

**County Council of Howard County, Maryland**

**2017 Legislative Session**

**Legislative Day No. 10**

**Resolution No. 111-2017**

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

A RESOLUTION adopted pursuant to Sections 21-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland (the "Special Taxing District Act") providing for the designation of certain property in Howard County, Maryland located adjacent to U.S. Route 1 and immediately north of the City of Laurel, Maryland as a special taxing district for the purposes of the Special Taxing District Act; creating a special fund pursuant to the Special Taxing District Act; providing for the levy, imposition and collection of special taxes to be deposited to such special fund in the circumstances described herein; providing for the deposit and use of moneys in such special fund; and providing for, finding, and determining matters in connection therewith.

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Introduced and read first time \_\_\_\_\_, 2017

By order \_\_\_\_\_  
Jessica Feldmark, Administrator

Read for a second time at a public hearing on \_\_\_\_\_, 2017.

By order \_\_\_\_\_  
Jessica Feldmark, Administrator

This Resolution was read the third time and was Adopted \_\_\_\_, Adopted with amendments \_\_\_\_, Failed \_\_\_\_, Withdrawn \_\_\_\_, by the County Council on \_\_\_\_\_, 2017.

Certified By \_\_\_\_\_  
Jessica Feldmark, Administrator

Approved by the County Executive \_\_\_\_\_, 2017

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Allan H. Kittleman, 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 **Recitals**

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3 Sections 21-501 *et seq.* of the Local Government Article of the Annotated Code of Maryland  
4 (as replaced, amended or modified from time to time, the “Special Taxing District Act”) authorizes  
5 certain counties, including Howard County, Maryland (the “County”), to create a “special taxing  
6 district” (as such term is used in the Special Taxing District Act), to impose ad valorem taxes or  
7 special taxes on all real and personal property within the special taxing district and to borrow money  
8 by issuing and selling its “bonds” (as such term is defined in the Special Taxing District Act) for the  
9 purpose of financing, refinancing or reimbursing the “cost” (as such term is defined in the Special  
10 Taxing District Act) of establishing, acquiring, designing, constructing, altering or extending  
11 adequate infrastructure improvements as necessary for the development and use of land, including  
12 storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, sidewalks, lighting,  
13 parking, parks and recreational facilities, libraries, schools, transit facilities, and solid waste facilities.  
14 An “infrastructure improvement” (as such term is used in the Special Taxing District Act) the cost  
15 which is financed pursuant to the Special Taxing District Act may be located in the special taxing  
16 district or outside the special taxing district if the infrastructure improvement is reasonably related to  
17 other infrastructure improvements in the special taxing district. The bonds authorized to be issued by  
18 the Special Taxing District Act are special obligations of a county payable from a “special fund” (as  
19 such term is used in the Special Taxing District Act) into which the ad valorem taxes or special taxes  
20 are deposited and applied to pay debt service on the bonds and from any sinking funds or debt service  
21 reserve funds established therefor or other assets or revenues pledged by the county for that purpose.

22 Pursuant to the Special Taxing District Act, a request must be made to the applicable county  
23 by both (i) the owners of at least two-thirds of the assessed valuation of the real property located  
24 within the special taxing district and (ii) at least two-thirds of the owners of the real property

1 located within the special taxing district (calculated in accordance with the provisions of Section 21-  
2 503(c)(2) of the Special Taxing District Act), (a) to establish a special taxing district, (b) to impose  
3 an ad valorem tax or special tax on property within the special taxing district, and (c) to issue bonds.

4 Section 21-506 of the Special Taxing District Act provides that by resolution, the governing  
5 body of a county (i) may designate an area as a special taxing district, (ii) shall create a special fund  
6 with respect to the special taxing district, (iii) shall pledge to the special fund the proceeds of the ad  
7 valorem tax or special tax to be imposed pursuant to the Special Taxing District Act, and (iv) shall  
8 require that the proceeds from the ad valorem tax or special tax be paid into the special fund. Section  
9 21-508(c) of the Special Taxing District Act provides that matters relating to any special tax may be  
10 determined or provided for by ordinance or resolution.

11 20006 Delaware Inc. (as successor-in-interest to MI Developments (Maryland) Inc., MI  
12 Developments (Maryland) LLC and ultimately TSG Developments (Maryland) LLC, “20006  
13 Delaware”) is the current owner of approximately 63.1060 acres of property located in Howard  
14 County, Maryland with a premises address of 10103 North Second Street, Laurel, Maryland 20723,  
15 consisting of tax account number 06-394388 and Map 0050, Grid 0010, Parcel 0384 (the “20006  
16 Delaware Property”). Triple Bell Farms LLC (“Triple Bell Farms” and, together with 20006  
17 Delaware, the “Owners”) is the current owner of approximately 0.198 acres of property located in  
18 Howard County, Maryland with a premises address of 10113 North Second Street, Laurel, Maryland  
19 20723, consisting of tax account number 06-414656 and Map 0050, Grid 0010, Parcel 0441 (the  
20 “Triple Bell Farms Property”). The 20006 Delaware Property and the Triple Bell Farms Property  
21 (collectively, the “Properties”), *together with*, to the extent necessary, all adjoining roads, highways,  
22 alleys, rights of way and other similar property necessary in order to form a contiguous area with  
23 the 20006 Delaware Property and the Triple Bell Farms Property, are outlined on the map attached

1 as Exhibit A to this Resolution. The Properties, *together with*, to the extent necessary, all adjoining  
2 roads, highways, alleys, rights of way and other similar property necessary in order to form a  
3 contiguous area with the 20006 Delaware Property and the Triple Bell Farms Property, are located  
4 entirely within the geographic boundaries of the County.

5 In accordance with the provisions of Section 21-503(c) of the Special Taxing District Act, the  
6 Owners, as the owners of the Properties, have submitted to the County a request entitled a “Request  
7 for the Creation of a Special Taxing District, the Imposition of Special Taxes on Property in the  
8 Special Taxing District and the Financing, Reimbursement or Refinancing of the Cost of Certain  
9 Infrastructure Improvements” (the “Request”). The signatories to the Request represent that the  
10 Owners, as of the date of the Request, collectively (i) own at least two-thirds of the assessed valuation  
11 of the real property located within the requested special taxing district and (ii) constitute at least two-  
12 thirds of the owners of the real property located within the requested special taxing district, calculated  
13 in accordance with the provisions of the Special Taxing District Act with respect to the preceding  
14 clause (ii). In the Request the Owners have asked that the County (i) establish a special taxing district  
15 consisting of the Properties, *together with*, to the extent necessary, all adjoining roads, highways,  
16 alleys, rights of way and other similar property necessary in order to form a contiguous area with  
17 the 20006 Delaware Property and the Triple Bell Farms Property (collectively, the “Special Taxing  
18 District”), (ii) undertake to issue its bonds as special obligations of the County, in one or more series,  
19 from time to time, in order to initially finance, reimburse or refinance all or a portion of the cost of  
20 hard costs and design, engineering and other soft costs of the following improvements to the existing  
21 Laurel Racetrack MARC commuter station and other improvements identified herein: platform and  
22 station improvements, station ramps and access paths, pedestrian tunnel/walkways, two parking  
23 structures with approximately 350 spaces each, site utilities, storm water improvements, roadways

1 and access points and landscaping, permits and contingences, CSX design and construction costs, and  
2 related improvements and costs, together with any other improvements of the nature permitted by the  
3 Special Taxing District Act and approved or provided for by the County (collectively, the  
4 “Improvements”), to the extent permitted under the Special Taxing District Act and any other  
5 applicable law, together with other costs permitted by the Special Taxing District Act and any other  
6 applicable law, including, to the extent applicable, reserves, interest during construction and for a  
7 reasonable period thereafter and issuance costs, and (iii) levy, impose and collect special taxes in  
8 accordance with the Special Taxing District Act on real property located in the special taxing district.  
9 Furthermore, in the Request the Owners have agreed, at their sole cost and expense, to take all actions  
10 requested by the County to inform subsequent owners of any portion of the real property included in  
11 the requested special taxing district of the potential levy and imposition of special taxes on such real  
12 property.

13 In the Request the Owners indicate that 20006 Delaware will serve as the master developer  
14 of the Properties and oversee the development of the Properties as a mixed-use development with  
15 approximately 1,000 multi-family residential units, approximately 127,000 square feet of retail space  
16 and approximately 650,000 square feet of office space.

17 In the Request, the Owners have further requested that the County designate the area of the  
18 Special Taxing District as a geographically coincident “development district” pursuant to the  
19 authority of Sections 12-201 *et seq.* of the Economic Development Article of the Annotated Code of  
20 Maryland, as replaced, supplemented or amended (the “Tax Increment Financing Act” and, together  
21 with the Special Taxing District Act, the “Acts”) and that the County not only issue “bonds” pursuant  
22 to the authority of the Special Taxing District Act but also pursuant to the authority of the Tax  
23 Increment Financing Act and, to the extent determined by the County, any other applicable law. In

1 the Request, the Owners indicate their understanding that (i) any bonds issued pursuant to the  
2 combined authority of the Acts will be payable from incremental tax revenues calculated in  
3 accordance with the provisions of the Tax Increment Financing Act prior to payment from any special  
4 taxes and (ii) to the extent the County determines to pledge other revenues to payment of such bonds,  
5 the County shall determine the priority of sources of payment.

6 The Request specifies that the Owners are asking the County at this time to (i) create the  
7 requested special taxing district, (ii) create the special fund required by the Special Taxing District  
8 Act, (iii) approve the rate and method of apportionment by which special taxes will be levied and  
9 imposed on real property located within the special taxing district, and (iv) provide for disclosure to  
10 subsequent owners of real property within the special taxing district of the nature and methodology  
11 for such special taxes, due to the fact that the Owners anticipate selling a portion of the Properties for  
12 development in the near future and wish to provide for systematic disclosure to future owners of real  
13 property within the special taxing district of the potential imposition of such special taxes. In the  
14 Request the Owners acknowledge that (i) the County, at its sole discretion, and only if it so chooses  
15 to do so, may authorize the issuance of any bonds pursuant to the authority of the Acts and any other  
16 applicable law at a later time and (ii) by adoption of this Resolution, the County is not at this time  
17 approving or identifying the exact Improvements the costs of which may be financed from any such  
18 bonds.

19 The County Council of Howard County, Maryland (the "County Council"), following a public  
20 hearing held prior to the adoption of this Resolution pursuant to notice published in a newspaper of  
21 general circulation in the County not less than 10 days before such hearing as required by Section 21-  
22 505 of the Special Taxing District Act, has determined that a need exists in the County for the  
23 Improvements in connection with proposed development in the special taxing district and that the

1 Improvements will serve to indirectly enhance the taxable base of the County, encourage the  
2 development of residential areas, commerce and industry within the County, increase the general  
3 health and welfare of residents of the County, and increase employment within the County through  
4 the installation of the Improvements benefiting the Special Taxing District and the expected increased  
5 commercial activity within and outside the Special Taxing District.

6 Pursuant to the Special Taxing District Act, the County has determined to designate the  
7 Properties, *together with*, to the extent necessary, all adjoining roads, highways, alleys, rights of  
8 way and other similar property necessary in order to form a contiguous area with the 20006  
9 Delaware Property and the Triple Bell Farms Property, as a special taxing district. The County has  
10 further determined to create the special fund required by the Special Taxing District Act, and to  
11 approve and adopt the rate and method of apportionment by which special taxes may be levied and  
12 imposed on real property in the established special taxing district.

13 **Now, therefore, in accordance with the Special Taxing District Act:**

14 **Section 1. Be it resolved by the County Council of Howard County, Maryland,**

15 That, for the purposes of this Resolution:

16 (a) The terms defined in the Recitals hereto shall have the meanings set forth therein  
17 (unless also defined in this Section 1) and, in addition, the following terms shall have the meanings  
18 set forth below:

19 (i) "Bonds" means any revenue bonds or bond, notes or note, or similar instruments or  
20 instrument (including any of the foregoing which may be referred to as "special obligations") issued  
21 in one or more series by the County from time to time in accordance with the Special Taxing District  
22 Act and any other applicable law (including, without limitation, the Tax Increment Financing Act) to

1 initially finance, reimburse or refinance the cost of the Improvements located in or reasonably related  
2 to the Special Taxing District and other costs permitted by the Special Taxing District Act and any  
3 other applicable law (including, without limitation, the Tax Increment Financing Act).

4 (ii) "Indenture" means any indenture of trust, trust indenture, trust agreement or similar  
5 document (howsoever named) entered into by the County with a trustee identified therein or with  
6 the holder or holders of any Bonds or any Refunding Bonds in connection with the issuance of any  
7 Bonds or any Refunding Bonds, as amended, modified or supplemented from time to time. As  
8 used in this Resolution, Indenture shall be deemed to include and refer to any document that  
9 contains details regarding the terms and provisions of, and security for, any series of Bonds or  
10 Refunding Bonds and is commonly known as a "financing agreement", a "bond and financing  
11 agreement", a "development agreement" or by a similar name.

12 (iii) "Rate and Method" means the Howard County, Maryland Laurel Park Station  
13 Special Taxing District Rate and Method of Apportionment of Special Taxes prepared by  
14 MuniCap, Inc. and attached to this Resolution as Exhibit B, as the same may be replaced,  
15 supplemented or amended from time to time.

16 (iv) "Refunding Bonds" means any revenue bonds or bond, notes or note, or similar  
17 instruments or instrument (including any of the foregoing which may be referred to as "special  
18 obligations") issued in one or more series by the County from time to time in accordance with the  
19 Special Taxing District Act and any other applicable law (including, without limitation, the Tax  
20 Increment Financing Act) in order to refund any of the Bonds then-outstanding and to pay other costs  
21 permitted by the Special Taxing District Act and any other applicable law (including, without  
22 limitation, the Tax Increment Financing Act).



1 (v) "Special Taxes" means the special taxes, if any, that may be levied and imposed by  
2 the County on real property in the Special Taxing District in accordance with the Special Taxing  
3 District Act and the Rate and Method. To the extent the Rate and Method refers to "Special Tax"  
4 rather than "Special Taxes", references in this Resolution to the "Special Taxes" are intended to refer  
5 to the "Special Tax" provided for in the Rate and Method.

6 (vi) "Special Taxes Fund" means the "Laurel Park Station Special Taxes Fund" created  
7 pursuant to Section 6 of this Resolution as a special fund in accordance with the Special Taxing  
8 District Act.

9 (vii) "Special Taxing District" means the area in the County (i) identified by (A) tax  
10 account number 06-394388, Map 0050, Grid 0010, Parcel 0384 and (B) tax account number 06-  
11 414656, Map 0050, Grid 0010, Parcel 0441, *together with*, (C) to the extent necessary, all adjoining  
12 roads, highways, alleys, rights of way and other similar property necessary in order to form a  
13 contiguous area with the property identified in clauses (i) (A) and (B), (ii) as outlined in the map  
14 attached as Exhibit A to this Resolution, and (iii) designated in Section 3 of this Resolution by the  
15 name "Laurel Park Station Special Taxing District", a special taxing district for purposes of the  
16 Special Taxing District Act, as the same may be further modified as provided in Section 4 of this  
17 Resolution.

18 (b) References in this Resolution (i) to provisions of the Annotated Code of Maryland  
19 shall be to such provisions, as replaced, supplemented or amended from time to time, and (ii) to terms  
20 also defined in the Special Taxing District Act are to be construed in accordance with the provisions  
21 of the Special Taxing District Act, and in the event of any inconsistency between such terms as used  
22 in this Resolution and the Special Taxing District Act, the provisions of the Special Taxing District  
23 Act shall control unless the context requires otherwise.

1           **Section 2. And be it further resolved by the County Council of Howard County,**  
2 **Maryland,** That acting pursuant to the Special Taxing District Act, it is hereby found and determined  
3 as follows:

4           (a)     (i) The Recitals to this Resolution are deemed a substantive part of this Resolution  
5 and are incorporated by reference herein, (ii) capitalized terms defined in the Recitals to this  
6 Resolution and not defined in Section 1 hereof will have the meanings given to such terms in such  
7 Recitals and (iii) references to the Sections of the Special Taxing District Act in this Resolution  
8 are to such provisions of the Special Taxing District Act as the same may be replaced,  
9 supplemented or amended from time to time, to the extent applicable.

10          (b)     The creation of the Special Taxing District provided for herein as a special taxing  
11 district within the meaning of the Special Taxing District Act, and any issuance by the County  
12 from time to time of one or more series of the Bonds or the Refunding Bonds pursuant to the  
13 Special Taxing District Act and any other applicable law in order to finance, reimburse or refinance  
14 costs and activities permitted by the Acts and any other applicable law will serve the public  
15 purposes as set forth in this Resolution.

16          (c)     The Improvements, in addition to providing general public benefits to the County  
17 and its citizens and the general public, specifically benefit the Properties by providing needed  
18 infrastructure improvements for the use of the residents, tenants and businesses to be located in  
19 the Special Taxing District, and their visitors and invitees.

20          (d)     The Owners, which are private, for-profit entities, have expressed a desire to  
21 undertake and facilitate (as applicable) new development within the Special Taxing District, and  
22 all of the Owners' current property within the Special Taxing District will be subject to additional  
23 taxation in accordance with the Special Taxing District Act.

1           (e)     Any Special Taxes to be levied and imposed pursuant to the provisions of Section  
2 5 of this Resolution and the Rate and Method identified in Section 5 of this Resolution have been  
3 provided for pursuant to the provisions of Section 21-508(c) of the Special Taxing District Act,  
4 which permits special taxes to be imposed pursuant to the Special Taxing District Act to cover the  
5 cost of infrastructure improvements in a reasonable manner that results in fairly allocating the cost  
6 of such infrastructure improvements; this finding and determination is made in reliance on the  
7 Report identified in Section 5(b) of this Resolution, which sets forth the basis of the reasonable  
8 manner in which the Special Taxes are established, levied and imposed.

9           (f)     Any Special Taxes will not be levied or imposed in a manner that burdens any  
10 parcel of property within the Special Taxing District in excess of the benefit provided by the  
11 Improvements to such parcel; this finding and determination is made in reliance on the Report  
12 identified in Section 5(b) of this Resolution, which sets forth the basis of the reasonable manner in  
13 which the Special Taxes are levied and imposed.

14           (g)     The actual Improvements to be located within the Special Taxing District, or  
15 outside the Special Taxing District if reasonably related to other infrastructure improvements  
16 within the Special Taxing District, the costs of which are initially financed, reimbursed or  
17 refinanced from the proceeds of any Bonds issued by the County pursuant to the Special Taxing  
18 District Act and any other applicable law, will be more fully described and identified in, or  
19 provided for in, a subsequent ordinance or resolution, as applicable. By adoption of this  
20 Resolution, the County Council is *not* authorizing or giving final approval to any component of  
21 the categories of the Improvements identified in this Resolution as potentially being eligible for  
22 bond financing.

1           (h) *By adoption of this Resolution, the County Council is not authorizing the*  
2 *issuance of the Bonds. The issuance of any Bonds must be authorized by a subsequent*  
3 *ordinance and/or resolution of the County Council in accordance with the provisions of the*  
4 *Special Taxing District Act and any other applicable law.*

5           (i) The establishment at this time of the Special Taxing District, the creation of the  
6 Special Taxes Fund, and the adoption and approval of the Rate and Method will both facilitate  
7 initiation of development of the Properties and allow for disclosure to subsequent owners of real  
8 property in the Special Taxing District of the potential imposition and levy of Special Taxes on  
9 their property, which disclosure County Council finds is both necessary and desirable.

10           **Section 3. And be it further resolved by the County Council of Howard County,**  
11 **Maryland,** That acting pursuant to Section 21-506 of the Special Taxing District Act, the County  
12 hereby designates the areas of real property located within the geographic boundaries of Howard  
13 County, Maryland (i) currently identified by (A) tax account number tax account number 06-394388,  
14 Map 0050, Grid 0010, Parcel 0384 and (B) tax account number 06-414656, Map 0050, Grid 0010,  
15 Parcel 0441, *together with*, (C) to the extent necessary, all adjoining roads, highways, alleys, rights  
16 of way and other similar property necessary in order to form a contiguous area with the property  
17 identified in clauses (i) (A) and (B), and (ii) as outlined on the map attached as Exhibit A to this  
18 Resolution as the “Laurel Park Station Special Taxing District” pursuant to Section 21-503 of the  
19 Special Taxing District Act. The aggregate area described in the preceding sentence is also referred  
20 to as the Special Taxing District for purposes of this Resolution and constitutes a “special taxing  
21 district” within the meaning of and for all purposes of the Special Taxing District Act. It is intended  
22 by this designation that any portion of the Special Taxing District identified in this Section 3 that is  
23 subsequently further subdivided, combined or transferred to another party shall continue to be within

1 the Special Taxing District and subject to the provisions of the Special Taxing District and the Rate  
2 and Method, notwithstanding such subdivision, combination or transfer.

3 **Section 4. And be it further resolved by the County Council of Howard County,**  
4 **Maryland,** That this Resolution may be amended by one or more resolutions of the County Council  
5 in order to reduce the Special Taxing District. No such resolution shall be effective to reduce the size  
6 of the Special Taxing District so long as there are any Bonds or Refunding Bonds outstanding with  
7 respect to the Special Taxing District pursuant to the Special Taxing District Act and any other  
8 applicable law, unless the ordinance or resolution with respect to such Bonds or Refunding Bonds  
9 permits the County to reduce the area constituting the Special Taxing District or the applicable  
10 percentage of the holders of such Bonds or Refunding Bonds specified in the Indenture or a  
11 representative on their behalf consents to any such reduction, and such reduction does not violate or  
12 conflict with the provisions of the Rate and Method.

13 **Section 5. And be it further resolved by the County Council of Howard County,**  
14 **Maryland,** That

15 (a) Commencing with the fiscal year provided for in the Rate and Method, and contingent  
16 upon the issuance and delivery of any of the Bonds, there is hereby levied and imposed pursuant to  
17 the Special Taxing District Act special taxes (referred to herein as the “Special Taxes”) on all real  
18 property within the Special Taxing District, unless exempted by law or by the provisions of the  
19 Rate and Method, in an amount equal to the Maximum Special Tax or the Maximum Special Taxes  
20 (the “Maximum Special Taxes”) provided for in the Rate and Method, subject to increase as  
21 specified in the Rate and Method, which Maximum Special Taxes are hereby levied and imposed  
22 upon and allocated among the Parcels of Taxable Property (as defined in the Rate and Method)  
23 located in the Special Taxing District in accordance with the Rate and Method; provided that, the

1 Maximum Special Taxes may be reduced by the Director of Finance of the County (the “Director  
2 of Finance”) in accordance with the Rate and Method. The Special Taxes are hereby levied and  
3 imposed to the extent and in the manner provided in the Rate and Method, through the application  
4 of the procedures provided for in the Rate and Method. The Special Taxes shall take effect and  
5 terminate as provided in the Rate and Method. The Maximum Special Taxes are designed to  
6 provide adequate revenues to pay the principal of, interest on and redemption premium, if any, on  
7 any of the Bonds or the Refunding Bonds, to replenish any debt service reserve fund, and for any  
8 other purpose related to the ongoing expenses of or security for any of the Bonds or the Refunding  
9 Bonds including, but not limited to, the fees of any trustee, counsel, financial or other advisor to  
10 the County, costs related to secondary market disclosure, and costs of collecting and administering  
11 the Special Taxes. The County hereby covenants that the Special Taxes shall be calculated and  
12 imposed in accordance with the Rate and Method at rates and in an amount at least sufficient in  
13 each year in which any of the Bonds or the Refunding Bonds are outstanding to provide, if  
14 necessary, for the payment of the principal of, interest on and any redemption premium on any of  
15 the Bonds or the Refunding Bonds, to replenish any debt service reserve funds and to provide for  
16 ongoing expenses of or security for any of the Bonds or the Refunding Bonds, all in accordance  
17 with the Rate and Method. There shall be credited against the County’s obligation to impose and  
18 collect the Special Taxes in any fiscal year any revenues or other assets available for such purpose  
19 in accordance with the provisions of the Rate and Method. The County Council hereby authorizes  
20 and directs the Director of Finance, on behalf of the County, to determine the amount of the Special  
21 Taxes to be collected from each Parcel of Taxable Property in each year in accordance with the  
22 procedures set forth in the Rate and Method, which amount to be collected may be in any amount  
23 less than the Maximum Special Tax allocable to each such Parcel in accordance with the Rate and

1 Method, but may not exceed the Maximum Special Tax allocated to each such Parcel pursuant to  
2 the Rate and Method. The Special Tax on any Parcel is subject to prepayment in accordance with  
3 the Rate and Method. The Special Taxes shall be collected in the same manner and at the same  
4 time as ordinary real property taxes and shall be secured in the same manner as general ad valorem  
5 taxes and shall be subject to the same penalties and the same procedure, sale and lien priority in  
6 case of delinquency as is provided for general ad valorem taxes; provided, however, that the  
7 Special Taxes may be collected at a different time or in a different manner as determined by the  
8 County provided that such time or manner is not inconsistent with the provisions of any Indenture  
9 pursuant to which the Bonds or any Refunding Bonds are issued. The Rate and Method was  
10 prepared by MuniCap, Inc. at the request of the Owners and for the benefit of the County. The  
11 County hereby adopts the provisions of the Rate and Method the same as if such provisions were  
12 set forth in full in this Resolution and, to the extent of any inconsistency between the provisions  
13 of this Section 5(a) and the Rate and Method, the provisions of the Rate and Method shall control.

14 (b) Attached hereto as Exhibit C and incorporated by reference herein as though set  
15 forth herein in full is the Laurel Park Station Special Taxing District Howard County, Maryland  
16 Special Tax Report (the “Report”), prepared by MuniCap, Inc. at the request of the Owners and  
17 for the benefit of the County, which Report documents the methodology utilized in apportioning  
18 the Special Taxes and, based on, and in reliance upon, the Report the County Council finds that  
19 the methodology is reasonable and results in fairly allocating the costs of the Improvements as  
20 required by the Special Taxing District Act.

21 **Section 6. And be it further resolved by the County Council of Howard County,**  
22 **Maryland, That**

1 (a) Pursuant to Section 21-506 of the Special Taxing District Act, there is hereby created  
2 a “special fund” within the meaning of the Special Taxing District Act to be designated the “Laurel  
3 Park Station Special Taxes Fund” (the “Special Taxes Fund”).

4 (b) The taxes derived from the levy of the Special Taxes pursuant to the Special Taxing  
5 District Act and the Rate and Method, once any such Special Taxes are levied and collected, shall be  
6 paid over to the Special Taxes Fund pursuant to Section 21-506 of the Special Taxing District Act  
7 and the provisions of this Section 6.

8 (c) Until any Bonds and any Refunding Bonds have been fully paid and the Indenture has  
9 been discharged in accordance with its terms, the County hereby pledges that it will pay any and all  
10 amounts collected from the Special Taxes into the Special Taxes Fund established pursuant to this  
11 Section 6. This pledge to pay such Special Taxes derived from the real properties located in the  
12 Special Taxing District is intended to be in complete fulfillment of the condition precedent to the  
13 issuance of any of the Bonds or the Refunding Bonds contained in Section 21-506(b) of the Special  
14 Taxing District Act. The pledge to so pay those collected Special Taxes shall be continuous and  
15 irrevocable as long as any of the Bonds or the Refunding Bonds are outstanding.

16 (d) The Director of Finance of the County or other appropriate fiscal officials of the  
17 County are hereby directed and authorized to deposit or cause to be deposited to the Special Taxes  
18 Fund all Special Taxes received by the County in accordance with the provisions of this Resolution,  
19 the Rate and Method and the Special Taxing District Act.

20 (e) The County Executive of the County (the “County Executive”), the Director of  
21 Finance and other appropriate officials of the County, to the extent applicable, are hereby authorized  
22 to take all necessary steps to establish, hold, manage and invest the Special Taxes Fund to be held by  
23 the County and to apply any proceeds of the Special Taxes on deposit in the Special Taxes Fund in



1 accordance with the provisions of the Special Taxing District Act and the Indenture. If the Indenture  
2 so provides, the Special Taxes Fund may be held and managed in accordance with the provisions of  
3 the Indenture.

4 (f) Moneys in the Special Taxes Fund may only be used to pay the principal of, interest  
5 on, and redemption premium, if any, on the Bonds or the Refunding Bonds, to replenish any debt  
6 service reserve fund established under the Indenture, or for any purpose related to the ongoing  
7 expenses of or security for the Bonds or the Refunding Bonds, and as permitted by the Special Taxing  
8 District Act.

9 **Section 7. And be it further resolved by the County Council of Howard County,**  
10 **Maryland,** That if no Bonds or Refunding Bonds are outstanding with respect to the Special Taxing  
11 District, and the governing body of the County so determines, moneys in the Special Taxes Fund may  
12 be used as provided in Section 21-507 of the Special Taxing District Act; otherwise, moneys in the  
13 Special Taxes Fund shall be used and applied solely as permitted by the Indenture and the Special  
14 Taxing District Act. Upon termination of the Special Taxing District, any moneys in the Special Fund  
15 shall be applied in accordance with Section 21-509 of the Special Taxing District Act.

16 **Section 8. And be it further resolved by the County Council of Howard County,**  
17 **Maryland,** That the County Executive, the Director of Finance and all other appropriate officials  
18 and employees of the County are hereby further authorized to undertake all such acts and things  
19 and negotiate, approve and execute such other documents, certificates or instruments as shall be  
20 deemed necessary or desirable by them or upon the advice of counsel, to the extent such activities  
21 are within the scope of their authority, in order to facilitate the transactions contemplated by this  
22 Resolution, subject to any limitations specified in the Special Taxing District Act; provided that,

1 the provisions of this Section 8 shall **not** be construed as authorizing the issuance of any Bonds or  
2 Refunding Bonds.

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

13 **Section 10. And be it further resolved by the County Council of Howard County,**  
14 **Maryland,** That it is the intention of the County Council that the provisions of this Resolution shall  
15 be liberally construed in order to effectuate the transactions contemplated hereby and by the Special  
16 Taxing District Act.

17 **Section 11. And be it further resolved by the County Council of Howard County,**  
18 **Maryland,** That in the event no Bonds are issued pursuant to the Special Taxing District Act for the  
19 purposes contemplated by this Resolution on or before June 30, 2020, this Resolution shall expire  
20 without further action by the County Council and shall be of no further force and effect. The County  
21 Council may extend the effectiveness of this Resolution prior to its expiration by adopting a  
22 supplemental resolution.

**EXHIBIT A**

**MAP OUTLINING BOUNDARIES OF THE SPECIAL TAXING DISTRICT**

**[See Attached]**



**Laurel Park Station  
Special Taxing District Parcels**

Map Number	ACCTID	OWNNAME	ACRES	2017 Assessed Value
1	1406394388	MI DEVELOPMENTS INC	63.1040	\$7,927,600
2	ROW	STATE HIGHWAY ADMINISTRATION	0.1290	\$0
3	1406414656	TRIPLE BELL FARMS LLC	0.1986	\$183,800
4	ROW	STATE HIGHWAY ADMINISTRATION	0.1130	\$0
<b>Total</b>			<b>63.5446</b>	<b>\$8,111,400</b>

**EXHIBIT B**

**RATE AND METHOD**

**[See Attached]**

**HOWARD COUNTY, MARYLAND**  
**LAUREL PARK STATION**  
**SPECIAL TAXING DISTRICT**

**RATE AND METHOD OF APPORTIONMENT**  
**OF SPECIAL TAXES**

A Special Tax is hereby levied and shall be collected in the Laurel Park Station Special Taxing District (the “District”) each Fiscal Year, beginning with the Commencement Date and continuing until the Termination Date, in an amount determined through the application of the procedures described below. All of the real and personal property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**A. DEFINITIONS**

The terms used herein shall have the following meanings:

“**Act**” means Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended from time to time.

“**Adjusted Maximum Special Tax**” means the Special Tax determined in accordance with Section B.3.

“**Administrative Expenses**” means any or all of the following costs and expenses of the County incurred in connection with the discharge of its duties in connection with the administration of the District or the Bonds, including without limitation: the costs and expenses of the County in carrying out its duties under the Indenture of Trust, including, but not limited to, calculating, levying and collecting the Special Tax (whether collected by the County or otherwise) and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including an allocable share of the salaries of the County staff directly related to the administration of the District and a proportionate amount of County general administration overhead related thereto, and the out-of-pocket costs and expenses of the County for any professionals retained by the County to provide services for such purposes; any amounts required to be rebated by the United States of America to comply with the arbitrage rebate requirements applicable to the Bonds, including payments in lieu of rebate; fees payable for any bond insurance or other financial guaranty or credit enhancement with respect to any Bonds or under the Indenture of Trust, including, without limitation, any credit facility for any reserve fund; any unpaid cost or expense of the County, including, without limitation, fees and expenses of legal counsel and any professionals retained by the County, for which the County is entitled to indemnification pursuant to a development agreement or other agreements relating to the District incurred in connection with the defense by the County or the bringing by the County of any claim, demand, suit or cause of action relating to the issuance of any Bonds, the establishment of the District, the levy or collection of the Special Tax or any other matters related thereto; any fees, expenses or costs included in the definition of Administrative Expenses set forth in the Indenture of Trust and not specifically

included herein; and all other costs and expenses of the County, the Trustee, and the Administrator incurred in connection with the discharge of their respective duties, including legal fees and expenses associated with such duties.

**“Administrator”** means the designee of the County for purposes of estimating the annual Special Tax Requirement and the Special Tax to be collected each Fiscal Year and for providing other services as required herein or by the Indenture of Trust.

**“Bonds”** means any bonds or other debt, including refunding bonds, whether in one or more series, issued for the District by the County pursuant to the Act and any other applicable law.

**“Building Square Footage” or “BSF”** means the actual, or for property not yet developed, the estimated, leasable building area as shown on the building permit, architectural plans or other available documents, as estimated by the Administrator.

**“Commencement Date”** means the first Fiscal Year in which Special Taxes are levied and may be collected, which shall be the first Fiscal Year after the issuance of the Bonds.

**“Completion of Construction”** means the later of (i) completion of all of the Public Improvements as evidenced by a certificate of completion (as provided for in the Indenture of Trust) and (ii) the end of the capitalized interest period on the Bonds.

**“County”** means Howard County, Maryland.

**“Date of Classification”** means the date each year determined by the County to classify property for purposes of determining the Special Tax for each Parcel.

**“Developed Property”** means Parcels of Taxable Property for which a building permit has been issued that allows the construction of a structure.

**“Development District”** means the Laurel Park Station Development District to be created pursuant to a resolution enacted by the County.

**“Director of Finance”** means the official of the County who is the director of finance or other comparable officer of the County or designee thereof.

**“District Maximum Special Tax”** means \$4,296,395 for the Commencement Date. On each July 1 after the Commencement Date, the District Maximum Special Tax shall be increased to 102 percent of the District Maximum Special Tax in effect in the previous Fiscal Year. The District Maximum Special Tax as of any date shall be reduced for (i) any prepayments of Special Taxes pursuant to Sections J, K, or L occurring prior to such date and (ii) a reduction in Maximum Special Tax pursuant to Section H.



**“Equivalent Units”** means:

Residential For Sale A Property	1.41	Per Unit
Residential For Sale B Property	1.13	Per Unit
Residential For Sale C Property	1.00	Per Unit
Residential For Sale D Property	0.76	Per Unit
Residential Rental A Property	0.66	Per Unit
Residential Rental B Property	0.44	Per Unit
Retail Property	1.07	Per 1,000 BSF
Office Property	0.89	Per 1,000 BSF
Hotel Property	0.39	Per Room

**“Fiscal Year”** means the period starting any July 1 and ending on the following June 30.

**“Hotel Property”** means property used or intended for use as hotel facilities, including any ancillary space thereto.

**“Indenture of Trust”** means the indenture of trust relating to the Bonds, or any other agreement pursuant to which any series of the Bonds is issued, by whatever name known, as modified, amended and/or supplemented from time to time.

**“Mandatory Prepayment of the Special Tax”** means the required partial prepayment of the Special Tax pursuant to Section L.

**“Maximum Special Tax”** means the Special Tax determined in accordance with Section B.1 or B.2.

**“Maximum Special Tax Rates”** means the Special Tax determined in accordance with Section B, as reduced pursuant to Section H.

**“Net Land Area”** means the estimated area of Taxable Property of a Parcel on which buildings or related improvements may be constructed, taking into consideration the development legally permissible, the proposed or planned development, and existing or proposed Public Property, exclusive use easements, and other areas on which development may not occur.

**“Office Property”** means property used or intended for use primarily as office facilities, including any ancillary space thereto.

**“Owner Association Property”** means, for any Fiscal Year, any real property within the boundaries of the District that is owned by or irrevocably offered for dedication to a property owner's association and available for use in common by property owners.

**“Parcel”** means a lot or parcel of real property within the District with a parcel number assigned by the tax collector or a separate legal parcel identified by the County for purposes of collecting Special Taxes.

**“Proportionately”** means that the ratio of the actual Special Tax to be collected as a percent of the Adjusted Maximum Special Tax is equal for each Parcel (excluding those Parcels for which the Adjusted Maximum Special Tax is zero).

**“Public Improvements”** means those public improvements the County authorizes to be constructed for the benefit of the District and funded by the Bonds.

**“Public Property”** means property within the boundaries of the District owned by, or irrevocably offered for dedication (in a plat map approved by the County or otherwise) to, the federal government, State of Maryland, the County, other entities exempt from taxation for public purposes, or other public agency or instrumentality, or easements for the exclusive use of a public utility provider; provided, however, that exclusive use utility easements and real property that has been irrevocably dedicated includes only those parcels or portions of parcels for which a copy of the easement or offer has been provided to the Administrator.

**“Required Maximum Special Tax”** means the required Maximum Special Tax, if any, as provided for in the Indenture of Trust.

**“Residential For Sale A Property”** means Residential Property other than Residential Rental Property, Residential For Sale B Property, Residential For Sale C Property, and Residential For Sale D Property.

**“Residential For Sale B Property”** means Residential Property other than Residential Rental Property, Residential For Sale C Property, and Residential For Sale D Property, with income of not more than 80% of the Howard County median income, including any ancillary uses thereof.

**“Residential For Sale C Property”** means stacked flats other than Residential For Sale D Property that generally consists of units either attached, above, or below other units for sale to the general public, including any ancillary uses thereof.

**“Residential For Sale D Property”** means stacked flats that generally consists of units either attached, above, or below other stacked flat units for sale to the general public, with income of not more than 80% of the Howard County median income, including any ancillary uses thereof.

**“Residential Property”** means Taxable Property for which a building permit has been or is intended to be issued for purposes of constructing a residential dwelling unit(s).

**“Residential Rental Property”** means Residential Rental A Property and Residential Rental B Property, as applicable.

**“Residential Rental A Property”** means Residential Property acting as a detached building containing three or more rental dwelling units that is part of a residential planned and managed development for rent and under common management, including any ancillary uses thereof.

**“Residential Rental B Property”** means Residential Property acting as a detached building containing three or more rental dwelling units that is part of a residential planned and managed development for rent and under common management, available for occupancy by a household

with income of not more than 80% of the Howard County median income, including any ancillary uses thereof.

**“Retail Property”** means property used or intended for use primarily for retail purposes, including restaurants or stores, selling goods or services to the general public, including any ancillary uses thereof.

**“Special Tax”** means the special tax that has been levied and that may be collected each year by the County on Taxable Property to fund the Special Tax Requirement.

**“Special Tax Credit”** means, for any Fiscal Year, Tax Increment Revenues related to the Parcel available to apply as a Special Tax Credit pursuant to the Indenture of Trust and included in the Special Tax Requirement for that Fiscal Year. For purposes of calculating the Tax Increment Revenues for each Parcel, the base year value shall be allocated to each Parcel on the basis of the assessed value of the land of each Parcel.

**“Special Tax Requirement”** has the meaning given to it in Section D.1.

**“Tax Increment Fund”** means the Laurel Park Station Tax Increment Fund established for the Development District pursuant to a resolution enacted by the County.

**“Tax Increment Revenues”** means the amounts paid or to be paid into the Tax Increment Fund each year by the County, if any, that are available to be applied to reduce the Special Tax Requirement pursuant to the Indenture of Trust.

**“Taxable Property”** means any Parcel that is not Public Property or Owner Association Property.

**“Termination Date”** means the last Fiscal Year in which Special Taxes have been levied and may be collected as provided for in Section G.

**“Trustee”** means any trustee appointed by the County for the District to carry out the duties of the trustee specified in the Indenture of Trust. If no trustee is provided for a series of the Bonds under the Indenture of Trust, references to trustee shall be construed to mean the holder(s) of such series of the Bonds.

**“Undeveloped Property”** means Parcels of Taxable Property not classified as Developed Property.

## **B. MAXIMUM SPECIAL TAX**

### **1. Developed Property**

Beginning with the Commencement Date, the Maximum Special Tax for each Parcel of Developed Property shall be equal to the product of the number of residential dwelling units and Building Square Footage that may be built on such Parcel and the Maximum Special Tax Rate for each class of property shown in Table A below.

**TABLE A**  
**Developed Property**  
**Maximum Special Tax Rates**  
**(Commencement Date)**

<b>Property Class</b>	<b>Maximum Special Tax Rates per Unit/1,000 BSF/Room</b>	
Residential For Sale A Property	\$3,916	Per Unit
Residential For Sale B Property	\$3,139	Per Unit
Residential For Sale C Property	\$2,778	Per Unit
Residential For Sale D Property	\$2,111	Per Unit
Residential Rental A Property	\$1,833	Per Unit
Residential Rental B Property	\$1,222	Per Unit
Retail Property	\$2,972	Per 1,000 BSF
Office Property	\$2,472	Per 1,000 BSF
Hotel Property	\$1,083	Per Room

On each July 1 following the Commencement Date, the Maximum Special Tax Rates shown in Table A shall be increased to 102 percent of the respective Maximum Special Tax Rate in effect in the previous Fiscal Year.

The computation of the number of units, BSF, or rooms for each Parcel shall be based on the information available regarding the use of the Parcel, which may include acreage and reasonable density ratios, and such computation shall be conclusive as long as there is a reasonable basis for such determination.

2. Undeveloped Property

The Maximum Special Tax for any Fiscal Year for each Parcel classified as Undeveloped Property shall be determined by the following formula:

$$A = (B - C) \times (D \div E)$$

Where the terms have the following meaning:

- A = The Maximum Special Tax for a Parcel of Undeveloped Property
- B = The District Maximum Special Tax
- C = The Maximum Special Tax on all Parcels of Developed Property
- D = The Net Land Area of the Parcel for which the Special Tax is being calculated
- E = The Net Land Area of all of the Parcels of Undeveloped Property.

3. Adjusted Maximum Special Tax

The Adjusted Maximum Special Tax for each Parcel shall be equal to the lesser of (but not less than zero) (i) the Maximum Special Tax for the Parcel and (ii) the amount calculated by the following formula:

$$A = B - C$$

Where the terms have the following meaning:

A	=	The Adjusted Maximum Special Tax for a Parcel
B	=	The Maximum Special Tax for a Parcel calculated as set forth above
C	=	The Special Tax Credit for the Parcel

The Special Tax Credit applied to all Parcels shall not exceed the Tax Increment Revenues applied to the Special Tax Requirement as provided for in Section D.1.

4. Personal Property

The Special Tax Rate on personal property shall be zero.

**C. ASSIGNMENT TO LAND USE CATEGORIES**

For each Fiscal Year, each Parcel shall be classified as Public Property, Owner Association Property, or Taxable Property. Each Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property. Each Parcel of Developed Property shall be classified as Residential Property, Office Property, Hotel Property or Retail Property. Each Parcel of Residential Property shall be classified as Residential For Sale A Property, Residential For Sale B Property, Residential For Sale C Property, Residential For Sale D Property, Residential Rental A Property, or Residential Rental B Property. Each classification shall be made on the basis of the classification that most nearly matches the property being classified. The classification of Parcels shall be made based on the status of each Parcel as of the Date of Classification.

**D. LEVY AND COLLECTION OF SPECIAL TAXES**

Special Taxes are levied each Fiscal Year, beginning with the Commencement Date and continuing until the year provided for in Section G hereof, at the Maximum Special Tax. Special Taxes shall be collected each Fiscal Year as provided for below.

1. Special Tax Requirement

The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and determined by the Director of Finance and shall be an amount equal to (A) the amount required in any Fiscal Year to pay: (1) debt service and other periodic costs (including deposits to any sinking funds) to be paid from the Special Tax collected in such Fiscal Year, (2) Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal Year and not paid by the District, (3) any amount required to replenish any reserve fund established in association

with any Bonds, (4) a contingency, which may include estimated delinquencies expected in payment of Special Taxes, and (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash) less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as capitalized interest, reserves, and investment earnings on any account balances, and (3) any other revenues available to apply to the Special Tax Requirement pursuant to the Indenture of Trust.

## 2. Collection of the Special Tax

Beginning with the Commencement Date and for each following Fiscal Year, the Special Tax shall be collected as provided below.

**First:** Special Taxes shall be collected Proportionately from each Parcel of Undeveloped Property up to the Adjusted Maximum Special Tax for such property to the extent necessary to fund the Special Tax Requirement.

**Second:** If additional monies are needed to fund the Special Tax Requirement after the first step has been completed, Special Taxes shall be collected Proportionately from each Parcel of Developed Property up to 100 percent of the Adjusted Maximum Special Tax for such property, to the extent necessary to fund the Special Tax Requirement.

The Administrator shall provide an estimate to the County prior to each Fiscal Year of the amount of Special Taxes to be collected from each Parcel in conformance with the provisions of this section.

## 3. Circumstances Under Which Special Taxes May Be Increased as a Result of a Default

Special Taxes levied on any Parcel may be increased as a result of a default in the payment of the Special Taxes based on the provisions of Section D.1. and D.2. The Special Taxes levied on any Parcel cannot be increased above the Adjusted Maximum Special Tax as a result of a default in the payment of Special Taxes levied on any other Parcel. However, if Special Taxes to be collected from any Parcel pursuant to the provisions of Sections D.1. and D.2. are less than the Adjusted Maximum Special Tax for such Parcel, the Special Tax to be collected may be increased up to the Adjusted Maximum Special Tax for such Parcel as a result of a default in the payment of the Special Tax to be collected from any Parcel.

## E. EXEMPTIONS

The Special Tax is not levied on and shall not be collected from Public Property or Owner Association Property.

## F. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary real property taxes; provided, however, the Special Tax may be collected at a different time or in a different manner as determined by the County, provided that such time or manner is not

inconsistent with the provisions of the Indenture of Trust. The Special Tax shall be secured in the same manner as general ad valorem taxes and shall be subject to the same penalties and interest and the same procedure, sale and lien priority in case of delinquency as is provided for general ad valorem taxes.

#### **G. TERMINATION OF SPECIAL TAXES**

Except for any delinquent Special Taxes related to penalties and interest, Special Taxes shall not be collected from any Parcel after the earlier of (i) the repayment or defeasance of all Bonds and (ii) such time provided for by the Indenture of Trust.

#### **H. REDUCTION IN THE MAXIMUM SPECIAL TAXES**

The Maximum Special Tax Rates and the District Maximum Special Tax may be reduced by the Director of Finance once all of the Bonds are issued to reflect the actual debt service on the Bonds such that the District Maximum Special Tax and the Maximum Special Tax that may be collected from all Parcels of Developed Property at the expected build-out of the District is equal to the minimum debt service coverage requirement provided for in the Indenture of Trust, if any. The Director of Finance shall make any such reductions in writing and shall provide a copy of such reductions to the Administrator and the Trustee.

#### **I. SPECIAL TAX APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct and requesting a refund may file a written notice of appeal and refund to that effect with the Director of Finance not later than one calendar year after the due date (i.e., July 1) for the Special Tax that is disputed. Such appeal may not affect the due date of the payment of the Special Tax. The Director of Finance, or the designee of the Director of Finance, shall promptly review all information supplied by the appellant in support of the appeal and, if necessary, meet with the property owner, and decide the appeal. If the decision of the Director of Finance requires the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy or unless sufficient funds will otherwise be available to meet the Special Tax Requirement), but an adjustment shall be made to the next Special Tax levy on that Parcel. The decision of the Director of Finance may be appealed to the County's chief administrative officer, who shall hold a hearing on the appeal and consider any written or oral evidence presented by appellant. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

#### **J. PREPAYMENT OF SPECIAL TAXES**

The Special Tax for any Parcel may be prepaid and the obligation to pay the Special Tax for the Parcel permanently satisfied as provided for herein. The Special Tax to be prepaid for Parcels of Undeveloped Property shall be calculated as if the Parcels were Developed Property.

The Special Tax prepayment amount shall be equal to the following: (a) the sum of the following: (i) Principal, (ii) Premium, (iii) Defeasance, and (iv) Fees, (b) less the Reserve Fund Credit, if any, plus any delinquent Special Tax on such Parcel, including any applicable penalties and related costs, where the terms have the following meanings:

**Principal** means a portion of the principal of the Bonds equal to (i) the Maximum Special Tax for the Parcel for which the Special Tax is being prepaid for the Fiscal Year in which such prepayment is made divided by (ii) the Maximum Special Tax for all Taxable Property in the District upon full development of the District using the Maximum Special Tax Rates for the Fiscal Year in which such prepayment is made with the result multiplied by (iii) the total Bonds outstanding after application of the Special Tax collected in the corresponding Fiscal Year plus any additional Bonds authorized to be issued.

**Premium** means an amount equal to the Principal multiplied by the applicable redemption premium for the Bonds to be redeemed on the earliest date on which such Bonds are to be redeemed, as provided for in the Indenture of Trust. There shall be no Premium if the prepayment is made prior to the issuance of any Bonds.

**Defeasance** means the amount needed to pay interest on the Principal until the earliest call date for the Bonds to be redeemed, less (a) the amount that is projected to be received by the Trustee from the reinvestment of the Special Tax prepayment until such Bonds are redeemed from the prepayment and (b) the Special Tax paid prior to the prepayment that will be applied to the interest on or principal of the Bonds that is included in the calculation of the Principal or Defeasance.

**Fees** means Administrative Expenses associated with the prepayment, including but not limited to the calculation of the prepayment, the costs of redeeming the Bonds (including, but not limited to, any costs associated with effectuating a defeasance in accordance with the Indenture of Trust), legal, financial advisory and verification agent fees and expenses, as applicable, and the costs of recording or publishing any notices related to the prepayment and the redemption of the Bonds.

**Reserve Fund Credit** means any reduction in funds required to be on deposit in the reserve fund resulting from the redemption of Bonds, as provided for in the Indenture of Trust.

The sum of the amounts calculated herein shall be paid to the County or the Trustee and shall be used to pay and redeem the Bonds in accordance with the Indenture of Trust and to pay the Administrative Expenses associated with the prepayment. Upon the payment of such prepayment amount to the County or the Trustee, the obligation to pay the Special Tax for such Parcel shall be deemed to be permanently satisfied, and the Special Tax shall not be collected thereafter from such Parcel.

#### **K. PARTIAL PREPAYMENT OF SPECIAL TAXES**

The Special Tax for any Parcel may be partially prepaid in an amount convenient to call Bonds as determined by the Administrator and that portion of the Special Tax obligation permanently satisfied. The amount of the prepayment shall be calculated as in Section J; except, however, the Principal portion shall be calculated according to the following formula:



$$A = B \times C$$

Where the terms have the following meaning:

- A = the principal portion of the partial prepayment
- B = the principal portion of the prepayment calculated according to Section J
- C = the percent by which the Special Tax is to be partially prepaid

With respect to any Parcel for which the Special Tax is partially prepaid, the County shall (i) distribute the funds remitted to it according to the Indenture of Trust, and (ii) indicate in the records of the District that there has been a partial prepayment of the Special Tax and that this portion of the Special Tax shall not be collected thereafter from such Parcel. Following a partial prepayment of the Special Tax with respect to any Parcels, the outstanding percentage of the Special Tax shall continue to be collected from such Parcels.

#### **L. MANDATORY PREPAYMENT OF SPECIAL TAXES**

A Mandatory Prepayment of the Special Tax shall be required upon any event that results in a reduction in the number of Equivalent Units, if provided for in the Indenture of Trust, including the conversion of Taxable Property to Public Property, such that the Maximum Special Tax for all Taxable Property in the District upon full development of the District will be less than the Required Maximum Special Tax. A reduction in Equivalent Units shall be based on the methodology set forth in Indenture of Trust relating to the determination of the Required Maximum Special Tax.

The Mandatory Prepayment of Special Tax shall be calculated as set forth in Section J; however, "Principal" shall be calculated according to the following formula:

$$A = [(B - C) \div D] \times E$$

Where the terms have the following meaning:

- A = the principal portion of the Mandatory Prepayment of Special Tax
- B = the Required Maximum Special Tax
- C = the Maximum Special Tax for the Parcel, calculated as set forth above
- D = the Maximum Special Tax for all Taxable Property in the District upon full development of the District
- E = the total principal amount of Bonds outstanding.

The amounts calculated in the preceding formula shall be paid to the County or the Trustee in accordance with the Indenture of Trust and shall be used to pay and redeem the Bonds in accordance with the Indenture of Trust and to pay the Administrative Expenses associated with the Mandatory Prepayment of Special Tax.

The Mandatory Prepayment of Special Tax shall be due prior to the recordation, conveyance, or other action that results in a change to any Parcel resulting in a Mandatory Prepayment of Special Tax. In the event the Mandatory Prepayment of Special Tax is not paid prior to the

change in any Parcel, the total Mandatory Prepayment of Special Tax may be collected from any and all of the resulting Parcels. The Mandatory Prepayment of Special Tax shall have the same sale and lien priorities as provided for by law for Special Taxes.

The Mandatory Prepayment of Special Tax shall not exceed the amount required to provide for the payment or redemption of the principal amount of the outstanding Bonds plus the other amounts set forth in Section J.

#### **M. AMENDMENTS**

This Rate and Method of Apportionment of Special Taxes may be amended by the County and, to the maximum extent permitted by the Act, such amendments may be made without further notice under the Act and without notice to or the consent of the owners of Taxable Property within the District in order to (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of the Special Tax so as to assure the efficient collection of the Special Tax for the benefit of the owners of the Bonds, and (iii) otherwise improve the ability of the County to fulfill its obligations to levy and collect the Special Tax to make it available for the payment of the Bonds and Administrative Expenses. Any such amendment may not increase the Maximum Special Tax.

#### **N. INTERPRETATION OF PROVISIONS**

The Director of Finance shall make all interpretations and determinations related to the application of this Rate and Method of Apportionment of Special Taxes, unless stated otherwise herein or in the Indenture of Trust, and as long as there is a rational basis for the determination made by the County, such determination shall be conclusive. All terms and provisions herein shall be liberally construed to effectuate the purposes set forth herein.

#### **O. SEVERABILITY**

If any section or part of a section of this Rate and Method of Apportionment of Special Taxes is declared invalid or unenforceable, the validity, force, and effect of any other section or part of a section herein shall not thereby be affected or impaired unless such other section or part of a section herein is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unenforceable.

**EXHIBIT C**

**SPECIAL TAX REPORT**

**[See Attached]**

**HOWARD COUNTY, MARYLAND**

**LAUREL PARK STATION  
SPECIAL TAXING DISTRICT**

**SPECIAL TAX REPORT**

Prepared By:

**MuniCap, Inc.**

June 21, 2017

**HOWARD COUNTY, MARYLAND  
LAUREL PARK STATION  
SPECIAL TAXING DISTRICT  
SPECIAL TAX REPORT**

**Purpose of Report**

The Laurel Park Station Special Taxing District (the “District”) is being created to facilitate the financing of all or a portion of the costs of the public improvements for the District, including costs related to the issuance of the bonds. Bonds may be authorized to be issued by Howard County, Maryland (the “County”) to fund the costs of the public improvements for the benefit of property within the District. The bonds will finance one or more of the following: all or a portion of the costs of the public improvements, issuance costs, interest on the bonds during construction as well as for a period after construction, and a debt service reserve fund.

The County will levy a special tax each year to provide funds for the payment of debt service on the bonds, to replenish the debt service reserve fund if needed, cover the cost of administration of the District, and fund other costs related to the bonds. The District is being created, special taxes levied, and bonds issued pursuant to the Special Taxing District Act, Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland (as amended from time to time, the “Act”). The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes levied as described in the “Rate and Method of Apportionment of Special Taxes” (the “RMA”) for the District. Capitalized terms not defined herein shall have the meaning as defined in the RMA.

**Description of the Special Taxing District**

The District includes multiple tax parcels as identified in the below table and consists of approximately 63.5 acres. The District is vacant property currently utilized as overflow parking for the Laurel Park Racetrack and MARC commuter rail stop. The District is bounded by Route 1 and existing properties to the north and northwest, the Patuxent River to the south and southwest, and the main CSX/MARC commuter rail line to east and southeast.

The tax parcels comprising the District are shown in Table A.

**Table A**  
**Tax Parcels Within the District**

<i>Exhibit A Ref.</i>	<i>Account No.</i>	<i>Address</i>	<i>Owner</i>	<i>Acreage</i>	<i>Assessed Value<sup>1</sup></i>
1	1406394388	10103 N. Second St.	MI Developments Inc.	63.1040	\$7,927,600
2	ROW	ROW	State Highway Admin.	0.1290	\$0
3	1406414656	10113 N. Second St.	Triple Bell Farms LLC	0.1986	\$183,800
4	ROW	ROW	State Highway Admin.	0.1130	\$0
<b>Total</b>				<b>63.5446</b>	<b>\$8,111,400</b>
<sup>1</sup> Maryland State Department of Assessments and Taxation.					

A map outlining the proposed area of the District is shown in Exhibit A, attached hereto.

The property in the District is located in a Transit Oriented Development District (“TOD District”) per Howard County zoning regulations. TOD Districts are intended to provide for the redevelopment of key parcels of land within close proximity (3,500 feet) of a MARC station. The goal of a TOD District is to encourage mixed-use centers combining office and high-density residential development while providing access to transit links. For sites of at least 50 acres, a diversity of dwelling unit types and retail uses are encouraged.

At least 15% of the dwelling units are required to be moderate income housing units and no more than 50% of the developable acreage, excluding road right-of-way and open space, shall be devoted to residential buildings and parking.

Exhibit B attached hereto shows a map of the TOD District and includes a list of permitted uses and requirements pursuant to Section 127.4 of the Howard County Zoning Regulations.

The development to be completed and included in the District is shown by Table B. This development is consistent with the proposed zoning regulations outlined for a TOD District as described above.

**Table B**  
**Proposed Special Taxing District Development**

<i>Property Type</i>	<i>Area<sup>1</sup></i>			
	<i>Units</i>	<i>SF Per Unit</i>	<i>SF</i>	<i>Rooms</i>
<b><u>Residential</u></b>				
<b><i>For Sale</i></b>				
<u>Two-over-twos</u>				
Market rate	132	2,200	290,400	-
Affordable	24	2,200	52,800	-
<u>Condominiums</u>				
Market rate	224	1,600	358,400	-
Affordable	40	1,600	64,000	-
<b><i>For Rent</i></b>				
<u>Apartments</u>				
Market rate	494	1,175	580,450	-
Affordable	88	1,175	103,400	-
Sub-total residential	1,002		1,449,450	
<b><u>Commercial</u></b>				
<i>Retail</i>	-	-	127,000	-
<i>Office</i>	-	-	650,000	-
<i>Hotel</i>	-	-	0	0
<b>Total all development</b>	<b>1,002</b>		<b>2,226,450</b>	<b>0</b>
<sup>1</sup> Based on information provided by Walter Lynch PLLC.				

A map showing the areas within the District planned for development is attached to the Report as Exhibit C.

**Proposed Public Improvements**

The purpose of the District, the special taxes to be levied in the District, and the special obligation bonds to be issued with respect to the District, is to finance all or a part of the costs of public improvements as shown in Table C.

**Table C**  
**Special Taxing District - Public Improvements**

<i>Public Improvements</i>	<i>Series A</i>	<i>Series B</i>	<i>Series C</i>	<i>Total Cost</i>
Design, engineering, and soft costs	\$1,935,000	\$7,500	\$7,500	\$1,950,000
CSX design and construction costs	\$3,000,000	\$0	\$0	\$3,000,000
Station ramps and access	\$700,000	\$0	\$0	\$700,000
Pedestrian tunnel/walkway	\$2,900,000	\$0	\$0	\$2,900,000
Platform and station improvements	\$11,200,000	\$0	\$0	\$11,200,000
Site utilities, storm water, roadways/access, landscape (MARC portion)	\$4,800,000	\$0	\$0	\$4,800,000
Parking structure #1 - 350 spaces	\$0	\$7,000,000	\$0	\$7,000,000
Parking structure #2 - 350 spaces	\$0	\$0	\$7,700,000	\$7,700,000
Contingency (10%)	\$2,558,500	\$710,750	\$780,750	\$4,050,000
<b>Total public improvement costs</b>	<b>\$27,093,500</b>	<b>\$7,718,250</b>	<b>\$8,488,250</b>	<b>\$43,300,000</b>

The improvements outlined above and further described below are required by Maryland Transit Authority (“MTA”) and CSX to upgrade the existing Laurel Racetrack MARC station from a flag stop to a limited service station. A limited service station would provide for three dedicated stops in the morning and three dedicated stops in the evening increasing transit access for the District. The requirements of the TOD District, as outlined in Section 127.4 of the Howard County Zoning Regulations, are expected to result in development that makes use of the commuting potential of the MARC system. The following improvements will improve the MARC system to be utilized and provide a benefit to the District. A map of the public improvements is included as Exhibit D.

Design, Engineering, & Soft Costs

Design, engineering and soft cost improvements include the engineering and design services required by MTA for the MARC station, platform, platform utilities and accessories, pedestrian tunnels, ramps and station access, roadways, bike paths, ADA compliance designs, storm water management, storm drainage, landscaping, traffic and utility connections. These services and costs are required to upgrade the existing MARC station to a limited service MARC station.

CSX Design and Construction Costs

CSX design and construction costs includes the engineering review and approvals required by CSX. Additionally, any construction within 25 feet of the tracks requires CSX flagman. These costs will provide the required efforts by CSX to allow for the required improvements.

Station Ramps and Access Improvements

Station ramps and access costs includes the costs to construct stair and ramp access to both the north and south bound station platforms. These improvements will allow for the new station to meet current codes and provide ADA accessibility. These improvements



are required for the designation of a new limited service MARC station.

### Pedestrian Tunnel & Walkway Improvements

Pedestrian tunnel and walkway improvements include the costs to provide a hundred foot (100') long underground pedestrian walkway under the CSX tracks. These improvements will improve accessibility to the MARC platforms and are required for the designation of a new limited service MARC station.

### Platform & Station Improvements

Platform and station improvements include the costs required by MTA to upgrade both the northbound and southbound platforms to code. These improvements will provide a five-hundred foot (500') long low-level platform on both sides of the CSX track. The platforms will include shelters, lighting, signage, CCTV security, PA/led system lighting, and other safety and security features and are required for the designation of a new limited service MARC station.

### Site Utilities, Storm Water, Roadways/Access & Landscape Improvements

Site utility, water, sewer, and storm water system improvements include upgrades to existing infrastructure for the new MARC station. Storm water lines will provide an approximately 1,700 foot line from the rail line to the Patuxent River. Roadway and access improvements include cost for new access roads, pedestrian walkways, bike paths and trails all providing access while accommodating special MTA requirements to the District. Road improvements also include the southern entrance and access road into the District from Route 1 South, 1,000 feet along new Sea biscuit Lane, and running to the new Laurel Park Boulevard. New Laurel Park Boulevard includes approximately 1,500 linear feet of road from the main Route 1 entrance to the access roadways for the future MARC parking. Landscaping costs is included along the new trails, pathways, and roads to enhance pedestrian travel.

### Parking Structure Improvements

Public parking improvements include all supporting infrastructure necessary to facilitate access and operational capability, as well as costs of constructing two new parking structures located adjacent to the project and the MARC station. The new public parking garages are planned to include approximately 350 public spaces each. It is recognized that some property will have its own private parking; however, all property in the District will benefit from the availability of additional public parking. As previously described, the property in the District is zoned as TOD which is intended to encourage high density development with a mix of uses and variety of residential property types. The property is planned to be an integrated community with the uses complimentary, enhancing each of the uses with the whole. All property benefits from being in a mixed-use development. The parking is necessary to create the mixed-use development. As a result, all of the property benefits from the parking improvements.

The MARC station and CSX public improvements described above are all provided to meet the requirements of MTA to provide a new limited service MARC station. The new MARC station and the infrastructure improvements described are required to meet the

needs of the property in the District that results from the proposed use of the property. A map showing the proposed public improvements is attached hereto as Exhibit D.

### **Projected Issuance of Bonds**

Three series of bonds (the “Bonds”) are anticipated to be issued by the County pursuant to the Act and other applicable laws to finance approximately \$65.0 million of the costs of the public improvements and related costs described above. Bonds are anticipated to be supported by tax increment revenues and, if needed, special tax revenues. The County may determine to pledge other revenues to support the Bonds. Bond proceeds will include the costs of constructing the public improvements, a debt service reserve fund, issuance costs, and capitalized interest. Furthermore, interest income, to the extent available, on the Bond proceeds will act as a supplement to the Bond proceeds before they are fully expended. Table D below shows the estimated sources and uses of funds for the issuance of Bonds.

**Table D**  
**Sources and Uses of Funds**

<i>Source and Uses</i>	<i>Series A</i>	<i>Series B</i>	<i>Series C</i>	<i>Total Proceeds</i>
<b>Sources:</b>				
Bond proceeds	\$39,850,000	\$11,688,000	\$12,804,000	\$64,342,000
Interest	\$0	\$0	\$0	\$0
<b>Total sources of funds</b>	<b>\$39,850,000</b>	<b>\$11,688,000</b>	<b>\$12,804,000</b>	<b>\$64,342,000</b>
<b>Uses:</b>				
Public improvement costs	\$27,093,500	\$7,718,250	\$8,488,250	\$43,300,000
Issuance costs	\$500,000	\$300,000	\$300,000	\$1,100,000
Underwriter's discount	\$398,500	\$175,320	\$192,060	\$765,880
Capitalized interest	\$7,872,562	\$2,325,066	\$2,542,686	\$12,740,314
Reserve fund	\$3,985,000	\$1,168,800	\$1,280,400	\$6,434,200
Rounding	\$438	\$564	\$604	\$1,606
<b>Total uses of funds</b>	<b>\$39,850,000</b>	<b>\$11,688,000</b>	<b>\$12,804,000</b>	<b>\$64,342,000</b>

The actual issuance and application of proceeds of the Bonds may vary from these estimates depending on the interest rate on the Bonds, the date the Bonds are issued, the cost of issuing the Bonds, reinvestment rates on Bond proceeds, and other factors, including the types of purchasers to whom any series of the Bonds are marketed..

Bond issuance costs include legal fees, financial consulting fees, the cost of studies, the set-up and first year’s fee of the trustee, County expenses, document printing costs and other miscellaneous costs related to the issuance of the Bonds.

Capitalized interest on the Bonds funds the interest on the Bonds for up to thirty-six (36) months to allow time for the infrastructure improvements and other property in the District to be constructed, the property to be added to the property tax roll, and property

taxes to be collected from the property and applied to the payment of the debt service on the Bonds.

The purpose of the debt service reserve fund is to ensure there are sufficient funds to pay debt service should it be necessary to take action to collect delinquent property taxes. The proceeds in the debt service reserve fund are invested and the income is applied to the annual debt service on the Bonds. The debt service reserve fund itself will eventually be applied to the repayment of the Bonds. Accordingly, while the debt service reserve fund is funded from bond proceeds, it is not a cost of issuing the Bonds.

The County may provide for application of Bond proceeds to costs of other public improvements to the extent permitted by the Act and any other applicable law.

### **Projected Debt Service and Administrative Expenses**

Schedules showing projected debt service and administrative expenses are attached to this report as Exhibit E. Each series of Bonds is assumed to be issued and repaid over thirty (30) years.

The principal payments on the Bonds are structured such that debt service is increasing each year during the amortization period of the Bonds. The Bonds are assumed to be tax-exempt with an interest rate of six and one-half percent per year.

Estimated administrative expenses are included in Exhibit E as District Operations, which represent County costs related to the administration of the District.

### **Determination of Special Taxes**

Special taxes must be levied in a reasonable manner. The reasonable basis for the special taxes levied in the District is based on the following:

- (i) the public improvements to be provided by the District and the related tax increment district provide a special benefit to the property in the District and the special benefit to the property subject to the special taxes exceeds the cost of the special taxes;
- (ii) the amount of special taxes to be levied each year is equal to or less than the amount required to repay the Bonds issued to finance the public improvements and fund related costs; and
- (iii) special taxes are allocated to parcels within the District in a manner that reasonably represents the benefit each parcel will receive from the improvements to be provided by the District.

### **Special Benefit**

Property in the District will receive a special benefit from construction of the planned public improvements. The improvements to be funded will upgrade the existing Laurel Racetrack MARC station to allow for limited service. This limited service provides the public transit required under the TOD District zoning which in turn allows for the multi-

use, high density development proposed to be built in the District. The limited service station also provides commuter access to the District. Furthermore, the improvements provide new access roads, improve water and sewer infrastructure, and improve storm water quality specifically for the property in the District. The public parking garages are required for the high level of density development required by the TOD District designation. Utilizing structured parking instead of surface parking allows more land to be used for development, increasing the value of the land. The property could not be developed as proposed without these public improvements. As a result, the property in the District subject to the special taxes receives a special benefit from the public improvements to be provided as a result of the special taxes levied on the property.

The special benefit of the public improvements will be equal to or greater than the cost of the special taxes levied on the property. The value of special benefit is confirmed by two means. First, the owner of the property in the District has requested the County to impose special taxes on the property for the purpose of financing the public improvements. (References to the “owner” are intended to be to the two entities that currently collectively own over 63.3 acres of real property in the District.) It is reasonable to believe the owner is acting in its interest and making this request because the benefit it receives from the public improvements exceeds the cost of the special taxes.

Second, the special taxes are being levied to provide improvements that are necessary for the highest and best use of the property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The six criteria for highest and best use are (i) reasonably probable, (ii) legally permissible, (iii) physically possible, (iv) appropriately supported, (v) financially feasible, and (vi) maximally productive.

The owner in the District has analyzed various options for the use of the property, taking into consideration the legally permitted uses, the physical constraints of the site, financial parameters and market demand. The owner is understandably interested in maximizing its return on the property. Based on this analysis, the highest and best uses of the property, including any costs required for those uses, are the proposed uses for the property. The proposed uses of the property will require construction of the public improvements provided by the District. Without these improvements, the property could not be put to its highest and best use.

The levy of Special Taxes is necessary to make tax increment bond financing available for the project. Special Taxes also facilitate financing for improvements that benefit multiple uses of the property. The interest on the Bonds is expected to be tax exempt, the Bonds will be long-term, are not required to be repaid upon transfer of property, and are non-recourse other than through the levy of Special Taxes. As a result of these and other advantageous terms, the financing provided by the District is the most beneficial means of financing the public improvements.

In summary, the special taxes result in a special benefit to the property for the following reasons:

1. The public improvements to be funded with the proceeds of the Bonds for

the benefit of the District are required for the highest and best use of the property;

2. The highest and best use of the property is the use of the property that is most valuable (including any costs associated with the use of the property);
3. The financing provided by the District is the most beneficial means of financing the improvements;
4. As a result, the special benefits to the property from the improvements to be provided by the District will be equal to or greater than the cost of the special taxes that will finance the improvements necessary to achieve the highest and best use of the property.

Special Taxes Required to Repay the Bonds

The Maximum Special Taxes are set each year in the amount required to secure repayment of the annual debt service on all series of Bonds supported solely by the Special Tax, which will be issued to fund the public improvements that provide a special benefit to the property subject to the Special Tax. The projected debt service supported by the Special Taxes is shown on Exhibit E. The Maximum Special Tax Rate on each class of property is set such that the expected development will produce the revenues required to cover the expenses shown in Exhibit E, including appropriate debt service coverage.

The total amount of the Special Tax that must be levied from all units of developed property, once all of the Bonds are issued and all of the units are developed, is \$4,296,395 for the first fiscal year in which special taxes are anticipated to be collected (the “Commencement Date”), as shown in Exhibit E. The Maximum Special Tax is set to equal this amount. Table E demonstrates that the Maximum Special Tax Rates as set on each unit for each property type yields the required Maximum Special Tax.

**Table E**  
**Maximum Special Tax by Property Class**

<b>Property Class</b>	<b>Projected Development (Units/1,000 BSF/Rooms)</b>	<b>Maximum Special Tax Per Unit/1,000 BSF/Room</b>	<b>Total Annual Maximum Special Tax by Type</b>
Residential For Sale A Property	132	\$3,916	\$516,971
Residential For Sale B Property	24	\$3,139	\$75,329
Residential For Sale C Property	224	\$2,778	\$622,187
Residential For Sale D Property	40	\$2,111	\$84,440
Residential Rental A Property	494	\$1,833	\$905,615
Residential Rental B Property	88	\$1,222	\$107,549
Retail Property	127	\$2,972	\$377,451
Office Property	650	\$2,472	\$1,606,853
Hotel Property	0	\$1,083	\$0

The annual debt service is scheduled to increase by two percent each year. As a result, the Maximum Special Tax must also increase by two percent each year.

The actual debt service on the Bonds may be less than estimated herein. The “Rate and Method of Apportionment of Special Taxes” provides for Special Taxes to be reduced based on the actual debt service on the Bonds, so that the amount of Special Tax actually collected does not exceed the amount necessary to repay the Bonds, replenish the debt service reserve fund on the Bonds, and to pay related administrative expenses.

The Maximum Special Taxes on all of the property in the District are set in a manner consistent with the requirements to secure repayment of the debt service on the Bonds that will be issued to finance the public improvements planned for the District, replenish the debt service reserve fund, and pay administrative expenses and, therefore, is set in a reasonable manner.

#### Allocation of Special Taxes to Parcels

Special Taxes are allocated to parcels in the District in a manner to reasonably reflect the benefit property will receive from the improvements to be provided by the District. For purposes of estimating the benefit, taxable property is classified as either developed property or undeveloped property. Developed property is property that is, or is in the process of being, fully developed and, as a result, will be fully utilizing the improvements. Undeveloped property is property that has not been fully developed and, as a result, is not fully utilizing the improvements, but still receives a benefit by having the improvements available.

#### *Developed Property*

Developed property is further classified into one of nine property classes, defined as Residential For Sale A Property, Residential For Sale B Property, Residential For Sale C Property, Residential For Sale D Property, Residential Rental A Property, Residential Rental B Property, Office Property, Retail Property, or Hotel Property. The benefit received by each property is estimated on the basis of the estimated future value of the property. The purpose of the improvements to be provided within the District is to allow for the redevelopment of the property. Estimating the benefit properties will receive from the improvements on the basis of future estimated value is particularly appropriate for improvements intended to provide for the redevelopment of the property. One reason for the redevelopment is to increase the values of the property within the District.

Benefit for each class of property is represented by an equivalent unit factor. These factors are shown in Table F. The equivalent unit factors represent the relative future assessed value of the property within each property class. Exhibit F shows the methodology for estimating the assessed values by class.

**Table F**  
**Equivalent Unit Factors**

<b>Property Class</b>	<b>Property Description</b>	<b>Assessed Value by Classification</b>	<b>Equivalent Unit (EU) Factor</b>	
Residential For Sale A Property	Two-Over-Two - MR	\$412,387	1.41	Per Unit
Residential For Sale B Property	Two-Over-Two - Affordable	\$331,971	1.13	Per Unit
Residential For Sale C Property	Condominium - MR	\$293,307	1.00	Per Unit
Residential For Sale D Property	Condominium - Affordable	\$223,043	0.76	Per Unit
Residential Rental A Property	MF - Market Rate	\$194,069	0.66	Per Unit
Residential Rental B Property	MF - Affordable	\$130,144	0.44	Per Unit
Retail Property	Retail/Restaurant	\$313,802	1.07	Per 1,000 BSF
Office Property	Office	\$259,859	0.89	Per 1,000 BSF
Hotel Property	Hotel	\$114,212	0.39	Per Room

Using the development shown in Table B and the equivalent unit factors in Table F, the estimated total number of equivalent units created by new development in the District is shown by Table G.

**Table G**  
**Total Equivalent Units**

<b>Property Class</b>	<b>EU Factor</b>	<b>Proposed District Development</b>	<b>Total Equivalent Units</b>
	<i>(Per Unit)</i>	<i>(Units)</i>	
Residential For Sale A Property	1.41	132	186
Residential For Sale B Property	1.13	24	27
Residential For Sale C Property	1.00	224	224
Residential For Sale D Property	0.76	40	30
Residential Rental A Property	0.66	494	326
Residential Rental B Property	0.44	88	39
	<i>(Per 1,000 BSF)</i>	<i>(1,000s of BSF)</i>	
Retail Property	1.07	127	136
Office Property	0.89	650	579
	<i>(Per Room)</i>	<i>(Rooms)</i>	
Hotel Property	0.39	0	0
<b>Total</b>			<b>1,547</b>

Table H below shows the derivation of the Special Tax per equivalent unit based on the total obligations of the District, as shown in Exhibit E, and the number of equivalent units as shown in Table G.

**Table H**  
**Maximum Special Tax**  
**Per Equivalent Unit (Commencement Date)**

Total Special Tax Requirement	\$4,296,395
Total equivalent units	1,547
<b>Maximum Special Tax per equivalent unit</b>	<b>\$2,778</b>

Table I below shows the Maximum Special Tax for each class based on the special tax per equivalent unit shown in Table H and the equivalent unit factors shown in Table F. The Maximum Special Tax for each class is expected to increase by two percent each year.

**Table I**  
**Maximum Special Tax by Property Class**

Property Class	Maximum Special Tax Per EU	EU Factor	Annual Maximum Special Taxes	Total Annual Maximum Special Tax by Type
		<i>(Per Unit)</i>	<i>(Per Unit)</i>	
Residential For Sale A Property	\$2,778	1.41	\$3,916	\$516,971
Residential For Sale B Property	\$2,778	1.13	\$3,139	\$75,329
Residential For Sale C Property	\$2,778	1.00	\$2,778	\$622,187
Residential For Sale D Property	\$2,778	0.76	\$2,111	\$84,440
Residential Rental A Property	\$2,778	0.66	\$1,833	\$905,615
Residential Rental B Property	\$2,778	0.44	\$1,222	\$107,549
		<i>(Per 1,000 BSF)</i>	<i>(Per 1,000 BSF)</i>	
Retail Property	\$2,778	1.07	\$2,972	\$377,451
Office Property	\$2,778	0.89	\$2,472	\$1,606,853
		<i>(Per Room)</i>	<i>(Per Room)</i>	
Hotel Property	\$2,778	0.39	\$1,083	\$0

Adjusted Maximum Special Tax

Special Taxes may be collected from each parcel in the District only up to the Adjusted Maximum Special Tax for the parcel. The Adjusted Maximum Special Tax for each parcel is the lesser of (but not less than zero) (i) the Maximum Special Tax for such parcel and (ii) the Maximum Special Tax for such parcel less the tax increment revenues related to such parcel available to repay the Bonds. The tax increment revenues represent the increase in property taxes that result from the increased assessed value of the property over its original base value as determined by the tax increment financing act. The tax increment revenues will be applied to the repayment of the Bonds issued to finance the public improvements to be provided by the District. To the extent property produces tax increment revenues, and these revenues cover the debt service on the Bonds, the property is contributing its share of the cost of the public improvements through these revenues.



The Special Tax effectively covers each property's share of the cost of the public improvements not otherwise covered by the property's tax increment revenues.

### *Undeveloped Property*

The special taxes allocated to undeveloped property are equal to the Maximum Special Tax for the District less the Maximum Special Tax on developed property. As shown by the tables above, Maximum Special Tax Rates are set for developed property on the basis of the total projected development in the District. Accordingly, the Maximum Special Tax on undeveloped property is based on the development expected to occur on the undeveloped property.

The Maximum Special Tax on developed property is based on the development on the parcels of developed property. The balance of the development will occur on the parcels of undeveloped property. The balance of the Maximum Special Tax is also allocated to the parcels of undeveloped property. As a result, Maximum Special Taxes are fairly allocated between developed property and undeveloped property on the basis of the development expected to occur on property within each class.

Special Taxes are allocated to parcels of undeveloped property on the basis of the land area of each tax parcel. The development that may occur on a parcel of undeveloped property may not be known, as the uses can vary both by type and density. As a result, allocating special taxes to undeveloped property on the basis of net land area most fairly allocates the special taxes to parcels of undeveloped property.

### **Summary of Reasonable Basis of the Special Taxes**

Special taxes are levied on the taxable property in the District according to the provisions of the "Rate and Method of Apportionment of Special Taxes." The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes. The reasonable basis may be summarized as follows:

1. The property within the District will receive a special benefit from the public improvements to be provided as a result of the District, and this special benefit exceeds the levy of the special taxes;
2. Special taxes levied on all of the property in the District each year are equal to the amount required to pay the debt service on the Bonds issued to provide the public improvements, after taking into consideration any savings and other revenues available to repay the Bonds; and,
3. Special taxes are allocated to each property within the District on the basis of the estimated future value of the property in the District, which reasonably reflects the relative benefit each property will receive from the improvements.

For these reasons, the special taxes are levied on the taxable property in the District in a reasonable manner.

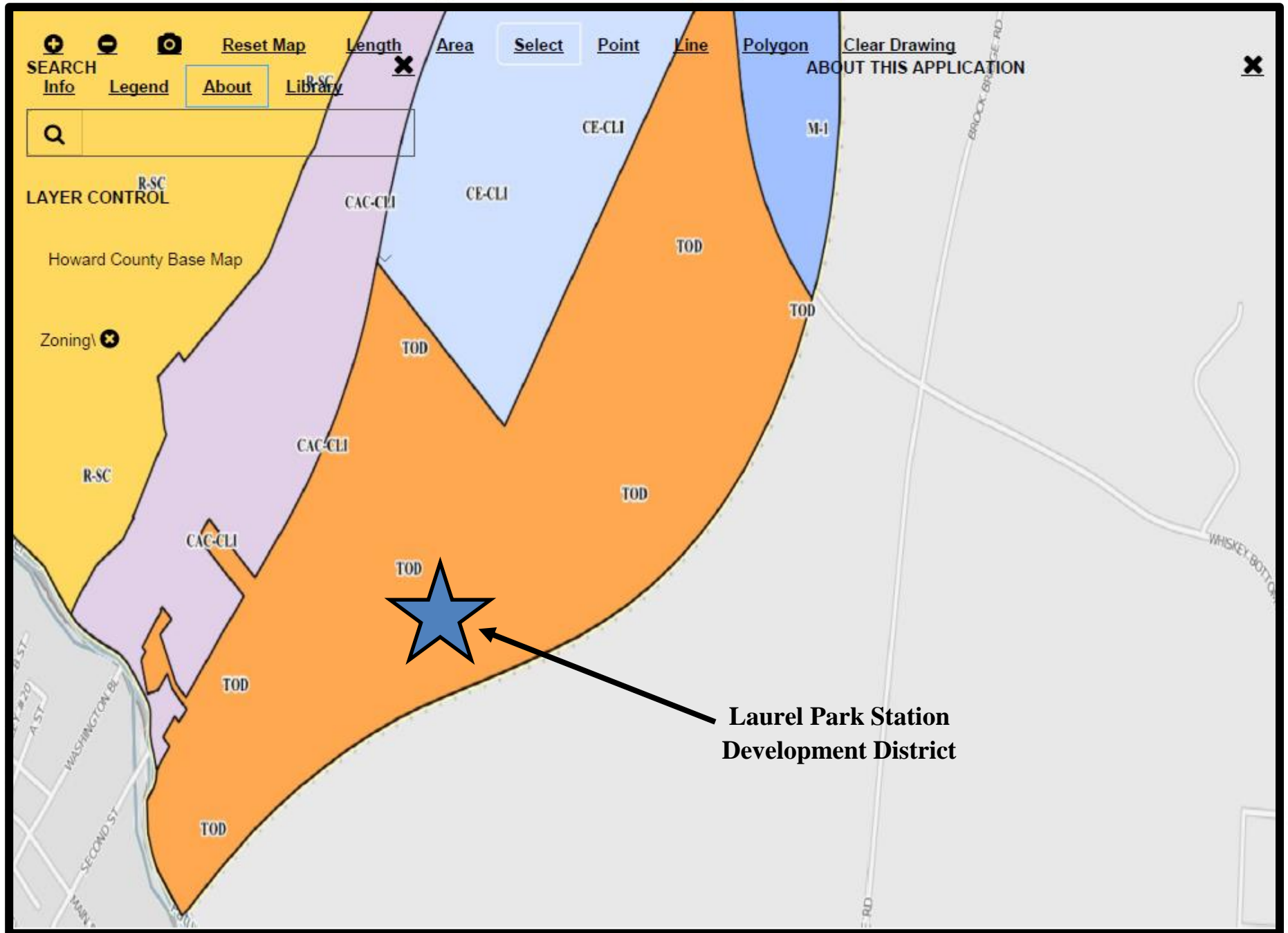
**Exhibit A**  
**Laurel Park Station Special Taxing District**  
**Parcel Map**

# Laurel Park Station Special Taxing District Boundary Map



**Exhibit B**  
**TOD District Map/Permitted Uses**

# Laurel Park Station - Zoning Map



## SECTION 127.4: - TOD (Transit Oriented Development) District

A.

### Purpose

The TOD District provides for the development and redevelopment of key parcels of land within 3,500 feet of a MARC Station. The TOD District is intended to encourage the development of multi-use centers combining office and high-density residential development that are located and designed for safe and convenient pedestrian access by commuters using the MARC Trains and other public transit links. For sites of least 50 acres, well-designed multi-use centers combining office, high-density residential development with a diversity of dwelling unit types, and retail uses are encouraged. The requirements of this district, in conjunction with the Route 1 Manual and the vehicular and pedestrian improvements that connect internally and with surrounding developments, will result in development that makes use of the commuting potential of the MARC system, creates attractive employment or multi-use centers, and provides for safe and convenient pedestrian travel.

Many parcels in the TOD District were developed before this district was created. It is not the intent of these requirements to disallow the continued use of sites developed prior to the TOD District. Additionally, because TOD developments are most effective when comprehensively planned for larger parcels of land surrounding a MARC Station, it is neither the intent of these requirements to encourage smaller, piecemeal TOD developments nor disallow the beneficial use of undeveloped TOD District parcels during the period of time prior to a larger TOD development being assembled. The intent of this district will be achieved by bringing sites into compliance with these requirements and the standards of the Route 1 Manual as a mix of residential and nonresidential uses are redeveloped or expanded. Certain light industrial uses or lower density residential units may also be appropriate with the mix of TOD uses if properly located so as to not overly reduce the available land area for the more dense mix of uses at the core of the TOD development, closer to the MARC Station. { Council Bill 1-2014(ZRA-147)Effective 4/7/2014 }

B.

### Uses Permitted as a Matter of Right

1.

Ambulatory health care facilities, including pharmacies incidental to these uses.

2.

Athletic facilities, commercial.

3.

Biomedical laboratories.

4.

Commercial communication antennas.

5.

Conservation areas, including wildlife and forest preserves, environmental management areas, reforestation areas, and similar uses.

6.

Data processing and telecommunication centers.

7.

Dwellings, apartment.

8.

Dwellings, single-family attached.

9.

Flex space.

10.

Government structures, facilities and uses, including public schools and colleges.

11.

Horse racetrack facilities.

12.

Hotels, motels, country inns and conference centers.

13.

Industrial Uses, light, provided that: The property is at least 30 acres or greater and fronts on and has direct access to an arterial or collector highway; adjoins other properties developed with existing light industrial uses; the light industrial use is principally conducted within a building with a maximum building height of 50 feet; the proposed industrial development does not include a proposal for any dwelling units within the same project; and; the light industrial development is at the periphery of the TOD District, well separated from the MARC Station.

14.

Offices, professional and business.

15.

Parking facilities that serve adjacent off-site uses in accordance with Section 133.0.B.

16.

Religious facilities, structures and land used primarily for religious activities.

17.

Research and development establishments.

18.

Restaurants, carryout, including incidental delivery services.

19.

Restaurants, standard, and beverage establishments, including those serving beer, wine and liquor for consumption on premises only.

20.

Schools, commercial.

21.

Schools, private academic, including colleges and universities.

22.

Underground pipelines; electric transmission and distribution lines; telephone, telegraph and CATV lines; mobile transformer units; telephone equipment boxes; and other similar public utility uses not requiring a Conditional Use.

23.

Volunteer fire departments.

{ Council Bill 1-2014(ZRA-147)Effective 4/7/2014}

(Bill No. 34-2016(ZRA-163, ZRA-166), § 1, 10-9-2016)

C.

#### Commercial Uses Permitted With Limitations

The following commercial uses are permitted as a matter of right in any multistory building or parking structure or in a single-story building or parking structure having a minimum height of 20 feet. One-story commercial uses shall be limited to a maximum of 20,000 square feet of total building area.

1.

Banks, savings and loan associations, investment companies, credit unions, brokers, and similar financial institutions without a drive-through, except that single lane drive-through service shall be permitted provided that there shall be no portion of drive-through service visible from a public road.

2.

Blueprinting, printing, duplicating or engraving services.



3.

Child day care centers and nursery schools.

4.

Laundry and dry cleaning establishments.

5.

Personal service establishments.

6.

Pizza delivery services and other services for off-site delivery of prepared food.

7.

Restaurants, fast food without a drive-through.

8.

Retail establishments, limited to convenience stores, food stores, drug and cosmetic stores, liquor stores and specialty stores.

9.

Service agencies.

D.

Accessory Uses

1.

Any use normally and customarily incidental to any use permitted as a matter of right in this district.

2.

Private parks, swimming pools, athletic fields, exercise facilities, tennis courts, basketball courts and similar private, non-commercial recreation facilities.

3.

Home occupations, subject to the requirements of Section 128.C.

4.

Small Wind Energy System, building mounted, subject to the requirements of Section 128.0.L.

5.

Accessory Solar Collectors.

E.

Bulk Regulations

(Also see Section 128.0.A, Supplementary Bulk Regulations.)

1.

Except as provided in Section 127.4.B, minimum residential density is 20 units per net acre of residential development. { Council Bill 1-2014(ZRA-147)Effective 4/7/2014}

2.

Maximum building height

a.

Structure with minimum setback from a public street right-of-way ..... 60 feet

b.

Structure with an additional 1 foot of setback from a public street right-of-way for the portion of the structure over 60 feet for every 2 feet of additional height ..... 100 feet

3.

Minimum setbacks for development complying with the Route 1 Manual

The following minimum setback requirements apply to sites that comply fully with the Manual's requirements:

a.

Minimum setbacks from public street right-of-way

(1)

From arterial

(a)

Principal structures ..... 20 feet

(b)

All other structures and uses ..... 30 feet

(2)

From other public street right-of-way

(a)

All structures and uses (except surface parking) ..... 10 feet

(b)

Surface parking ..... 20 feet

b.

Minimum setbacks from vicinal properties:

(1)

From a residential district: All structures and uses ..... 30 feet

(2)

From all other zoning districts:

(a)

Structures containing residences ..... 30 feet

(b)

All other structures and uses ..... 0 feet

(3)

If a TOD District is separated from another zoning district by a public street right-of-way, only the setbacks from a public street right-of-way shall apply.

4.

Minimum distances between residential buildings

The following minimum distances shall be maintained between any buildings containing residences (even if the buildings include other uses also):

a.

Side to side ..... 15 feet

b.

All other façade to façade relationships ..... 30 feet

5.

Minimum setback requirements for sites not complying with the use provisions of the TOD District and the Route 1 Manual.

The following minimum setback requirements apply to sites developed prior to the creation of the TOD District that do not comply or only partially comply with the Howard County Landscape Manual and the Route 1 Manual:

a.

From external public street right-of-way

(1)

Structures and uses ..... 50 feet

(2)

Except for parking uses and fences adjoining parking uses ..... 30 feet

b.

From internal public street right-of-way

(1)

Structures and uses ..... 50 feet

(2)

Except for parking uses and fences adjoining parking uses ..... 10 feet

c.

From any residential district: All structures and uses ..... 100 feet

d.

If a residential district is separated from the TOD District by a public street right-of-way, only the setbacks from a public street right-of-way shall apply.

F.

Requirements for TOD Development

1.

Amenity Area

TOD developments shall include an amenity area or areas that are a minimum of 10% of the net site acreage. The amenity area shall include seating and trees. The number of seating areas and trees shall increase proportionately to the increase in size of the amenity area. No amenity area shall be smaller than 0.25 acre. Amenity areas on the site shall be connected by pedestrian and bicycle improvements that link with existing and future connections to surrounding developments.

Sites larger than 25 acres must provide well-designed recreational areas for both children's and adult's activities. On sites larger than 25 acres, one amenity area must be designed as a civic gathering place large enough to accommodate such activities as community picnics, concerts, fairs and similar events.

2.

#### Area Requirements for Residential Uses

a.

Residences are permitted only within a development project encompassing at least 3 gross acres of TOD-zoned land.

b.

No more than 50% of the developable acreage, excluding road right-of-way and open space, shall be devoted to residential buildings and parking. For parcels that are 5 acres or less, no more than 50% of the developable acreage, excluding road-right-of-ways, open space, and structured parking, shall be devoted to residential buildings and surface parking lots.

c.

#### Moderate Income Housing Units

At least 15% of the dwelling units shall be Moderate Income Housing Units.

(Bill No. 34-2016(ZRA-163, ZRA-166), § 1, 10-9-2016)

G.

#### Compliance with Route 1 Manual

1.

##### New Development

New development in the TOD District shall comply with the standards of the Route 1 Manual.

2.

##### Alterations to Existing Uses Requiring Compliance with the Route 1 Manual

a.

The following minor alterations or enlargements are exempt from complying with the Route 1 Manual:

(1)

Expansion of a building by 10% or less of the floor area of the building on April 13, 2004, up to a maximum of 5,000 square feet of floor area.

(2)

Building repairs, repaving or restriping parking areas, and other maintenance or repair that does not enlarge a building or use.

(3)

Removal of parking areas, driveways or other paved areas.

(4)

A change in the use of an existing building to a use permitted in this district, if the department of planning and zoning determines, in accordance with the Subdivision and Land Development Regulations, that no changes to site improvements are required.

(5)

Other minor alterations to a developed site that do not require a Site Development Plan or a revision to an approved Site Development Plan. This includes alterations approved through a waiver of the Site Development Plan requirement or a red-line revision to an existing Site Development Plan.

b.

Other than the above exceptions, any alteration or enlargement of an existing use must comply with the Route 1 Manual. The following standards determine the extent to which improvements must be brought into compliance with the Route 1 Manual. Additional guidance is provided in the Manual.

(1)

#### Expansion Of Existing Improvements

If buildings and/or site improvements are expanded, the site shall be brought into compliance with the Route 1 Manual in equal proportion to the percentage of the site impacted by the expansion. (For example, if the expansion impacts 20% of the site, 20% of the existing improved area shall be brought into compliance with the manual.) The area impacted by the expansion includes the square foot area of building additions and additional parking, loading, driveways or infrastructure, and land cleared or graded.

(2)

#### Site Improvements That Do Not Alter Buildings

If alterations or enlargements are limited to site improvements that do not involve buildings, existing buildings are not required to be brought into compliance with the Route 1 Manual.

(3)

#### Building Expansions

Expanded buildings shall be brought into compliance with the Route 1 Manual to the extent possible, including design and location of the addition. Relocation or reconstruction of existing buildings is not required.

c.

A site that does not fully comply with the Route 1 Manual is subject to the bulk requirements in Subsection E.4 above.

H.

#### Conditional Uses

Conditional Uses in the TOD district are subject to the detailed requirements for Conditional Uses given in Section 131.0. For the list of permitted Conditional Uses, refer to the chart in Section 131.0.

**Exhibit C**  
**Development Map**



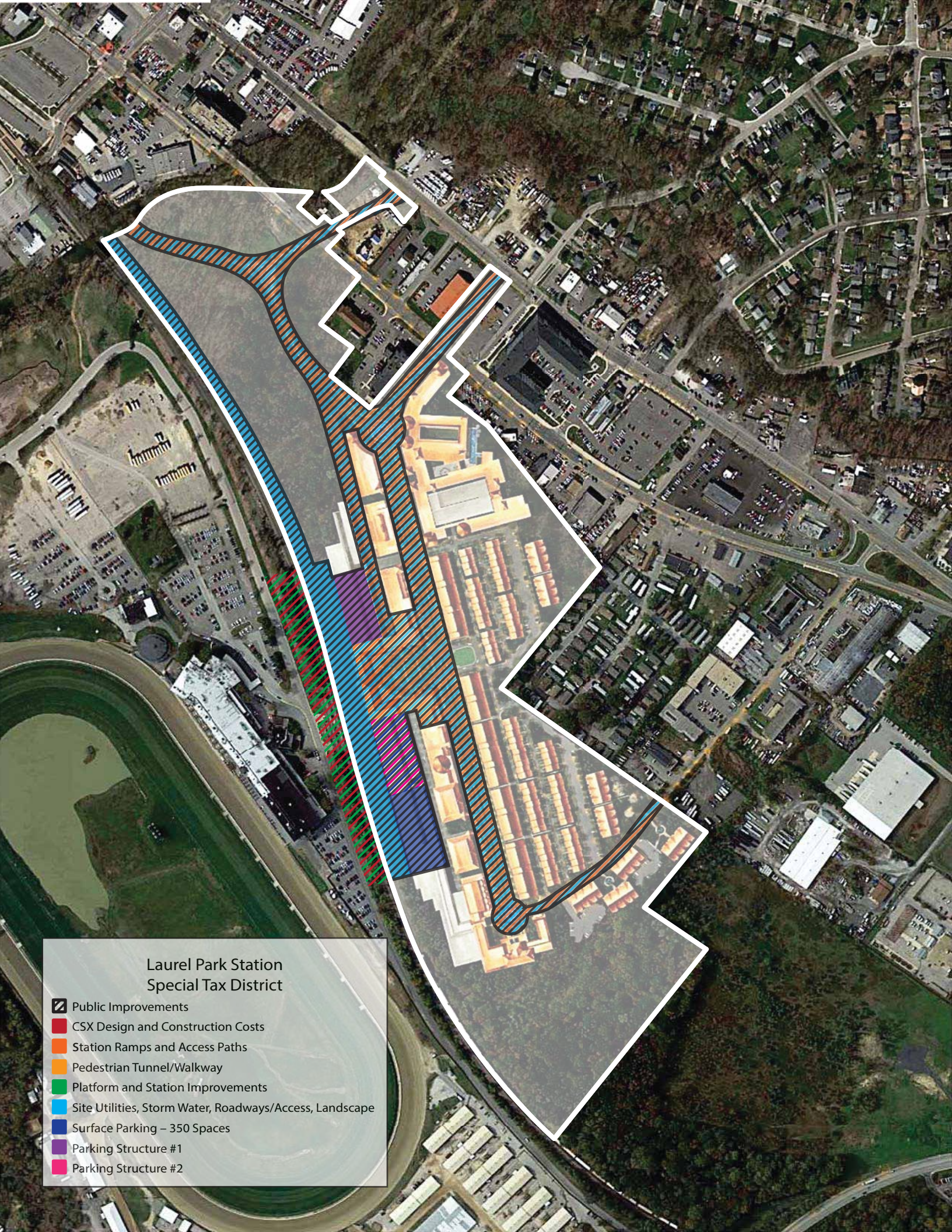


Laurel Park Station  
Special Tax District  
Development Map



**Exhibit D**  
**Public Improvement Map**





### Laurel Park Station Special Tax District

-  Public Improvements
-  CSX Design and Construction Costs
-  Station Ramps and Access Paths
-  Pedestrian Tunnel/Walkway
-  Platform and Station Improvements
-  Site Utilities, Storm Water, Roadways/Access, Landscape
-  Surface Parking – 350 Spaces
-  Parking Structure #1
-  Parking Structure #2



**Exhibit E**  
**Special Tax Obligation**

**Laurel Park Station**  
**Howard County, Maryland**

**Exhibit E-1: Calculation of Maximum Special Taxes - Total Gross Annual Obligations**

Tax Year	Bond Year	ST District #1A			ST District #1B			ST District #1C			Total Gross Obligations		
		Gross Debt Service	District Operations	Sub-Total Gross Annual Obligations	Gross Debt Service	District Operations	Total Gross Annual Obligations	Gross Debt Service	District Operations	Total Gross Annual Obligations	Gross Debt Service	District Operations	Total Gross Annual Obligations
Beginning	Ending												
1-Jul-16	15-Feb-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1-Jul-17	15-Feb-18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1-Jul-18	15-Feb-19	\$2,590,250	\$40,000	\$2,630,250	\$0	\$0	\$0	\$0	\$0	\$0	\$2,590,250	\$40,000	\$2,630,250
1-Jul-19	15-Feb-20	\$2,590,250	\$30,600	\$2,620,850	\$0	\$0	\$0	\$0	\$0	\$0	\$2,590,250	\$30,600	\$2,620,850
1-Jul-20	15-Feb-21	\$2,590,250	\$31,212	\$2,621,462	\$759,720	\$15,000	\$774,720	\$0	\$0	\$0	\$3,349,970	\$46,212	\$3,396,182
1-Jul-21	15-Feb-22	\$2,605,250	\$31,836	\$2,637,086	\$759,720	\$15,300	\$775,020	\$0	\$0	\$0	\$3,364,970	\$47,136	\$3,412,106
1-Jul-22	15-Feb-23	\$2,657,275	\$32,473	\$2,689,748	\$759,720	\$15,606	\$775,326	\$832,260	\$15,000	\$847,260	\$4,249,255	\$63,079	\$4,312,334
1-Jul-23	15-Feb-24	\$2,710,855	\$33,122	\$2,743,977	\$763,720	\$15,918	\$779,638	\$832,260	\$15,300	\$847,560	\$4,306,835	\$64,341	\$4,371,176
1-Jul-24	15-Feb-25	\$2,764,665	\$33,785	\$2,798,450	\$779,460	\$16,236	\$795,696	\$832,260	\$15,606	\$847,866	\$4,376,385	\$65,627	\$4,442,012
1-Jul-25	15-Feb-26	\$2,820,445	\$34,461	\$2,854,906	\$795,160	\$16,561	\$811,721	\$837,260	\$15,918	\$853,178	\$4,452,865	\$66,940	\$4,519,805
1-Jul-26	15-Feb-27	\$2,876,805	\$35,150	\$2,911,955	\$810,755	\$16,892	\$827,647	\$853,935	\$16,236	\$870,171	\$4,541,495	\$68,279	\$4,609,774
1-Jul-27	15-Feb-28	\$2,934,420	\$35,853	\$2,970,273	\$827,180	\$17,230	\$844,410	\$870,505	\$16,561	\$887,066	\$4,632,105	\$69,644	\$4,701,749
1-Jul-28	15-Feb-29	\$2,992,900	\$36,570	\$3,029,470	\$843,305	\$17,575	\$860,880	\$887,905	\$16,892	\$904,797	\$4,724,110	\$71,037	\$4,795,147
1-Jul-29	15-Feb-30	\$3,052,855	\$37,301	\$3,090,156	\$861,065	\$17,926	\$878,991	\$906,005	\$17,230	\$923,235	\$4,819,925	\$72,458	\$4,892,383
1-Jul-30	15-Feb-31	\$3,113,830	\$38,047	\$3,151,877	\$878,265	\$18,285	\$896,550	\$924,675	\$17,575	\$942,250	\$4,916,770	\$73,907	\$4,990,677
1-Jul-31	15-Feb-32	\$3,176,370	\$38,808	\$3,215,178	\$895,840	\$18,651	\$914,491	\$942,785	\$17,926	\$960,711	\$5,014,995	\$75,385	\$5,090,380
1-Jul-32	15-Feb-33	\$3,238,955	\$39,584	\$3,278,539	\$913,660	\$19,024	\$932,684	\$961,270	\$18,285	\$979,555	\$5,113,885	\$76,893	\$5,190,778
1-Jul-33	15-Feb-34	\$3,304,130	\$40,376	\$3,344,506	\$931,595	\$19,404	\$950,999	\$981,000	\$18,651	\$999,651	\$5,216,725	\$78,431	\$5,295,156
1-Jul-34	15-Feb-35	\$3,370,245	\$41,184	\$3,411,429	\$950,515	\$19,792	\$970,307	\$1,000,780	\$19,024	\$1,019,804	\$5,321,540	\$79,999	\$5,401,539
1-Jul-35	15-Feb-36	\$3,437,715	\$42,007	\$3,479,722	\$969,225	\$20,188	\$989,413	\$1,020,480	\$19,404	\$1,039,884	\$5,427,420	\$81,599	\$5,509,019
1-Jul-36	15-Feb-37	\$3,506,890	\$42,847	\$3,549,737	\$988,595	\$20,592	\$1,009,187	\$1,040,970	\$19,792	\$1,060,762	\$5,536,455	\$83,231	\$5,619,686
1-Jul-37	15-Feb-38	\$3,577,055	\$43,704	\$3,620,759	\$1,008,430	\$21,004	\$1,029,434	\$1,062,055	\$20,188	\$1,082,243	\$5,647,540	\$84,896	\$5,732,436
1-Jul-38	15-Feb-39	\$3,648,495	\$44,578	\$3,693,073	\$1,028,535	\$21,424	\$1,049,959	\$1,082,540	\$20,592	\$1,103,132	\$5,759,570	\$86,594	\$5,846,164
1-Jul-39	15-Feb-40	\$3,721,430	\$45,470	\$3,766,900	\$1,048,715	\$21,852	\$1,070,567	\$1,104,295	\$21,004	\$1,125,299	\$5,874,440	\$88,326	\$5,962,766
1-Jul-40	15-Feb-41	\$3,795,015	\$46,379	\$3,841,394	\$1,069,775	\$22,289	\$1,092,064	\$1,127,060	\$21,424	\$1,148,484	\$5,991,850	\$90,092	\$6,081,942
1-Jul-41	15-Feb-42	\$3,871,405	\$47,307	\$3,918,712	\$1,091,455	\$22,735	\$1,114,190	\$1,149,575	\$21,852	\$1,171,427	\$6,112,435	\$91,894	\$6,204,329
1-Jul-42	15-Feb-43	\$3,948,560	\$48,253	\$3,996,813	\$1,113,495	\$23,190	\$1,136,685	\$1,172,645	\$22,289	\$1,194,934	\$6,234,700	\$93,732	\$6,328,432
1-Jul-43	15-Feb-44	\$4,027,505	\$49,218	\$4,076,723	\$1,135,635	\$23,653	\$1,159,288	\$1,196,010	\$22,735	\$1,218,745	\$6,359,150	\$95,607	\$6,454,757
1-Jul-44	15-Feb-45	\$4,108,135	\$50,203	\$4,158,338	\$1,157,615	\$24,127	\$1,181,742	\$1,219,410	\$23,190	\$1,242,600	\$6,485,160	\$97,519	\$6,582,679
1-Jul-45	15-Feb-46	\$4,190,280	\$51,207	\$4,241,487	\$1,181,175	\$24,609	\$1,205,784	\$1,243,585	\$23,653	\$1,267,238	\$6,615,040	\$99,469	\$6,714,509
1-Jul-46	15-Feb-47	\$4,274,705	\$52,231	\$4,326,936	\$1,204,925	\$25,101	\$1,230,026	\$1,269,210	\$24,127	\$1,293,337	\$6,748,840	\$101,459	\$6,850,299
1-Jul-47	15-Feb-48	\$4,359,045	\$53,275	\$4,412,320	\$1,228,540	\$25,603	\$1,254,143	\$1,293,895	\$24,609	\$1,318,504	\$6,881,480	\$103,488	\$6,984,968
1-Jul-48	15-Feb-49	\$0	\$0	\$0	\$1,253,695	\$26,115	\$1,279,810	\$1,320,380	\$25,101	\$1,345,481	\$2,574,075	\$51,217	\$2,625,292
1-Jul-49	15-Feb-50	\$0	\$0	\$0	\$1,276,935	\$26,638	\$1,303,573	\$1,346,210	\$25,603	\$1,371,813	\$2,623,145	\$52,241	\$2,675,386
1-Jul-50	15-Feb-51	\$0	\$0	\$0	\$0	\$0	\$0	\$1,373,060	\$26,115	\$1,399,175	\$1,373,060	\$26,115	\$1,399,175
1-Jul-51	15-Feb-52	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400,475	\$26,638	\$1,427,113	\$1,400,475	\$26,638	\$1,427,113
<b>Total</b>		<b>\$99,855,985</b>	<b>\$1,227,042</b>	<b>\$101,083,027</b>	<b>\$29,286,425</b>	<b>\$608,521</b>	<b>\$29,894,946</b>	<b>\$32,084,755</b>	<b>\$608,521</b>	<b>\$32,693,276</b>	<b>\$161,227,165</b>	<b>\$2,444,085</b>	<b>\$163,671,250</b>

MuniCap, Inc.

20-Jun-17

**Laurel Park Station**  
**Howard County, Maryland**

**Exhibit E-2: Calculation of Maximum Special Taxes - Gross Debt Service Coverage**

Maximum adjusted gross annual debt service	<b>\$3,905,814</b>
Required debt service coverage	110%
Maximum Special Tax (Commencement Date)	\$4,296,395

Tax Year Beginning	Bond Year Ending	Total Gross Annual Obligations <sup>1</sup>	Increase Factor	Adjusted Gross Annual Obligation	Maximum Special Taxes	Gross Debt Service Coverage
1-Jul-17	15-Feb-18	\$0	1.00	\$0	\$4,296,395	NA
1-Jul-18	15-Feb-19	\$2,630,250	1.02	\$2,578,676	\$4,382,323	167%
1-Jul-19	15-Feb-20	\$2,620,850	1.04	\$2,519,079	\$4,469,969	171%
1-Jul-20	15-Feb-21	\$3,396,182	1.06	\$3,200,298	\$4,559,369	134%
1-Jul-21	15-Feb-22	\$3,412,106	1.08	\$3,152,259	\$4,650,556	136%
1-Jul-22	15-Feb-23	\$4,312,334	1.10	<b>\$3,905,814</b>	\$4,743,567	110%
1-Jul-23	15-Feb-24	\$4,371,176	1.13	\$3,881,479	\$4,838,439	111%
1-Jul-24	15-Feb-25	\$4,442,012	1.15	\$3,867,039	\$4,935,207	111%
1-Jul-25	15-Feb-26	\$4,519,805	1.17	\$3,857,610	\$5,033,912	111%
1-Jul-26	15-Feb-27	\$4,609,774	1.20	\$3,857,252	\$5,134,590	111%
1-Jul-27	15-Feb-28	\$4,701,749	1.22	\$3,857,072	\$5,237,282	111%
1-Jul-28	15-Feb-29	\$4,795,147	1.24	\$3,856,560	\$5,342,027	111%
1-Jul-29	15-Feb-30	\$4,892,383	1.27	\$3,857,611	\$5,448,868	111%
1-Jul-30	15-Feb-31	\$4,990,677	1.29	\$3,857,956	\$5,557,845	111%
1-Jul-31	15-Feb-32	\$5,090,380	1.32	\$3,857,872	\$5,669,002	111%
1-Jul-32	15-Feb-33	\$5,190,778	1.35	\$3,856,824	\$5,782,382	111%
1-Jul-33	15-Feb-34	\$5,295,156	1.37	\$3,857,234	\$5,898,030	111%
1-Jul-34	15-Feb-35	\$5,401,539	1.40	\$3,857,577	\$6,015,990	111%
1-Jul-35	15-Feb-36	\$5,509,019	1.43	\$3,857,192	\$6,136,310	111%
1-Jul-36	15-Feb-37	\$5,619,686	1.46	\$3,857,526	\$6,259,036	111%
1-Jul-37	15-Feb-38	\$5,732,436	1.49	\$3,857,765	\$6,384,217	111%
1-Jul-38	15-Feb-39	\$5,846,164	1.52	\$3,857,158	\$6,511,901	111%
1-Jul-39	15-Feb-40	\$5,962,766	1.55	\$3,856,950	\$6,642,139	111%
1-Jul-40	15-Feb-41	\$6,081,942	1.58	\$3,856,900	\$6,774,982	111%
1-Jul-41	15-Feb-42	\$6,204,329	1.61	\$3,857,365	\$6,910,482	111%
1-Jul-42	15-Feb-43	\$6,328,432	1.64	\$3,857,375	\$7,048,692	111%
1-Jul-43	15-Feb-44	\$6,454,757	1.67	\$3,857,229	\$7,189,665	111%
1-Jul-44	15-Feb-45	\$6,582,679	1.71	\$3,856,542	\$7,333,459	111%
1-Jul-45	15-Feb-46	\$6,714,509	1.74	\$3,856,643	\$7,480,128	111%
1-Jul-46	15-Feb-47	\$6,850,299	1.78	\$3,857,487	\$7,629,730	111%
1-Jul-47	15-Feb-48	\$6,984,968	1.81	\$3,856,197	\$7,782,325	111%
1-Jul-48	15-Feb-49	\$2,625,292	1.85	\$1,420,929	\$7,937,972	302%
1-Jul-49	15-Feb-50	\$2,675,386	1.88	\$1,419,649	\$8,096,731	303%
1-Jul-50	15-Feb-51	\$1,399,175	1.92	\$727,891	\$8,258,666	590%
1-Jul-51	15-Feb-52	\$1,427,113	1.96	\$727,868	\$8,423,839	590%
<b>Total</b>		<b>\$163,671,250</b>			<b>\$214,796,029</b>	

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20-Jun-17

<sup>1</sup>See Exhibit E-1.

**Exhibit F**  
**Assessed Value Methodology**

**Exhibit F-1**  
**Projected Future Assessed Value**

Property Class	Description	Laurel Park Station Special Taxing District <sup>1</sup>				Market Value <sup>2</sup>		Equivalent Unit Factors
		Units	BSF Per Unit	BSF	Rooms	Per Unit/Room	Per BSF	
<i>Residential For Sale Property</i>								<i>(per unit)</i>
Residential For Sale A Property	Two-over-twos - Market rate	132	2,200	290,400	-	\$412,387	\$187	1.41
Residential For Sale B Property	Two-over-twos - Affordable	24	2,200	52,800	-	\$331,971	\$151	1.13
Residential For Sale C Property	Condominiums - Market rate	224	1,600	358,400	-	\$293,307	\$183	1.00
Residential For Sale D Property	Condominiums - Affordable	40	1,600	64,000	-	\$223,043	\$139	0.76
<i>Residential Rental Property</i>								<i>(per unit)</i>
Residential Rental A Property	Apartments - Market rate	494	1,175	580,450	-	\$194,069	\$165	0.66
Residential Rental B Property	Apartments - Affordable	88	1,175	103,400	-	\$130,144	\$111	0.44
<i>Retail Property</i>								<i>(per 1,000 BSF)</i>
Retail Property	Retail/Restaurant	-	-	127,000	-	-	\$314	1.07
<i>Office Property</i>								<i>(per 1,000 BSF)</i>
Office Property	Office	-	-	650,000	-	-	\$260	0.89
<i>Hotel Property</i>								<i>(per room)</i>
Hotel Property	Hotel	-	-	0	0	\$114,212	\$173	0.39

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<sup>1</sup>Based on information provided by Walter Lynch PLLC.

<sup>2</sup>See Exhibit F-2.



**Exhibit F-2**  
**Comparison of Valuation Methods**

Property Type	Income Capitalization <sup>2</sup>	Comparables <sup>3</sup>	Estimated Sales Price <sup>4</sup>
<b><i>Residential:</i></b>			
<i>Two-over-twos</i>			
Market Rate			
Per Unit	-	<u><b>\$314,340.00</b></u>	\$400,000.00
Per SF	-	<u><b>\$187.45</b></u>	\$181.82
Affordable <sup>5</sup>			
Per Unit	-	<u><b>\$253,043.70</b></u>	\$322,000.00
Per GSF	-	<u><b>\$150.90</b></u>	\$146.36
<i>Condominiums</i>			
Market Rate			
Per Unit	-	<u><b>\$279,285.71</b></u>	\$330,000.00
Per SF	-	<u><b>\$183.32</b></u>	\$206.25
Affordable <sup>5</sup>			
Per Unit	-	<u><b>\$212,379.86</b></u>	\$250,945.00
Per GSF	-	<u><b>\$139.40</b></u>	\$156.84
<i>Apartments</i>			
Market Rate			
Per Unit	\$227,874.97	<u><b>\$223,743.34</b></u>	-
Per GSF	\$193.94	<u><b>\$165.17</b></u>	-
Affordable <sup>5</sup>			
Per Unit	\$152,815.08	<u><b>\$150,044.37</b></u>	-
Per GSF	\$130.06	<u><b>\$110.76</b></u>	-
<b><i>Commercial:</i></b>			
<i>Retail</i>			
Per SF	\$338.41	<u><b>\$313.80</b></u>	-
<i>Office</i>			
Per SF	\$279.96	<u><b>\$259.86</b></u>	-
<i>Hotel</i>			
Per Room	-	<u><b>\$114,211.72</b></u>	-
Per SF	-	<u><b>\$173.15</b></u>	-

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<sup>1</sup>Valuation approach chosen for each type of development is underlined and shown in bold and italics.

<sup>2</sup>See Exhibits F-3(a) and F-3(b).

<sup>3</sup>See Exhibits F-4(a) and F-4(b).

<sup>4</sup>Market rate sales prices provided by Walter Lynch PLLC. Affordable sales prices based on Howard County Moderate Income Housing Unit Program.

<sup>5</sup>Comparables value for affordable units based on the percentage of affordable apartment unit net operating income versus market rate net operating income. **Additional information regarding affordable unit value needed.**

**Exhibit F-3(a)**

**Projected Assessed Value - Income Capitalization (Residential)**

	Market Rate	Affordable
Rent per net SF <sup>1</sup>	\$1.95	\$1.55
Net square feet <sup>1</sup>	1,050	1,050
Monthly rent per unit	\$2,049	\$1,628
Annual rent per unit	\$24,591	\$19,530
Vacancy rate <sup>1</sup>	5.20%	5.20%
Less: vacancy	(\$1,279)	(\$1,016)
Effective rent per unit	\$23,312	\$18,514
Expense ratio	37.52%	47.24%
Less: operating expenses <sup>2</sup>	(\$8,747)	(\$8,747)
Net operating income per unit	\$14,566	\$9,768
Capitalization rate <sup>3</sup>	5.01%	5.01%
Tax rate <sup>3</sup>	1.38%	1.38%
Fully loaded capitalization rate	6.39%	6.39%
Market value per unit	\$227,875	\$152,815
Market value per net SF	\$217.02	\$145.54
Market value per gross SF	\$193.94	\$130.06

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<sup>1</sup>Source: Walter Lynch PLLC. Market rate rents and vacancy rate based on master metered mid- and high-rise apartment properties based on the *2016 National Apartment Association Survey of Operating Income & Expenses in Rental Apartment Communities*. Affordable rents based on 60% AMI units data from Baltimore MSA.

<sup>2</sup>Represents total operating expenses per unit excluding taxes. The Maryland State Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed operating expenses. Based on master metered mid- and high-rise apartment properties based on the *2016 NAA Survey of Operating Income & Expenses in Rental Apartment Communities*.

<sup>3</sup>The Maryland State Department of Assessments and Taxation uses a fully-loaded capitalization rate, which is reflected by adding the real property tax rate to the market capitalization rate. As a result, real property taxes are netted out of the assumed expenses shown above. The cap rate assumes a 5.01% market rate plus real property tax rates of the fiscal year 2017 Howard County (\$1.014), Maryland State (\$0.112), fire tax (\$0.176) and ad valorem (\$0.08) tax rate. Market rate represents the mid-Atlantic apartment market average overall cap rate for first quarter 2017 as reported in the *First Quarter 2017 PriceWaterhouseCoopers Real Estate Investor Survey*. Real property tax rates used represent the rate for fiscal year 2017 as reported by Maryland State Department of Assessments of Taxation.

**Exhibit F-3(b)**  
**Projected Assessed Value - Income Capitalization (Commercial)**

	Retail	Office
Annual rent per GSF <sup>1</sup>	\$30.00	\$35.00
Assumed vacancy rate <sup>1</sup>	4.00%	9.00%
Less: assumed vacancy	(\$1.20)	(\$3.15)
Effective gross income	\$28.80	\$31.85
Assumed expense ratio	9.50%	22.10%
Less: assumed expenses <sup>2</sup>	(\$2.74)	(\$7.04)
Net operating income	\$26.06	\$24.81
Capitalization rate <sup>3</sup>	6.32%	7.48%
Tax rate <sup>3</sup>	1.38%	1.38%
Fully loaded capitalization rate	7.70%	8.86%
Estimated market value PSF	\$338.41	\$279.96

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<sup>1</sup>Based on assumed average Howard County office and retail space rent and vacancy for new, similar uses.

<sup>2</sup>Office expenses are based on data provided by *Market Survey 1st Quarter 2017* from RealtyRates.com. Assumes retail is a triple net lease. According to the Maryland State Department of Assessments and Taxation, expenses are still assumed for triple net property though lower than the amount assumed for gross leases. Expense ratio shown represents an average of 7%-12% as a result of discussions with individuals at the Maryland State Department of Assessments and Taxation. The Maryland State Department of Assessments of Taxation uses a fully-loaded capitalization rate and, as a result, real property taxes are removed from the assumed expenses.

<sup>3</sup>The capitalization rate assumes a 6.32% market rate for the retail component and 7.48% market rate for the office component plus real property tax rates of the fiscal year 2017 Howard County (\$1.014), Maryland State (\$0.112), fire tax (\$0.176) and ad valorem (\$0.08) tax rate. Market rate represents the strip shopping center market and suburban Maryland office market average overall capitalization rate for first quarter 2017 as reported in the *First Quarter 2017 PriceWaterhouseCoopers Real Estate Investor Survey*. Real property tax rates used represent the rate for fiscal year 2017 as reported by Maryland State Department of Assessments of Taxation.

**Exhibit F-4(a)**  
**Projected Assessed Value - Comparables (Residential)**

Development Type	Address	City	Year Built	Parcel Number	Assessed Value <sup>1</sup>			Area			Assessed Value Per SF/Unit <sup>4</sup>	
					Land	Building	Total	SF <sup>2</sup>	Net SF <sup>3</sup>	Units	Per Gross SF	Per Unit
<b>Two-over-twos</b>												
Howard Square	7305 Summit Rock Road	Elkridge	2015	01 597039	\$105,000	\$236,700	\$341,700	1,960	-	-	\$174	\$341,700
Howard Square	7505 Hearthside Way	Elkridge	2013	01 593756	\$105,000	\$211,300	\$316,300	1,780	-	-	\$178	\$316,300
Howard Square	7503 Hearthside Way	Elkridge	2013	01 593757	\$105,000	\$211,300	\$316,300	1,780	-	-	\$178	\$316,300
Howard Square	7206 Yesterday Lane	Elkridge	2014	01 595408	\$110,000	\$243,700	\$353,700	1,960	-	-	\$180	\$353,700
Elkridge Crossing	7202 Elkridge Crossing Way	Elkridge	2007	01 313231	\$56,000	\$234,000	\$290,000	1,600	-	-	\$181	\$290,000
Elkridge Crossing	7222 Elkridge Crossing Way	Elkridge	2007	01 313347	\$56,000	\$234,000	\$290,000	1,600	-	-	\$181	\$290,000
Elkridge Crossing	7210 Elkridge Crossing Way	Elkridge	2007	01 313282	\$56,000	\$234,000	\$290,000	1,600	-	-	\$181	\$290,000
Elkridge Crossing	7285 Elkridge Crossing Way	Elkridge	2007	01 593245	\$56,000	\$234,000	\$290,000	1,600	-	-	\$181	\$290,000
Elkridge Crossing	7206 Elkridge Crossing Way	Elkridge	2007	01 313266	\$56,000	\$234,000	\$290,000	1,600	-	-	\$181	\$290,000
Howard Square	7208 Yesterday Lane	Elkridge	2014	01 595409	\$105,000	\$208,000	\$313,000	1,720	-	-	\$182	\$313,000
Howard Square	7529 Hearthside Way	Elkridge	2013	01 593746	\$110,000	\$226,400	\$336,400	1,780	-	-	\$189	\$336,400
Orchard Square	8005 Orchard Grove Road	Odenton	2016	04 571 90245359	\$167,200	\$167,200	\$334,400	1,761	-	-	\$190	\$334,400
Orchard Square	8008 Orchard Grove Road	Odenton	2016	04 571 90243165	\$162,700	\$162,700	\$325,400	1,713	-	-	\$190	\$325,400
Orchard Square	8013 Orchard Grove Road	Odenton	2016	04 571 90245355	\$163,200	\$163,200	\$326,400	1,718	-	-	\$190	\$326,400
Orchard Square	8020 Orchard Grove Road	Odenton	2016	04 571 90243171	\$166,100	\$166,200	\$332,300	1,749	-	-	\$190	\$332,300
Orchard Square	8012 Orchard Grove Road	Odenton	2016	04 571 90243167	\$163,400	\$163,400	\$326,800	1,720	-	-	\$190	\$326,800
Howard Square	7511 Hearthside Way	Elkridge	2013	01 593753	\$110,000	\$219,000	\$329,000	1,730	-	-	\$190	\$329,000
Howard Square	7587 Hearthside Way	Elkridge	2013	01 594848	\$105,000	\$175,400	\$280,400	1,424	-	-	\$197	\$280,400
Howard Square	7437 Rigby Place	Elkridge	2015	01 597110	\$110,000	\$190,900	\$300,900	1,424	-	-	\$211	\$300,900
Howard Square	7435 Rigby Place	Elkridge	2015	01 597111	\$105,000	\$198,800	\$303,800	1,424	-	-	\$213	\$303,800
Sub-total two-over-twos					\$2,172,600	\$4,114,200	\$6,286,800	33,643	-	-	<b>\$182</b>	\$314,340
<b>Condominiums</b>												
ShadyWood Grove	6150 Shadywood Grove	Elkridge	2006	01 305557	\$55,000	\$190,000	\$245,000	1,500	-	-	\$163	\$245,000
ShadyWood Grove	6150 Shadywood Grove	Elkridge	2006	01 305484	\$75,000	\$245,000	\$320,000	1,900	-	-	\$168	\$320,000
Waverly Woods Condo Unit B	2121 John Stuart Road	Marriottsville	2015	03 598768	\$90,000	\$170,000	\$260,000	1,394	-	-	\$187	\$260,000
ShadyWood Grove	6150 Shadywood Grove	Elkridge	2006	01 305611	\$60,000	\$240,000	\$300,000	1,600	-	-	\$188	\$300,000
Waverly Woods Condo Unit E	2121 John Stuart Road	Marriottsville	2015	03 598771	\$90,000	\$180,000	\$270,000	1,436	-	-	\$188	\$270,000
Waverly Woods Condo Unit L	2121 John Stuart Road	Marriottsville	2015	03 598777	\$90,000	\$190,000	\$280,000	1,438	-	-	\$195	\$280,000
Waverly Woods Condo Unit J	2121 John Stuart Road	Marriottsville	2015	03 598775	\$90,000	\$190,000	\$280,000	1,438	-	-	\$195	\$280,000
Sub-total condominiums					\$550,000	\$1,405,000	\$1,955,000	10,706	-	-	<b>\$183</b>	\$279,286
<b>Apartments</b>												
Enclave at Emerson	8420 Upper Sky Way	Laurel	2011	06 585868	\$2,800,000	\$29,097,800	\$31,897,800	234,620	196,207	164	\$136	\$194,499
Alta at Regency Crest <sup>5</sup>	3311 Oak West Drive	Ellicott City	2011	02 241706	\$1,168,900	\$26,615,300	\$27,784,200	209,936	154,292	150	\$132	\$185,228
Lodge at Seven Oaks	Bluemwater Boulevard	Odenton	2007	04 680 90214448	\$19,800,000	\$60,337,000	\$80,137,000	415,360	405,432	396	\$193	\$202,366
Arbors at Arundel Preserve	2111 Piney Branch Circle	Hanover	2007	04 000 90222157	\$24,800,000	\$75,469,700	\$100,269,700	588,828	459,371	496	\$170	\$202,157
Residences at Arundel Preserves <sup>6</sup>	Milestone Parkway	Hanover	2011	04 000 90231749 09 2500002147; 09	\$12,100,000	\$39,109,400	\$51,209,400	490,875	233,546	242	\$104	\$211,609
The Quarter (Jazz & Renaissance) <sup>7</sup>	Dulaney Valley Road	Towson	2009	2500002148	\$18,782,600	\$77,639,300	\$96,421,900	543,051	402,260	430	\$178	\$224,237
Haven at Odenton Gateway	615 Carlton Otto Lane	Odenton	2012	04 520 90233379 04 763 90229154; 04	\$12,600,000	\$47,625,800	\$60,225,800	311,870	244,440	252	\$193	\$238,991
Elms at Stoney Run	Watts Road	Hanover	2008	763 90229149	\$19,300,000	\$65,517,300	\$84,817,300	-	340,621	280	-	\$302,919
Metropolitan <sup>8</sup>	10000 Town Center Boulevard	Columbia	2014	Various	\$38,028,000	\$57,612,000	\$95,640,000	445,235	333,926	380	\$215	\$251,684
Sub-total apartments											<b>\$165</b>	\$223,743

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<sup>1</sup>Assessed values based on information provided by Maryland State Department of Assessments and Taxation. Values used on Exhibit F-2 shown in bold, italics, and underlined.

<sup>2</sup>Gross square feet is based on information provided by Maryland State Department of Assessments and Taxation.

<sup>3</sup>Square feet and units are based on square footage associated with apartment use (net of garages and ancillary uses).

<sup>4</sup>Assessed value per square foot for apartments is based on net square feet for apartments, except as noted.

<sup>5</sup>Net square feet is based on information provided by Maryland State Department of Assessments and Taxation.

<sup>6</sup>Assessed value is net of \$854,200 in assessed value associated with retail component, based on information provided by Maryland State Department of Assessments and Taxation. Gross square footage represents area net of retail component based on information provided by Maryland State Departments of Assessments and Taxation.

<sup>7</sup>Gross square footage is estimated at 135% of net square footage based on known ratio of other comparable properties.

<sup>8</sup>Net square footage is estimated at 75% of gross square footage based on known ratio of other comparable properties.

**Exhibit F-4(b)**  
**Projected Assessed Value - Comparables (Commercial)**

Development Type	Address	City	Year Built	Parcel Number	Assessed Value <sup>1</sup>			Area		Assessed Value	
					Land	Building	Total	SF	Rooms	Per SF	Per Room
<b>Retail</b>											
Maple Lawn Retail (Sushi Tendou, Hair Cuttery, HighStarr)	8194 Westside Boulevard	Fulton	2012	05 451213	\$655,000	\$1,612,100	\$2,267,100	14,204	-	\$160	-
Steelfire Kitchen	8170 Westside Boulevard	Fulton	2016	05 597014	\$300,000	\$920,200	\$1,220,200	4,649	-	\$262	-
AAK Dobbin (Chipotle Mexican Grill, Cosi, FedEx)	6181 Old Dobbin Lane	Columbia	2004	16 214302	\$6,063,500	\$13,920,600	\$19,984,100	70,272	-	\$284	-
Dobbin Square (Qdoba, Sports Clips, Pei Wei)	6482 Dobbin Center Way	Columbia	2006	16 131423	\$442,800	\$2,927,500	\$3,370,300	10,995	-	\$307	-
Metropolitan ground floor retail	10000 Town Center Boulevard	Columbia	2014	15 597761	\$1,932,000	\$2,926,900	\$4,858,900	15,319	-	\$317	-
Dobbin Corner (Fudrucker, Ale House, Potbelly)	6476 Dobbin Center Way	Columbia	1980	16 131415	\$1,692,000	\$6,118,400	\$7,810,400	24,580	-	\$318	-
Annapolis Town Center - ground floor retail	1910 Towne Centre Boulevard	Annapolis	2009	02 010 90228914	\$7,283,000	\$19,546,200	\$26,829,200	84,175	-	\$319	-
Annapolis Town Center - ground floor retail	1915 Towne Centre Boulevard	Annapolis	2008	02 010 90227609	\$1,200,000	\$19,725,900	\$20,925,900	48,803	-	\$429	-
Annapolis Town Center - ground floor retail	1905 Towne Centre Boulevard	Annapolis	2008	02 010 90228913	\$4,728,000	\$18,013,400	\$22,741,400	53,037	-	\$429	-
Sub-total retail					\$24,296,300	\$85,711,200	\$110,007,500	326,034		<b><u>\$314</u></b>	
<b>Office</b>											
Maryland Building Industry Association	11825 West Market Place	Fulton	2015	05 593171	\$333,600	\$1,406,900	\$1,740,500	9,512	-	\$183	-
Office	8601 Robert Fulton Drive	Columbia	2007	06 563376	\$2,237,600	\$7,896,600	\$10,134,200	54,020	-	\$188	-
Annapolis Junction Business Park	8193 Dorsey Run Road	Annapolis Jct	2011	04 000 90221371	\$5,314,600	\$18,276,600	\$23,591,200	121,834	-	\$194	-
Maple Lawn Office	8161 Maple Lawn Boulevard	Fulton	2007	05 438985	\$2,420,000	\$20,872,600	\$23,292,600	117,780	-	\$198	-
Maple Lawn Office	8115 Maple Lawn Boulevard	Fulton	2016	05 594482	\$2,002,000	\$20,732,400	\$22,734,400	102,264	-	\$222	-
Arundel Preserve	7740 Milestone Parkway	Hanover	2009	04 000 90222437	\$2,695,200	\$29,448,900	\$32,144,100	136,400	-	\$236	-
Maple Lawn Office	8160 Maple Lawn Boulevard	Fulton	2012	05 443016	\$1,221,500	\$23,908,000	\$25,129,500	104,796	-	\$240	-
Johns Hopkins APL	11101 Johns Hopkins Road	Laurel	2012	05 371767	\$6,713,500	\$43,953,000	\$50,666,500	211,144	-	\$240	-
National Business Park	140 National Business Parkway	Annapolis Jct	2003	04 499 90100595	\$7,432,000	\$26,107,400	\$33,539,400	124,092	-	\$270	-
National Business Park	318 Sentinel Way	Annapolis Jct	2007	04 499 90218043	\$4,371,000	\$34,441,700	\$38,812,700	130,200	-	\$298	-
National Business Park	304 Sentinel Drive	Annapolis Jct	2005	04 499 90220564	\$5,902,400	\$42,834,700	\$48,737,100	162,729	-	\$299	-
National Business Park	322 Sentinel Way	Annapolis Jct	2009	04 499 90220569	\$7,247,800	\$33,780,600	\$41,028,400	135,000	-	\$304	-
National Business Park	320 Sentinel Way	Annapolis Jct	2007	04 499 90218044	\$4,092,000	\$35,739,400	\$39,831,400	130,200	-	\$306	-
National Business Park	Sentinel Way	Annapolis Jct	2010	04 499 90232891	\$3,981,500	\$36,003,300	\$39,984,800	126,960	-	\$315	-
National Business Park	308 Sentinel Drive	Annapolis Jct	2010	04 499 90220567	\$2,399,400	\$51,056,600	\$53,456,000	164,448	-	\$325	-
National Business Park	2711 Technology Drive	Annapolis Jct	2002	04 499 90078994	\$4,135,400	\$47,458,500	\$51,593,900	151,605	-	\$340	-
Sub-total office					\$62,499,500	\$473,917,200	\$536,416,700	1,982,984		<b><u>\$260</u></b>	
<b>Hotel/Conference Center</b>											
Residence Inn Columbia	4950 Beaver Run	Ellicott City	1998	02-389568	\$1,572,500	\$8,766,800	\$10,339,300	73,800	108	\$140	\$95,734
Hampton Inn & Suites Columbia/South	7045 Minstrel Way	Columbia	2013	16-218324	\$1,156,500	\$8,980,500	\$10,137,000	67,016	124	\$151	\$81,750
Marriott BWI	1743 W Nursery Road	Linthicum	1988	05-000-90046373	\$5,381,600	\$29,895,000	\$35,276,600	221,656	309	\$159	\$114,164
Hilton Garden Inn	8241 SE Snowden River Parkway	Columbia	2003	16-21410	\$1,050,600	\$8,230,900	\$9,281,500	57,968	98	\$160	\$94,709
SpringHill Suites Columbia	7055 Minstrel Way	Columbia	2009	16-218316	\$882,000	\$11,925,300	\$12,807,300	66,228	117	\$193	\$109,464
Hotel at Arundel Preserve	7795 Arundel Mills Boulevard	Hanover	2011	04-000-90231748	\$812,200	\$27,484,200	\$28,296,400	140,000	150	\$202	\$188,643
Westin BWI	1110 Old Elkridge Landing	Linthicum	2007	05-000-900050327	\$7,074,600	\$22,830,100	\$29,904,700	145,226	260	\$206	\$115,018
Sub-total					\$17,930,000	\$118,112,800	\$136,042,800	771,894	1,166	<b><u>\$173</u></b>	<b><u>\$114,212</u></b>

MuniCap, Inc.

<sup>1</sup>Assessed values based on information provided by Maryland State Department of Assessments and Taxation. Values used on Exhibit F-2 shown in bold, italics, and underlined.