

A RESOLUTION ENTITLED
19-33

A RESOLUTION concerning the creation of a tax increment development district to be designated as the “Kent Narrows Development District,” the creation of a special tax increment fund and certain matters in connection with the issuance and payment of tax increment bonds.

FOR the purpose of designating a contiguous area within Queen Anne’s County, Maryland (the “County”) as a “development district” as that term is used in Sections 12-201 through 12-213 of the Economic Development Article of the Annotated Code of Maryland (2018 Replacement Volume, as amended) (the “Act”), such development district to be bounded to the north by the Chester River, to the south by Prospect Bay, to the east by Route 50’s intersection with Route 835 (Kent Narrows Road) and to the west by the entrance to the Kent Narrows Bridge and to be known as the “Kent Narrows Development District”; providing for and determining various matters in connection with the establishment of the development district; creating a special tax increment fund with respect to the development district; allocating certain property taxes with respect to the development district to be paid over to such special fund as provided in the Act; making certain findings and determinations with respect to such special fund and the use of such special fund; providing that tax increment revenue bonds may be issued from time to time pursuant to an ordinance enacted in accordance with the Act; and generally providing for and determining various other matters in connection with the development district, such special fund and the issuance and payment of bonds issued under the Act.

RECITALS

The Tax Increment Financing Act, Sections 12-201 through 12-213 of the Economic Development Article of the Annotated Code of Maryland (2018 Replacement Volume, as amended) (the “Act”), authorizes Queen Anne’s County, Maryland (the “County”), to establish a “development district” (as defined in the Act) and a special tax increment fund into which a portion of the taxes on the “tax increment” (as defined in the Act) in the development district is deposited for the purpose of providing funds for the development, redevelopment, revitalization and renovation of the development district, including the cost of buying, leasing, condemning or otherwise acquiring property, or an interest in property, in the development district or needed for a right-of-way or other easement to or from the development district; site removal; surveys and studies; relocation of businesses or residents; installation of utilities, construction of parks and playgrounds, and other needed improvements, including roads to, from, or within the development district; parking; lighting; construction or rehabilitation of buildings for a governmental purpose or use or purpose; reserves or capitalized interest; necessary costs to issue bonds; and payment of principal and interest on loans, advances or indebtedness incurred by the County for any of the foregoing purposes or any of the purposes set forth in the Act.

The Act further authorizes the County to issue bonds from time to time for the foregoing purposes, including (without limitation) the fulfillment of one or more purposes of the Act, payable from the special fund and any other funds made available by the County for such purpose. The payment of the principal of, and interest on, and premium, if any, on the bonds shall be secured by a pledge of the taxes representing the levy on the tax increment and other funds deposited in the special tax increment fund established with respect to the development district established under this Resolution and any other funds made available by the County for such purpose.

Prior to the issuance of bonds by the County under the Act, the Board of County Commissioners of the County must enact an ordinance specifying the proposed undertaking, the project to be funded from the proceeds of the bonds, the maximum principal amount of the bonds and making certain other findings and determinations with respect to the bonds.

SECTION 1. *Be it resolved by the Board of County Commissioners of Queen Anne's County, Maryland (the "County Commissioners"), that, for the purposes of this Resolution, the following terms shall have the meanings set forth below:*

(1) "Adjusted Assessable Base" means the fair market value of real property that qualifies for a farm or agricultural use under Section 8-209 of the Tax-Property Article of the Annotated Code of Maryland (2012 Replacement Volume and 2018 Supplement, as amended), without regard to its agricultural use assessment as of January 1 of the year preceding the effective date of this Resolution.

(2) "Assessable Base" means the total assessable base, as determined by the Supervisor of Assessments, of all real property subject to taxation in the Development District.

(3) "Assessment Ratio" means a real property tax assessment ratio, however designated or calculated, that is used under applicable general law in determining the Assessable Base, including (without limitation) the assessment percentage specified under Section 8-103(c) of the Tax-Property Article of the Annotated Code of Maryland (2012 Replacement Volume and 2018 Supplement, as amended).

(4) "Bonds" means revenue bonds, notes or other similar instruments issued by the County pursuant to an ordinance enacted by the County Commissioners in accordance with the Act for the purpose of providing funds for the development, redevelopment, revitalization and renovation of the Development District.

(5) "Development District" means the contiguous area in the County designated in Section 3 of this Resolution as a development district under the Act.

(6) "Original Base" means the Assessable Base as of the year preceding the effective date of this Resolution (being January 1, 2018 if this Resolution is adopted in 2019).

(7) “Original Full Cash Value” means the dollar amount which is determined by dividing the Original Base by the Assessment Ratio used to determine the Original Base.

(8) “Original Taxable Value” means, for any Tax Year, the dollar amount that is:

(a) the Adjusted Assessable Base if an Adjusted Assessable Base applies; or

(b) in all other cases, the lesser of:

(i) the product obtained by multiplying the Original Full Cash Value by the Assessment Ratio applicable to that Tax Year; and

(ii) the Original Base.

(9) “Special Fund” means the special tax increment fund established in accordance with Section 5 of this Resolution.

(10) “Tax Increment” means for any Tax Year, the amount by which the Assessable Base as of January 1 of the preceding Tax Year exceeds the Original Taxable Value divided by the Assessment Ratio used to determine the Original Taxable Value.

(11) “Tax Year” means the period from July 1 of a calendar year through June 30 of the next calendar year.

SECTION 2. *And be it further resolved*, that, acting pursuant to the Act, it is hereby found and determined that the establishment of the Development District, the creation of the Special Fund and the issuance of Bonds from time to time pursuant to the Act for the purpose of providing funds for the development, redevelopment, revitalization and renovation of the Development District accomplishes the purposes of the Act and will promote the health, welfare and safety of the residents of the State of Maryland and of the County.

SECTION 3. *And be it further resolved*, that a contiguous area of the County consisting of the tax lots and other property set forth below is hereby designated as a “development district” to be known as the “Kent Narrows Development District” pursuant to Section 12-203 of the Act. The Development District shall consist of the property described in Exhibit 1 to this Resolution and all adjoining roads, highways, alleys, rights of way, parks and other similar property in order to form a contiguous area as shown on the maps submitted to the County Commissioners together with this Resolution and shown in Exhibit 2 to this Resolution.

SECTION 4. *And be it further resolved*, that this Resolution may be amended by a resolution of the County Commissioners, which resolution may, among other things, enlarge or reduce the Development District. No such resolution shall be effective to reduce the size of the Development District so long as there are any Bonds outstanding,

unless the ordinance authorizing such Bonds permits the County to reduce the area constituting the Development District or the holders of the Bonds or a representative on their behalf consents to any such resolution.

SECTION 5. *And be it further resolved*, that there is hereby established a “special fund” to be designated the “Kent Narrows Development District Tax Increment Fund” in accordance with Section 12-208 of the Act and the President of the County Commissioners, the County Administrator and the Director of Budget, Finance and Information Technology are hereby directed and authorized to deposit in such Special Fund all taxes received by the County for any Tax Year commencing after the effective date of this Resolution equal to that portion of the taxes payable to the County (but not including any taxes payable to the State of Maryland or to any other party) representing the levy on the Tax Increment that would normally be paid to the County. The President of the County Commissioners, the County Administrator and the Director of Budget, Finance and Information Technology and other officers and employees of the County, to the extent applicable, are hereby authorized to take all necessary steps in order to establish a separate fund to be held by the County.

SECTION 6. *And be it further resolved*, that Bonds may be issued from time to time pursuant to an ordinance enacted in accordance with the Act for the purpose of providing funds for the development, redevelopment, revitalization and renovation of the Development District. The ordinance shall specify, in general detail, the proposed undertaking to be financed with the proceeds of the Bonds and shall otherwise conform to the requirements of the Act.

SECTION 7. *And be it further resolved*, that if no Bonds are outstanding, the County Commissioners may determine, by ordinance, that moneys in the Special Fund may be:

- (1) used for any purpose specified in Section 12-207 of the Act;
- (2) accumulated to pay debt service on Bonds to be issued after the effective date of this Resolution;
- (3) used to pay or reimburse debt service or payments under an agreement described in Section 12-209(b) of the Act that the County is obliged under a general or limited obligation to pay, or has paid, on or related to bonds issued by the State of Maryland or a political subdivision if the proceeds were used for a purpose specified in Section 12-207 of the Act; or
- (4) paid to the County for any other legal purpose.

Such ordinance may direct payment of the costs with respect to a specified project or projects relating to the Development District without designating the actual amount to be expended for such purposes, as the County Commissioners may determine in any such ordinance.

SECTION 8. *And be it further resolved*, that if any Bonds are outstanding, the Special Fund may be used as described in Section 7 above in any fiscal year only if (1) the balance in the Special Fund exceeds the unpaid debt service payable on the Bonds in such fiscal year and (2) the Special Fund is not restricted so as to prohibit that use.

SECTION 9. *And be it further resolved*, that the County hereby pledges that if any Bonds issued under the Act with respect to the Development District are outstanding, the property taxes on real property within the Development District shall be divided so that (1) that portion of the taxes which would be produced by the rate at which taxes levied each year by the County upon the Original Taxable Value shall be allocated to and when collected paid into the funds of the County in the same manner as taxed by or for the County on all other property are paid; and (2) that portion of the taxes representing the levy on the Tax Increment that would normally be paid to the County (but not including any taxes payable to the State of Maryland or to any other party) shall be paid into the Special Fund established hereunder to be applied in accordance with the provisions of Section 12-208 of the Act. The County acknowledges that neither the rate at which taxes are levied on real property within Development District nor the manner of assessment of the value of real property within the Development District is to vary from the rate or manner of assessment that otherwise would have applied if the Development District were not designated and the Special Fund not created, except to the extent that a specific valuation adjustment is mandated by the Act for real property that qualifies for farm or agricultural use.

SECTION 10. *And be it further resolved*, that the provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein and as if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted herefrom.

SECTION 11. *And be it further resolved*, that, if during a time when no Bonds are outstanding, the Assessment Ratio mandated by State law is modified from that which applied in determining the Original Base, it is the intent and expectation of the County, to the extent permitted by law, that a supplemental resolution will be adopted for the purpose of assuring that additional funds are not deposited in the Special Fund as a result of the change in Assessment Ratio as compared to the amount of funds that would have been required to be deposited in the Special Fund if the Assessment Ratio had not been so modified.

KENT NARROWS DEVELOPMENT DISTRICT

[See Attached]

Account Identifier	Parcel Identifier		
	Map	Parcel	Lot
18-04-044371	57	429	0
18-04-067436	57	428	0
18-04-069463	57	448	0
18-04-073312	57	360	0
18-04-080432	57	455	0
18-04-080440	57	455	0
18-04-080459	57	455	0
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18-04-080793	57	455	0
18-04-080807	57	455	0
18-04-080815	57	455	0
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18-04-080831	57	455	0

Account Identifier	Parcel Identifier		
	Map	Parcel	Lot
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18-04-080866	57	455	0
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Account Identifier	Parcel Identifier		
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Account Identifier	Parcel Identifier		
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18-04-081978	57	455	0
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18-04-082001	57	455	0
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Account Identifier	Parcel Identifier		
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18-04-082265	57	455	0
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Account Identifier	Parcel Identifier		
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18-04-087380	57	461	0
18-04-087399	57	461	0
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18-04-087410	57	461	0
18-04-087429	57	461	0
18-04-087437	57	461	0

Account Identifier	Parcel Identifier		
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18-04-087496	57	461	0
18-04-087518	57	461	0
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18-04-087712	57	461	0
18-04-087720	57	461	0
18-04-093135	57	472	0
18-04-093186	57	455	0
18-04-093194	57	455	0
18-04-093208	57	455	0
18-04-093216	57	455	0
18-04-093224	57	455	0
18-04-093232	57	455	0
18-04-095251	57	455	0
18-04-099206	57	0	0
18-04-100778	57	0	0
18-04-106229	57	444	0
18-04-110188	57	455	0
18-05-002656	57	348	0
18-05-003849	57	340	0
18-05-004772	57	333	0
18-05-007763	57	334	0

Account Identifier	Parcel Identifier		
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18-05-007801	57	313	0
18-05-007968	57	326	0
18-05-009561	57	324	0
18-05-010012	57	331	0
18-05-010330	57	314	0
18-05-011558	058D	76	0
18-05-011574	058D	77	0
18-05-012147	57	329	0
18-05-013259	57	367	0
18-05-013267	058D	71	0
18-05-014603	57	339	0
18-05-014808	57	72	0
18-05-014875	57	325	0
18-05-014972	57	71	0
18-05-014980	058D	818	0
18-05-015952	57	337	0
18-05-015960	058D	73	0
18-05-015979	57	432	0
18-05-016355	57	320	0
18-05-016886	058D	74	0
18-05-016908	058D	75	0
18-05-016967	57	336	0
18-05-017106	57	338	0
18-05-017203	058D	72	0
18-05-017386	57	341	1
18-05-017807	57	316	0
18-05-017815	57	315	0
18-05-020778	058D	607	0
18-05-022576	57	462	0
18-05-022681	57	26	0
18-05-023378	058D	626	0
18-05-032598	058D	653	0
18-05-040574	058D	776	1
18-05-040582	058D	777	2
18-05-044189	57	531	0
18-05-044456	57	71	2
18-05-044464	57	71	3
18-05-048559	57	544	0
18-05-048591	57	545	0
18-05-051657	57	341	2
18-05-051886	57	341	0
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Account Identifier	Parcel Identifier		
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18-05-051916	57	341	0
18-05-051924	57	341	0
18-05-051932	57	341	0
18-05-051940	57	341	1
18-05-051959	57	341	2
18-05-052351	57	341	3
18-05-052378	57	341	4
18-05-052386	57	341	5
18-05-052394	57	341	14
18-05-125257	058D	809	0
18-04-018990	57	10	69
18-04-069536	57	11	363
18-04-030915	57	17	445
18-04-069528	57	12	369
18-05-040051	57	12	494

Exhibit 2

KENT NARROWS DEVELOPMENT DISTRICT MAP

[See Attached]

**TO THE EXTENT OF ANY INCONSISTENCY BETWEEN THE ATTACHED MAP AND THE
PARCEL LISTING ON EXHIBIT 1, THE PARCEL LISTING ON EXHIBIT 1 SHALL CONTROL.**

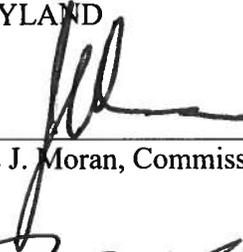
Kent Narrows
TIF Boundary
Queen Anne's County
MARYLAND



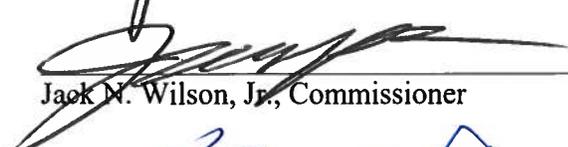
- Legend**
- Publicly Owned/Tax Exempt Properties Within the TIF Boundary
 - TIF Boundary
 - Parcel Boundaries
 - Private Right of Way
 - Lotline
 - Continuing Ownership

SECTION 12. *And be it further resolved*, that this Resolution shall become effective on the date of its adoption.

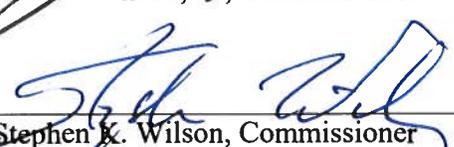
COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY,
MARYLAND



James J. Moran, Commissioner



Jack N. Wilson, Jr., Commissioner



Stephen K. Wilson, Commissioner



Philip L. Dumenil, Commissioner



Christopher M. Corchiarino, Commissioner

Adopted on 9/10/1, 2019