

**HOWARD COUNTY, MARYLAND
ANNAPOLIS JUNCTION TOWN CENTER
SPECIAL TAXING DISTRICT**

**SPECIAL TAX REPORT
FISCAL YEAR 2024**

March 30, 2023

PREPARED BY:

MUNICAP, INC.

— PUBLIC FINANCE —

**Howard County, Maryland
Annapolis Junction Town Center
Special Taxing District**

**Special Tax Report
Fiscal Year 2024**

INTRODUCTION

Howard County, Maryland (the “County”) issued the \$17,000,000 Howard County, Maryland Special Obligation Bonds (Annapolis Junction Town Center Project), 2014 Series (the “Bonds”) on March 11, 2014 related to the Annapolis Junction Town Center Special Taxing District (the “District”) pursuant to the provisions of (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the “Tax Increment Financing Act”); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland (formerly codified as Section 9-1301 of Article 24 of the Annotated Code of Maryland), as amended (the “Special Taxing District Act” and together with the Tax Increment Financing Act, the “Acts”); (iii) Resolution No. 14-2009 adopted by the County Council of Howard County, Maryland (the “County Council”) on May 4, 2009, as amended by Resolution No. 40-2011 adopted on May 2, 2011 and as further amended by Resolution No. 10-2013 adopted on February 4, 2013 (the “Resolution”); (iv) Council Bill No. 21-2009 enacted by the County Council on May 4, 2009, as amended by Council Bill No. 14-2011 enacted on May 2, 2011, and as further amended by Council Bill No. 5-2013 enacted on February 4, 2013 (the “Ordinance” and, together with the Resolution, the “Authorizing Legislation”); and (v) an Indenture of Trust dated as of March 1, 2014 (the “Indenture”) by and between the County and Manufacturers and Traders Trust Company, as trustee (the “Trustee”). Capitalized terms not defined herein have the same definitions as provided for in the Howard County, Maryland Annapolis Junction Town Center Special Taxing District Rate and Method of Apportionment of Special Taxes (the “Rate and Method”) and the Indenture.

The Bonds are to be repaid from (i) Tax Increment Revenues (defined herein); (ii) pledged BRAC revenues; and (iii) to the extent Tax Increment Revenues and pledged BRAC revenues are insufficient, special taxes levied on the Taxable Property in the District. This report has been prepared to explain the methodology used to calculate the special taxes at which property will be taxed in the District for Fiscal Year 2024.

REFUNDING OPPORTUNITY

The first optional call date on the Bonds is February 15, 2024. Under federal tax law, tax exempt bonds may be current refunded no sooner than 90 days prior to the call date if a similar structure is to be proposed. Alternative structures may be considered to evaluate the potential for a refunding only to the extent they meet the County’s policy goals related to potential savings. MuniCap (the “Administrator”) has discussed a preliminary analysis with the County and is currently analyzing a refunding opportunity.

LEVY AND COLLECTION OF SPECIAL TAXES

According to the Rate and Method, special taxes have been levied each fiscal year at the Maximum Special Tax (defined herein), commencing with the Commencement Date and continuing until the Termination Date. Pursuant to the Rate and Method, the 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 (Fiscal Year 2015). The special tax, with the exception of any delinquent special taxes and related penalties and interest, shall not be collected from any parcel after the earlier of (i) the repayment or defeasance of the Bonds, (ii) the thirtieth fiscal year in which special taxes are levied, with the first fiscal year being the Commencement Date, and (iii) such time provided for by the Indenture. Commencing with Fiscal Year 2015 and for each following fiscal year, the special tax shall be collected as provided for in the Rate and Method. This section provides the calculation of the aggregate amount of special taxes to be collected for Fiscal Year 2024.

Special Tax Requirement

Special taxes are to be collected each fiscal year in an amount up to the Maximum Special Tax for such fiscal year to the extent needed to fund the Special Tax Requirement. According to the Rate and Method, the Special Tax Requirement 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) on the Bonds to be paid from the special taxes 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) an amount equal to the estimated delinquencies expected in payment of the special tax or other contingencies as deemed appropriate, 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, 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.

Table A on the following page provides a summary of the Special Tax Requirement for Fiscal Year 2024. In accordance with the Rate and Method, a special tax shall be collected from parcels of taxable property within the District to the extent necessary to fund the Special Tax Requirement. The special taxes to be collected for Fiscal Year 2024, if any, will be applied to pay expenses for the one-year period beginning on August 16, 2023 and ending on the immediately succeeding August 15 (“Bond Year 2024”). Estimated Fiscal Year 2024 Tax Increment Revenues, Reserve Fund investment income, and the remaining funds from the bond year beginning on August 16, 2022 and ending on the immediately succeeding August 15 (“Bond Year 2023”) are sufficient to pay debt service on the Bonds and administrative expenses for Fiscal Year 2024.

Accordingly, the Special Tax Requirement for Fiscal Year 2024 is zero (\$0). The Special Tax Requirement is explained in the following sections.

Table A
Fiscal Year 2024 Special Tax Requirement

Expenses:	
Debt service:	
Interest payment due on February 15, 2024 (see Table B)	\$490,683
Principal payment due on February 15, 2024	\$205,000
Interest payment due on August 15, 2024 (see Table C)	\$485,763
<i>Subtotal debt service</i>	<i>\$1,181,445</i>
Administrative expenses for Fiscal Year 2024 (see Table D) ¹	\$29,630
Contingency	\$10,000
Total expenses	\$1,221,075
Available Funds:	
Estimated Fiscal Year 2024 Tax Increment Revenues (see Table E)	(\$1,273,423)
Pledged BRAC revenues ²	\$0
Estimated Reserve Fund investment income through August 15, 2024	(\$67,139)
Surplus from prior year (see Table F)	(\$65,275)
Total available funds	(\$1,405,837)
Special Tax Requirement	\$0

¹The estimated administrative expenses for Fiscal Year 2024 are shown for the County's fiscal year of July 1, 2023 through June 30, 2024.

²To be fiscally responsible, it is assumed that no BRAC revenues will be received from the State and made available for the payment of Fiscal Year 2024 expenses.

Debt Service

Debt service on the Bonds includes the interest payable on February 15, 2024 and August 15, 2024. As shown in Table B below, the semi-annual interest payment due on February 15, 2024 in the amount of \$490,683 is equal to 6 months interest on the outstanding principal balance of \$16,350,000.

Table B
Semi-Annual Interest Payment – February 15, 2024

Term 2024 Bonds of \$205,000 at 4.80%	\$4,920
Term 2034 Bonds of \$4,440,000 at 5.80%	\$128,760
Term 2044 Bonds of \$11,705,000 at 6.10%	\$357,003
Total	\$490,683

As shown in Table C on the following page, the semi-annual interest payment due on August 15, 2024 in the amount of \$485,763 is equal to 6 months of interest on the outstanding principal balance of \$16,145,000.

Table C
Semi-Annual Interest Payment – August 15, 2024

Term 2034 Bonds of \$4,440,000 at 5.80%	\$128,760
Term 2044 Bonds of \$11,705,000 at 6.10%	\$357,003
Total	\$485,763

There is a principal payment of \$205,000 due on February 15, 2024. As a result, total debt service is equal to \$1,181,445 (\$490,683 + \$205,000 + \$485,763 = \$1,181,445).

Administrative Expenses

Administrative expenses include the estimated annual expenses of the Trustee, the Administrator and the County related to the District. The total administrative expenses for Fiscal Year 2024 are estimated to be \$29,630 as shown in Table D below.

Table D
Fiscal Year 2024 Estimated Administrative Expenses

Trustee fee	\$3,380
Administrator’s expenses	\$16,250
County expenses	\$10,000
Total	\$29,630

Contingency

A contingency of approximately 0.83% of the debt service and administrative expenses for Fiscal Year 2024 has been added in the event of delinquencies, unanticipated expenses, or if investment income is less than estimated.

Tax Increment Revenues

Table E on the following page shows the Tax Increment Revenues expected to be made available to pay a portion of the debt service on the Bonds in Fiscal Year 2024. According to the Certificate of the Supervisor of Assessments for Howard County, the assessed value of the taxable property in the District for the base year was equal to \$1,608,000. According to the Maryland State Department of Assessments and Taxation, the assessed value of the taxable property in the District for Fiscal Year 2024 is \$127,192,100. As a result, the incremental assessed value of the District for Fiscal Year 2024 is equal to \$125,584,100 (\$127,192,100 – \$1,608,000 = \$125,584,100).

The real property tax rate for Howard County for Fiscal Year 2023 was equal to \$1.014 per \$100 of assessed value. For purposes of estimating the Tax Increment Revenues and the Special Tax Credit for Fiscal Year 2024, the real property tax rate of \$1.014 per \$100 of assessed value is assumed. Accordingly, based on the incremental assessed value of the District and the real property

tax rate, the Tax Increment Revenues and the resulting Special Tax Credit are estimated to be equal to \$1,273,423 ($\$125,584,100 \div \$100 \times \$1.014 = \$1,273,423$).

Table E
Fiscal Year 2024 Estimated Tax Increment Revenues/Special Tax Credit

Parcel Number ¹	Classification	Base Value	Assessed Value as of 07/01/23	Incremental Assessed Value	County Tax Rate (Per \$100)	Tax Increment Revenues/Special Tax Credit
06-403344	Taxable Property	\$1,344,867	\$106,378,433	\$105,033,566	\$1.014	\$1,065,040
06-403085	Taxable Property	\$235,343	\$18,615,500	\$18,380,157	\$1.014	\$186,375
06-583784	Exempt	\$0	\$0	\$0	\$1.014	\$0
06-595980	Taxable Property	\$5,220	\$412,900	\$407,680	\$1.014	\$4,134
06-595981	Taxable Property	\$12,263	\$969,967	\$957,704	\$1.014	\$9,711
06-595982	Taxable Property	\$9,846	\$778,800	\$768,954	\$1.014	\$7,797
06-595983	Taxable Property	\$461	\$36,500	\$36,039	\$1.014	\$365
Total		\$1,608,000	\$127,192,100	\$125,584,100		\$1,273,423

¹As of January 14, 2023, the Developer reports that certain parcels are in the process of being consolidated. As of March 29, 2023, the Maryland State Department of Assessments and Taxation reports that the consolidation has not yet occurred.

Pledged BRAC Revenues

The County is eligible to receive an appropriation from the State of Maryland for a Base Realignment and Closure (“BRAC”) tax credit. Pursuant to the BRAC Revenue Act, on or before February 1 of each year, the County will certify to the State the properties in the BRAC Zone that are qualified properties for the next fiscal year. On or before March 1 of each year, the State will calculate the amount of State BRAC payments available from the qualified properties and payable to the County for the next fiscal year.

To be fiscally responsible, it is assumed that no additional BRAC revenues will be received from the State and made available to pay Fiscal Year 2024 expenses. To the extent additional BRAC revenues are received, they are anticipated to be applied in accordance with Section 4.07(b) of the Indenture.

Reserve Fund Investment Income

Pursuant to Section 1.01 of the Indenture dated March 1, 2014, the Reserve Requirement is equal to the lesser of (i) 10% of the original principal amount of the Bonds, (ii) 125% of the average annual debt service on the Bonds as of the date of closing, or (iii) the maximum annual debt service on the Bonds outstanding. According to the Limited Offering Memorandum, at the time the Bonds were issued, the average annual debt service was equal to \$1,342,772. As a result, the Reserve Requirement is equal to \$1,678,465 ($\$1,342,772 \times 125\% = \$1,678,465$).

The balance of the Reserve Fund is invested in a Federated Government Obligation money market fund, which was earning a rate of return of approximately 4.00% per annum as of December 31, 2022. At this rate of return, it is anticipated that investment income in the amount of \$67,139

will be earned on the Reserve Requirement from August 16, 2023 through August 15, 2024 (Bond Year 2024).

Remaining Funds from Prior Year

The calculation of the remaining funds from Fiscal Year 2023 that may be applied to pay debt service and administrative expenses for Fiscal Year 2024 is shown in Table F below and described in the following subsections.

Table F
Remaining Funds from Prior Year (Fiscal Year 2023)

Remaining expenses:	
Debt service:	
Interest payment due on February 15, 2023 (see Table G)	\$494,883
Principal payment due on February 15, 2023	\$175,000
Interest payment due on August 15, 2023 (see Table H)	\$490,683
<i>Subtotal debt service</i>	<i>\$1,160,565</i>
Estimated remaining administrative expenses for Fiscal Year 2023 ¹	\$25,326
Total remaining expenses	\$1,185,891
Available funds:	
Tax Increment Fund balance as of December 31, 2022	\$0
Tax Increment Revenues to be remitted	(\$1,116,572)
BRAC Revenue Fund balance as of December 31, 2022	\$0
Special Taxes Fund balance as of December 31, 2022	(\$5,118)
Special taxes to be remitted	(\$72,750)
Debt Service Fund balance as of December 31, 2022	(\$82)
Administrative Expense Fund balance as of December 31, 2022	\$0
Reserve Fund balance in excess of Reserve Requirement as of December 31, 2022 (see Table I)	(\$14,683)
Estimated Reserve Fund investment income through August 15, 2023 (see Table I)	(\$41,962)
Total available funds	(\$1,251,166)
Surplus from prior year	(\$65,275)

¹The estimated administrative expenses remaining for Fiscal Year 2023 are shown for the County's fiscal year of July 1, 2022 through June 30, 2023.

a. Fiscal Year 2023 Debt Service

Debt service on the Bonds includes the interest payable on February 15, 2023 and August 15, 2023. As shown in Table G on the following page, the semi-annual interest payment due on February 15, 2023 in the amount of \$494,883 is equal to 6 months interest on the outstanding principal balance of \$16,525,000.

Table G
Semi-Annual Interest Payment – February 15, 2023

Term 2024 Bonds of \$380,000 at 4.80%	\$9,120
Term 2034 Bonds of \$4,440,000 at 5.80%	\$128,760
Term 2044 Bonds of \$11,705,000 at 6.10%	\$357,003
Total	\$494,883

As of Table H below, the semi-annual interest payment due on August 15, 2023 in the amount of \$490,683 is equal to 6 months of interest on the outstanding principal balance of \$16,350,000.

Table H
Semi-Annual Interest Payment – August 15, 2023

Term 2024 Bonds of \$205,000 at 4.80%	\$4,920
Term 2034 Bonds of \$4,440,000 at 5.80%	\$128,760
Term 2044 Bonds of \$11,705,000 at 6.10%	\$357,003
Total	\$490,683

There is a principal payment of \$175,000 due on February 15, 2023. As a result, total debt service is equal to \$1,160,565 ($\$494,883 + \$175,000 + \$490,683 = \$1,160,565$).

b. Fiscal Year 2023 Administrative Expenses

As of December 31, 2022, the County reports that the balance of the Administrative Expense Fund was equal to \$0. It is estimated that \$25,326 in administrative expenses remain to be paid for Fiscal Year 2023.

c. Fiscal Year 2023 Tax Increment Revenues, BRAC Revenues and Special Taxes

Pursuant to Section 4.07(b) of the Indenture, on each January 15 and July 15 (with respect to payments of principal of and interest on the Bonds on the immediately succeeding Interest Payment Date), the County shall withdraw, first from the Tax Increment Revenues Account of the Tax Increment Revenues Fund, second from the Pledged BRAC Revenues Account of the Tax Increment Fund and, third, to the extent amounts in the Tax Increment Revenues Account and the Pledged BRAC Revenues Account of the Tax Increment Fund are insufficient therefor, from the Special Taxes Fund, and transfer the following amounts in the following order of priority: (i) to the Debt Service Fund, the amount necessary, taking into account any amounts then on deposit in the Debt Service Fund and any excess in the Reserve Fund available to transfer to the Debt Service Fund, to make the amount of the Debt Service Fund equal the principal, premium, if any, and interest due on the Bonds on the immediately succeeding Interest Payment Date or such other payment date, as applicable; (ii) to the Reserve Fund, the amount necessary, taking into account amounts then on deposit in the Reserve Fund after giving effect to any amount required to be transferred from the Reserve Fund to the Debt Service Fund, to make the amount in the Reserve

Fund equal the Reserve Requirement; and (iii) to the Administrative Expense Fund, such amount as shall be determined by the County to be necessary to pay county expenses (administrative expenses).

As of December 31, 2022, the County reports that the balance of the Tax Increment Fund was equal \$0. The County reports that \$1,116,572 in Fiscal Year 2023 Tax Increment Revenues have been collected but have not yet been deposited to the Tax Increment Fund.

As of December 31, 2022, the County reports that the balance of the Pledged BRAC Revenues Account was equal to \$0. No BRAC revenues were allocated to the District for Fiscal Year 2023.

As of December 31, 2022, the County reports that the balances of the Special Taxes Fund was equal to \$5,118. Such amount represents the remaining balance of the special taxes billed and collected for Fiscal Year 2022. The County reports that \$72,750 in Fiscal Year 2023 special taxes have been collected but have not yet been deposited to the Special Taxes Fund.

Pursuant to Section 4.07(c) of the Indenture, on July 15 of each year, after the County has made the transfers required by clauses (i) through (iii), the balance on deposit in, or deposited to (A) the Special Taxes Fund may be transferred by the County to the Trustee for deposit to the Debt Service Fund, and (B) the Tax Increment Revenues Account of the Tax Increment Fund may be withdrawn by the County free and clear of the lien of the Indenture. In addition, in accordance with Section 4.07(d) of the Indenture, on July 15 of each year, after the County has made the transfers required by Section 4.07(b) of the Indenture, all or a portion of the balance on deposit in, or deposited to, the Pledged BRAC Revenues Account may be withdrawn by the County free and clear of the lien of the Indenture.

d. Fiscal Year 2023 Debt Service Fund Balance

As of December 31, 2022, the balance of the Debt Service Fund was equal to \$82.

e. Fiscal Year 2023 Reserve Fund Investment Income

Pursuant to Section 4.05(c) of the Indenture, if the amount in the Reserve Fund exceeds the Reserve Requirement, the Trustee shall transfer such excess from the Reserve Fund: (i) to the Capitalized Interest Account during the capitalized interest period and (ii) thereafter, (A) to the County an amount equal to the county expenses (administrative expenses) due for the next fiscal year, plus any county expenses then due and payable (all as reflected in an Officer's Certificate delivered to the Trustee), and (B) to the Debt Service Fund or the Improvement Fund, as shall be directed in writing by an Authorized Officer.

Table I on the following page shows the Reserve Fund investment income available to pay District expenses. As of December 31, 2022, the balance in the Reserve Fund was equal to \$1,693,147, which is equal to the Reserve Requirement of \$1,678,465 plus investment income of \$14,683. As mentioned previously, the Reserve Requirement is invested in a Federated Government Obligations money market fund, which was earning a rate of return of approximately

4.00% per annum as of December 31, 2022. At this rate of return, it is estimated that the Reserve Requirement of \$1,678,465 will result in investment income of \$41,962 from December 31, 2022 through August 15, 2023.

Table I
Fiscal Year 2023 Debt Service Reserve Fund Investment Income

Available balance of the Reserve Fund:	
Reserve Fund balance as of December 31, 2022	\$1,693,147
Reserve Requirement	\$1,678,465
Excess balance as of December 31, 2022	\$14,683
Estimated investment income:	
Reserve Requirement	\$1,678,465
Money market fund rate of return as of December 31, 2022	4.00%
Estimated investment income through August 15, 2023	\$41,962

f. Summary of the Surplus from Prior Year

As shown in Table F, the estimated expenses remaining for Fiscal Year 2023 are equal to \$1,185,891. Total revenues available to pay the remaining expenses are equal to \$1,251,166. As a result, estimated remaining funds available for Fiscal Year 2023 are equal to \$65,275 (\$1,251,166 - \$1,185,891 = \$65,275). This amount may be used to pay a portion of the estimated expenses for Fiscal Year 2024.

Summary of the Special Tax Requirement

As shown in Table A, the total expenses of the District are estimated to be equal to \$1,221,075 for Fiscal Year 2024. The funds available to pay Fiscal Year 2024 expenses are estimated to be \$1,405,837, which includes estimated Fiscal Year 2024 Tax Increment Revenues, Reserve Fund investment income, and the remaining funds from Fiscal Year 2023. As a result, the Special Tax Requirement for Fiscal Year 2023 is equal to zero (\$0), as the funds available to pay District expenses exceed the total expenses of the District for Fiscal Year 2024.

Determination of Special Taxes to be Collected

Assignment to Land Use Categories

For purposes of determining the special tax to be collected from each parcel 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 Hotel Property, Office Property, Residential Property, Retail Pad Site Property, and Retail Property. Each classification shall be made on the basis of the classification that most nearly matches the property being classified.

The Rate and Method specifies the following classifications for property in the District:

- I. Public Property
- II. Owner Association Property
- III. Taxable Property:
 - A. Hotel Property
 - B. Office Property
 - C. Residential Property
 - D. Retail Pad Site Property
 - E. Retail Property

A special tax shall not be levied on Public Property or Owner Association Property.

Special Taxes to be Collected

According to the Rate and Method, commencing with the Commencement Date (Fiscal Year 2015) and for each following fiscal year through the Termination Date, the County shall determine the Special Tax Requirement, if any, for the applicable fiscal year, and shall collect the special tax proportionately on each parcel of Taxable Property in an amount up to the Adjusted Maximum Special Tax for each parcel such that the total special tax to be collected is equal to the Special Tax Requirement.

The Adjusted Maximum Special Tax for a parcel is equal to the Maximum Special Tax for the parcel less the Tax Increment Revenues related to the parcel and included in the Special Tax Requirement for that fiscal year. The calculation of the Maximum Special Tax and the Adjusted Maximum Special Tax for each parcel of Taxable Property in accordance with the Rate and Method for Fiscal Year 2024 is provided in the following section.

a. Maximum Special Tax

Pursuant to the Rate and Method, the Maximum Special Tax for each parcel of Taxable Property in the District for the first fiscal year in which special taxes are levied (Fiscal Year 2015) was equal to \$1,336,500. On each July 1 thereafter, the Maximum Special Tax shall be increased to 102% of the respective Maximum Special Tax in effect in the previous fiscal year. The Maximum Special Tax for Fiscal Year 2024 is \$1,597,241, which is equal to 102% of the Maximum Special Tax for Fiscal Year 2023.

The Maximum Special Tax for each parcel shall be equal to the following formula:

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

Where the terms have the following meaning:

- A = The Maximum Special Tax for a parcel;
- B = The Equivalent Units built or expected to be built on a parcel;
- C = The total Equivalent Units estimated for all of the parcels in the District; and
- D = The Maximum Special Tax for the District as stated above.

Equivalent Units means the Equivalent Unit Factor for Residential Property, Retail Property, Retail Pad Site Property, Office Property, and Hotel Property multiplied by the number of dwelling units of Residential Property, per 1,000 square feet of building square footage (BSF) for Retail Property, Retail Pad Site Property, or Office Property, and per hotel room for Hotel Property, respectively.

The Equivalent Unit Factor for each class of property is as follows:

Residential Property	1.00 per dwelling unit
Retail Property	1.10 per 1,000 BSF
Retail Pad Site Property	3.23 per 1,000 BSF
Office Property	1.68 per 1,000 BSF
Hotel Property	0.75 per rentable room

b. Adjusted Maximum Special Tax

According to the Rate and Method, the Adjusted Maximum Special Tax for each parcel shall be equal to the lesser of (but not less than \$0) (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 Special Tax for a parcel;
- B = The Maximum Special Tax for a parcel calculated as set forth above; and
- C = The Special Tax Credit for the parcel

According to the Rate and Method, the Special Tax Credit means, for any fiscal year, the Tax Increment Revenues related to the parcel and included in the Special Tax Requirement for that fiscal year. As shown by Table A, the Tax Increment Revenues included in the determination of the Special Tax Requirement for Fiscal Year 2024 total to \$1,273,423. Accordingly, the Special Tax Credit for Fiscal Year 2024 is equal to \$1,273,423.

The Special Tax Credit for Fiscal Year 2024 is \$1,273,423. As shown in Table J on the following page, subtracting the Special Tax Credit from the Maximum Special Tax for each parcel results in an aggregate Adjusted Maximum Special Tax for Fiscal Year 2024 of \$480,762. Special taxes may be levied proportionately on each parcel of Taxable Property up to the Adjusted Maximum Special Tax for that parcel.

Table J on the following page shows the Maximum Special Tax, the Special Tax Credit, and the Adjusted Maximum Special Tax for each parcel for Fiscal Year 2024.

Table J
Fiscal Year 2024 Maximum Special Tax and Adjusted Special Tax¹

Tax Parcels	Property Type	Equivalent Units	Maximum Special Tax	Special Tax Credit	Adjusted Maximum Special Tax
06-403344	Residential	416.00	\$908,097	(\$1,065,040)	\$0
06-403085	Office	170.02	\$371,132	(\$186,375)	\$184,757
06-583784	Tax-Exempt	0.00	\$0	\$0	\$0
06-595980	Retail	15.40	\$33,617	(\$4,134)	\$29,483
06-595981	Retail Pad	17.51	\$38,216	(\$9,711)	\$28,504
06-595982	Hotel	112.50	\$245,579	(\$7,797)	\$237,782
06-595983	Kiosk	0.28	\$600	(\$365)	\$235
Total		731.70	\$1,597,241	(\$1,273,423)	\$480,762

¹The Developer reports that certain parcels are in the process of being consolidated. As a result of this consolidation, the planned development for the retail structure and the hotel have changed. According to the Developer, the parcel created from the consolidation is anticipated to include 295 apartment units, a 108-room hotel, two restaurants and a new parking garage.

SUMMARY

To the extent the Special Tax Requirement is greater than zero (\$0), special taxes are to be collected proportionately on each parcel of Taxable Property in an amount up to the aggregate Adjusted Maximum Special Tax for Fiscal Year 2024 of \$480,762. However, as shown in Table A, the Special Tax Requirement for Fiscal Year 2024 is equal to zero (\$0). As a result, a special tax will not be levied on any parcel of Taxable Property for Fiscal Year 2024.

Appendix A, attached hereto, shows the amended Special Tax Roll for Fiscal Year 2024, which includes the current list of parcels in the District and the amount of special tax to be collected from each parcel for Fiscal Year 2024. Appendix B, attached hereto, includes the Maryland State Department of Assessments and Taxation parcel cards for Fiscal Year 2024.

Appendix A

Annapolis Junction Town Center Special Taxing District Fiscal Year 2024 Special Tax Roll¹

Tax Parcels	Lot	Classification	Property Type	Development (per Unit/1,000 BSF/Room)	Equivalent Units	Special Tax to be Collected
06-403344	B	Taxable Property	Residential	416	416.00	\$0
06-403085	C	Taxable Property	Office	101,200	170.02	\$0
06-583784	A	Exempt	Tax-Exempt	0	0.00	\$0
06-595980	D	Taxable Property	Retail	14,000	15.40	\$0
06-595981	E	Taxable Property	Retail Pad	5,420	17.51	\$0
06-595982	F	Taxable Property	Hotel	150	112.50	\$0
06-595983	G	Taxable Property	Kiosk	250	0.28	\$0
Total					731.70	\$0

¹The Developer reports that certain parcels are in the process of being consolidated. As a result of this consolidation, the planned development for the retail structure and the hotel have changed. According to the Developer, the parcel created from the consolidation is anticipated to include 295 apartment units, a 108-room hotel, two restaurants and a new parking garage.

Appendix B

Annapolis Junction Town Center Special Taxing District
Maryland SDAT Parcel Cards

Real Property Data Search ()
 Search Result for HOWARD COUNTY

[View Map](#)

[View GroundRent Redemption](#)

[View GroundRent Registration](#)

Special Tax Recapture: None

Account Identifier: District - 06 Account Number - 403344

Owner Information

Owner Name: ANNAPOLIS GALAXY DE LLC **Use:** APARTMENTS
 ANNAPOLIS HIGHLAND DE LLC **Principal Residence:** NO
Mailing Address: 168 BUSINESS PARK DRIVE **Deed Reference:** /21660/ 00265
 SUITE 200
 VIRGINIA BEACH VA 23462-

Location & Structure Information

Premises Address: 10125 JUNCTION DR **Legal Description:** PAR B 7.4343 A.
 ANNAPOLIS JUNCTION 20701-0000 10125 JUNCTION DR
 ANNAPOLIS JUNCTION TOWN CENTER

Map: 0048	Grid: 0020	Parcel: 0194	Neighborhood: 20000.14	Subdivision: 0000	Section:	Block:	Lot: B	Assessment Year: 2023	Plat No: 20132	Plat Ref: 23855-56
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Town: None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
2017	759,448 SF		7.4343 AC	

Stories	Basement	Type	Exterior Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
		APARTMENT	/ C4			

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
Land:	3,883,800	01/01/2023	07/01/2022	07/01/2023
Improvements	86,076,200	135,331,500		
Total:	89,960,000	139,215,300	89,960,000	106,378,433
Preferential Land:	0	0		

Transfer Information

Seller: ANNAPOLIS JUNCTION APARTMENTS OWNER TWO LLC	Date: 08/09/2022	Price: \$150,000,000
Type: ARMS LENGTH IMPROVED	Deed1: /21660/ 00265	Deed2:
Seller: ANNAPOLIS JUNCTION APARTMENTS	Date: 11/06/2020	Price: \$0
Type: NON-ARMS LENGTH OTHER	Deed1: /19897/ 00292	Deed2:
Seller: ANNAPOLIS JUNCTION MEZZ	Date: 04/26/2016	Price: \$0
Type: NON-ARMS LENGTH OTHER	Deed1: /16812/ 00040	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

Real Property Data Search ()
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Special Tax Recapture: None

Account Identifier: District - 06 **Account Number -** 403085

Owner Information

Owner Name: JUNCTION CROSSING LLC **Use:** INDUSTRIAL
Principal Residence: NO
Mailing Address: 2560 LORD BALTIMORE DR **Deed Reference:** /17278/ 00462
 ATTN: LAWRENCE F
 MAYKRANTZ
 BALTIMORE MD 21244-

Location & Structure Information

Premises Address: 10170 JUNCTION DR **Legal Description:** PAR C 3.5893 A.
 ANNAPOLIS JUNCTION 20701- 10170 JUNCTION DR
 ANNAPOLIS JUNCTION TOWN
 CENTER

Map: 0048	Grid: 0020	Parcel: 0194	Neighborhood: 20000.14	Subdivision: 0000	Section:	Block:	Lot: C	Assessment Year: 2023	Plat No: 5909	Plat Ref:
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Town: None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
2017	262,100 SF		3.5893 AC	

Stories	Basement	Type	Exterior	Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
		OFFICE BUILDING	/	C3			

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
Land:	2,339,100	01/01/2023	07/01/2022	07/01/2023
Improvements	17,265,200	16,276,400		
Total:	19,604,300	18,615,500	19,604,300	18,615,500
Preferential Land:	0	0		

Transfer Information

Seller: ANNAPOLIS JUNCTION TOWN CENTER LLC	Date: 11/28/2016	Price: \$13,791,334
Type: ARMS LENGTH IMPROVED	Deed1: /17278/ 00462	Deed2:
Seller: BOISE MARYLAND BUSINESS TRUST	Date: 03/11/2014	Price: \$2,625,000
Type: ARMS LENGTH IMPROVED	Deed1: /15493/ 00272	Deed2:
Seller: BOISE CASCADE CORPORATION	Date: 11/15/2004	Price: \$0
Type: NON-ARMS LENGTH OTHER	Deed1: /08772/ 00624	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

Real Property Data Search ()
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Special Tax Recapture: None

Account Identifier: District - 06 Account Number - 583784

Owner Information

Owner Name: MARYLAND DEPT OF TRANSPORTATION
 STATE RAILROAD ADMINISTRATION
Mailing Address: 6 ST PAUL ST
 3RD FL
 BALTIMORE MD 21202-

Use: EXEMPT COMMERCIAL
Principal: NO
Residence:
Deed Reference: /02778/ 00106

Location & Structure Information

Premises Address: 9009 DORSEY RUN RD
 ANNAPOLIS JUNCTION 20701-0000

Legal Description: PAR A 3.4228 A.
 9009 DORSEY RUN RD
 ANNAPOLIS JUNCTION TOWN
 CENTER

Map: 0048	Grid: 0020	Parcel: 0194	Neighborhood: 20000.14	Subdivision: 0000	Section:	Block:	Lot: A	Assessment Year: 2023	Plat No: 20135	Plat Ref:
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Town: None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
2015	260,400 SF		3.4228 AC	000000

Stories Basement	Type	Exterior Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
	PARKING STRUCTURE /		C4		

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
		01/01/2023	07/01/2022	07/01/2023
Land:	1,787,700	1,787,700		
Improvements	15,854,900	18,546,000		
Total:	17,642,600	20,333,700	17,642,600	18,539,633
Preferential Land:	0	0		

Transfer Information

Seller: STATE HIGHWAY ADMINISTRATION	Date: 09/17/2007	Price: \$0
Type: NON-ARMS LENGTH OTHER	Deed1: /02778/ 00106	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	380	17,642,600.00	18,539,633.00
State:	380	17,642,600.00	18,539,633.00
Municipal:	380	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

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Special Tax Recapture: None

Account Identifier: District - 06 Account Number - 595980

Owner Information

Owner Name: ANNAPOLIS JUNCTION TOWN CENTER LLC
Use: COMMERCIAL
Principal Residence: NO

Mailing Address: 4816 DEL RAY AVE
 BETHESDA MD 20814-
Deed Reference:

Location & Structure Information

Premises Address: HENKELS LN
 ANNAPOLIS JUCTION 20701-0000
Legal Description: PAR. D .7975 A.
 HENKLES LN
 ANNAPOLIS JUNCTION TOWN
 CENTER

Map:	Grid:	Parcel:	Neighborhood:	Subdivision:	Section:	Block:	Lot:	Assessment Year:	Plat No:
0048	0020	0194	20000.14	2697			D	2023	Plat Ref: 22697-701

Town: None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
			0.7975 AC	

Stories	Basement	Type	Exterior	Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
			/				

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
		01/01/2023	07/01/2022	07/01/2023
Land:	412,900	412,900		
Improvements	0	0		
Total:	412,900	412,900	412,900	412,900
Preferential Land:	0	0		

Transfer Information

Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

Real Property Data Search ()
 Search Result for HOWARD COUNTY

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Special Tax Recapture: None

Account Identifier: District - 06 **Account Number - 595981**

Owner Information

Owner Name: ANNAPOLIS JUNCTION TOWN CENTER LLC
 C/O ST JOHN PROPRTIES
Mailing Address: 2560 LORD BALTIMORE DR
 BALTIMORE MD 21244-
Use: COMMERCIAL
Principal: NO
Residence:
Deed Reference:

Location & Structure Information

Premises Address: 10150 JUNCTION DR
 ANNAPOLIS JUCTION 20701-0000
Legal Description: PAR. E .5225 A.
 10150 JUNCTION DR
 ANNAPOLIS JUNCTION TOWN
 CENTER

Map:	Grid:	Parcel:	Neighborhood:	Subdivision:	Section:	Block:	Lot:	Assessment Year:	Plat No:
0048	0020	0194	20000.14	2697			E	2023	
									Plat Ref: 22697-701

Town: None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
2017	5,420 SF		0.5225 AC	

Stories	Basement	Type	Exterior	Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
		RETAIL STORE	/	C4			

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
		01/01/2023	07/01/2022	07/01/2023
Land:	271,800	271,800		
Improvements	659,300	775,900		
Total:	931,100	1,047,700	931,100	969,967
Preferential Land:	0	0		

Transfer Information

Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

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Special Tax Recapture: None

Account Identifier: District - 06 Account Number - 595982

Owner Information

Owner Name: ANNAPOLIS JUNCTION TOWN CENTER LLC
Use: COMMERCIAL
Principal Residence: NO

Mailing Address: 4816 DEL RAY AVE
 BETHESDA MD 20814-
Deed Reference:

Location & Structure Information

Premises Address: HENKELS LN
 ANNAPOLIS JUCTION 20701-0000
Legal Description: PAR F 1.4950 A.
 JUNCTION DR
 ANNAPOLIS JUNCTION TOWN
 CENTER

Map:	Grid:	Parcel:	Neighborhood:	Subdivision:	Section:	Block:	Lot:	Assessment Year:	Plat No:
0048	0020	0194	20000.14	2697			F	2023	Plat Ref: 22697-701

Town: None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
			1.4950 AC	

Stories	Basement	Type	Exterior	Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
			/				

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
		01/01/2023	07/01/2022	07/01/2023
Land:	778,800	778,800		
Improvements	0	0		
Total:	778,800	778,800	778,800	778,800
Preferential Land:	0	0		

Transfer Information

Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**

Real Property Data Search ()
 Search Result for HOWARD COUNTY

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Special Tax Recapture: None

Account Identifier: District - 06 **Account Number - 595983**

Owner Information

Owner Name: ANNAPOLIS JUNCTION TOWN CENTER LLC
Use: COMMERCIAL
Principal Residence: NO
Mailing Address: 4816 DEL RAY AVE
 BETHESDA MD 20814-
Deed Reference:

Location & Structure Information

Premises Address: DORSEY RUN RD
 ANNAPOLIS JUCTION 20701-0000
Legal Description: PAR G .0726 A.
 DORSEY RUN RD OFF
 ANNAPOLIS JUNCTION TOWN
 CENTER

Map:	Grid:	Parcel:	Neighborhood:	Subdivision:	Section:	Block:	Lot:	Assessment Year:	Plat No:
0048	0020	0194	20000.14	2697			G	2023	
									Plat Ref: 22697-701

Town: None

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
			0.0726 AC	

Stories	Basement	Type	Exterior	Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
			/				

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
		01/01/2023	07/01/2022	07/01/2023
Land:	36,500	36,500		
Improvements	0	0		
Total:	36,500	36,500	36,500	36,500
Preferential Land:	0	0		

Transfer Information

Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2022	07/01/2023
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

Homeowners' Tax Credit Application Status: No Application **Date:**