

CB74-2017

Date: 18 September 2017

Subject: The Howard County Citizens Association (HCCA) supports CB74-2017

Good Evening. My name is Stu Kohn. I reside at 8709 Yellow Bird Court Laurel, Maryland, 20723. I am the President of the Howard County Citizens Association, HCCA and our Board has unanimously voted to support CB74-2017. We were against the TIF when we testified in July. The asking of the repeal is more than justified being that the terms have changed and especially being the citizens should have been informed as to the major revision to the original Bill. We continue to commend Councilwoman Jen Terrasa for having the fortitude to just say "NO" to a deal that should not have occurred in the first place. Now that Councilman Ball is a co-sponsor of this Bill, HCCA appreciates the effort. It is very unfortunate that at this time there are four corporations who are involved in a lawsuit regarding the entire premise of the Downtown TIF. They are Corporate Office Properties, Merritt Properties, St. John Properties, and Greenabaum and Rose. If these corporations were to ask for a TIF would the County oblige? Where and when does it end? Their complaint they are claiming is an improper use of public funds for a private facility. This may well be justified as it is not in the best interest of other developers. In this regard the proposed Laurel Park TIF is in the same category. What this all boils down to is can someone please tell us what is the real vision of our County?

I can tell you that last week, HCCA was proud to conduct a premier film we produced which was held at the Howard County Community College. There were about 350 people in attendance. The film was titled, "Columbia at 50 – a Bridge to the Future." There were many people who were interviewed that participated in the film. In the film there was a segment discussing the relevance of the Downtown Columbia TIF. When the camera focused on Councilwoman Terrasa she articulated her views on the TIF. The audience gave her a rousing applause. Oh, and by the way – Howard Hughes declined as well as Kimco to be interviewed for our film. Is this any way to be communicable with the community? It leaves a bad impression. If your constituents had the opportunity to vote on whether a TIF for Downtown Columbia is justified the answer would probably be "NO."

I refer you to the proposed Bill, Lines 12 thru 14. It states, "The decision raises numerous questions about the financial data presented to the Council during its consideration of CB56-2016 and significantly alters the potential public benefit to be realized through the proposed investment of public funds." This is why transparency should be the word of the day and at all times. The public has a vested right to be involved in knowing exactly how much is designated where and what are the benefits to the citizens not necessarily Howard Hughes. Where precisely is the majority of the money from the designated parking garage going? Is it going strictly to the roads or anywhere else and how much? Why not have some of the money go to further the

expansion of the Hospital? This is necessitated to ensure the additional 900 units plus 160 units at the Flier building which is much greater than the designated 5500 units stated in Plan Howard 2030 because of the passing of the original TIF legislation. This by all means needs to be considered in the overall equation regarding proper infrastructure. Perhaps the Council will see fit to take the necessary initiative to include major amendments to APFO. I think it is safe to say that based on the applause we heard at our HCCA film premiere and what we have heard from many others, the citizens have a right to be heard concerning this major revision from the intent of CB56-2016. We recommend a public hearing to be an essential part of the conversation; to obtain a better understanding and to perhaps even get better educated to know what the impact is to all concerned parties.

Let's simply do it right for the betterment of the County we all call home.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stu Kohn', with a stylized flourish at the end.

Stu Kohn
HCCA, President

Downtown Columbia – Special Public Hearing / Howard County Council

September 18, 2017

TALKING POINTS

I am representing Corporate Office Properties Trust (COPT) as CEO and myself as a resident of Howard County.

COPT is a Real Estate Investment Trust with a total market capitalization of \$5.3 billion, headquartered right here in Columbia, MD.

Our investment in Howard County approximates \$700 million in value.

We paid \$4.1 million in property taxes last year.

We employ 50 residents of Howard County.

COPT has been a long-time Investor in this county, a generous corporate citizen, and a major proponent of the continued excellence of Howard County.

COPT has reviewed CB74-2017 and we **support** the bill to **REPEAL** previously authorized authority to raise and use TIF proceeds to support Downtown Columbia Revitalization Plan.

The TIF proceeds authorized under CB56-2016 were primarily intended to construct a public parking facility in the Crescent District of Downtown Columbia. One of the intended uses of that facility was highly controversial from the perspective of our company, and other community real estate companies, as the TIF bill provided a single out-of-state developer an inappropriate competitive advantage.

COPT supports the cessation of the planned parking structure, and we further believe the entirety of CB56-2016 is now unnecessary and questionable as:

- The majority of Funds are being redirected to uses not made public to the community, and potentially inappropriate.
- The validity of the County's "But-For" analysis is questionable, as the analysis identified the parking facility as a critical element necessary for the

success of the Downtown Columbia Revitalization Plan, and it has now been eliminated.

- Just 10 months ago, the County and the “But For” analysis identified the parking resources as essential, and that rationale was used to determine the size of the TIF appropriation. The public has no reason to believe, and no information to determine, if the **TIF SIZE** remains appropriate.
- If CB56-2016 is allowed to remain, The County has far too much discretion in the use of public funds, without appropriate limitations and public transparency and accountability.

We believe the passage of CB74-2017 will provide Tabula Rasa, or a clean slate, for the County Executive and the Trustees to reassess the entirety of the TIF program, and thereby provide the absolute transparency Howard County tax payers expect and deserve.

As taxpayers, we deserve the right to render our opinion on the use of public resources supporting a private developer, and participate in public debate about the intended uses.

CB74-2017 should be PASSED, and followed with new legislation that allows for public deliberation on the CURRENT need for and appropriateness of the use of TIF funding to support a single Private Developer, from another state.

In summary,

I am supportive of the passage of CB74-2017, as a citizen of Howard County.

Corporate Office Properties Trust is supportive of the passage of CB74-2017, as a leading business community member of Howard County.

CB74-2017 is our community’s BEST OPPORTUNITY to restore transparency, trust, and confidence to our County Government.

Lada Onyshkevych, 6200 Bright Plume, Columbia MD 21044

County Council Public Hearing on September 18, 2017

Position: FOR CB74-2017, an act to repeal CB-56-2016 - \$90,000,000 TIF for the “Crescent Special Taxing District”

Members of the County Council, Chairman Weinstein:

Last year, I testified against CB56-2016, the \$90 million TIF for Columbia’s Downtown development area. I watched in dismay as 4 of the 5 of you passed this legislation, and only Ms. Terrasa voted against it. I am very glad to see that Dr. Ball has now joined with Ms. Terrasa in introducing CB74-2017, and I hope the rest of you will support this bill and eliminate that misguided TIF.

The original justification for the Downtown TIF was that it would include a public parking garage. From what I understand, that garage will now be owned and operated solely by the developer, Howard Hughes Corporation. So now we have \$90 million in taxes being diverted *away* from public schools and roads *solely* towards roads, water and sewers WITHIN the newly developed neighborhoods. Other developers must pay for new neighborhood roads and utilities themselves, yet the Howard Hughes Corporation is being given \$90 million in financing for these purposes.

Tonight you’ll be listening to the third night of testimony regarding stronger APFO legislation. I know you have all been hearing from your constituents about APFO, school redistricting and overcrowded schools. I hope what you have realized from the public outcry is that Howard County residents prioritize schools above all else. Your constituents do not want overcrowded

schools, and we do not want you to divert tax money away from all the new schools we so badly need. The thousands of new apartments you are allowing to be built downtown will only further overwhelm the existing schools in the area, and further exacerbate the need for extensive school redistricting. So the developer, Howard Hughes Corporation, should be contributing far more than currently required so that new schools can be built. We taxpayers should not be shouldering that burden alone, and Howard County students should not be forced to endure increasingly crowded conditions in their schools every day. Thus diverting tax money back to Howard Hughes Corporation is unjustifiable.

In addition, the changes to the Downtown TIF are being made behind closed doors, instead of in a public forum. We should all be alarmed by this lack of transparency about millions of dollars of tax money. Please repeal CB56-2016 so that you, as County Council members, can allow the public a voice in what happens to this tax money.

Thank you.

Testimony on CB 74-2017

Good evening members of the Howard County Council. My name is Cole Schnorf, and I reside at 4912 Valley View Overlook, Ellicott City. I have been living in Howard County for over 25 years and working in Howard County for over 30 years.

I am here tonight to oppose the repeal of the Tax Increment Financing agreement approved by the County Council in November 2016.

My testimony is brief, since I can't imagine that the County Council would reverse a decision in the midst of the development process that is already underway. Predictability and good faith are the foundations of the relationship between government and businesses investing in the community.

The TIF was determined to be good for Howard County when it was approved last year, which is why it passed, and nothing has changed that justifies renegeing on that decision.

The TIF bill approved last year gave the County Executive the right to move funding originally expected to be used to build a large public parking garage and public roads to instead advance funding of additional public roads. In fact, the County Executive's decision to use the TIF to fund roads and The Howard Hughes Corporation's decision to build the parking garage actually increases momentum for Downtown Columbia.

The TIF funds will go into major transportation connections that will alleviate traffic congestion, particularly during Merriweather events, but also for people traveling to and from Downtown Columbia at any time.

With TIF funding, the construction of roadway improvements will be accelerated while pavilion patrons' access to shared parking is ensured with the new garage built by The Howard Hughes Corporation. Merriweather parking is protected by an easement required in the original legislation. The Merriweather District parking garage will provide parking for the pavilion, as well as for patrons of the new restaurants and shops that will be built during the first phase of development.

In addition to executing the parking easement for Merriweather, The Howard Hughes Corporation has already fulfilled part of its commitment required in the 2016 TIF legislation by transferring ownership of Merriweather to the Downtown Columbia Arts and Culture Commission.

We are not debating whether the use of a TIF is consistent with the Downtown Columbia Plan. That debate ended with the approval of legislation in November. There is no justification for repeal of that legislation, and the threat of such a repeal is, in and of itself, a detriment to economic development in Howard County which relies upon the willingness of investors to believe our county government will honor its word.

**Howard County Council
Public Hearing
18 September 2017
Testimony for CB74-2017**

Submitted by: **Howard County Economic Development Authority**

Chairman Weinstein and members of the County Council, I'm Vernon Thompson, Executive Vice President of the Howard County Economic Development Authority, located at 6751 Columbia Gateway Drive, Suite 500 in Columbia, Maryland. The Howard County Economic Development Authority is a public-private partnership that promotes the retention, growth and attraction of new businesses to Howard County. I'm testifying tonight in opposition of Council Bill 74-2017, an act to repeal the Council Bill 56-2016 which authorized Howard County to issue up to \$90 million of TIF bonds and provides for the collection of a Special Tax on property within the Crescent Special Taxing District. One of the main tenants of adopting CB 56-2016 is that it would "enhance the taxable base of the County, encourage commerce and industry within the County and increase employment within the County through the construction of public improvements."

The Authority maintains that the Downtown Columbia Plan that was adopted in 2010 and is currently underway is critical for the economic development future of Howard County. With office vacancy below 10% and the consistent desire heard from our prospects to locate in a vibrant, live-work-play environment, the further development of Downtown Columbia is critical. Tax Increment Financing is a widely used economic development tool by local governments across the country as well as the state of Maryland. An example of this is the \$660 million TIF that was passed by Baltimore City for Port Covington which recently attracted a \$233 million private investment from Goldman Sachs. Last week, in the Baltimore Business Journal, Margaret Anadu, a Goldman Sachs managing director and head of the Urban Investment Group, said "the passage of the \$660 million tax increment financing package last September helped to seal the deal, noting the importance of public-private partnerships."

The redevelopment of Downtown Columbia has had an excellent start following the approval of the Downtown Columbia Plan in 2010. This Plan recognized the need for Howard County to use innovative financing techniques like the TIF. From an economic development perspective, it is critical to maintain market momentum.

The Downtown Columbia Plan and subsequent TIF were put in place by the County Executive and Council to fulfill the county mandate of a revitalized downtown and the Passage of CB-74 would cause undue delay and uncertainty in the market that Howard County is open for business.

Thank you.

Testimony on behalf of the Howard County Arts Council
Opposed to CB 74-2017 In Favor of CR 124

Good evening. I am Sharonlee Vogel, speaking for the Howard County Arts Council Board of Directors, currently serving as Secretary. We are opposed to the proposed repeal of the Downtown Columbia Tax Increment Financing [TIF] bill passed by the Howard County Council on Nov. 9, 2016, and **in favor of Council Resolution 124** being proposed by your member Mary Kay Sigaty.

The Howard County Arts Council is opposed to Council Bill 74-2017 and the repeal of the TIF for a simple reason: to repeal the TIF would be to break an agreement with the master developer of Downtown Columbia, introduces unpredictability in the development process, and puts the New Cultural Arts Center in jeopardy.

The revitalization of Downtown Columbia has advanced significantly in less than a decade. Large, major financial decisions have been made based on expectations that the TIF would offset some of the costs of the urbanization of the central core of Columbia.

The County Executive has decided that the first issuance of TIF bonds will pay for public roads. The County Executive has the authority to determine the “specific improvements to be financed, reimbursed or refinanced from proceeds of the Bonds”. There should be no interruption in the progress of the revitalization underway.

We support the enlargement of the Downtown Columbia development district to include the property designated for the **New Cultural Arts Center** for purposes of the State Tax TIF Act.

There is no need for the Arts Council to defend the long-anticipated Howard County New Cultural Arts Center. Exhibit and performing space should be located in the area designed to be the hub of culture in our community. The Arts Council sees the New Cultural Arts Center as meeting the long delayed needs of local artists and of the community of men, women and children who live in Howard County.

The arts bring us all together in so many ways, and that fact alone should encourage you to support a financing mechanism that will bring the New Cultural Arts Center into being sooner rather than later.

Sharonlee J. Vogel
Speaking for the Howard County Arts Council
8725 Warm Waves Way
Columbia, MD 21045



LEAGUE OF WOMEN VOTERS OF HOWARD COUNTY, INC.
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September 18, 2017

Testimony: re: CB 74-2017: "Repeal the TIF Authorization"

Members of the County Council,

CB74-2017 addresses the issue of government transparency and good governance. The League of Women Voters believes that democratic government depends on informed and active participation in government and requires that governmental bodies protect the citizen's right to know by giving adequate notice of proposed actions, holding open meetings and making public records accessible.

The use of 51% of TIF funds in CB56-2016 (\$51 million) originally designated for the construction of a public garage to be owned and operated by the county with profits going to Howard County is now being diverted to "other projects" as a result of an agreement between the county executive and the developer, Howard Hughes Corporation. This agreement allows Howard Hughes Corporation to own, operate and profit from the garage. The other projects for which the \$51 million is diverted are not clearly identified. This is a significant change from the original plan.

Although the TIF legislation gave the county executive authority to make adjustments to the plan, diverting this large a percentage of the total TIF funds and changing the ownership and revenues from the county to the developer is more than an adjustment. It is a different proposal. Therefore, the issue needs public scrutiny in the interest of good governance.

The League of Women Voters of Howard County supports CB74-2017. The League hopes that the county council will also support good governance, of which transparency is a critical part, and pass CB74-2017.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Russell".

Barbara Russell

Co-President

