

# County Council of Howard County, Maryland

2026 Legislative Session

Legislative Day No. 4

## Resolution No. 39 -2026

Introduced by: The Chairperson at the request of the County Executive

Short Title: Payment in Lieu of Taxes Agreement – Fall River Terrace, LLC – Fall River Terrace Apartments

Title: A RESOLUTION approving the terms and conditions of a Payment in Lieu of Taxes Agreement by and between the Howard County, Maryland and Fall River Terrace, LLC for a proposed 76-unit housing community to be located at 5551 Harpers Farm Road in Columbia, Maryland.

Introduced and read first time Mar 2, 2026.

By order



Michelle Harrod, Administrator

Read for a second time at a public hearing on Mar 17, 2026.

By order



Michelle Harrod, Administrator

This Resolution was read the third time and was Adopted\_\_\_, Adopted with amendments , Failed\_\_\_, Withdrawn\_\_\_, by the County Council on April 6, 2026.

Certified By



Michelle Harrod, Administrator

Approved by the County Executive April 9, 2026



Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1           **WHEREAS**, Fall River Terrace, LLC (the “Company”) has contracted to acquire certain  
2 real property located on 5551 Harpers Farm Road in Columbia, Maryland (the “Property”); and

3  
4           **WHEREAS**, the Company proposes to construct and operate on the Property a 76-unit  
5 mixed-income, rental housing development to be known as "Fall River Terrace Apartments" (the  
6 "Development"); and

7  
8           **WHEREAS**, ~~50~~56 units will be rented to households that earn at or below 80 percent of Area  
9 Median Income of the Baltimore Metropolitan Statistical Area ("AMI"), of which 25 units will be  
10 rented to residents who earn at or below 50 percent of AMI; and

11  
12           **WHEREAS**, an additional ~~26~~20 units will be rented at market rates; and

13  
14           **WHEREAS**, in order to fund a portion of the costs of the Development, the Company has  
15 applied to the Maryland Department of Housing and Community Development, either directly or  
16 through its Community Development Administration, for equity financing derived from 9% Low  
17 Income Housing Tax Credits in the approximate amount of \$12,750,000 (the "State Financing  
18 Programs") and, pursuant to the requirements of the State Financing Programs, the Development  
19 will provide housing for lower income persons; and

20  
21           **WHEREAS**, the Company will be the beneficiary of a Housing Assistance Payment  
22 contract for 25 project-based vouchers used to subsidize the rent of 25 households; and

23  
24           **WHEREAS**, the Company has requested that the County permit the Company to make  
25 payments in lieu of County real property taxes (the “PILOT”) pursuant to Section 7-506.1 of the  
26 Tax-Property Article of the Annotated Code of Maryland and in accordance with the Payment in  
27 Lieu of Taxes Agreement, substantially in the form attached as Exhibit 1; and

28  
29           **WHEREAS**, the Company has demonstrated to the County that an agreement for a PILOT  
30 is necessary to make the Development economically feasible; and

1           **WHEREAS**, in order to induce the Company to provide affordable housing in Howard  
2 County, it is in the interest of the County to accept a PILOT subject to the terms and conditions  
3 of the Payment in Lieu of Taxes Agreement substantially in the form attached to this Resolution  
4 as “Exhibit 1”.

5  
6           **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,  
7 Maryland this 10 day of April, 2026, that:

8 (1) In accordance with Section 7-506.1 of the Tax-Property Article of the Annotated Code of  
9 Maryland, the County shall abate all County real property taxes for the Development subject  
10 to the terms and conditions of the Payment in Lieu of Taxes Agreement attached to this  
11 Resolution as “Exhibit 1”.

12 (2) The County Executive is hereby authorized to execute and deliver the Agreement in the name  
13 and on behalf of the County in substantially the forms attached.

14 (3) The County Executive, prior to execution and delivery of the Agreement, may make such  
15 changes or modifications to the Agreement as he deems appropriate in order to accomplish the  
16 purpose of the transactions authorized by this Resolution, provided that such changes or  
17 modifications shall be within the scope of the transactions authorized by this Resolution; and  
18 the execution of the Agreement by the County Executive shall be conclusive evidence of the  
19 approval by the County Executive of all changes or modifications to the Agreements, and the  
20 Agreement shall thereupon become binding upon the County in accordance with its terms.

EXHIBIT 1

Development: Fall River Terrace,  
LLC

**PAYMENT IN LIEU OF TAXES AGREEMENT**

**THIS AGREEMENT** (this "Agreement") is made as of this \_\_\_ day of \_\_\_\_\_; 20\_\_\_, by and between Fall River Terrace, LLC, a limited liability company organized and existing under the laws of the State of Maryland (the "Company") and HOWARD COUNTY, MARYLAND, a body corporate and politic of the State of Maryland (the "County").

**RECITALS**

A. The Company has contracted to acquire certain real property located on 5551 Harpers Farm Road in Columbia, Maryland, which real property is more particularly described as set forth in the proposed description on Exhibit "A" attached hereto (the "Property"). The Company proposes to construct and operate on the Property a 76-unit mixed-income, rental housing development to be known as "Fall River Terrace Apartments" (the "Development"). ~~Fifty(50)~~ Fifty-six (56) units (the "Affordable Dwelling Units") will be rented to households that earn at or below 80 percent of Area Median Income of the Baltimore Metropolitan Statistical Area ("AMI"), of which twenty-five (25) units will be rented to residents who earn at or below 50 percent of AMI. An additional ~~twenty-six (26)~~ twenty(20) units will be rented at market rates.

B. In order to fund a portion of the costs of the Development, the Company has applied to the Maryland Department of Housing and Community Development, either directly or through its Community Development Administration for equity financing derived from 9% Low Income Housing Tax Credits in the approximate amount of twelve Million Seven Hundred and Fifty Thousand Dollars (\$12,750,000) (the "State Financing Programs"). Pursuant to the requirements of the State Financing Programs, the Development will provide housing for lower income persons.

C. The Company will be the beneficiary of a Housing Assistance Payment ("HAP") contract for twenty-five (25) project-based vouchers used to subsidize the rent of twenty-five (25) households.

D. The Company has requested that the County permit the Company to make payments in lieu of County real property taxes pursuant to Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland (the "Act"). The Act provides, among other things, that real property may be exempt from County property tax if:

(1) the real property is owned by an entity engaged in constructing or operating housing structures or projects;

(2) 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 funds construction, or insures its financing in whole or in part, or provides interest subsidy, rent subsidy

or rent supplements;

(3) the owner of the real property agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the governmental programs described in item (2) of this paragraph and agrees to renew any annual contributions or other agreements for rental subsidy or supplement; and

(4) the owner and the governing body of the county where the real property is located agree that the owner shall pay a negotiated amount in lieu of the applicable county property tax.

E. In order to induce the Company to provide housing for lower income persons, the County agrees to accept payments in lieu of County real property taxes, subject to the terms and conditions of this Agreement.

F. The County Council of Howard County, Maryland has approved this Agreement by resolution, a copy of which is attached hereto as Exhibit "B".

**NOW, THEREFORE,** in consideration of the premises and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the County agree as follows:

1. Definitions. In this Agreement, the term:

(a) "Affordable Dwelling Unit" means a rental dwelling unit reserved for households that earn at or below 80 percent of AMI.

(b) "County Assessments" means any and all County assessments, charges, fees or non-real property taxes, including but not limited to the County fire tax, front foot benefit assessment charge, ad valorem charges, and any other charges that may appear on the Property's real property tax bill, for which the Company shall continue to be obligated for, and required to pay to the County in full.

(c) "Distribution" means any withdrawal or taking of Surplus Cash or any assets of the Development, excluding payment for reasonable expenses incident to the operation and maintenance of the Development. Such expenses shall include a reasonable property management fee and a reasonable guaranteed distribution to the investor member(s) (or its affiliate) as an investor services fee.

(d) "Gross Rental Income" means the total of all charges paid by all tenants of the Property, less the cost of all utilities paid by the Company.

(e) "Initial Closing" means the date of the initial closing of the financing under the State Financing Programs.

(f) "Market Rate Dwelling Unit" means a rental dwelling unit which is not an Affordable Dwelling Unit.

(g) "Residual Receipts" means any cash remaining at the end of a calendar year

after deducting from Surplus Cash:

(i) the Payment required by Section 5(b) of this Agreement; and any Distributions to the managing member, the aggregate of which do not exceed 10% of the managing member's initial equity investment in the Development, as determined by the County.

(h) "Surplus Cash" means any cash remaining at the end of a calendar year after the payment of:

(i) the Payment required by Section 5(a) of this Agreement;

(ii) all reasonable and actual operating costs and expenses of the Development (whether paid as operating expenses or from available cash flow) including reasonable property management fees, reasonable asset management fees to the managing member, any payments of deferred developer fee, amounts owed to the investor member(s) pursuant to the Company's operating agreement, and a reasonable guaranteed distribution to the investor member(s) (or its affiliates) as an investor services fee, as well as other taxes owed to the State of Maryland; and

(iii) all payments required under any mortgage on the Property approved by the Maryland Department of Housing and Community Development, either directly or through its Community Development Administration or the County, including payments under the State Financing Programs.

(iv) all payments required against any secondary debt or notes on the Property approved by the Maryland Department of Housing and Community Development.

2. Acceptance of Payments. For the term of this Agreement, the Company shall make, and the County shall accept, annual payments in lieu of all County real property taxes due on the Property ("the Payments). The Property shall be exempt from County real property taxes in accordance with the Act so long as this Agreement is in effect.

3. Conditions Precedent. This Agreement shall not take effect unless and until each of the following conditions precedent have been fulfilled:

(a) Title. The Company shall have taken fee simple title to the Property;

(b) Financing. The Company shall have received financing under the State Financing Programs for construction of the Development; and

(c) PILOT Covenants. The Company shall have executed and recorded covenants on the Property, in a form acceptable to the County, that require the Company and all subsequent owners of the Property to offer for rent ~~fifty (50)~~ fifty-six (56) units to households that earn at or below 80 percent of AMI, of which twenty-five (25) units will be rented to residents who earn at or below 50 percent of AMI, for a period of not fewer than forty (40) years from the date of Initial Closing (the "PILOT Covenants").

4. Effective Date. This Agreement shall take effect when each of the conditions precedent set forth in Section 3 are fulfilled (the "Effective Date"); provided, however, that if all of the conditions precedent are not fulfilled by December 31, 2027, this Agreement shall be null and void.

5. Amount of Payments. Each Payment made under this Agreement shall be in an amount calculated as follows:

(a) Minimum Payment. The Company shall pay to the County an amount equal to (i) Three Hundred Dollars \$300 for each Affordable Dwelling Unit and Market Rate Dwelling Unit of the Development, and (ii) the amount of County fire tax, front-foot benefit assessment charge, the ad valorem charges, and any other charges that may appear on the Property's real property tax bill (the "County Assessments") paid by the Company for the Development for the current taxable year.

(b) Payment from Surplus Cash. To the extent funds are available from Surplus Cash, the Company shall pay to the County an additional two percent (2%) of the Development's Gross Rental Income.

(c) Payment from Residual Receipts. To the extent funds are available from Residual Receipts, the Company shall pay to the County an amount which, when added to the Payments made under (a) and (b), equals (i) the County real property taxes which would have been paid for the current taxable year if the Development were not exempt from taxation, and (ii) the County Assessments paid by the Company for the Development for the current taxable year.

(d) Total Payment. The intention of this Agreement is that each annual Payment shall at no time exceed the aggregate of (i) County real property taxes which would have been paid for the current taxable year if the Development were not exempt from taxation, and (ii) the County Assessments paid by the Company for the Development for the current taxable year.

6. Time and Place Payments Due. Each Payment shall be made by May 1 of each year for the prior calendar year. Payments shall be made to the Director of Finance, 3430 Courthouse Drive, Ellicott City, Maryland 21043. Payments of the County Assessments shall be made at the time and in the manner provided by law.

7. Penalties for Late Payment. The Company shall be subject to the following penalties for late payments, which penalties shall not be imposed unless such payments remain outstanding after five (5) days' written notice:

(a) 1% per month or part of a month during the period May 2 to June 30 following the due date; and

(b) 1 1/2% per month or part of a month on or after July 1 following the due date.

8. Penalties for Failure to Pay. At the option of the County, if any Payment is due and

unpaid on or after July 1 following the due date, this Agreement may be terminated by the County upon ninety (90) days' prior notice, which termination will be void if the Company pays the outstanding Payment within such ninety (90) day period. If the Company fails to pay the outstanding Payment within such ninety (90) day period, then this Agreement will terminate, and all County real property taxes for the preceding taxable year shall be immediately due and payable.

9. Reports and Records.

(a) By no later than March 31 of each year, the Company shall submit to the County's Director of Finance, in a form acceptable to the County, a report of the Development's income and expenses for the preceding calendar year, including an itemized breakdown of Gross Rental Income, Surplus Cash, and Residual Receipts.

(b) The Company shall submit such other reports as the County may reasonably require in order to verify the Company's compliance with this Agreement.

(c) The Company shall permit the County or any of its authorized agents to inspect the records of the Development in order to verify the Company's compliance with this Agreement.

10. Representation and Warranties.

(a) The Company represents and warrants to the County that it is eligible in all respects to enter in this Agreement to make payments in lieu of taxes under the Act.

(b) The Company covenants and agrees that it will do all things necessary to remain eligible to make payments in lieu of taxes in accordance with the Act.

(c) The Company agrees that it shall remain in good standing with the State Department of Assessments and Taxation.

11. Term of Agreement. This Agreement shall remain in effect until the earlier to occur of:

(a) the termination of the PILOT Covenants;

(b) the foreclosure, or the making of a deed in lieu of foreclosure, of any portion of the Property, unless the party acquiring the Property agrees to continue the PILOT Covenants under terms and conditions of this agreement;

(c) any default under the PILOT Covenants which is not cured within a reasonable period after notice, which period shall in all events be at least thirty (30) days; or

(d) any default under this Agreement which is not cured within a reasonable period after notice, which period shall in all events be at least thirty (30) days.

12. Sale; Liens; Company Interests. During the term of this Agreement, the Company

shall not, without the prior written consent of the County, make any transfer, exchange, encumber or otherwise convey its interest in the Property except as permitted by the State Financing Programs' documents. If the Company transfers the Property to a new owner (subject to the terms in Section 11(b) above), then the Company shall be permitted to assign this Agreement to the new owner, provided that (i) the transfer to the assignee was permitted by the State Financing Programs' documents and (ii) the assignee shall be subject to the terms and conditions of this Agreement.

13. State Taxes. The Company acknowledges and agrees that it shall pay all State real property taxes.

14. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, all successors and assigns of the Company.

15. Entire Agreement. This Agreement represents the entire understanding and agreement of the parties relating to the subject matter hereof.

**[SIGNATURES BEGIN ON NEXT PAGE]**

**IN WITNESS WHEREOF**, the Company and the County, by their duly authorized representatives have signed this Agreement as of the date first written above.

**WITNESS/ATTEST:**

**FALL RIVER TERRACE, LLC**

By:

\_\_\_\_\_  
Name:.....  
Title:.....

\_\_\_\_\_(SEAL)  
Name:.....  
Title:.....

[COUNTY SIGNATURES ON FOLLOWING PAGE]

**WITNESS/ ATTEST:**

**HOWARD COUNTY, MARYLAND**

\_\_\_\_\_  
Brandee Ganz  
Chief Administrative Officer

By: \_\_\_\_\_(SEAL)  
Calvin Ball  
County Executive

**APPROVED** for Form and Legal

**APPROVED** by Department of Finance

Sufficiency this \_\_\_ day of

\_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Gary Kuc  
County Solicitor

\_\_\_\_\_  
Rafiu Ighile  
Director

Reviewing Attorney:

\_\_\_\_\_  
Kristen Bowen Perry  
Deputy County Solicitor

**Exhibit A:** Legal Description of Property

**Exhibit B:** Council Resolution No. \_\_\_\_\_

**EXHIBIT A**

BEING KNOWN AND DESIGNATED as Lot No. 8 (2.841 acres of land, more or less), as shown on Plat entitled "Columbia, Village of Harper's Choice", Section 3, Area 2, Sheet 3 of 6, as recorded among the Land Records of Howard County, Maryland in Plat Book No 13, Page 86.

**EXHIBIT B**

Council Resolution No. ...

**Amendment No. 1 to Council Resolution No. 39-2026**

**BY: The Chairperson at the request  
of the County Executive**

**Legislative Day No. 5  
Date: April 6, 2026**

*(This Amendment corrects the income of households eligible for rent.)*

- 1 On page 1, in line 8, strike “50” and substitute “56”.
- 2
- 3 On page 1, in 12, strike “26” and substitute “20”.
- 4
- 5 In the PILOT agreement, attached to the Resolution as Exhibit 1:
- 6 ○ On page 1, in item A,
- 7 • In the fifth line, strike “fifty (50)” and substitute “fifty-six (56)”; and
- 8 • Starting in the second to last line and continuing to the last line, strike “twenty-six (26)”
- 9 and substitute “twenty (20)”; and
- 10 ○ On page 3, in item 3(c), in the third line, strike “fifty (50)” and substitute “fifty-six (56)”.

I certify that this a true copy of

Am 1 to CR 39-2026  
passed on April 6, 2026

Michelle Anderson

Council Administrator



# Howard County

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## *Internal Memorandum*

**Subject:** Testimony on Council Resolution No. \_\_-2026  
Resolution requesting approval of a Payment in Lieu of Taxes Agreement for Fall River Terrace

**To:** Brandee Ganz, Chief Administrative Officer

**From:** Kelly Cimino, Director - Department of Housing and Community Development  
*K. Cimino*

**Date:** February 5, 2026

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### **Summary**

Resolution \_\_-2026 supports approval of the terms and conditions of a Payment In Lieu Of Taxes Agreement (PILOT) by and between Howard County, Maryland and Fall River Terrace, LLC, a limited liability company, (FRT) for the re-development of a 76-unit mixed-income rental housing development to be known as Fall River Terrace.

### **Background**

Enterprise Community Development plans to construct and operate an 76-unit mixed-income rental housing development; 50 units will be rented to households that earn at or below 80 percent of Area Median Income (AMI), of which 25 of the units will be rented to households that earn at or below 50% of AMI; and 26 units will be rented at market rate.

Enterprise Community Development has received approval from the MD Department of Housing and Community Development for 9% Low Income Housing Tax Credits in the approximate amount of \$12,750,000 and a Housing Assistance Payment ("HAP") contract for twenty-five (25) project-based vouchers used to subsidize the rent of twenty-five (25) households to assist with the redevelopment of a 100% affordable Fall River Terrace into a mixed income community.

The Developer submitted a request to the Department of Housing and Community Development on December 22, 2025, for consideration by the County to permit FRT to make payments in lieu of County real property taxes pursuant to Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland and in accordance with the Payment in lieu of Taxes Agreement.



# Howard County

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## *Internal Memorandum*

Financial statements for the FRT redevelopment project demonstrate that an agreement for a PILOT is necessary to make the Development economically feasible. As a condition of the PILOT, the County will require the owner to restrict the occupancy of a certain number of units to persons of lower income for 40 years. A PILOT is critical to the project's viability given the volatility of pricing in the construction industry and capital markets. The Developer expects FRT to make a minimum PILOT payment of \$300 per unit per year, with additional revenues to be paid out of surplus cash and residual receipts beginning in Year 11.

The Developer requested, and the County agreed to provide \$2,579,000 in gap financing for the project. The Developer has also applied for \$421,000 from the County's federal HOME funding award.

FRT is fully aligned with Howard County's goal of providing much-needed housing for young professionals, older adults, families, and persons with disabilities across a wide range of affordability levels, as codified in the Housing Opportunities Master Plan. This redevelopment approach is costly, and while FRT is leveraging a range of financing tools to maximize federal, state, local, and private investment, without a PILOT the project would have a gap of \$2.13 million. A PILOT is particularly important to the project's viability given the broader economic volatility, elevated interest rates, and inflationary operating conditions.

### **Fiscal Impact**

Should the PILOT be approved, the fiscal impact to the County is expected to be approximately \$228,258 in property tax revenue in Year 1. The County property tax revenue for Years 1 - 5 is expected to be \$1,141,290. Based on the attached fiscal impact analysis, the proposed PILOT is necessary to make the project financially feasible.

Attachments for Council consideration:

1. Fall River Terrace PILOT Agreement Draft
2. Fall River Terrace Fiscal Impact Analysis

Cc: Dr. Opel Jones, Council Chair  
Christiana Rigby, Council Vice Chair  
Elizabeth Walsh, Councilperson  
Deb Jung, Councilperson  
David Yungmann, Councilperson  
Michelle Harrod, Administrator  
Chris Ashman, County Auditor



To: Housing & Community Development Board  
 Through: Kelly Cimino, Director – *K. Cimino*  
 From: Tom Wall, Fiscal Specialist - *tfwall*  
 Date: 01/08/2026  
 Re: **Fall River Terrace – Developer’s Request for PILOT**

This is a request for a recommendation from the Housing and Community Development Board (the “Board”) concerning an application from Enterprise Community Development, Inc. (the “Developer”) for a PILOT for the redevelopment of the Fall River Terrace community in Columbia, Maryland.

**Materials Provided with Application.** The Developer submitted a package to the Department on December 22, 2025. The Developer will make a presentation to the Board at the scheduled meeting on February 12, 2026. The Developer provided all the items on the PILOT checklist for the board to review and consider when making a recommendation.

**Developer’s Proposal.** Fall River Terrace is an existing 56-unit housing community that has served low-income residents for more than 50 years; however, the housing is now aging, inefficient, inaccessible and functionally obsolete. The redevelopment will necessitate the demolition of the existing units and then the construction of a modern 76-unit, elevator-served, amenity-rich apartment building complete with community spaces. The redevelopment will create a mixed-income community with the preservation of the original 56 low-income units, and the addition of 20 new market rate units.

Unit Type	Redeveloped Count	Unit Type	Falls River Terrace
1-bd	19	At or below 50% AMI	25
2-bd	34	Up to 80% AMI	31
3-bd	17	Market Rate	20
4-bd	6		<u>76</u>
	<u>76</u>		

This redevelopment will require the relocation of existing residents to temporary housing during the demolition and construction phases. Relocations are projected to occur in June of 2026 and remain in place until the completion of construction in May of 2028.

Financially, Fall River Terrace redevelopment will be supported with a first mortgage from M&T Bank. Other sources include Low-Income Housing Tax Credits from the MD Department of Housing and Community Development, and soft debt from Community Home Housing Inc (CHHI).

Enterprise is applying for the PILOT in an effort to close the gap between the approved first mortgage loan amount (\$13,058,000), and the amount needed to obtain to fully fund the project (\$15,196,000), while maintaining favorable ratios required by the lenders.

Fall River Terrace		
	With PILOT	Without PILOT
1st Mortgage	15,196,000	13,058,000
CDA RHP	2,500,000	2,500,000
CHHI Resub'ed	4,297,177	4,297,177
CHHI New	1,800,000	1,800,000
LIHTC Equity	12,750,000	12,750,000
Howard Co Community Renewal	2,000,000	2,000,000
Howard County Home	421,000	421,000
Howard County Additional	579,000	579,000
Relocation escrow	456,827	456,827
Deferred Developer Fee	664,224	664,224
	<b>40,664,228</b>	<b>38,526,228</b>
<b>GAP</b>		<b>2,138,000</b>

**Analysis** The Housing Department analyzed the financial information provided, including Form 202. The purpose of this analysis is to evaluate the Fall River Terrace redevelopment project with and without a PILOT. The analysis determines if a PILOT is warranted, and the fiscal impact the PILOT will have upon the County.

Debt Coverage Ratio - Debt Coverage Ratio is calculated by dividing the net operating income (NOI) by the amount of debt service. (DS). Lending institutions typically require that NOI/DS should be 1.15 or greater. By implementing a PILOT, and reducing the County's portion of real estate taxes, the debt ratio improves from an unfavorable .99 to a favorable 1.15. Fall River Terrace is still responsible for all state and local taxes.

The reduction of the County portion of real estate taxes of \$209,750 and Enterprise's PILOT payment of \$22,800, results in the overall decrease for real estate taxes is from \$365,446 to \$178,496.

Tax Breakdown	With out PILOT	With PILOT
Real Estate Taxes - State	22,502	22,502
Real Estate Taxes - County	209,750	-
Payment In Lieu of Taxes		22,800
<b>Local Taxes</b>		
Fire	41,387	41,387
Ad Valorem	16,073	16,073
Watershed	7,425	7,425
CPRA	68,309	68,309
	<b>\$365,446</b>	<b>\$178,496</b>

This overall reduction of \$186,950 in expenses increases net operating income to allow Enterprise to borrow an additional \$2,138,000 (GAP) while maintaining the required debt coverage ratio of 1.15.

<b>Fall River Terrace</b>		
	<b>Without PILOT</b>	<b>With PILOT</b>
<b><u>1st Mortgage</u></b>		
Rate	7.17%	7.17%
Amortized Years	40	40
Loan Amount	15,196,000	15,196,000
Annual Payment	1,155,779	1,155,779
<b>Income</b>	<b><u>\$1,950,679</u></b>	<b><u>\$1,950,679</u></b>
<b><u>Expenses</u></b>		
Administration	174,404	174,404
Utilities	44,696	44,696
Operating	106,086	106,086
Real Estate Taxes	<b>365,446</b>	<b>178,496</b>
Insurance and Taxes	91,224	91,224
Reserve	26,600	26,600
Total Expenses	<b><u>808,456</u></b>	<b><u>621,506</u></b>
<b>Net Operating Income</b>	<b><u>\$ 1,142,223</u></b>	<b><u>\$ 1,329,173</u></b>
Annual Debt Payment	1,155,779	1,155,779
<b>Debt/Income ratio</b>	<b>0.99</b>	<b>1.15</b>

**Fiscal Impact** – A side-by-side comparison of a PILOT versus no PILOT extrapolated over 20 years with the assumption of annual increases of 1.75%, indicates an estimated net loss of tax revenue of \$4,054,057 (see attached schedule A).

<b>Fall River Terrace PILOT vs No PILOT</b>	
Proposed PILOT and Local Tax	4,565,165
No Pilot (20 Years)	<u>8,619,222</u>
Net Revenue Lost	<b>(4,054,057)</b>
Units	<u>56</u>
Cost per Unit	81,521

**Board Consideration.** The Developer submitted a written request and supporting documentation for the PILOT request for the Board’s consideration.

- The Developer will continue to lease 56 units at below market rents.
- The Developer will pay \$300 per unit per year for the first 11 years. After year 11, the Developer will be able to make additional payments of 2% from surplus cash or residual receipts.
- The Developer will continue to pay the County’s local taxes (fire, ad valorem and watershed).
- The County supports the preservation of affordable units in this community for the County’s low- and moderate-income residents.

cc: Felix Facchine, Deputy Chief of Staff  
 Constance A. Tucker, Principal Counsel

**County Council of Howard County, Maryland**

2026 Legislative Session

Legislative Day No. 4

**Resolution No. 39-2026**

Introduced by: The Chairperson at the request of the County Executive

Short Title: Payment in Lieu of Taxes Agreement – Fall River Terrace, LLC – Fall River Terrace Apartments

Title: A RESOLUTION approving the terms and conditions of a Payment in Lieu of Taxes Agreement by and between the Howard County, Maryland and Fall River Terrace, LLC for a proposed 76-unit housing community to be located at 5551 Harpers Farm Road in Columbia, Maryland.

Introduced and read first time Mar 2, 2026.

By order Michelle Harrod  
Michelle Harrod, Administrator

Read for a second time at a public hearing on Mar 17, 2026.

By order Michelle Harrod  
Michelle Harrod, Administrator

This Resolution was read the third time and was Adopted , Adopted with amendments\_\_\_, Failed\_\_\_, Withdrawn\_\_\_, by the County Council on April 6, 2026.

Certified By Michelle Harrod  
Michelle Harrod, Administrator

Approved by the County Executive \_\_\_\_\_, 2026

\_\_\_\_\_  
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1           **WHEREAS**, Fall River Terrace, LLC (the “Company”) has contracted to acquire certain  
2 real property located on 5551 Harpers Farm Road in Columbia, Maryland (the “Property”); and  
3

4           **WHEREAS**, the Company proposes to construct and operate on the Property a 76-unit  
5 mixed-income, rental housing development to be known as "Fall River Terrace Apartments" (the  
6 "Development"); and  
7

8           **WHEREAS**, 50 units will be rented to households that earn at or below 80 percent of Area  
9 Median Income of the Baltimore Metropolitan Statistical Area ("AMI"), of which 25 units will be  
10 rented to residents who earn at or below 50 percent of AMI; and  
11

12           **WHEREAS**, an additional 26 units will be rented at market rates; and  
13

14           **WHEREAS**, in order to fund a portion of the costs of the Development, the Company has  
15 applied to the Maryland Department of Housing and Community Development, either directly or  
16 through its Community Development Administration, for equity financing derived from 9% Low  
17 Income Housing Tax Credits in the approximate amount of \$12,750,000 (the "State Financing  
18 Programs") and, pursuant to the requirements of the State Financing Programs, the Development  
19 will provide housing for lower income persons; and  
20

21           **WHEREAS**, the Company will be the beneficiary of a Housing Assistance Payment  
22 contract for 25 project-based vouchers used to subsidize the rent of 25 households; and  
23

24           **WHEREAS**, the Company has requested that the County permit the Company to make  
25 payments in lieu of County real property taxes (the “PILOT”) pursuant to Section 7-506.1 of the  
26 Tax-Property Article of the Annotated Code of Maryland and in accordance with the Payment in  
27 Lieu of Taxes Agreement, substantially in the form attached as Exhibit 1; and  
28

29           **WHEREAS**, the Company has demonstrated to the County that an agreement for a PILOT  
30 is necessary to make the Development economically feasible; and  
31

1           **WHEREAS**, in order to induce the Company to provide affordable housing in Howard  
2 County, it is in the interest of the County to accept a PILOT subject to the terms and conditions  
3 of the Payment in Lieu of Taxes Agreement substantially in the form attached to this Resolution  
4 as “Exhibit 1”.

5  
6           **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,  
7 Maryland this 6 day of April, 2026, that:

8 (1) In accordance with Section 7-506.1 of the Tax-Property Article of the Annotated Code of  
9 Maryland, the County shall abate all County real property taxes for the Development subject  
10 to the terms and conditions of the Payment in Lieu of Taxes Agreement attached to this  
11 Resolution as “Exhibit 1”.

12 (2) The County Executive is hereby authorized to execute and deliver the Agreement in the name  
13 and on behalf of the County in substantially the forms attached.

14 (3) The County Executive, prior to execution and delivery of the Agreement, may make such  
15 changes or modifications to the Agreement as he deems appropriate in order to accomplish the  
16 purpose of the transactions authorized by this Resolution, provided that such changes or  
17 modifications shall be within the scope of the transactions authorized by this Resolution; and  
18 the execution of the Agreement by the County Executive shall be conclusive evidence of the  
19 approval by the County Executive of all changes or modifications to the Agreements, and the  
20 Agreement shall thereupon become binding upon the County in accordance with its terms.

EXHIBIT 1

Development: Fall River Terrace,  
LLC

**PAYMENT IN LIEU OF TAXES AGREEMENT**

**THIS AGREEMENT** (this "Agreement") is made as of this \_\_\_ day of \_\_\_\_\_; 20\_\_, by and between Fall River Terrace, LLC, a limited liability company organized and existing under the laws of the State of Maryland (the "Company") and HOWARD COUNTY, MARYLAND, a body corporate and politic of the State of Maryland (the "County").

**RECITALS**

A. The Company has contracted to acquire certain real property located on 5551 Harpers Farm Road in Columbia, Maryland, which real property is more particularly described as set forth in the proposed description on Exhibit "A" attached hereto (the "Property"). The Company proposes to construct and operate on the Property a 76-unit mixed-income, rental housing development to be known as "Fall River Terrace Apartments" (the "Development"). Fifty (50) units (the "Affordable Dwelling Units") will be rented to households that earn at or below 80 percent of Area Median Income of the Baltimore Metropolitan Statistical Area ("AMI"), of which twenty-five (25) units will be rented to residents who earn at or below 50 percent of AMI. An additional twenty-six (26) units will be rented at market rates.

B. In order to fund a portion of the costs of the Development, the Company has applied to the Maryland Department of Housing and Community Development, either directly or through its Community Development Administration for equity financing derived from 9% Low Income Housing Tax Credits in the approximate amount of twelve Million Seven Hundred and Fifty Thousand Dollars (\$12,750,000) (the "State Financing Programs"). Pursuant to the requirements of the State Financing Programs, the Development will provide housing for lower income persons.

C. The Company will be the beneficiary of a Housing Assistance Payment ("HAP") contract for twenty-five (25) project-based vouchers used to subsidize the rent of twenty-five (25) households.

D. The Company has requested that the County permit the Company to make payments in lieu of County real property taxes pursuant to Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland (the "Act"). The Act provides, among other things, that real property may be exempt from County property tax if:

(1) the real property is owned by an entity engaged in constructing or operating housing structures or projects;

(2) 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 funds construction, or insures its financing in whole or in part, or provides interest subsidy, rent subsidy

or rent supplements;

(3) the owner of the real property agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the governmental programs described in item (2) of this paragraph and agrees to renew any annual contributions or other agreements for rental subsidy or supplement; and

(4) the owner and the governing body of the county where the real property is located agree that the owner shall pay a negotiated amount in lieu of the applicable county property tax.

E. In order to induce the Company to provide housing for lower income persons, the County agrees to accept payments in lieu of County real property taxes, subject to the terms and conditions of this Agreement.

F. The County Council of Howard County, Maryland has approved this Agreement by resolution, a copy of which is attached hereto as Exhibit "B".

**NOW, THEREFORE,** in consideration of the premises and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the County agree as follows:

1. Definitions. In this Agreement, the term:

(a) "Affordable Dwelling Unit" means a rental dwelling unit reserved for households that earn at or below 80 percent of AMI.

(b) "County Assessments" means any and all County assessments, charges, fees or non-real property taxes, including but not limited to the County fire tax, front foot benefit assessment charge, ad valorem charges, and any other charges that may appear on the Property's real property tax bill, for which the Company shall continue to be obligated for, and required to pay to the County in full.

(c) "Distribution" means any withdrawal or taking of Surplus Cash or any assets of the Development, excluding payment for reasonable expenses incident to the operation and maintenance of the Development. Such expenses shall include a reasonable property management fee and a reasonable guaranteed distribution to the investor member(s) (or its affiliate) as an investor services fee.

(d) "Gross Rental Income" means the total of all charges paid by all tenants of the Property, less the cost of all utilities paid by the Company.

(e) "Initial Closing" means the date of the initial closing of the financing under the State Financing Programs.

(f) "Market Rate Dwelling Unit" means a rental dwelling unit which is not an Affordable Dwelling Unit.

(g) "Residual Receipts" means any cash remaining at the end of a calendar year

after deducting from Surplus Cash:

(i) the Payment required by Section 5(b) of this Agreement; and any Distributions to the managing member, the aggregate of which do not exceed 10% of the managing member's initial equity investment in the Development, as determined by the County;

(h) "Surplus Cash" means any cash remaining at the end of a calendar year after the payment of:

(i) the Payment required by Section 5(a) of this Agreement;

(ii) all reasonable and actual operating costs and expenses of the Development (whether paid as operating expenses or from available cash flow) including reasonable property management fees, reasonable asset management fees to the managing member, any payments of deferred developer fee, amounts owed to the investor member(s) pursuant to the Company's operating agreement, and a reasonable guaranteed distribution to the investor member(s) (or its affiliates) as an investor services fee, as well as other taxes owed to the State of Maryland; and

(iii) all payments required under any mortgage on the Property approved by the Maryland Department of Housing and Community Development, either directly or through its Community Development Administration or the County, including payments under the State Financing Programs.

(iv) all payments required against any secondary debt or notes on the Property approved by the Maryland Department of Housing and Community Development.

2. Acceptance of Payments. For the term of this Agreement, the Company shall make, and the County shall accept, annual payments in lieu of all County real property taxes due on the Property ("the Payments"). The Property shall be exempt from County real property taxes in accordance with the Act so long as this Agreement is in effect.

3. Conditions Precedent. This Agreement shall not take effect unless and until each of the following conditions precedent have been fulfilled:

(a) Title. The Company shall have taken fee simple title to the Property;

(b) Financing. The Company shall have received financing under the State Financing Programs for construction of the Development; and

(c) PILOT Covenants. The Company shall have executed and recorded covenants on the Property, in a form acceptable to the County, that require the Company and all subsequent owners of the Property to offer for rent fifty (50) units to households that earn at or below 80 percent of AMI, of which twenty-five (25) units will be rented to residents who earn at or below 50 percent of AMI, for a period of not fewer than forty (40) years from the date of Initial Closing (the "PILOT Covenants").

4. Effective Date. This Agreement shall take effect when each of the conditions precedent set forth in Section 3 are fulfilled (the "Effective Date"); provided, however, that if all of the conditions precedent are not fulfilled by December 31, 2027, this Agreement shall be null and void.

5. Amount of Payments. Each Payment made under this Agreement shall be in an amount calculated as follows:

(a) Minimum Payment. The Company shall pay to the County an amount equal to (i) Three Hundred Dollars \$300 for each Affordable Dwelling Unit and Market Rate Dwelling Unit of the Development, and (ii) the amount of County fire tax, front-foot benefit assessment charge, the ad valorem charges, and any other charges that may appear on the Property's real property tax bill (the "County Assessments") paid by the Company for the Development for the current taxable year.

(b) Payment from Surplus Cash. To the extent funds are available from Surplus Cash, the Company shall pay to the County an additional two percent (2%) of the Development's Gross Rental Income.

(c) Payment from Residual Receipts. To the extent funds are available from Residual Receipts, the Company shall pay to the County an amount which, when added to the Payments made under (a) and (b), equals (i) the County real property taxes which would have been paid for the current taxable year if the Development were not exempt from taxation, and (ii) the County Assessments paid by the Company for the Development for the current taxable year.

(d) Total Payment. The intention of this Agreement is that each annual Payment shall at no time exceed the aggregate of (i) County real property taxes which would have been paid for the current taxable year if the Development were not exempt from taxation, and (ii) the County Assessments paid by the Company for the Development for the current taxable year.

6. Time and Place Payments Due. Each Payment shall be made by May 1 of each year for the prior calendar year. Payments shall be made to the Director of Finance, 3430 Courthouse Drive, Ellicott City, Maryland 21043. Payments of the County Assessments shall be made at the time and in the manner provided by law.

7. Penalties for Late Payment. The Company shall be subject to the following penalties for late payments, which penalties shall not be imposed unless such payments remain outstanding after five (5) days' written notice:

(a) 1% per month or part of a month during the period May 2 to June 30 following the due date; and

(b) 1 1/2% per month or part of a month on or after July 1 following the due date.

8. Penalties for Failure to Pay. At the option of the County, if any Payment is due and

unpaid on or after July 1 following the due date, this Agreement may be terminated by the County upon ninety (90) days' prior notice, which termination will be void if the Company pays the outstanding Payment within such ninety (90) day period. If the Company fails to pay the outstanding Payment within such ninety (90) day period, then this Agreement will terminate, and all County real property taxes for the preceding taxable year shall be immediately due and payable.

9. Reports and Records.

(a) By no later than March 31 of each year, the Company shall submit to the County's Director of Finance, in a form acceptable to the County, a report of the Development's income and expenses for the preceding calendar year, including an itemized breakdown of Gross Rental Income, Surplus Cash, and Residual Receipts.

(b) The Company shall submit such other reports as the County may reasonably require in order to verify the Company's compliance with this Agreement.

(c) The Company shall permit the County or any of its authorized agents to inspect the records of the Development in order to verify the Company's compliance with this Agreement.

10. Representation and Warranties.

(a) The Company represents and warrants to the County that it is eligible in all respects to enter in this Agreement to make payments in lieu of taxes under the Act.

(b) The Company covenants and agrees that it will do all things necessary to remain eligible to make payments in lieu of taxes in accordance with the Act.

(c) The Company agrees that it shall remain in good standing with the State Department of Assessments and Taxation.

11. Term of Agreement. This Agreement shall remain in effect until the earlier to occur of:

(a) the termination of the PILOT Covenants;

(b) the foreclosure, or the making of a deed in lieu of foreclosure, of any portion of the Property, unless the party acquiring the Property agrees to continue the PILOT Covenants under terms and conditions of this agreement;

(c) any default under the PILOT Covenants which is not cured within a reasonable period after notice, which period shall in all events be at least thirty (30) days; or

(cl) any default under this Agreement which is not cured within a reasonable period after notice, which period shall in all events be at least thirty (30) days.

12. Sale; Liens; Company Interests. During the term of this Agreement, the Company

shall not, without the prior written consent of the County, make any transfer, exchange, encumber or otherwise convey its interest in the Property except as permitted by the State Financing Programs' documents. If the Company transfers the Property to a new owner (subject to the terms in Section 11(b) above), then the Company shall be permitted to assign this Agreement to the new owner, provided that (i) the transfer to the assignee was permitted by the State Financing Programs' documents and (ii) the assignee shall be subject to the terms and conditions of this Agreement.

13. State Taxes. The Company acknowledges and agrees that it shall pay all State real property taxes.

14. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, all successors and assigns of the Company.

15. Entire Agreement. This Agreement represents the entire understanding and agreement of the parties relating to the subject matter hereof.

**[SIGNATURES BEGIN ON NEXT PAGE]**

**IN WITNESS WHEREOF**, the Company and the County, by their duly authorized representatives have signed this Agreement as of the date first written above.

**WITNESS/ATTEST:**

**FALL RIVER TERRACE, LLC**

By:

\_\_\_\_\_  
Name:.....  
Title:.....

\_\_\_\_\_  
Name:.....(SEAL)  
Title:.....

[COUNTY SIGNATURES ON FOLLOWING PAGE]

**WITNESS/ATTEST:**

**HOWARD COUNTY, MARYLAND**

\_\_\_\_\_  
Brandee Ganz  
Chief Administrative Officer

By: \_\_\_\_\_(SEAL)  
Calvin Ball  
County Executive

**APPROVED** for Form and Legal

**APPROVED** by Department of Finance

Sufficiency this \_\_\_ day of  
\_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Gary Kuc  
County Solicitor

\_\_\_\_\_  
Rafiu Ighile  
Director

Reviewing Attorney:

\_\_\_\_\_  
Kristen Bowen Perry  
Deputy County Solicitor

**Exhibit A:** Legal Description of Property  
**Exhibit B:** Council Resolution No. \_\_\_\_\_

**EXHIBIT A**

BEING KNOWN AND DESIGNATED as Lot No. 8 (2.841 acres of land, more or less), as shown on Plat entitled "Columbia, Village of Harper's Choice", Section 3, Area 2, Sheet 3 of 6, as recorded among the Land Records of Howard County, Maryland in Plat Book No 13, Page 86.

**EXHIBIT B**

Council Resolution No. ...



BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on \_\_\_\_\_, 2026.

  
\_\_\_\_\_  
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Michelle R. Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on \_\_\_\_\_, 2026.

\_\_\_\_\_  
Michelle R. Harrod, Administrator to the County Council