforts on subdivision streets more quickly.

The contract commenced November 1, 2017, continues through April 30, 2018, and may not exceed \$25,000 unless approved by the Council. If approved, the contract may be renewed for nine additional years on the same terms and conditions, unless the County provides notice of non-renewal. A snow season begins November 1 and ends April 30. The contract does not establish a fixed dollar amount; rather, the contract states that the compensation paid to all contractors providing snow removal and salt application services may not exceed the amount appropriated during the entire contract term. The Department advised that an estimated amount for the contract is undeterminable due to the unpredictable nature and timing of snow falls (i.e., density and depth of snow falls, number of snow falls occurring during the season). The County may terminate the agreement by providing 30 days prior written notice.

The FY 2018 budget for the Storm Emergencies Program totals \$9 million, including \$1.1 million for contractual snow removal services. The Department advised that FY 2017 snow removal expenditures totaled approximately \$5.8 million, including approximately \$2.4 million for contractual services.

The contractor will provide three 1-ton pick-up trucks with plows and spreaders and one skid loader at hourly rates of \$110 and \$140, respectively. The contractor will be paid based on the actual hours the equipment is in service, including up to 2 hours for travel time (1 hour each to and from the County highway shop). Additionally, the minimum work shift for any dispatched truck is 4 hours. The County will provide all rock salt for spreading on road surfaces.

The Office of Budget and Finance, Purchasing Division advised that the pricing and contract terms are based on similar contracts established by the State of Maryland. However, hourly rates may be changed at the time of each annual renewal based on the State rates in effect at that time. The State contract includes an additional incentive payment to the contractor after the snow season ends in the amount of \$500 per truck if the contractor was available and present for all snow events. The County's contracts also include this incentive payment.

In procuring these services, the Department requested and received a waiver of a sealed bid process from the Administrative Officer due to the competition with surrounding jurisdictions. Accordingly, the contractors were selected on a non-competitive basis.

For the 2017/2018 snow season, the Department advised that approximately 260 pieces of snow removal equipment (e.g., trucks, loaders, backhoes, and graders) are available from its Bureau of Highways and Equipment Maintenance and Bureau of Utilities, the Department of Recreation and Parks, the Department of Education, and the Office of Budget and Finance – Property Management Division. The County currently has contracts with 62 contractors, excluding this contractor, which provide approximately 320 pieces of equipment.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

FM-5 (Contract)

Council District(s) 7

Department of Permits, Approvals and Inspections

Purchase of Easement Area – 201 Bayside Drive, 21222

The Administration is requesting approval of a contract to acquire property totaling approximately 0.123 acre for \$8,014 to obtain an easement to be used for the construction of a storm drain near Bayside Drive and Beach Drive. Civic League of Inverness, Inc. owns the property, which is located at 201 Bayside Drive in Dundalk. The property is zoned DR-5.5 (Density Residential – 5.5 dwelling units/acre). The acquisition will be used for drainage and utility easement and temporary construction areas. See Exhibit A.

Fiscal Summary

Funding Source	Purchase Price	Notes
County ⁽¹⁾	\$ 8,014	⁽¹⁾ Capital Projects Fund.
State	--	
Federal	--	
Other	--	
Total	\$ 8,014	

Analysis

David B. Johns, staff appraiser, completed an appraisal of the property in June 2017, recommending a value of \$8,014. After review and analysis, S. David Nantz, review appraiser, concurred with the appraisal, recommending the respective amount as just compensation for the acquisition. The Department of Permits, Approvals and Inspections – Real Estate Compliance Division advised that the property owner accepted the County's offer.

According to the appraisal, the 0.123-acre property to be acquired is part of a 0.615-acre community waterfront park with a boat ramp, playground, and small pier. The Department advised that the purchase price of \$8,014 includes \$300 for the adverse impact to the landscaping.

The Department advised that two acquisitions are needed for this project, both requiring Council approval. This is the second acquisition to be presented for Council approval. The first acquisition, located at 137 Bayside Drive, was approved by the Council on December 4, 2017.

The storm drain, which will run from Bayside Drive to Chink Creek, is being installed to alleviate road flooding in the area. Estimated project costs total \$191,550. As of November 27, 2017, approximately \$178,007 has been expended/encumbered for this project, excluding the cost of this acquisition. The Department advised that construction commenced in September 2017, with completion planned for November 2017 at a cost of \$164,244.

County Charter, Section 715, requires Council approval of real property acquisitions where the purchase price exceeds \$5,000.



COUNCIL ACTION REQUEST FORM EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

PROGRAM TITLE: Bayside Drive @ Beach Drive

PROJECT NO.: 204-0009-1504

FISCAL MATTER: Contract of Sale

PROPERTY OWNERS: Civic League of Inverness, Inc.

PROPERTY INTEREST TO BE ACQUIRED: *(1A) Drainage & Utility Easement area containing 0.037 acre (1,606 sq. ft.) +/-*
(1A) Temporary Construction area containing 0.081 acre (3548 sq. ft.) +/- and (1B) Temporary Construction area containing 0.005 acre (217 sq. ft.) +/-

LOCATION: 201 Bayside Drive, Baltimore, MD 21222
(Park 2, Lot 12)

CONSIDERATION \$8,014.00

PURPOSE OF PROJECT: To provide an easement for a storm drain.

LIMITS OF PROJECT: From Bayside Drive to Chink Creek through the properties of 137 and 201 Bayside Drive.

Prepared by: Department of Permits, Approvals & Inspections

MB-1 (Res. 116-17) Donation**Council District(s) 4**

Mr. Quirk (By Req.)

Department of Permits, Approvals and Inspections

Accept Donation – Three Parcels of Land – Owings Mills

This resolution authorizes the County to accept a donation of three unimproved parcels of land totaling approximately 1.526 acres (\$100 assessed value for each parcel) from Lyons Mill Partnership, LLP for the purpose of placing this floodplain property into public ownership and placing it under floodplain management. The parcels are located east of Winterbrook Road in the Stoneybrook area of Owings Mills. The estimated fair market value of the donation is \$9,156. See Exhibit A.

The Department of Permits, Approvals and Inspections - Real Estate Compliance Division advised that the parcels are located in a flood zone and will be maintained as a forested floodplain. The County may utilize the donated parcels for the following purposes: (i) for access to utilities for repair and maintenance; (ii) for access to the stream channel (Scotts Level Branch) and a stream restoration project that will enable the County to maintain compliance with State and federal NPDES (National Pollutant and Discharge Elimination System) impervious surface management; (iii) to facilitate Chesapeake Bay TMDL (Total Maximum Daily Load) sediment reduction goals; and (iv) to stabilize natural watershed systems and enable the improvement of water quality. The parcels will be collectively designated as a "Drainage and Utility Reservation" for the purpose of County maintenance.

The Department advised that an adjacent 1.983-acre parcel was dedicated by the same owner under County Code, Section 32-4-27, but has not yet been conveyed to the County by deed.

The Department advised that no ongoing maintenance costs are expected to result from the three parcels proposed for donation (with the exception of possible debris removal that may be required in future years due to illegal dumping).

Baltimore County Charter, Section 306, vests in the County Council the power to accept gifts.

This resolution shall take effect from the date of its enactment.



COUNCIL ACTION REQUEST FORM
EXECUTIVE SUMMARY

PROGRAM TITLE: Randallstown Properties (RW 2014-085)

PROJECT NO.: 0

FISCAL MATTER: Resolution

PROPERTY OWNERS: Lyons Mill Partnership

PROPERTY INTEREST TO BE ACQUIRED: 1.526 acres (66,468 sq. ft.) +/-

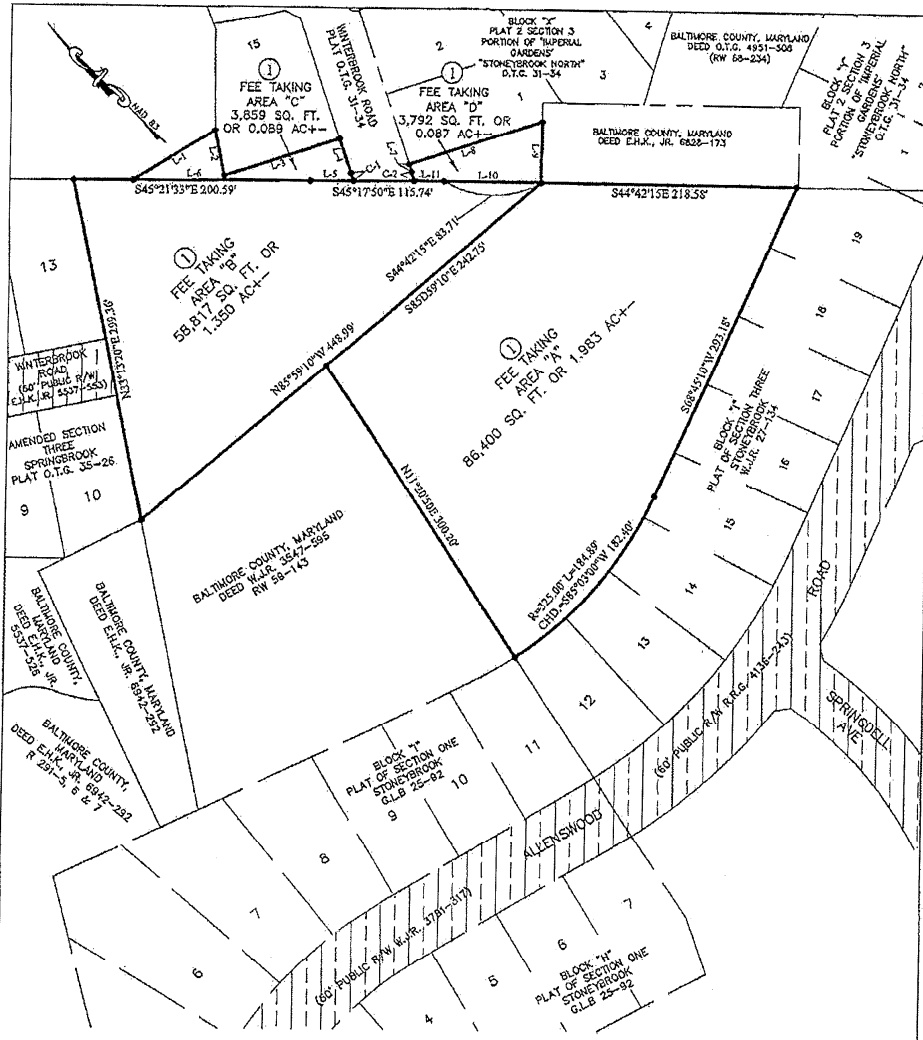
LOCATION: See Exhibit A (Drawing)

CONSIDERATION: This is a voluntary donation for no compensation.

PURPOSE OF PROJECT: To obtain approval of the County Council to accept donation of the 1.526 acres for the purpose of placing this floodplain property into public ownership and placing it under floodplain management.

LIMITS OF PROJECT: See Exhibit A (Drawing)

Prepared by: Department of Permits, Approvals &
Inspections



FEE TAKEN AREA "C" LINE TABLE		
LINE #	BEARING	DISTANCE
L-1	S 77°25'25" E	81.41'
L-2	S 33°13'20" W	40.27'
L-3	S 63°39'53" E	103.48'
L-4	S 26°20'07" W	31.39'
C-1	R = 88.80" , L = 6.74'	
CHD.	S 28°30'28" W	6.74'
L-5	N 45°17'50" W	36.31'
L-6	N 45°21'32" W	150.01'

①
LYONS MILL PARTNERSHIP, LLP
S.M. 16203/520
TOTAL FEE TAKEN AREA
152,868 SQ. FT. OR 3.509 AC+-

FEE TAKEN AREA "D" LINE TABLE		
LINE #	BEARING	DISTANCE
C-2	R = 88.80" , L = 6.74'	
CHD.	S 28°30'38" W	6.74'
L-7	N 26°20'07" E	6.66'
L-8	S 33°39'53" E	120.96'
L-9	S 43°17'45" W	53.03'
L-10	N 44°42'15" W	83.71'
L-11	N 45°17'50" W	26.13'

BALTIMORE COUNTY		DEPARTMENT OF PERMITS AND DEVELOPMENT MANAGEMENT		REAL ESTATE COMPLIANCE	
DISTRICT NO. 2, C4	POSITION SHEET NO.	CONSTRUCTION PLAN NO.	FEDERAL PROJECT NO.	MARYLAND PROJECT NO.	
APPROVED: <i>[Signature]</i> DIRECTOR OF PUBLIC WORKS	DATE: 3/16/16	APPROVED: <i>[Signature]</i> CHIEF, REAL ESTATE COMPLIANCE	DATE: 3/16/16	APPROVED: <i>[Signature]</i> SUPERVISOR OF PERMITS	DATE: 3/16/16
<input type="checkbox"/> AREA TO BE ACQUIRED <input type="checkbox"/> REVERTIBLE SLOPE EASEMENT <input type="checkbox"/> TEMPORARY CONSTRUCTION AREA		<input type="checkbox"/> EXISTING COUNTY R/W <input type="checkbox"/> AREA TO BE RELEASED <input type="checkbox"/> TEMPORARY SLOPE EASEMENT		SURVEYOR: _____ DATE: _____ REG. NO.: _____	
ITEM NO.	RECORDED	DRAWN BY	MSY	SCALE: 1"=100'	REVISIONS
		PLAT CHECKED		B.C. JOB ORDER NO.	
		AREA CHECKED		221-0111-0235	
		TITLE CHECKED		RW 14-085-1	

Donated parcels are areas "B", "C", and "D"



OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM

TO: All Council Members
FROM: Lauren M. Smelkinson, County Auditor *LMS*
DATE: December 12, 2017
SUBJECT: Revision to Council Meeting Notes Addendum

Please find attached REVISED Addendum to Notes issued December 11, 2017. Specifically, on page 10 (FM-2), the Department of Economic and Workforce Development had advised that the plans to relocate existing Washington Avenue garage tenants will take place by June 2018. The Department now advises that the relocation will take place by June **2019**.

This item will be discussed at the December 12, 2017 work session for the December 18, 2017 Council meeting.

Attachment

400 Washington Avenue, Room 221
Towson, Maryland 21204



Office (410) 887-3193
Fax (410) 887-4621

OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM

TO: All Council Members
FROM: Lauren M. Smelkinson, County Auditor
DATE: December 11, 2017
SUBJECT: Addendum to Council Meeting Notes

Please find attached an addendum (FM-1 and FM-2) to the Council Meeting Notes issued December 7, 2017. These items will be discussed at the December 12, 2017 work session for the December 18, 2017 Council meeting.

Attachment

cc: notes distribution list

FM-1 (Development Agreement)Council District(s) 5

Department of Economic and Workforce Development

Support for Mixed-Use Development Plan — Towson Row

The Administration is requesting approval of a development agreement with Towson Row Statutory Trust (the “developer”) to provide support for the mixed-use development plan known as Towson Row. The development agreement commences upon execution and delineation of the effective date and continues through the later of the termination of a related “County funding” agreement, or should a default occur, the first business day following final resolution of the default.

The development agreement includes a “County funding” agreement with TR Development Corporation, which states that the County will provide up to \$43,016,785 in funds derived from the present value of forgone Revitalization and High Performance Buildings County property tax credits (\$26,582,570) and the advance of the present value of hotel tax revenues anticipated over 30 years (\$16,434,215). The funding agreement is effective upon Council approval of the development agreement and continues through the later of: final certification (the date upon which substantial project completion and the High Performance qualification are achieved); 90 days after the County is required to make a final disbursement of funds under the agreement; or in the event that a default alleviates the obligation for the County to make all disbursements and/or requires the repayment of a portion of the funds, the date that the default is resolved.

The development agreement also includes a lease agreement, through which the developer may lease the Washington Avenue parking garage from the County, with the option to purchase the parking garage under certain conditions. The lease agreement commences July 1, 2019, continues for 7 years, and may be renewed for 13 additional 7-year periods. The developer will pay the County \$400,000 per year as base rent, with a provision for the rent to adjust in the fourth year of the agreement, under certain conditions.

The development agreement also includes a management agreement, through which the developer will engage the Revenue Authority to operate and manage the Washington Avenue parking garage as well as an onsite parking garage associated with the Towson Row project.

The management agreement has a commencement date that is to be determined, will continue for 2 years, and may be renewed for two additional 1-year periods. The developer will pay the Revenue Authority \$36,000 per year.

Fiscal Summary

Funding Source	Advance of Projected Future 10-year Revitalization and 5-year High Performance Building Property Tax Credits	Grant of Projected Future Hotel Tax Revenues over next 30 years	Total Amount of County Funding Agreement
County ⁽¹⁾	\$ 26,582,570 ⁽²⁾	\$ 16,434,215 ⁽³⁾	\$ 43,016,785 ⁽⁴⁾
State	--	--	--
Federal	--	--	--
Other	--	--	--
Total	<u>\$ 26,582,570</u>	<u>\$ 16,434,215</u>	<u>\$ 43,016,785</u>

(1) General Fund, PAYGO for FY 2019.
 (2) This advance of credits is premised on the assumption that the development is eligible for both types of credits. The amount assumes that taxable property assessments will equal the total projected value of the planned improvements (including the value of any Property Assessed Clean Energy Program/PACE-financed improvements). Estimate provided to the Administration by Sage Policy Group, Inc.
 (3) Estimate provided to the Administration by Sage Policy Group, Inc.
 (4) Reflective only of the County funding agreement; excludes other potential costs (related to infrastructure, the garage agreement, etc.).

Analysis

The developer received approval of a development plan known as "Towson Row" that proposes a mixed-use development to include the following components: residential apartments; student housing; an office building; a hotel; a grocery store or another anchor tenant, plus retail and restaurant buildings; and two on-site parking garages. (The developer has also proposed redeveloping the former Towson Armory at the intersection of Washington and Chesapeake Avenues; this proposal is not part of the development plan but is considered a component of the

project.) To realize its plan, the developer contracted to purchase two County-owned parcels of property and to lease one County-owned parcel of property with the option to purchase, all three of which are situated between York Road, Towsontown Boulevard, Washington Avenue, and Chesapeake Avenue in Towson.

Due to market fluctuations and conditions of the land, the developer then sought to reconfigure the project, including making the following changes: relocating and decreasing the square footage of the office component to approximately 148,150 sq. ft.; reorienting and decreasing the number of residential apartment units to 250; reconfiguring the onsite parking component to include a single parking garage to include approximately 619 spaces; adjusting the square footage of the retail component to approximately 139,350 sq. ft.; increasing the number of student housing beds to 985 (300 units); and providing for additional parking within the County-owned parking garage located northwest of the intersection of Washington and Susquehanna Avenues (known as the Washington Avenue garage). There was no change to the 220-room hotel component. The refined development plan was submitted to the County's Development Review Committee (DRC) and the Director of Permits, Approvals and Inspections; the plan has been circulated to County agencies for review and approval. The agreement states that ongoing market fluctuations may require further changes to the development plan that may differ from the DRC refinement plan; the developer and the County will coordinate and determine if any such additional changes require additional DRC review or may be made in the context of the ongoing review of the refinement plan.

The development agreement states that the developer intends to commence construction of the project by March 31, 2018, but that construction may not commence later than June 1, 2018 without approval by the County Administrative Officer. The development agreement states that the developer shall endeavor to complete all components for which County funds have been advanced by June 30, 2023 (the "substantial completion date"); however, the developer may request an extension of the substantial completion date to June 30, 2024.

The development agreement shall continue through the later of the termination of the incorporated funding agreement, or should a default occur, the first business day following final resolution of the default.

Funding

The Administration advised that it commissioned Sage Policy Group, Inc. to perform an economic impact study of the Towson Row project. According to the study, Towson Row will create approximately 2,000 permanent County jobs once multiplier effects are considered, and these jobs will generate more than \$220 million in annual business activity in Baltimore County and more than \$92 million in employee compensation. The study states that "Towson Row will require a public-private partnership in order to realize these new jobs and this substantial increase in economic activity." The study also provided the estimates upon which the proposed County funding is based.

The development agreement states that the project is entitled to receive Revitalization and High Performance Buildings County property tax credits in accordance with the provisions set forth in the County Code, and that the developer and County are seeking the advancement of the tax credits to assist in financing the project. The development agreement also states that the hotel portion of the project will generate a transient occupancy tax (referred to as "hotel tax") and that the developer and County are seeking the "advancement of the Hotel Tax to be repaid through subsequent Hotel Tax collection." The development agreement incorporates a County funding agreement with TR Development Corporation, which states the terms of the County financial assistance; the development agreement states that the funding agreement shall provide for a maximum advance of \$26,582,570 in tax credits (including the present value of the Revitalization and High Performance Buildings tax credits) and \$16,434,215, which represents the present value of the hotel tax anticipated over the first 30 years of the hotel component. The funds are to be provided according to specific schedules over a period of years and are subject to reduction if the developer reduces the overall size or scope of the project. (See Exhibit A.) The funds will be available to be distributed beginning July 1, 2018 through the final disbursement on or after July 1, 2022, except for a limited portion of funds to be advanced prior to July 1, 2018 (\$2.3 million in reinvested proceeds from the County's pending sale of three onsite parcels to the developer, which reduces the County's out-of-pocket cost for the tax credits to \$24.2 million). The development agreement states that as a condition of the tax credit advance, the developer (or successors/assigns) will waive the tax credits to which it is entitled and pay 100% of all property taxes levied on the land following project completion. The development agreement states that the funding agreement will require repayment of all or some of the funds if particular project components are not completed before the required substantial (or extended) completion date and provides for the ability of the owner(s) for which total funds have been repaid to obtain tax credits, if available.

The funding agreement is effective upon Council approval of the development agreement and continues through the later of: final certification (the date upon which substantial project completion and the High Performance qualification are achieved); 90 days after the County is required to make a final disbursement of funds under the agreement; or in the event that a default alleviates the obligation for the County to make all disbursements and/or requires the repayment of a portion of the funds, the date that the default is resolved.

According to Sage's study, the County's investment will be recouped in 12 to 14 years as property and hotel taxes are collected, with a shorter payback period if economic multipliers are considered.

Parking Garages

The development agreement states that the County currently leases the Washington Avenue garage to the Baltimore County Revenue Authority under a 2012 lease which will expire on July 1, 2019 (see related FM-2 on this agenda). The development agreement further states that the County intends to lease the Washington Avenue garage to the developer to support the project's parking needs (except for a portion of the garage for the County's repair shop), and the developer intends to hire the Revenue Authority to operate and manage the garage as well as a portion of the project's onsite garage. The development agreement incorporates the lease agreement between the developer and the County and the management agreement between the developer and the Revenue Authority.

The development agreement states that the developer shall have the option to purchase the Washington Avenue garage on the second anniversary of the lease agreement. In the event that the developer purchases the garage, the developer shall provide the County with a long-term lease of the repair shop for \$1 per year. The lease agreement states that the lease will expire on or before June 30, 2034. The development agreement states that the County agrees to perform certain renovations to the garage; the lease agreement stipulates that the improvements, which are those required to extend the useful life of the parking garage through June 30, 2034, will be completed by January 1, 2020.

The lease agreement commences July 1, 2019 (unless the developer requests a delay) and continues for 7 years. The developer shall have the option to extend the lease for 13 additional 7-year periods. The developer will pay the County \$400,000 per year as base rent. If the developer does not opt to purchase the garage, then the base rent shall be adjusted upon the

third anniversary to the market rental rate. If the developer thereafter elects to renew the lease, then the "adjusted value" will increase by 3% upon the commencement of the first renewal term and increase by 3% every three lease years thereafter. The management agreement commencement date is to be determined, will continue for 2 years, and may be renewed for two additional 1-year periods. The developer will pay the Revenue Authority \$36,000 per year to manage the garages. The developer will determine the parking rates to be charged.

Towson Row - Development Agreement

Tax Credit Advance & Hotel Tax Advance by Component						
Component	# of Units / Beds / Keys / Square Feet*	Revitalization Tax Credits	High Performance Tax Credits	Total	% of Tax Advance	% of Total Funds
Retail Component	107,450 sf	\$3,286,612	\$709,459	\$3,996,071	15.03%	9.29%
Office Component	134,000 sf	\$2,147,598	\$463,588	\$2,611,186	9.82%	6.07%
Hotel Component	220 rooms	\$2,509,038	\$541,610	\$3,050,648	11.48%	7.09%
Residential Component	250 units	\$4,844,941	\$1,045,847	\$5,890,789	22.16%	13.69%
Student Housing Component	905 beds	\$8,797,755	\$1,899,116	\$10,696,872	40.24%	24.87%
Armory	21,716 sf	\$277,174	\$59,831	\$337,005	1.27%	0.78%
Tax Credit Advance		\$21,863,118	\$4,719,453	\$26,582,570	100.00%	61.80%
Hotel Tax Advance	220 rooms			\$16,434,215		38.20%
Total Funds				\$43,016,785		100.00%

*The square footages, bed counts, units counts, and room counts for Component(s) shown herein may vary from those depicted on Exhibit C to the Development Agreement and Exhibit B to the County Funding Agreement. Any adjustments made pursuant to Section 2.04 of the County Funding Agreement shall be measured against the square footages, bed counts, unit counts, and room counts contained on this Exhibit E.

Schedule of County Disbursement Availability Baltimore County Fiscal Year	Prior to 7/1/18 FY 2018	7/1/2018 FY 2019	7/1/2019 FY 2020	7/1/2020 FY 2021	7/1/2021 FY 2022	7/1/2022 FY 2023	Total
Tax Credit Advance							
Reinvestment	\$2,335,825	\$0	\$0	\$0	\$0	\$0	\$2,335,825
Balance of Tax Credit Advance	\$0	\$15,249,349	\$2,249,349	\$2,249,349	\$2,249,349	\$2,249,349	\$24,246,745
Total - Tax Credit Advance	\$2,335,825	\$15,249,349	\$2,249,349	\$2,249,349	\$2,249,349	\$2,249,349	\$26,582,570
Hotel Tax Advance							
Hotel Tax Advance	\$0	\$3,286,843	\$3,286,843	\$3,286,843	\$3,286,843	\$3,286,843	\$16,434,215
Total - Hotel Tax Advance	\$0	\$3,286,843	\$3,286,843	\$3,286,843	\$3,286,843	\$3,286,843	\$16,434,215
Total Funds - Total Advance	\$2,335,825	\$18,536,192	\$5,536,192	\$5,536,192	\$5,536,192	\$5,536,192	\$43,016,785

Prepared by: Department of Economic and
Workforce Development

FM-2 (Contract Amendment)

Council District(s) 5

Department of Economic and Workforce Development

**Amendment to Ground Lease with Revenue Authority –
Repairs – Washington Ave. Garage**

The Administration is requesting an amendment to the amended, restated, and consolidated ground lease between the County and the Baltimore County Revenue Authority regarding the five Towson properties on which the Revenue Authority operates parking facilities. The proposed amendment relates to the Washington and Baltimore Avenue parking garages, the lease term of which expires on July 1, 2019.

The proposed amendment provides for the Revenue Authority to undertake specific repairs and improvements to the Washington Avenue garage, for which the County will reimburse the Revenue Authority. The amendment provides that if the Revenue Authority completes the improvements to the Washington Avenue parking garage (identified in an October 2015 Revenue Authority-procured parking study) by June 30, 2019 (in order for the County to enter into a lease agreement with Towson Row Statutory Trust on July 1, 2019 for use of the parking garage – see FM-1 on the agenda), then the term for the Baltimore Avenue parking garage will be extended to its useful life. The Revenue Authority may request an extension of the completion period not to exceed 60 days. The amendment also provides that at or near the end of the useful life of the Baltimore Avenue parking garage, the Revenue Authority shall have the option to construct a new, replacement garage on County-owned property. The amendment allows the lease term of the Baltimore Avenue garage to be extended for a construction period of up to 2 years, followed by a term of 30 years commencing on the opening of the replacement garage, with the County charging the Revenue Authority a nominal rent of \$1 per year for the County lot during the aforementioned construction period and subsequent 30-year lease term. The amendment also provides for the relocation of existing Washington Avenue garage parking tenants, including County and Board of Education staff, to other identified parking facilities by July 1, 2019.

The County will reimburse the Revenue Authority for the repair/improvement costs for the Washington Avenue garage which are currently estimated to total \$2,250,000.

Fiscal Summary

Funding Source	Contract Amendment	Notes
County ⁽¹⁾	\$ 2,250,000	⁽¹⁾ Capital Projects Fund.
State	--	⁽²⁾ Estimated compensation for repairs and improvements to the Washington Avenue parking garage, to be undertaken by the Revenue Authority and reimbursed by the County, excluding the potential cost to the County associated with the eventual loss of the use of the gravel lot at Chesapeake, Bosley, and Baltimore Avenues.
Federal	--	
Other	--	
Total	<u>\$ 2,250,000</u> ⁽²⁾	

Analysis

The Revenue Authority currently operates five parking facilities in Towson: the Baltimore Avenue, Washington Avenue, Tolbert, Library, and Towson Square parking garages. The Revenue Authority maintains and operates the parking facilities; collects all parking revenues; and uses parking revenues to perform its duties and pay debt service on any outstanding bonds.

On February 6, 2012, the Council approved an amended, restated and consolidated ground lease with the Revenue Authority that consolidated the individual agreements for each parking facility and added a provision for the Towson Square facility (referred to in the lease as Towson Circle III). The lease extended the terms at the garages as follows: the term for the Baltimore and Washington Avenue parking garages was set to expire on July 1, 2019; and the term for the other 3 parking facilities was set to expire on March 1, 2049, or the date on which the financing or refinancing the facilities would become due, but no later than March 1, 2069. The lease provides that the County may separately choose not to renew the lease with respect to the Baltimore or Washington Avenue parking facilities, in which case the Revenue Authority would continue to operate the other facilities.

The proposed amendment provides for the Revenue Authority to undertake specific repairs and improvements to the Washington Avenue garage so that when the Revenue Authority's lease term expires on July 1, 2019, the garage, which will revert to the County (and be leased to Towson Row Statutory Trust, per FM-1 on this agenda), will have an extended useful life to June 30, 2034. The repairs/improvements, to be made by the Revenue Authority and reimbursed by the County, will be performed in accordance with the recommendations of an

October 2015 parking facilities study (procured by the Revenue Authority) performed by Walker Restoration Consultants. The Department advised that the parking facilities study is being updated currently. Upon completion of the repairs/improvements, the Revenue Authority, at its own expense, will procure Walker Restoration to perform an inspection and to provide written certification that the construction will extend the useful structural life of the Washington Avenue parking facility at least until the facility's useful life expiration date (June 30, 2034). The current estimated repair/improvement costs for the Washington Avenue garage total \$2,250,000 and repairs are expected to begin in spring 2018.

Provided that the repairs/improvements are completed by June 30, 2019, the proposed amendment extends the lease for the Baltimore Avenue garage from its current expiration date of July 1, 2019 to the end of the garage's useful life. The Revenue Authority may request an extension of the completion period not to exceed 60 days. If the lease is extended, then at or near the end of the useful life of the Baltimore Avenue garage, the proposed amendment provides the Revenue Authority the option to construct a new replacement garage on County-owned land bounded by Bosley, Chesapeake, and Baltimore Avenues. If the Revenue Authority elects to construct a new garage, the proposed amendment allows for an extension of the lease term for a construction period of up to 2 years, followed by a lease term of 30 years commencing on the opening of the replacement garage. The County will charge the Revenue Authority a nominal rent of \$1 per year for the County lot during the aforementioned construction period and subsequent 30-year lease term. The Revenue Authority will operate the replacement garage in a manner consistent with its operation of other garages in Towson. The proposed amendment specifies that the Revenue Authority will reopen a wait list for County staff to park at the Baltimore Avenue garage or any replacement parking facility, and that the County may elect, at any time, to subsidize employee parking in any of the parking facilities.

Additionally, the proposed amendment specifies that the County and the Revenue Authority will relocate existing Washington Avenue garage tenants (County and Board of Education staff) to other identified parking facilities and the Revenue Authority will relocate existing parking tenants to other identified parking facilities or to the Towson Square garage by July 1, 2019. The Department advised that specific plans for the relocation are currently being developed, and the relocation is anticipated to take place by June ~~2018~~ **2019**.

All other terms and conditions remain the same.