

# FINAL

## COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2020, Legislative Day No. 31

Bill No. 103-20

Introduced by Ms. Pickard, Chair  
(by request of the County Executive)

By the County Council, November 16, 2020

---

Introduced and first read on November 16, 2020  
Public Hearing set for and held on December 21, 2020  
Bill Expires February 19, 2021

By Order: JoAnne Gray, Administrative Officer

---

### A BILL ENTITLED

1 AN ORDINANCE concerning: Payment in Lieu of Taxes – Brock Bridge Landing, Jessup,  
2 Maryland

3  
4 FOR the purpose of approving exemptions from County real property taxes for a certain  
5 property located in Jessup, Maryland; authorizing the County Executive to enter into a  
6 certain agreement for payment of a negotiated amount in lieu of County real property  
7 taxes for a certain property located in Jessup, Maryland; and providing for the time and  
8 terms under which the tax exemptions will take effect.

9  
10 WHEREAS, the County Council recognizes there is a significant need for quality  
11 multifamily housing communities in Anne Arundel County for households of  
12 limited income; and

13  
14 WHEREAS, exemptions from County real property taxes for certain properties that  
15 provide rental housing for persons with limited incomes is authorized by § 7-506.1  
16 of the Tax Property Article of the State Code, provided the County and the property  
17 owner enters into an agreement for the payment of a negotiated amount in lieu of  
18 the County real property tax; now, therefore,

19  
20 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*  
21 That, in accordance with § 7-506.1 of the Tax-Property Article of the State Code, there is  
22 an exemption from County real property taxes for the real property known as Brock Bridge  
23 Landing, which is located at 7902 Brock Bridge Road in Jessup, Maryland (“Property”).

24  
25 SECTION 2. *And be it further enacted,* That the County Executive is hereby authorized  
26 to enter into the payment in lieu of taxes (“PILOT”) Agreement between Anne Arundel  
27 County and Brock Bridge Landing Limited Partnership, the owner of the Property, for a  
28 payment in lieu of real property taxes for the Property, as more fully described in the

1 PILOT agreement, a copy of the PILOT Agreement between Anne Arundel County and  
2 Brock Bridge Landing Limited Partnership being appended to this Ordinance as Exhibit A  
3 and incorporated by reference as if fully set forth in this Ordinance.  
4

5 SECTION 3. *And be it further enacted*, That these exemptions and payment in lieu of  
6 taxes may not take effect until the requirements of § 7-506.1(a) of the Tax-Property Article  
7 of the State Code are met, and shall take effect in accordance with the terms of the PILOT  
8 Agreement between Anne Arundel County and Brock Bridge Landing Limited Partnership.  
9

10 SECTION 4. *And be it further enacted*, That this Ordinance shall take effect 45 days  
11 from the date it becomes law.

READ AND PASSED this 21<sup>st</sup> day of December, 2020

By Order:

  
JoAnne Gray  
Administrative Officer

PRESENTED to the County Executive for his approval this 22<sup>nd</sup> day of December, 2020

  
JoAnne Gray  
Administrative Officer

APPROVED AND ENACTED this 29<sup>th</sup> day of December, 2020

  
Steuart Pittman  
County Executive

EFFECTIVE DATE: February 12, 2021

**I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF  
BILL NO. 103-20. THE ORIGINAL OF WHICH IS RETAINED IN THE  
FILES OF THE COUNTY COUNCIL.**



JoAnne Gray  
Administrative Officer

**AGREEMENT BETWEEN  
BROCK BRIDGE LANDING LIMITED PARTNERSHIP  
AND ANNE ARUNDEL COUNTY, MARYLAND**

THIS AGREEMENT, Made this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between Anne Arundel County, Maryland, a body corporate and politic (hereinafter referred to as the “County”), and Brock Bridge Landing Limited Partnership, a limited partnership formed in the State of Ohio and registered to transact business in the State of Maryland (hereinafter referred to as the “Owner”).

WHEREAS, the Owner proposes to acquire real property and develop 38 units of rental housing, located at 7902 Brock Bridge Road in Jessup, Maryland and currently identified under the Tax Account Numbers 4000-0244-8600 and 4000-0003-8890 (the “Property”), for the purposes of providing rental housing to low income households (the “Project”); and

WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended, provides, among other things, that real property in the County may be exempt from County property tax if:

- (i) the real property is owned by a person engaged in constructing or operating housing structures or projects; and
- (ii) the real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:
  - (1) funds construction, or insures its financing in whole or in part, or
  - (2) provides interest subsidy, rent subsidy or rent supplements; and
- (iii) the owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable County property taxes on the Property; and
- (iv) the owner:
  - (1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew

any annual contributions contract or other agreement for rental subsidy or supplement; or

(2) enters into an agreement with the County to allow the property or the portion of the property which was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years; and

WHEREAS, the Owner plans to operate the Project as rental housing for low income households and intends to comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland; and

WHEREAS, the Owner has demonstrated to the County that an agreement for payments in lieu of taxes is necessary; and

WHEREAS, pursuant to Anne Arundel County Council Bill No. \_\_\_\_\_, adopted \_\_\_\_\_, the County Council of Anne Arundel County, Maryland, approved the terms and conditions for payments in lieu of taxes for the Project, and authorized the County Executive to enter into this Agreement.

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: In consideration of the mutual covenants, terms, and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, it is agreed as follows:

1. The Owner agrees: (a) that it will operate the Project as rental housing for low income households and will limit rents pursuant to the Low Income Housing Tax Credit Covenant between the Owner and the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (herein the "Extended Use Covenant"); (b) that, with Payment in Lieu of Taxes ("PILOT"), it will make twelve (12) units available to households having incomes of no more than 60 percent of the area median income; six (6) units available to households having incomes of no more than

50 percent of the area median income; eight (8) units available to households having incomes of no more than 40 percent of the area median income; eight (8) units available to households having incomes of no more than 30 percent of the area median income; and four (4) units to be unrestricted and rented at market rates; and (c) that the Project qualifies and will continue to qualify in all respects under the provisions of said Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland.

2. Beginning *in Fiscal Year 2023 (July 1, 2022)*, the Property shall be exempt from ordinary County property taxes. The payments to be made hereunder by the Owner to the County with respect to the Project shall be in lieu of all ordinary County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland. The payments to be made hereunder by the Owner to the County shall be made by the Owner first and accepted by the County through Fiscal Year 2062.

3. This Agreement shall be in effect through *Fiscal Year 2062, ending June 30, 2062*, or until one of the following occurs: (a) the Project is not owned or used for the provision of rental housing and related facilities to low income households at limited rents, pursuant to the Extended Use Covenant; (b) the Project does not comply with Section 7-506.1 of the Tax-Property Article of the Annotated Code of Maryland, as amended; or (c) the payment in lieu of taxes is not necessary for the continued financial feasibility of the Project, as solely determined by the County pursuant to Paragraph 9 of this Agreement.

4. If at any time during the term of this Agreement, the County real property taxes are less than the PILOT, the Owner shall pay the ordinary County real property taxes payable had the Property not been tax exempt. The Owner shall not be required to pay both County real property taxes and payment in lieu of taxes.

5. For *Fiscal Year 2023 (July 1, 2022, through June 30, 2023)*, the Owner's annual payment in lieu of taxes shall be equal to **\$15,200**. For *Fiscal Year 2024 through Fiscal Year 2062*, the annual payment in lieu of taxes shall be equal to the previous year's fiscal payment plus an annual adjustment factor of four percent (4%) per annum.

6. By July 30<sup>th</sup> of each year, the County shall bill the Owner for the payment which is due by September 30<sup>th</sup> of that year, as set forth in this Agreement.

7. Payments due hereunder will be considered delinquent thirty (30) days after the due date of the bill sent to the Owner. Interest and penalties at the rate as set forth in the County Code for overdue property taxes per month shall be charged and collected by the County on all amounts remaining unpaid thirty (30) days after the due date.

8. If the Owner is in default for one hundred eighty (180) days for any payments required under any of the provisions of this Agreement, the County may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been brought current, then the County may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement for the period covered by the outstanding payments, plus all interest and penalties, if any, less any portion of such payment actually paid under this Agreement. To enforce its rights under this Paragraph, the County may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this Agreement, payments due under this Paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property. Further, notwithstanding anything to the contrary contained herein, the County hereby

agrees that any cure of any default made or tendered on behalf of the Owner by a partner of the Owner or its affiliate or a mortgagee of the Owner shall be deemed to be a cure by the Owner, and accepted or rejected on the same basis as if made or tendered by the Owner. A partner of the Owner or its affiliate or a mortgagee, in each case who has provided its address to the County, shall have a period of thirty (30) days after receipt of notice, or such longer period of time as may set forth for the Owner herein, the right, but not the obligation, to cure a default prior to exercise of remedies by the County hereunder.

9. Beginning on July 1, 2022, and for each successive five (5) year period from that date throughout the term of this Agreement, the Owner shall submit to the County Office of Finance complete audited financial reports for the Project for the previous five (5) years and a projection of Project's income and expenses for the next five (5) year period. If based on a review of the audited financial reports and the projections for the Project, the County determines that the Project has net cash from the operation of the Project after payment of all expenses (including, but not limited to, reimbursement of all certified development and construction costs, management fees, investor servicing fees, debt service, anticipated costs to meet the physical and social needs of the Project, reasonable asset management fees to the general partner, payments of deferred developer fee, taxes owed to the State, and the payments required under this Agreement) and a seven percent (7%) return on the tax credit equity investment, calculated on a cumulative basis, then the County may modify the PILOT at that time to require the Owner to apply such net cash toward the difference between taxes otherwise payable had the Property not been exempt from ordinary County real property taxes based on the assessment for Anne Arundel County real property taxes for the Project and the payments required under this Agreement, or the County may decide that a PILOT is no longer needed and may choose to

discontinue its obligations under this Agreement.

10. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental property during the period of the PILOT.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust or its successor in the event of a foreclosure, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested. Notices shall be given to the parties as follows:

TO COUNTY: Office of Finance  
Anne Arundel County, Maryland  
MS 1103  
44 Calvert Street  
Annapolis, Maryland 21401

With a copy to: Anne Arundel County  
Office of Law  
2660 Riva Road, 4<sup>th</sup> Floor  
Annapolis, Maryland 21401

TO OWNER:

Brock Bridge Landing Limited Partnership  
c/o Brock Bridge Landing GP, LLC  
500 South Front Street, 10<sup>th</sup> Floor  
Columbus, OH 43215  
Attention: David Cooper, Jr.

With a copy to:

Reno & Cavanaugh PLLC  
455 Massachusetts Avenue, NW, Suite 400  
Washington, DC 20001  
Attention: Efreem Levy, Esq.

And to:



Bank of America, N.A.  
100 N. Tryon Street  
NC1-007-11-25  
Charlotte, NC 28255  
Attention: Asset Manager for Brock Bridge Landing

And to:

Holland & Knight LLP  
10 St. James Avenue  
Boston, MA 02116  
Attention: Sara C. Heskett

And to:

Bank of America, N.A.  
Mail Code: MD4-325-03-02  
100 S. Charles Street, 3rd Floor  
Baltimore, Maryland 21201  
Attention: Miles Cary III

And to:

Tiber Hudson LLC  
1340 Smith Avenue, Suite 200  
Baltimore, MD 21209  
Attention: Matthew M. Grant, Esq.

And to:

Community Development Administration  
7800 Harkins Road  
Lanham, Maryland 20706  
Attn: Director, Division of Credit Assurance

And To:

Office of the Attorney General  
7800 Harkins Road  
Lanham, Maryland 20706  
Attn: Counsel

And to

Berkadia Commercial Mortgage LLC  
323 Norristown Road, Suite 300

---

Ambler, Pennsylvania 19002  
Attention: Servicing Senior Vice President

Each notice that is sent by one party to the other party at the listed address shall be presumed to have been received three (3) days after the date of mailing; except when prior written notice is given by one party to the other that a party or an address has changed. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this paragraph shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other party that additional notice shall also be sent to such person or party.

13. This Agreement shall inure to the parties hereto and their respective successors, assigns, and/or legal representatives, except that this Agreement shall not survive a sale or transfer of the Property or the sale or transfer of the partnership interest of the Owner in lieu of the sale of the Property unless the continued financial need for the PILOT can be demonstrated and the sale or transfer is approved by the County Council.

14. It is understood and agreed by the execution of this Agreement that the County does not waive any rights of governmental immunity which it may have in any damage suits against it, and that the County reserves the right to plead governmental immunity in such suit in law or in equity or such pleading as is appropriate notwithstanding the execution of this Agreement.

15. This Agreement shall be governed by Maryland law and any actions between the parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for Anne Arundel County.

IN WITNESS WHEREOF, the County has caused this Agreement to be signed in its name by the County Executive, to be attested to by the Secretary of the County Executive, and to have the County Seal affixed hereto; and the Owner has caused this Agreement to be signed in

its name by its Managing General Partner, duly attested to by its Secretary.

ATTEST: BROCK BRIDGE LANDING LIMITED PARTNERSHIP

By: Brock Bridge Landing GP, LLC  
Its Managing General Partner

By: Woda Cooper General Partner, LLC  
Its Sole Member

By: Woda Cooper Communities, LLC  
Its Sole Member

\_\_\_\_\_ By: \_\_\_\_\_ (Seal)  
David Cooper, Jr.  
Managing Member

ATTEST: ANNE ARUNDEL COUNTY, MARYLAND

\_\_\_\_\_ By: \_\_\_\_\_ (Seal)  
Matthew Power  
Chief Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY  
ANNE ARUNDEL COUNTY, MARYLAND  
GREGORY J. SWAIN, COUNTY ATTORNEY

By: \_\_\_\_\_ Date \_\_\_\_\_  
Office of Law

APPROVED:

By: \_\_\_\_\_ Date \_\_\_\_\_  
Controller