

TUESDAY, FEBRUARY 4, 2014
(COUNCIL CHAMBERS)

7:30 P.M. WORKSESSION

COLLEGE PARK MISSION STATEMENT

The City of College Park encourages broad community involvement and collaboration, and is committed to enhancing the quality of life for everyone who lives, raises a family, visits, works, and learns in the City; and operating a government that delivers excellent services, is open and responsive to the needs of the community, and balances the interests of all residents and visitors.

CITY MANAGER'S REPORT

PROPOSED ITEMS TO GO DIRECTLY TO NEXT WEEK'S AGENDA

PROPOSED CONSENT AGENDA ITEMS

1. Letter of support for a "Green Streets" application to the Chesapeake Bay Trust for the Hollywood Gateway Park and the 8800 Block of Rhode Island Avenue – Terry Schum, Director of Planning

WORKSESSION DISCUSSION ITEMS

2. Remaining FY '14 Public School Education Grants – Carolyn Bernache, Chair, Education Advisory Committee
3. Presentation by SHA on the feasibility study for undergrounding utilities on US 1 between College Avenue and Route 193
4. Discussion of sites for the College Park Academy and City Hall
5. Monument Realty Items: A- Application for the City Revitalization Tax Credit – Michael Stiefvater, Economic Development Coordinator; B- Request for amendments to the Declaration of Covenants – Suellen Ferguson, City Attorney
6. Award of contract to MobileNOW! for 3 year exclusive license for "pay by cell" parking services
7. Consideration of a Human Rights Ordinance (similar to Hyattsville) and Contractor Non-discrimination and Equal Benefits Ordinance – Councilmember Wojahn
8. FY 2015 Budget Guidance – Steve Groh, Director of Finance

- 9. Review of legislation (Possible Special Session) – Bill Gardiner, Assistant City Manager
- 10. Amendment to composition and membership of Neighborhood Stabilization Committee – Councilmember Stulich
- 11. Appointments to Boards and Committees

COUNCIL COMMENTS (Discussion of attendance at upcoming conferences)

INFORMATION/STATUS REPORTS FOR COUNCIL REVIEW

This agenda is subject to change. For current information, please contact the City Clerk. In accordance with the Americans With Disabilities Act, if you need special assistance, you may contact the City Clerk's Office at 240-487-3501 and describe the assistance that is necessary.

1

Letter of support
for a “Green
Streets”
application

MEMORANDUM

TO: Mayor and Council

FROM: Steve Beavers, Community Development Coordinator 

THROUGH: Joseph L. Nagro, City Manager
Terry Schum, Director of Planning, Community and Economic Development

DATE: January 30, 2014

SUBJECT: Letter of Support for Grant Application to the Chesapeake Bay Trust

ISSUE:

The City is preparing to submit two grant requests to the Chesapeake Bay Trust. One would potentially fund the construction of green features specified in the Hollywood Gateway Park design. The other will potentially fund the final design and construction of a bioswale demonstration project on Rhode Island Avenue. An official letter of support from the City is requested.

SUMMARY:

Hollywood Gateway Park is a proposed environmental education site to be located at the intersection of Baltimore Avenue and Edgewood Road. Green features of the park will include a green roof, pervious pavement, bioretention pond, bioswale and native plantings.

The proposed Rhode Island Ave bioswale project will demonstrate environmentally-friendly stormwater management practices. The site is located in the 8800 block of Rhode Island Ave, near the intersection with Greenbelt Road. Rain water that would have flowed directly into the sewer system with pollutants from the road will be naturally filtered through soil and vegetation instead. Completion of a 30% design study was funded by the Chesapeake Bay Trust in 2013.

The Chesapeake Bay Trust funds projects that enhance green space in Chesapeake Bay watershed communities. Their Green Streets program typically funds projects that implement urban green stormwater practices, increase urban tree canopy, and use permeable materials. It is important to demonstrate our community's strong commitment to environmental leadership by providing an official letter of support for both of these projects.

RECOMMENDATION:

Council authorization for a letter in support of a Green Streets grant application for Hollywood Gateway Park and the Rhode Island Avenue Bioswale.

ATTACHMENT:

Draft letter to the Chesapeake Bay Trust

February 11, 2014

Jamie Baxter, Program Director
Chesapeake Bay Trust
60 West Street, Suite 405
Annapolis, MD 21401

Mr. Baxter,

The vision of College Park is not simply to have an attractive and healthy natural environment but to be a leader in sustainability. That's why we're very excited about two proposed green projects in the City. Both projects will include educational aspects where residents and visitors can learn about how to apply sustainable practices on their own.

In the northern part of the City, the proposed Hollywood Gateway Park will present an immersive natural experience for visitors to learn about the environment. The plan includes watershed protection demonstration areas with accompanying educational signage. The location will be highly visible and accessible from Route 1, just off the Capital Beltway. The design is 95% complete; however, gap funding is needed from the Chesapeake Bay Trust to enable this project to go to bid this summer.

In the middle of the City, the proposed Rhode Island Avenue bioswale project will provide a fully-functional demonstration of ecologically-friendly stormwater management. The site will include signage about the purpose and function of a bioswale. The location is directly adjacent to one of our local bike trails and is passed by many walkers, runners and bicyclists every day. A 30% design study that proved the feasibility of this project was funded by your organization last year.

We believe that these two projects align well with the mission of the Chesapeake Bay Trust, not only for their green practices but also for their educational outreach aspects. The City is committed to building and maintaining these projects for the future benefit of all residents and visitors of College Park. We thank you for your support in the past and ask you to consider supporting us now to help us demonstrate environmental best practices throughout the City.

Sincerely,

Andrew Fellows

Mayor

2

Remaining FY
'14 Public
School
Education
Grants

Memo

To: Mayor and Council
From: Carolyn Bernache, Education Advisory Committee Chair
Date: January 29, 2014
Re: Education Advisory Committee Recommendations regarding Mayor and Council
Award of Additional Public School Education Grants

Background:

Since 2008, the City Council has allotted two tiers of funding for Education grants to neighborhood public schools that serve at least 14 College Park students. The four schools with the highest number of College Park students are eligible for grants up to \$7,500. The other neighborhood schools who have fewer College Park students are eligible for grants up to \$2,500.

Issue:

In December 2013, the Education Advisory Committee (EAC) submitted recommendations and the City Council approved grant awards to six of eight schools who had submitted applications. Greenbelt Middle and Paint Branch Elementary applications were delayed as the EAC had requested additional information regarding their proposals. Both schools are eligible for a maximum award of \$7,500 because of the high numbers of College Park students that attend each school.

Upon receipt and review of each school's revised application, the Education Advisory Committee is now submitting its' recommendation to the Council.

Recommendation:

Based on Greenbelt Middle's revised information regarding the costs of transporting students to nearby colleges, Education Advisory Committee recommends an award of \$6,500 for Greenbelt Middle's College Awareness Project.

Paint Branch requested \$7,500 for three initiatives with \$3,000 for cultural activities, \$1,500 for cultural performances and \$2,000 for professional development. In reviewing Paint Branch's revised application, the Education Advisory Committee continued to find a lack of specificity in both the proposal and the budget. After extensive discussion of concerns regarding a continued lack of specificity and the overall quality of the application, the Education Advisory Committee unanimously agreed to recommend to the City Council that Paint Branch's grant be approved for \$6,000.

Submitted applications are provided.

City of College Park
FY2014 Public School Education Grant Application
(Deadline: Monday, October 7, 2013 6:00 pm)
MAXIMUM AWARD AMOUNT = \$7,500

NOTE: A five point scale is used in review of the applications for City Council award. For more information, see Public School Grant Criteria document.

GENERAL INFORMATION:

School Name: Greenbelt Middle School

School Address: 6301 Breezewood Drive

City/State/Zip: Greenbelt Maryland 20770

Program Name (if different): Greenbelt Middle School College Awareness

Contact Person/Title: Warren O. Tweedy, Principal

Telephone Number: 301-513-5040 FAX Number: 301-513-5097

E-mail Address: Warren.Tweedy@pgcps.org

Grant Request: \$ 7500

Use of Grant Funds: Will the City of College Park Public School Education Grant be used to maintain an existing program, expand an existing program or start a new program? Check the appropriate box:

Maintain Existing Program Expand Existing Program Start New Program

If existing, in what year did *this program* begin operating? 2012-2013

Included with Application is signed City of College Park Hold Harmless form. Yes

We, the authorized representatives of the applicant school/organization, have completed or directed the completion of this application for the City of College Park Public School Education Grant and confirm that the information contained herein is true and correct to the best of our knowledge, information and belief.

Signature/Date

Warren O. Tweedy, Principal

Printed Name/School Principal

10/6/13

Signature/Date

Warren O. Tweedy

Printed Name/Title

A. **MERITS OF THE PROJECT (response rated on a 5 point scale. For more information review Grant Criteria document).**

1. Describe how the project fulfills, supports and/or addresses a genuine educational need.

Our vision at greenbelt middle school is to foster an environment where the culture is centered on rigor and students success through collaboration, which means all educational stakeholders. Where exceptional achievement is the goal and strong relationships are the tread of the schools culture.

2. With clarity, explain your project. Be specific in detailing your project so we have a clear understanding of how your project works. If necessary, attach a copy of your plan with supporting documents that enhance our understanding of your project.

Greenbelt Middle School will prepare all students to become 21st century learners, and provide information pertaining to opportunities to enroll in colleges and universities, and or facilitate interest with all students to join the work force with the technological skills and a trade to support their entrance into a global society.

3. List at least one measurable educational outcome. Identify and describe the method of evaluation for the educational outcome. These methods may include questionnaire, interview, survey, pre- and post- test, rating scale, observation, other. Be specific.

- a. Students will development and maintain a career development portfolio in order to promote a college going culture via classroom projects, team activites, and college tours.
- b. Students will use a rubric to measure content of the career portfolio with efficiency.
- c. Students will take part in a Career Interest Inventory survey.

4. Describe the educational impact your project will have on students and/or the school community. Outcomes can be defined as the changes/benefits in skill, behavior, knowledge, attitude, conditions, status or awareness that participants experience during or after taking part in program activities. Relate the elements of your project that contribute/cause/result in the achievement of your project's educational outcomes.

- a. Students will increase their knowledge of college readiness and career awareness
 - i. Use skills of listening and observing during college trips
 - ii. Use technology to research colleges of interests
 - iii. Begin to develop an understanding of the value college education
 - iv. Develop an understanding of college vocabulary
 - v. Prepare for and conduct a career interview on a profession of choice (Invited Guest)
 - vi. Research various careers, comparing salaries and qualifications for careers.

B. COMMUNITY OUTREACH

It is not necessary to have a community partner for this project, but if so, who are they and how is the partnership realized? Does your partner provide funds, equipment, personnel, etc.?

Greenbelt Middle school developed a partnership with The University of Maryland and Prince George's Community College. Both institutions of learning assist Greenbelt Middle School by providing students with enrichment opportunities unique to their campuses that will facilitate interest in higher education at 2 year and 4 year colleges.

C. PROJECT ACHIEVABILITY

1. This category is rated on whether the application is clear that the project is realistic and achievable and that the defined roles of each staff member is clearly stated.

Identify and clearly define the roles/activities of individuals involved in your project: staff, parents, and other volunteers. If applicable, identify the average number of days or hours per month each activity will be provided to program participants and target dates of your program. A chart is provided to assist you but you may answer this question without using the chart.

Position/Title	Activity/ Specific Task	Average Days/Hrs per Month	Target Dates
Classroom Teachers (6)	College Tours,	1 day/7.5 hrs x 4	Dec-May 2013-2014

08/2013 rev

D. PROGRAM BUDGET

Income

Grant request from City of College Park	<u>\$7500</u>
Foundations, other grants	<u>---</u>
Public agencies	<u> </u>
Corporations	<u> </u>
Other receipts (describe: _____)	<u> </u>
In-kind contributions (goods and services donated)	<u> </u>
TOTAL INCOME	\$ <u>7500</u>

Expenses

Personnel costs Guest Speakers	<u>\$500</u>
Equipment purchases	<u> </u>
Supplies	<u>\$300</u>
Transportation	<u>\$5200</u>
Equipment rentals	<u> </u>
Consulting fees	<u> </u>
Other services (describe: <u>Lunch</u> _____)	<u>\$1500</u>
Other expenses (describe: _____)	<u> </u>
TOTAL EXPENSES	\$ <u>\$7500</u>
NET SURPLUS / (DEFICIT)	\$ <u> </u>

Include a paragraph (budget narrative) explaining what the money will be used for. Some detail is needed to provide a clear understanding of the costs of the items and/or personnel costs. If food is an expense of the grant, be sure to be clear in the budget narrative how the food expense supports the project and how the project meets an educational need.

Each college tour will include approximately 175 students. Bus transportation is approximately \$500.00 per bus. Each bus holds 54 passengers. The budget is as follows:

- 6th Grade – One college tour @ \$1500.00 Prince George's Community College
- 7th Grade – One college tour @ \$1500.00 Bowie State or Howard University
- 8th Grade – Two college tours @ \$3000.00 UMD – College Park and UMBC
- Lunch will be purchased for students during college tours.

08/2013 rev

Peggy Higgins

From: Raquel Talley [raquel.talley@pgcps.org]
Sent: Thursday, November 07, 2013 5:06 PM
To: Peggy Higgins
Cc: Warren Tweedy; johnnie.searcy@pgcps.org; Renita Staley
Subject: Re: College Park Public School Grant ---- Additional Information Needed DEADLINE MON Nov 4

Good afternoon, Ms. Higgins.

We will be using school buses for the UMD 6 & 7 grade tours and charter buses for the 8th grade tours.

Below is an estimate of the cost:

\$70.35 per hour for school buses (we will need 8 buses for 3 hrs) = \$1,688.40

Due to scheduling conflict, we have to use charter buses for the 8th grade tours, which cost \$590 per bus (we will need 4 buses) = \$2,360

Total=\$4,048.40

Contracts will be sent over once we received them.

Thanks.

On Tue, Nov 5, 2013 at 12:23 PM, Peggy Higgins <phiggins@collegeparkmd.gov> wrote:

Ms. Talley –

Thank you for the information. Once I receive the bus information, I will forward it on to the Committee for review. In their previous deliberations they were wondering about per person cost for lunch, especially since all of the sites are within Prince George's County, and UMD/CP is about 3 miles. Given that discussion, I note that lunch expenditures comes out to \$8.30 per person. They also wondered about whether cost savings for the bus could be obtained by using PGCPs buses, again especially since the trips are close by,

If you do find savings as you review the budget, it would be permissible to have add an additional initiative to come up to \$7,500.

I'm hopeful that you will be able to submit bus cost details by Thursday, Nov 7 at the latest so that I can forward this information on to the Committee.

Call me if you have any questions.

Regards

Peggy Higgins

From: Raquel Talley [mailto:raquel.talley@pgcps.org]
Sent: Monday, November 04, 2013 4:39 PM
To: Peggy Higgins
Cc: Warren Tweedy; johnnie.searcy@pgcps.org
Subject: Re: College Park Public School Grant ---- Additional Information Needed DEADLINE MON Nov 4

Good afternoon, Ms. Higgins.

Here is the additional information you requested. Thanks.

Mrs. Searcy and Ms. Talley

1) How are students from each grade selected?

All students in grades 6-8 were invited to participate in the grant. The first 175 students who will turn in completed permission forms by the deadline date will be selected to participate in the program.

2) Are the same 8th graders going on one trip to two colleges or are two different groups of 8th graders each going to one of two colleges?

Two different groups of 8th graders will attend one of the two colleges.

3) Clarification on Budget Line Items ---

Personnel costs Guest Speakers \$ 500

--- Who are the Guest Speakers?

The guest speakers will be representatives from selected colleges and the Maryland Roundtable Speakers' Bureau.

What is their background?

Their background include vast areas of career readiness; STEM (including non-traditional occupational gender roles) and communications.

How often will they be speaking to the students?

Twice (during tour and a follow-up after the tour)

How many students?

175

What is the purpose of them speaking?

The purpose of the speakers is to increase students' knowledge of college readiness and career awareness.

Supplies \$ 300

--- provide details as to what supplies will be purchased and the cost of the different supplies as well as how the supplies fit in with the project.

Supplies that will be purchased are:

notebooks \$150

paper \$100

pens \$25

chart paper \$75

The supplies will be used for students to develop portfolios and classroom projects.

Transportation \$5,200

--- Greenbelt Middle's grant application states that the cost of trips to local universities is \$500 per bus. Pg 4 program budget states transportation is \$5,200/budget narrative (p 5) for transportation totals \$6,000.

Please provide copy of quote from transportation vendor for cost of each bus. Information should include number of students per tour, number of tours, number of busses per tour as well as the cost for each individual bus.

Quote forthcoming due to securing and finalizing details on obtaining the buses.

Lunch \$1,500

--- provide details regarding cost of lunch per student/staff, number of tours and number of students/staff per tour

Lunch will cost \$300 per grade level. There will be 3 tours with approximately 60 people per tour.

On Tue, Oct 22, 2013 at 5:09 PM, Peggy Higgins <phiggins@collegeparkmd.gov> wrote:

Hi Mr. Tweedy and Mss. Talley and Searcy ---

In reviewing Greenbelt Middle's application for the City of College Park public education grant last night, the City's Education Advisory Committee is requesting more information in order for them to submit their recommendation to the City Council.

Please provide this information no later than Monday, November 4th.

**City of College Park
FY2014 Public School Education Grant Application**

MAXIMUM AWARD AMOUNT = \$7,500

NOTE: A five point scale is used in review of the applications for City Council award. For more information, see Public School Grant Criteria document.

GENERAL INFORMATION:

School Name: Paint Branch ES

School Address: 5101 Pierce Ave

City/State/Zip: College Park, Md 20740

Program Name (if different): _____

Contact Person/Title: Emmett Hendershot/Principal

Telephone Number: 301-513-5300 FAX Number: 301-513-5303

E-mail Address: emm.hendershot@pgcps.org

Grant Request: \$ 7,500

Use of Grant Funds: Will the City of College Park Public School Education Grant be used to maintain an existing program, expand an existing program or start a new program? Check the appropriate box:

Maintain Existing Program Expand Existing Program Start New Program

If existing, in what year did **this program** begin operating? _____ 2008

Included with Application is signed City of College Park Hold Harmless form Yes y

We, the authorized representatives of the applicant school/organization, have completed or directed the completion of this application for the City of College Park Public School Education Grant and confirm that the information contained herein is true and correct to the best of our knowledge, information and belief.

Signature/Date

Signature/Date

Printed Name/School Principal

Printed Name/Title

12/2013 rev

A. MERITS OF THE PROJECT (response rated on a 5 point scale. For more information review Grant Criteria document).

1. Describe how the project fulfills, supports and/or addresses a genuine educational need.
 - **The project will support students that will participate in trips that expose students to Chinese Cultural Activities.**
 - **The grant will support the performing arts program at PBES by helping to fund Cultural Performances for our students**
 - **The grant will pay for substitute teachers that will allow classroom teachers to participate in Professional Development.**

2. With clarity, explain your project. Be specific in detailing your project so we have a clear understanding of how your project works. If necessary, attach a copy of your plan with supporting documents that enhance our understanding of your project.
 - **Part of the grant will be used to help pay for student field trips that will expose them to the Chinese language and Culture. Possible destinations include Washington DC and New York City. Students will visit different destinations that will include museums, art displays and government agencies and Chinese Embassy. Students in grade K-6 will participate in the trips and activities. Approximately 300 students will benefit from the activities.**

 - **Part of the grant will be used to pay for Cultural Arts performances for students to view. Students will view the performances by different groups. Some that will perform will be chinese line dancers, anti bullying show, math magic show, and other enrichment shows for the students and staff.**

 - **Part of the grant will be used to pay for substitute teachers to allow classroom teachers to participate in Professional Development. Professional development activiteis will focus on Common Core State Standards. The focus will be Math, Reading, and Science.**

3. List at least one measurable educational outcome. Identify and describe the method of evaluation for the educational outcome. These methods may include questionnaire, interview, survey, pre- and post- test, rating scale, observation, other. Be specific.
 - **Observations by administration will determine effectiveness of teacher proessional development.**
 - **Teachers participating in the PD will use strategies learned to ensure student growth. Students performance on teacher created assessments, and stade assessments will be used to measure success.**

4. Describe the educational impact your project will have on students and/or the school community. Outcomes can be defined as the changes/benefits in skill, behavior, knowledge, attitude, conditions, status or awareness that participants experience during or after taking part in program activities. Relate the elements of your project that contribute/cause/result in the achievement of your project's educational outcomes.

- **Chinese Cultural Activities-** Students participating in these activities will have a better understanding of other cultures and views of education in other countries.

- **Cultural Arts Performances-** Students will benefit by getting positive messages from different cultures and performances.

- **Professional Development for teachers-** teacher instruction will improve, which will directly benefit the students

B. COMMUNITY OUTREACH

It is not necessary to have a community partner for this project, but if so, who are they and how is the partnership realized? Does your partner provide funds, equipment, personnel, etc.?

- **A partner for the Chinese Language instruction is the Confucious Institute on the campus of UMD. The partner does not provide funding.**

C. PROJECT ACHIEVABILITY

1. This category is rated on whether the application is clear that the project is realistic and achievable and that the defined roles of each staff member is clearly stated.

Identify and clearly define the roles/activities of individuals involved in your project: staff, parents, and other volunteers. If applicable, identify the average number of days or hours per month each activity will be provided to program participants and target dates of your program. A chart is provided to assist you but you may answer this question without using the chart.

Position/Title	Activity/ Specific Task	Average Days/Hrs per Month	Target Dates
Principal, Teachers, parents	Preparation for Chinese Cultural activities		Spring 2014
Students, Teachers, parents	Trips to experience Chinese language and Culture		April, May, June 2014
Music Teacher	Setting up Cultural Arts performances		Monthly
Classroom Teachers	Attend professional development		Monthly

** Average hours per month/week will vary depending on the activity.

D. PROGRAM BUDGET

Income

Grant request from City of College Park	<u>\$7500</u>
Foundations, other grants	<u> </u>
Public agencies	<u> </u>
Corporations	<u> </u>
Other receipts (describe: _____)	<u> </u>
In-kind contributions (goods and services donated)	<u> </u>
TOTAL INCOME	\$ <u> \$7500</u>

Expenses

Personnel costs	<u> </u>
Equipment purchases	<u> </u>
Supplies	<u> </u>
Transportation	<u> \$3000</u>
Equipment rentals	<u> </u>
Consulting fees	<u> </u>
Other expenses (describe: Pay for Cultural Arts Performances)	<u> \$2500</u>
Other expenses (describe: Pay for substitute teachers for classroom teacher PD)	<u> \$2000</u>
TOTAL EXPENSES	\$ <u> \$7500</u>
NET SURPLUS / (DEFICIT)	\$ <u> 0</u>

Include a paragraph (budget narrative) explaining what the money will be used for. Some detail is needed to provide a clear understanding of the costs of the items and/or personnel costs. If food is

an expense of the grant, be sure to be clear in the budget narrative how the food expense supports the project and how the project meets an educational need.

Funds will be used in three ways.

1. Provide assistance for students attending Chinese Cultural Activities- \$3000

- Trip to Chinatown in Washington DC for grade 6 students- 27 students. Funds will be used to pay for transportation and entry into different venues in Chinatown. \$1000
- Trip to Museums in Washington DC for grade K-2 students- 120 students. Funds will be used for transportation for students. \$1000
- Trip to art museums in Washington DC for students in grades K-6- 300 students. Funds will be used for transportation for students. \$1000

2. Pay for Cultural Arts Performances throughout the school year- \$2500

- Anti bullying performance- \$500
- Chinese line dancers- \$500
- Math Magician- \$500
- Black History Month performance- \$500
- MSA prep performance- \$500

3. Pay substitute teachers so classroom teachers can participate in staff development- \$2000

- Monthly learning Walks for teachers. Focus will be Common Core State Standards. -
 - Teachers will visit classrooms in other schools in PGCPS.
 - Total number of teachers participating will be 20.
 - Grade K- 3 Teachers- \$300- Substitute Teachers
 - Grade 1- 4 Teachers- \$400- Substitute Teachers
 - Grade 2- 4 Teachers- \$400- Substitute Teachers
 - Grade 3- 3 Teachers- \$300- Substitute Teachers
 - Grade 4- 2 Teachers- \$200- Substitute Teachers
 - Grade 5- 3 Teachers- \$300- Substitute Teachers
 - Grade 6- 1 Teacher- \$100- Substitute Teachers
- Activities will take place in February-April

12/2013 rev

3

Undergrounding
Utilities on US 1
between College
Avenue and Route
193

MEMORANDUM

TO: Mayor and Council

FROM: Terry Schum, Planning Director *TS*

DATE: January 31, 2014

SUBJECT: Feasibility Study for Undergrounding Utilities

ISSUE

In August 2013, the City of College Park executed a Letter of Agreement with the State Highway Administration (SHA) for the funding of a feasibility study for the undergrounding of utilities in conjunction with the design and construction of the first phase of improvements for the US Route 1 corridor. The SHA contracted with KCI Technologies Inc., to prepare the study, which has been completed. The consultant will present the findings of the study at the February 4, 2013 worksession. The SHA has stated that a decision by the city as to whether or not to pay for the undergrounding of utilities needs to be made by April 1, 2014.

SUMMARY

A summary of the utility undergrounding study is included as Attachment 1 and the full report is Attachment 2. The limits of the proposed utility work are generally from Lakeland Road to Greenbelt Road and include 30 utility poles. There are 11 registered utility companies in the project area but the primary companies are PEPCO, Verizon and Comcast. The consultant notified the utility companies of the study and obtained direct utility estimates from PEPCO and Verizon.

The conceptual design for the underground system proposes installation along the centerline or median area of the roadway and utilization of an Advanced Utility Breakout Contract (AUBC). This would be a separate contract in advance of the roadway construction contract. This approach has the potential of some cost savings to SHA but could take up to two years to complete. At this time, SHA has not begun to design for the aerial relocation of the utilities but has advised that this would commence on or about April 1, 2014 if a decision to underground has not been made. The consultant's field observations indicated potential challenges for the aerial relocation where new development has already occurred due to a potential lack of required clearance space.

The total estimated cost for the design, construction and administration of the AUBC contract is \$17,405,000. SHA would subtract the aerial relocation cost that they would have incurred from this amount for a total cost to the city of \$14,080,000. A meeting was held on January 28, 2014 with stakeholders from the city, county, state and CPCUP to

begin to explore options for funding this cost. Attachment 3 is a summary of the two basic options under consideration. The first option would utilize general obligation bonds sold separately by the city (\$10,000,000) and county (\$4,000,000) for this undergrounding project only. The second option establishes a tax increment financing district along most of the Route 1 corridor, which would support this project as well as other revitalization projects and goals including possible undergrounding for the second phase of Route 1 improvements.

RECOMMENDATION

Staff recommends discussion of the consultant's findings and recommendations. Additional stakeholder meetings are planned to ascertain the advantages and disadvantages of various financing options as well as the level of financial commitments that may be made.

ATTACHMENTS

1. Utility Study Overview
2. KCI Feasibility Study
3. Financing Options

US 1 – Baltimore Ave MD 193 to College Ave. Segment 1

Utility Undergrounding Study

January 23, 2014

Study Overview

- Review the existing utility systems as observed in the field.
 - Connectivity of aerial systems
 - Document the existing utility services aerial to underground and general location.
 - Existing underground services facing project centerline.
 - Existing aerial services facing project centerline.
 - Locate the existing transformers.
 - Aerial Transformers
 - Pad Mounted
 - Identify the major equipment on the aerial systems.
 - Primary Electric switches, fuses capacitors.
 - Communication Remote Terminals, Controlled Environmental Vaults or Service Area Interface Cabinet.
- Identify obstructions and major cost items to underground of existing systems.
 - Major Electric circuits that will require major system equipment to underground.
 - High Voltage situations.
 - Special circuits (communications).
 - High volume equipment and circuits.

Existing Utility System Overview

- Electric - PEPCO
 - Two Primary 34kV circuits run from University Blvd to Greenbelt Road.
 - From Greenbelt Road toward the south to Lakeland Road, two 13kV electrical circuits run along the western curb line often within an existing green space.
 - At least two 13kV system has voltage regulators are located within the project footprint.
 - 11 aerial transformers exist along the existing system.
 - 2 pad mount transformers exist along the existing system.
 - Existing electrical system has a natural boundary of their distribution system feeding from the north and ending at the Northeast Branch where a separate system (underground) feeds from the south.
 - Existing Services configuration:
 - Aerial fed: 6
 - Underground fed: 10
 - Undergrounding of this utility will be reimbursable 100% to the utility company.

- Communications – Verizon
 - Existing aerial copper and fiber optic (FTTP) facilities along the aerial pole line that appears to feed the surrounding community lining the project limits with a combination of aerial and underground services.
 - Along the eastern lanes (north bound) an existing duct bank exists that is understood to contain inter-office facilities.
 - The existing Verizon Communication system appears to feed from north similar to the electric system and have a natural boundary at the Northeast Branch.
 - A Central Office boundary along the Northeast Branch is between two Central Offices.
 - Existing Services configuration:
 - Aerial fed: 8
 - Underground fed: 2
 - Undergrounding of this utility will be reimbursable 100% to the utility company.

- Communications – Comcast
 - Comcast owns and maintains an existing aerial coaxial system that feeds the surrounding community along the project.
 - The coaxial system appears to feed from north as the other systems do and appears to end near the Northeast Branch with feeds from the north.
 - Existing Services configuration:
 - Aerial fed: 0
 - Underground fed: 2
 - Undergrounding of this utility may be reimbursable depending on Comcast's documented rights.

- Communications – MCI
 - Their existing system is underground along the southbound lanes and could be in conflict with the proposed storm drain system.
 - Relocation of this utility will be based on prior rights.

- Communications – Others
 - Other fiber optic systems running through the area attached to existing pole line.
 - Undergrounding of these utilities may be reimbursable depending on companies documented rights.

Conceptual Underground Utility System

- Overall Utilities
 - A corridor for the installations along the centerline of the roadway, primarily within the median area.
 - Separate conduit and manhole systems for PEPCO, Verizon and Comcast.
 - 3rd party utilities (MCI) could be joint trench/separate manholes with Comcast.

- Service conduits would swing out from the mainline to the equipment or service points as required.
 - A secondary service conduit system is not anticipated.
- Right of way would be acquired for pad sites for placement of communication pedestals, electrical switchgear and transformers along the proposed project limits.
 - Approximately 15-20 right of way pad sites are anticipated.
- Tie-into existing systems at the project limits by turn-ups at poles.
- Tie-into side street systems by turn-ups at poles.

Proposed Project Delivery

- Advanced Utility Breakout Contract (AUBC)
 - Phase I
 - Conduit and manhole infrastructure packaged by SHA for advertisement and award in a single contract administered by SHA.
 - Single excavation operation, pre-approved sub consultants install conduits and manholes, installation subject to utility company inspection.
 - Phasing and coordination oversight from General Contractor to implement a single MOT phasing and move the work block by block.
 - Temporary pavement restoration installed, permanent repair of rigid base as required.
 - Phase II
 - Utility companies perform their own pulling, splicing of cable and remove of aerial systems.
 - Phase III
 - SHA roadway improvement contract is advertised and awarded for installation of roadway improvements.

Key Items

- Creates additional administration, scheduling and implementation of the AUBC contract.
 - S&E design, implementation.
 - MOT Design, implementation.
 - Roadway paving replacement.
 - Sidewalk repair.
- Requires effort to keep utility companies on-task in phase II.
- A street lighting system must be designed and installed by SHA contract.
- Requires the rearrangements of existing building services including aerial to underground conversions.
 - Potential electrical inspections.
 - Potential refusal by property owners.
- Longer disruption to local and traveling public.

Cost Estimate

- Cost to underground utilities are based upon utilization of a AUBC approach.
- Utility Cost Estimates provided without a design basis.
- No "other" utility relocation or replacement is included.
- SHA and Utilities will be responsible for their cost up to the original limit if the City selects the undergrounding project.

Estimated AUBC and Utility Relocation Costs

Description	Cost
Civil Construction Work (Conduit MOT, E&S, Paving, etc)	\$9,216,000
PEPCO	\$1,029,660
Verizon	\$ 900,000
Signal Interconnect	\$ 300,000*
COMCAST	\$ 540,000*
Sub-Total	\$12,056,491
35% Contingency	\$ 4,219,772
Right of Way	\$ 155,000
Total Cost	\$16,731,275

Estimated Overhead to Overhead Utility Relocation Costs

Description	Cost
PEPCO	\$ 720,000
Verizon	\$ 1,100,000
Signal Interconnect	\$ 300,000*
COMCAST	\$ 300,000*
Sub-Total	\$ 2,120,000
35% Contingency	\$ 742,000
Right of Way	\$ 155,000
Total Cost	\$ 3,317,000

Total Cost Differential Aerial to Underground

Description	Cost
Total AUBC Construction and Utility Cost to Underground	\$ 16,750,000
Total AUBC Design and Administration/Inspection Cost	\$ 655,000
Total Aerial Relocation Cost	\$ (3,325,000)
Potential Cost to the City	\$ 14,080,000

*No Utility Estimate Provided.

US 1 at College Park Segment 1 Reconstruction Project



Utility Undergrounding Feasibility Study from North of Northeast Branch to Greenbelt Road

Prepared For:



and



Prepared By:

*KCI Technologies Inc.
936 Ridgebrook Road
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January 17, 2014



Table of Contents

- Study Overview 3
- Study Approach..... 4
 - Existing Roadway 4
 - Proposed Roadway 5
- Existing Overhead Overview 6
 - PEPCO Electrical System 6
 - PEPCO System Highlights 8
 - Verizon System..... 9
 - Verizon System Highlights..... 10
 - Existing Comcast System..... 12
 - Comcast System Highlights 12
 - Existing Communications – Others 13
 - Existing Traffic Signal – Others..... 13
- Proposed Underground Utility Concept 13
 - Underground System Design Parameters..... 14
 - Proposed Electric Configuration 15
- PEPCO Underground System Highlights 17
 - Proposed Verizon Configuration..... 18
- Verizon Underground System Highlights:..... 18
 - Proposed Comcast Configuration 19
- Comcast Underground System Highlights: 19
- Implementation Recommendations 19
 - Proposed Project Delivery Highlights..... 20
 - Proposed Project Delivery Key Items to Consider 20
 - AUBC Sequence of Construction..... 20
 - AUBC Proposed Maintenance of Traffic 21
 - AUBC Cost Estimate 23
 - Overhead Cost Estimate 23
- Key Items for the Undergrounding Construction Relocation 23
- Acronyms Glossary..... 24

ADDENDUM "A"	25
ADDENDUM "B"	33
ADDENDUM "C"	35

US 1 at College Park Segment 1 Project Utility Undergrounding Feasibility Study

Study Overview

Maryland State Highway Administration (SHA) is conducting design engineering phase on the US 1 (Baltimore Avenue) at College Park in Prince George's County. The purpose of this project is to address safety concerns and to manage congestion along US1 in the City of College Park from College Avenue to MD 193. Within the project area US 1 is a major arterial with no control access, the area is comprised of commercial and retail development with adjacent low to medium density residential neighborhoods.

As a result of these highway improvements, the overhead utilities will be impacted by the drainage, and roadway grading and paving. SHA's standard protocol is to relocate the impacted utilities in-kind to resolve the conflict. This protocol will result in the overhead utilities remaining as such and moved further away from the roadway centerline. For aesthetic reasons, the City of College Park has requested SHA to study the alternative of undergrounding the existing aerial utilities within the SHA project limits. Undergrounding is defined as the removal of all aerial lines and poles from the SHA right of way. It is not the City's intention to change the configuration or connectivity of the utility systems as part of this process. Services to the existing commercial and residential buildings and surrounding community will need to be maintained during and throughout construction.

SHA engaged KCI to review the impacts a utility underground project would the Project PG624B21 that is currently under design. The study is intended to determine what an undergrounded utility systems would look like within the footprint of the existing project limits and how it could integrate into the current project plans, schedule, and potential project delivery methods. Additional topics for the study include overall impacts to traffic during the project, changes to the existing pavement plan and overall project design. Another goal of this study is to develop a cost estimate to highlight the difference in utility relocation efforts overhead to overhead versus overhead to underground costs as the City of College Park will be responsible to reimburse SHA for the cost differential. The limits of the proposed underground will extend north of Northeast Branch (meeting the existing underground conditions in the south section of the project) to MD193.

Currently, SHA's project PG624B21 is intended to provide widening, curb, sidewalk and drainage improvements along with a mill and overlay of top paving generally from the southern limits of College Avenue/Regents Drive US 1 intersection to MD 193. However, the existing utilities are underground starting where the Northeast Branch creek crosses the existing US 1 centerline south through the project limits. Therefore, the boundary of the utility undergrounding study was restricted to the northern limit of the existing underground utility system which is generally 200lf south of the stream crossing extending to the northern limits of the project.

Study Approach

KCI's approach to this study involved a review of the existing utility systems, development of a potential underground construction design, coordination with the utility companies for concurrence of that design and an analysis of the design's integration into the SHA right of way, project plans and schedule. This process included requesting record information from the utility companies regarding their existing systems within the project limits, making field observations as to the general size, type and configuration as observed from the ground, and using general engineering and utility expertise to surmise the installation or situation of the existing utility systems. Included in this effort, SHA and KCI met with the utility owners on November 14, 2013 at the SHA District 3 office to present the project to the utility stakeholders and discuss the underground utility concept developed and solicit their input on the project approach associated schedule and cost estimate to complete the undergrounding relocation effort.

Existing Roadway

Currently, the existing US 1 roadway also known as Baltimore Avenue runs generally in a north to south direction and is a vital connection for commuters traveling from the I-495/95 DC Beltway to a main entrance of The University of Maryland-College Park located just south the existing Northeast Branch creek crossing within the southern limits of the SHA project. Classified as a non-access controlled principal arterial; the typical section of the existing roadway consists of two northbound and two southbound through lanes with a bi-directional turning lane separating each direction. The entire project is bordered by a closed section curb and gutter system with surface drainage provided by curb on gutter (COG) inlets and a series of closed cell piping systems. Typically beyond the curb is a combination of discontinuous concrete sidewalk and or green-space transitioning at a property line to parking lots, additional green-space or building fronts. The existing utilities are generally within the road right of way with the aerial poles toward the outer limits and buried utilities inside of the right of way.

The current service level of the roadway is not a focus of this study however, a 2005 study performed by SHA of the US 1 College Park – College Avenue to Sunnyside Ave corridor found “There are no parallel service roads along the commercial strip adjacent to US 1. Discontinuous sidewalks exist along northbound and southbound US 1. Traffic is a mixture of automobiles, trucks, buses, pedestrians and bicycles. There is no buffer or barrier to separate pedestrian and vehicular movements. Marked crosswalks, refuge islands for pedestrians, adequate and safe bus stops, and bus shelters are lacking in the corridor. Traffic congestion is experienced during morning and evening peak periods. Multiple curb cuts and stopped or turning delivery trucks increase the severity of the congestion along this corridor. The many signalized intersections also contribute to poor circulation. The speed limit on US 1 throughout the northern segment of the Study area is 40 mph. South of MD 193 (Greenbelt Road), the speed limit is reduced to 30 mph.” This study did not identify vehicular impacts to utility features as a major issue to be addressed and therefore not considered necessary by SHA to improve public safety.

Based upon general observation, the surrounding community is in transition from a medium density residential and commercial service, minor industrial area to a mix-use commercial, residential area with acquisition of parcels along the proposed project route for development. The University has

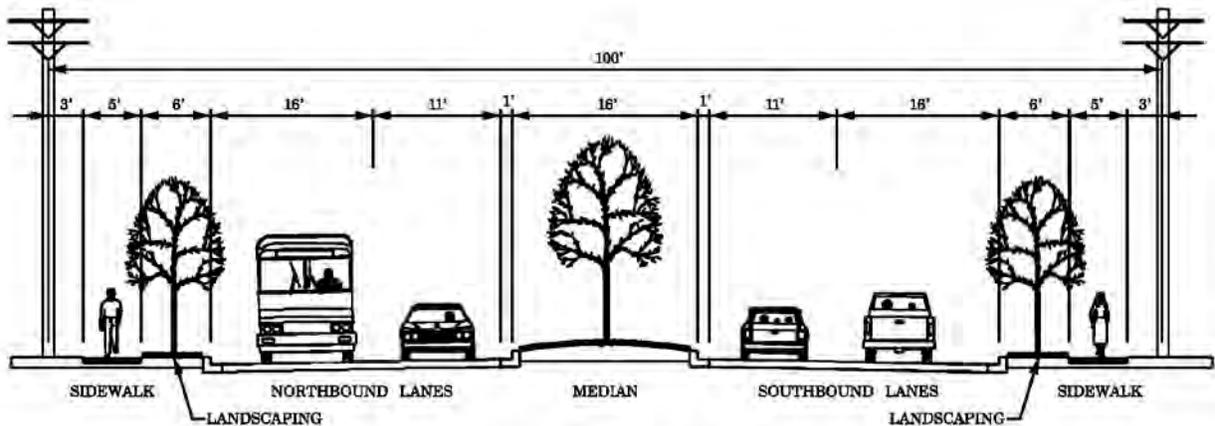
identified this as gateway corridor to improve student accommodations by providing improved transit, entertainment, services and housing along this area.

Proposed Roadway

Under the proposed SHA US 1 at College Park Segment 1 PG624B21 - Reconstruction Project, the US 1 typical section proposed will be a four-lane divided roadway consisting of two 11-foot inside travel lanes and two 16-foot outside travel lanes in each direction separated by a 16-foot raised landscape median and a 6-foot grass buffer for the majority of the corridor. Figure 1 shows the described typical section as presented in the project's Finding of No Significant Impact (FONSI) document dated August 2005.

This project has been designed by SHA to relocate utilities only if impacted by the proposed roadway improvements. Therefore, the design goal was to impact the least amount of utilities as possible while maximizing the impact of the roadway improvements. At the time of this study, SHA had not yet begun the process of analyzing and coordinating the utilities impacted by the roadway project as it is designed. However, a short review of the proposed roadway footprint and the anticipated final right of way indicates that relocating the poles directly back outside of the proposed improvement have the opportunity for a tremendous amount of challenge. The challenges are primarily focused on creating enough space within the right of way to accommodate the utilities and the clearances required by the National Electric Safety Code (NESC) and the utility companies to buildings while achieving clearances required by the American with Disabilities Act (ADA), SHA and the American Association of State Highway and Transportation Officials (AASHTO). Further complications are created when adjustment of the proposed pole line creates new angles and the need for new down guy locations.

The issues with relocation of the existing aerial lines are not the focus of this study and are currently under design by SHA and the utility companies for resolution. These issues are generally addressed through SHA's standard design process with the acquisition of additional right of way or by means of design collaboration with a utility and roadway stakeholders for a resolution that meets all code requirements.



**4-LANE DIVIDED ALTERNATE
WITH 6' LANDSCAPE STRIP**

Figure 1

Existing Overhead Overview

According to the MISS UTILITY System on March 13, 2013, the following utility companies were registered to own facilities within the project limits:

<u>Company</u>	<u>Locating Service Phone Number</u>
VERIZON	(410) 536-0070
UNIVERSITY OF MARYLAND	(301) 226-3315
WSSC	(301) 868-6803
WASHINGTON GAS	(301) 210-0355
COMCAST	(410) 536-0070
QWEST COMMUNICATIONS	(303) 664-8090
TIMEWARNER	(801) 364-1063
FIBERLIGHT	(727) 596-1500
PEPCO	(410) 712-0202
QWEST GOVERNMENT SERVICES	(703) 464-7592
24/7 MID ATLANTIC	(410) 553-2605

While not all of these companies will have facilities impacted by the project, each is considered to be part of the utility coordination process for relocation. It is important to note that at the time of this study, limited record plans were available and the detailing of the existing utility systems are based upon field observations and general understanding of typical utility distribution system operations.

PEPCO Electrical System

PEPCO owns and maintains a single circuit 3-phase 13kV distribution primary feeder with a 120/240V secondary system along the west side of US 1 in the project area. This system is carried on wood poles that range from 35' to 55' tall with wood cross-arms carrying the primary conductors, the secondary conductors are attached below a neutral and communication lines are attached in their standard leased space at 18' to 22'-6" above grade. Additionally, PEPCO maintains

a leased lighting program along this line that consists of cobra-head style lights mounted directly to the wooden poles at periodic intervals throughout the project. These lights provide general pedestrian and roadway lighting, however, the lighting level design is unknown. This overhead system has a natural boundary at the southern study limit at the Northeast Branch stream, extending to the US1 and Greenbelt Road intersection. PEPCO's secondary system crosses the Northeast Branch with a single phase secondary feeding a streetlight on the south side of the stream. North of the US1 / Greenbelt intersection, PEPCO owns and maintains a double circuit 13kV line with single circuit 34kV 3-phase overbuild which is the condition when two or more primary circuits with different voltages are on the same pole.

Throughout the project, the 13kV primary feeder pole line is generally located behind the southbound curblane in an existing green-space area north of Lakeland Road to Berwyn House Road at which point the sidewalk runs adjacent to the curblane and the poles are located behind the sidewalk. Moving north to south that configuration changes south of Tecumseh Street in the 8700 block of US 1 where a recently constructed building resides and the existing PEPCO poles are located behind the existing curblane in a 14 foot grass buffer area to the roadside of the sidewalk. Figure 2 demonstrates the existing pole configuration in the project area as it shows the minimum National Electric Safety Code (NESC) vertical clearances.

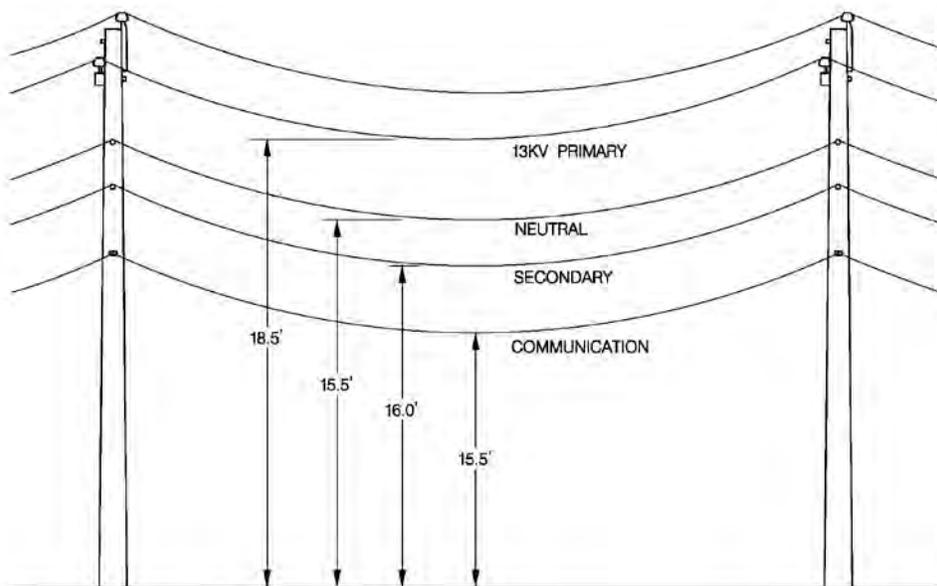


Figure 2

While the primary lines run parallel to the roadway centerline behind the southbound curblane, the distribution system crosses over US 1 several times to feed buildings and side streets both with primary and secondary voltage. Often these poles are fed aerially by primary and secondary voltage lines aerially, but transition to an underground feed known as a "Tap". At many of the existing pole locations there are underground taps, both existing primary feeding equipment, and secondary for lighting and traffic signals. There is also the presence of voltage regulating equipment along the project that will need to be considered as part of any underground project.

Figure 3 demonstrates the configuration of a standard electrical transmission and distribution system and how it interacts with the community in which it serves. Figure 4 provides additional detail on the terminology used when reviewing this document and understanding the impacts that this project may have on the system.

Since PEPCO's poles and wires are within the state owned right of way, the financial burden of relocation would be for PEPCO to bear unless they could provide recorded evidence of an easement that predated SHA's ownership of the roadway. Undergrounding of the existing lines would be considered at SHA's request and therefore would be reimbursable to PEPCO minus the cost responsibility of a standard like for like relocation. Actual cost estimates and percentages of responsibilities would be calculated as part of the utility design process.

The City of College Park leases 21 – 120V cobra style lights on existing PEPCO utility wood poles to provide lighting on US 1 along the proposed undergrounding limits. To maintain the roadway lighting a new street lighting system will need to be designed and installed by the SHA contract to replace the existing lighting system. If required, to provide temporary lighting the contract would need to coordinate with PEPCO to leave in place the existing poles where the lights are currently located when the undergrounding relocation is completed until the SHA roadway contract begins. For this temporary alternative PEPCO will need to energize the existing lights from the proposed UG system, requiring thirteen (13) UG feeds and seven (7) OH spans of duplex.

PEPCO System Highlights:

- One Primary 34kV circuits run from University Blvd to Greenbelt Road.
- From Greenbelt Road toward the south to Lakeland Road, one 13kV electrical circuits run along the western curb line often within an existing green space.
- Three 13kV voltage regulators are located within the project footprint.
- 11 aerial transformers exist along the existing system.
- 10 pad mount transformers exist along the existing system.
- 21 – 120V cobra style lights exist along the proposed undergrounding limits.
- Temporary lighting system required to maintain lighting levels.
- Existing Building Services configuration:
 - Aerial fed: 6
 - Underground fed: 10
- Undergrounding of this utility will be reimbursable 100% to the utility company.

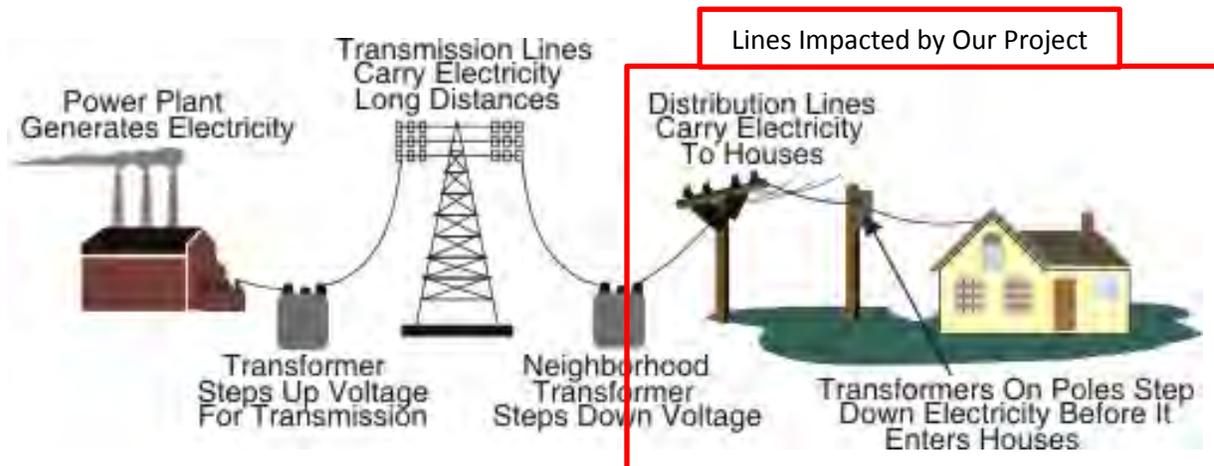


Photo Courtesy of OPU.C.Texas.gov

Figure 3

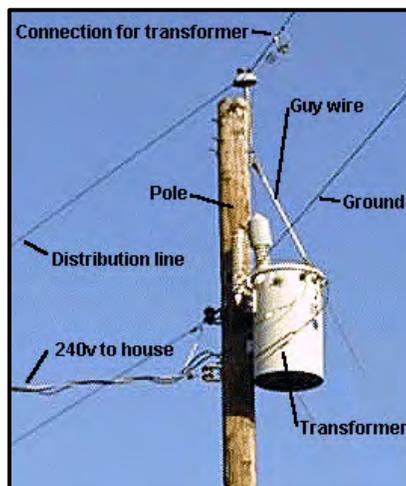


Figure 4

Photos Courtesy of THESELSPROJECT.ORG

Verizon System

Currently Verizon operates a standard copper wire analog voice system to support traditional communication services to the community surrounding this project. This copper system is located on both the pole line owned by PEPCO and a Verizon owned duct bank that runs primarily along the number 2 northbound lane throughout the limits of the project. The underground copper system is within an existing conduit system made of creosoted wood duct placed in 1911. This system carries “inter-office” cables between two central offices or hubs that Verizon uses to operate their copper and fiber systems from. These central offices use the Northeast Branch Stream in the limits of each of these territories in which they feed services to. These inter-office cables are of a heightened concern to Verizon as an impact to that facility will result in the outage of an entire hub network

versus an impact to the portion of a network as a standard distribution cable feeds. Relocation of these cables are not anticipated as a result of the work proposed by the SHA project as it is currently designed. However relocation of these cables would be a major issue considering that the age and condition of the conduit system will likely not allow for the reinstallation of a cable and therefore a new duct system would be required. The existing overhead facilities appear, like PEPCO, to feed from the north along US 1 to down to natural boundary at the Northeast Branch stream. Verizon appears to have no existing overhead crossing of the stream and the facilities appear to reduce in size and eventually turn east on Lakeland Road and continue overhead.

In more recent years, Verizon has installed a Fiber Optic Service known as “FiOS” along the overhead pole line owned by PEPCO on this project. This system, very much like the copper system carries a fiber optic backbone line from the northern limits of the project down into the center of the undergrounding study area and distributes service lines to the surrounding buildings from boxes that are mounted on poles called nodes. Like the copper system, it too would be relocated with the PEPCO pole line in a like for like replacement; it differs in the method in which it is relocated. The FiOS system is sensitive to the number of splices within the fiber run, therefore relocation of the system usually requires the construction of a brand new parallel system.

For both the copper and FiOS system the services that go between the pole and buildings are maintained by Verizon and are in various configurations of underground and overhead. Overhead to overhead relocation of these services will in general have very little impact on the service location, appearance or function. Verizon’s tariff agreement identifies its responsibilities end at the service side of the building mounted service terminal for both systems. There are a number of services for Verizon’s system that are currently fed aerial to underground. Figures 5 and 6 provide additional detailing of the system configuration and its interaction with the surrounding community.

Since Verizon’s facilities are on PEPCO owned poles and the wires are within the state owned right of way, the financial burden of relocation would be for Verizon to bear unless they could provide recorded evidence of an easement that predated SHA’s ownership of the roadway. Undergrounding of the existing lines would be considered at SHA’s request and therefore would be reimbursable to Verizon minus the cost responsibility of a standard like for like relocation. Actual cost estimates and percentages of responsibilities would be calculated as part of the utility design process.

Verizon System Highlights:

- Existing aerial copper and fiber optic (FiOS/Fiber-to-the-premises (FTTP)) facilities along the aerial pole line that appears to feed the surrounding community lining the project limits with a combination of aerial and underground services.
- Along the eastern lanes (north bound) an existing duct bank exists that is understood to contain inter-office facilities.
- The existing Verizon Communication system appears to feed from north similar to the electric system and have a natural boundary at the Northeast Branch.
- A Central Office boundary along the Northeast Branch is between two central offices.
- Existing Building Services configuration:

- Aerial fed: 8
- Underground fed: 2
- Undergrounding of this utility will be reimbursable 100% to the utility company.

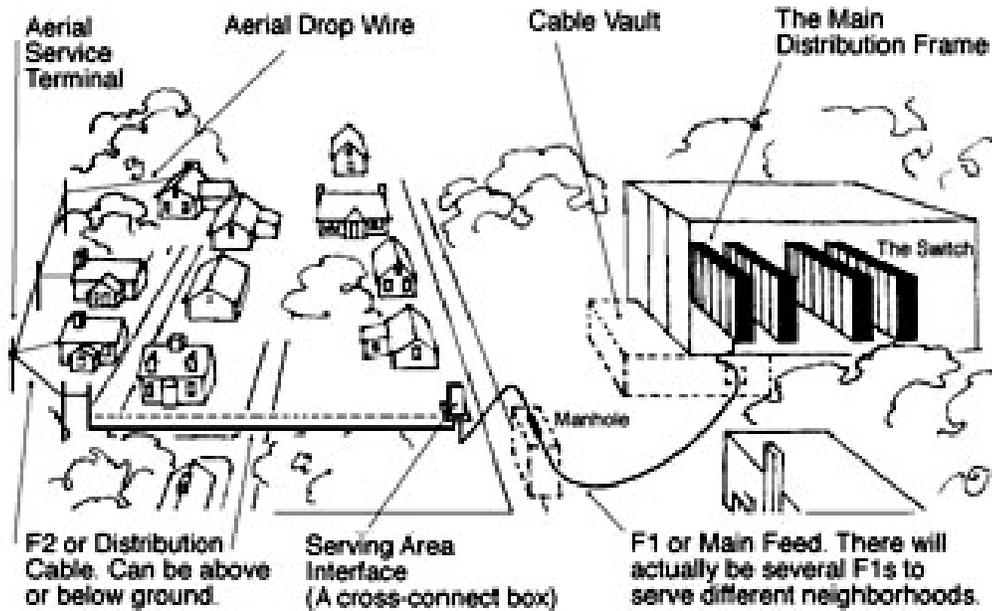


Figure 5

Photos Courtesy of Privateline.com

FTTX Fiber Architecture

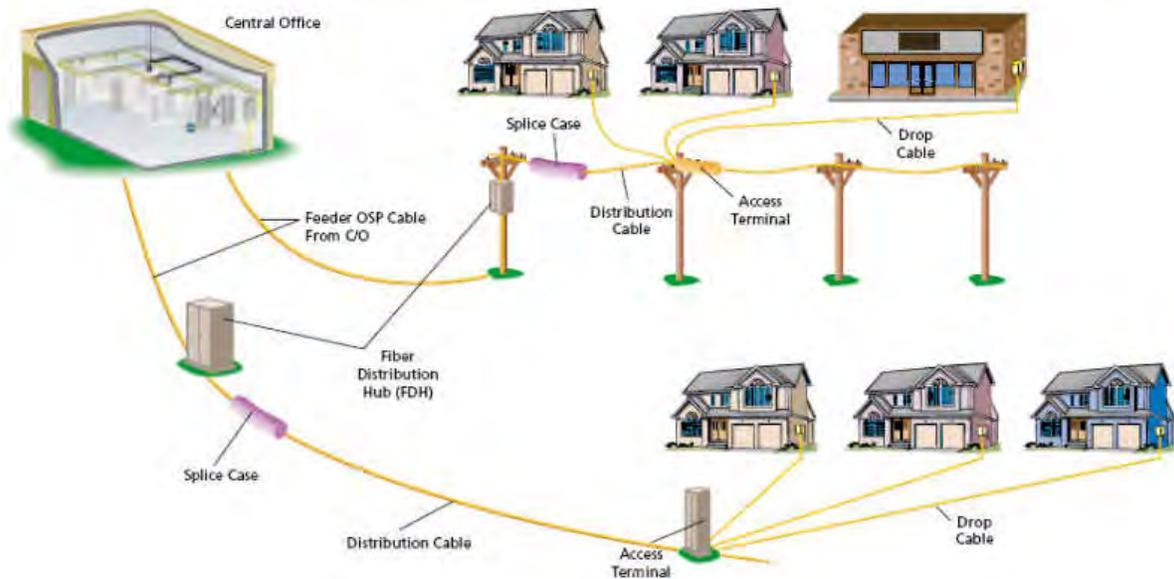


Figure 6

Photos Courtesy of broadbandsoho.com

Existing Comcast System

Comcast maintains an overhead coaxial/fiber cable system that feeds the businesses and community in the study area. It appears that Comcast, like PEPCO and Verizon, is fed from the north and it also ends at the natural boundary of the Northeast Branch Creek. There are no existing overhead feed services from the impacted pole line, and there are a limited number of underground service feeds therefore it is assumed that this system is primarily fed from side roads or rear lot lines. Comcast was unable to participate in the discovery portion of this study.

It is presumed that Comcast would not be eligible for reimbursement of any relocation expenses unless they could provide documented easements similar to PEPCO and Verizon. Historically Comcast has not been able to provide such documentation. For the purpose of this study, KCI assumed that Comcast would be eligible for reimbursement of their costs to underground the existing system beyond the responsibility of the relocation expense. Actual cost estimates and percentages of responsibilities would be calculated as part of the utility design process.

Comcast System Highlights:

- Comcast owns and maintains an existing aerial coaxial system that feeds the surrounding community along the project and is attached to PEPCO's poles.
- The coaxial system appears to feed from north as the other systems do and appears to end near the Northeast Branch with feeds from the north.
- Existing Services configuration:
 - Aerial fed: 0

- Underground fed: 2
- Undergrounding of this utility may be reimbursable depending on Comcast's documented rights.

Existing Communications – Others

Attached to the existing pole line is a fiber optic line that does not appear to belong to Verizon and is considered as a third party attachment. This means that they are a lease paying tenant of PEPCO and will need to be accommodated with the relocation of the pole line. The nature of these system are typically focused on providing high speed and volume data transfer service to large customers and are not typically for distribution purposes. Therefore relocation of this line is considered to be a linear cost through the length of the project and it is assumed that it will be accomplished by means of an aerial to aerial transfer and not require the splicing of any new cable. The utility companies of Quest(Communications and Government Services), 24/7, TimeWarner, MCI, University of Maryland or Level 3(Fiberlight/Sunbelt Teleco) are all candidates for owners of this or other lines within the project. During SHA's standard relocation design process, these owners are identified and coordinated with for relocation. Further research with PEPCO's pole attachment unit will be required to identify and direct these other companies.

The undergrounding of these fiber optic lines may be reimbursable depending on the specific documented rights of the individual companies but historically this has been the exception rather than the standard.

Existing Traffic Signal – Others

The existing traffic signal system along US 1 appears to be an inter-connected system where each signalized intersection is electronically connected to the next to coordinate the timing of the light cycles. This inter-connect system is made up of a series of wires and cable attached to the existing PEPCO pole line within the communication zone that is likely maintained by Prince Georges County or the local SHA District 3 Office of Traffic. Relocation of the poles would require relocation of the inter-connected system as well as service loops to the control cabinets at each signalized intersection. It is noteworthy that these control boxes are likely to be relocated as part of the SHA project as a result of signal and intersection improvements.

The cost for relocation of these systems is likely to be bore by SHA if it is an aerial to aerial relocation and by the City if the proposed system is to be forced underground for aesthetic purposes.

Proposed Underground Utility Concept

One of the challenges any utility undergrounding project faces is to find clear route/space that will generate a minimum amount of impact to the existing utilities, traffic, adjacent structures and reducing right of way acquisition while meeting Agency, Utility and National Standards.

While not a focus of this study, it is reasonable to conclude that the proposed roadway typical section will likely generate the need to relocate the overhead electric and communication systems which SHA is considering as part of their current design project.

However, after reviewing the existing utility configurations, the proposed roadway alignment and planned improvements, the following conceptual underground utility system design parameters were developed. While not intended to solve every design issue, the conceptual alignment and parameters are intended to provide sufficient detail feasibility should an undergrounding project move forward.

Underground System Design Parameters

- Overall Utilities
 - A corridor for the installations along the centerline of the roadway, primarily within the median area.
 - Separate conduit and manhole systems for PEPCO, Verizon and Comcast.
 - 3rd party utilities could be joint trench/separate manholes with Comcast.
 - Service conduits would swing out from the mainline to the equipment or service points as required.
 - A secondary service conduit system is not anticipated.
 - Right of way would be acquired for pad sites for placement of communication pedestals, electrical switchgear and transformers along the proposed project limits.
 - Approximately 15-20 right of way pad sites are anticipated.
 - Tie-into existing systems at the project limits by turn-ups at poles.
 - Tie-into side street systems by turn-ups at poles.
 - Conduits along median could impact proposed plantings due to root depth.
- Conduit Configuration

For the relocation of the primary main utility lines to underground, a conduit systems specific for each utility with separate manholes will be constructed parallel to the centerline of the roadway. These conduit systems will be built parallel to each other with the separation identified for long-term maintenance. These systems will be concrete encased as necessary be constructed under the proposed raised median, as shown on Figure 7. To provide services to the surrounding communities, conduits will run from each manhole to intercept the existing underground service lines or require the placement of new underground services to the building service points. If relocation of the existing aerial service line to underground is not an option, then it will be necessary to maintain a pole and that location to intercept the existing aerial service line. See Addendum “A” for the proposed underground utility concept plans.

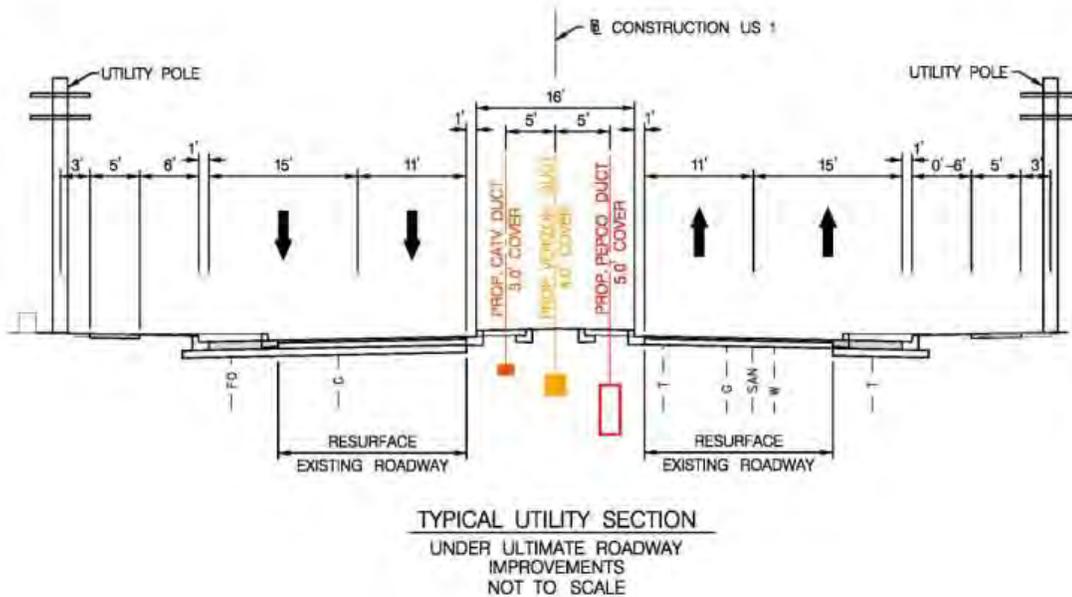


Figure 7

Proposed Electric Configuration

The proposed underground electrical system will connect to the existing underground taps at tie-in poles on the cross streets by splicing at the current location of the riser poles. This will allow PEPCO to maintain connectivity to their equipment with a minimum amount of new cable and installation time.

The existing overhead switches will need to be replaced with pad mounted switch gears (Figure 8). Pad mounted transformers will take the place of all overhead transformers. There will be three phase pads (Figure 9) and single phase pads (Figure 10). Three voltage regulators are present on the existing overhead system (Figure 11); PEPCO stated that these regulators will not be needed for the undergrounding relocation case.



Figure 8



Figure 9



Figure 10



Figure 11

Manholes will be installed in the proposed median to allow for splicing and connectivity for diverging duct runs that will run from the trunk lines out to locations where existing underground cables will be intercepted and spliced. This will eliminate the need to reconnect existing underground equipment to the new duct system.

There are six existing overhead secondary services, at different locations that will need to be relocated for this project. PEPCO may have the option to absorb the cost to convert the few businesses to an underground service by installing new meters and entry cables for underground feeds. These businesses could then be fed via the proposed underground secondary duct system that will be built. Another option would involve installing new poles behind these businesses, running secondary cable to the new pole locations, and then feeding the business via the existing overhead feeding system at each facility.

In addition to the street lighting attached to the existing poles, there are multiple locations with free-standing pendant style type street lights that are fed by existing overhead transformers. These transformers feed to existing street lighting (Figure 12) and meter pedestals (Figure 13). These meters will need to be fed from one of the proposed single phase pad mount transformers as a part of the road widening.



Figure 12



Figure 13

Many of the locations that are being proposed for the new equipment will be outside the existing and the current proposed right of way. Additional right of way requisitions will be needed as part of the undergrounding effort; this additional right of way is included in the proposed cost estimate provided in Addendum B.

One particular area to highlight the possible aesthetic impact is on the 8700 US 1 block shown on Figure 8. Multiple transformers and Switch Gears will be needed at this location. The existing 14-foot grass buffer will be reduced to about 4-foot. The east side of US 1 does not offer an open space to consider as an equipment location alternative.

A secondary voltage conduit system is not anticipated to be needed. Secondary may be direct buried in a majority of locations in this project area.

PEPCO Underground System Highlights

- One Primary 34kV circuits run from University Blvd to Greenbelt Road will remain overhead to reduce cost. Therefore undergrounding will begin south of Greenbelt Road.
- New underground primary conduit system from Greenbelt Road toward the south to Lakeland Road,

- One 13kV electrical circuits placed within a 8way 6" PVC concrete encased conduit system with 12'x6'x7' pre-cast manholes for cable pulling and splicing of new cable.
 - 3,380 lf of conduit of mainline duct bank to be installed.
 - 6 pre-cast manholes proposed.
- The three existing aerial voltage regulators within the project can be eliminated according to PEPCO.
- 11 aerial transformers would be replaced with pad mounted units.
 - Located in the same general vicinity.
 - Potential right of way acquisition.
 - Potential right of entry needed for service line placement.
- 10 existing pad mounted transformers on the existing system would remain, relocate as needed.
- Proposed underground conduit system for 13kV feeders would terminate on Lakeland Road.
- Existing Services configuration:
 - Aerial fed: 6
 - Convert to underground unless prohibited by property owner, utility or site conditions.
 - Underground fed: 10
 - Intercept at existing dip point.
- A complete, independent lighting system will need to be installed as part of the roadway project.
- Undergrounding of this utility will be reimbursable 100% to the utility company.

Proposed Verizon Configuration

The proposed undergrounding plan will be similar to PEPCO's. To relocate the existing overhead services Verizon may bore to the service location from the proposed underground system duct line and bringing the FIOS line up to the wall to the existing entry point. Because of the cost and reliability of splicing fiber optic cable, the existing underground FIOS services will need to be replaced in its entirety, per each case, back to the source.

There will be Verizon manholes installed in strategic locations to allow for splicing as well as to provide points of divergence for lateral drops to maintain the connectivity of the existing system, avoiding conflicts with proposed electric and other communication manholes. These manholes and the connecting duct system will be dedicated to Verizon and their equipment and facilities and will be accessed regularly by Verizon for future maintenance.

Verizon Underground System Highlights:

- Relocate aerial copper and fiber optic (FTTP) facilities to a new underground 16way 4" PVC conduit system with concrete encasement.
 - 3,175 lf of 16 way conduit system
- Installation of 6 12'X6'X7' precast concrete manholes for cable pulling and splicing.

- Existing 1911 conduit duct bank along the eastern lanes (north bound) is to remain in-place.
- Goal is for existing service points on buildings to remain in the same location and configuration.
- Proposed Verizon conduit facilities will not cross the Northeastern Branch Stream
- Existing Services configuration:
 - Aerial fed: 8 to be converted to underground
 - Underground fed: 2 to be intercepted by new duct system
- Undergrounding of this utility will be reimbursable 100% to the utility company.

Proposed Comcast Configuration

Service to existing COMCAST costumers will be maintained by diverting from the new Comcast main line, which will be installed in the center road median in concrete encased duct. Single duct will be run to the existing riser pole locations and the coaxial cable will be spliced at this point to maintain the existing service to the customer. One power supply box is currently pole mounted and will need to be replaced with a power supply pedestal.

Comcast Underground System Highlights:

- The existing aerial coaxial system is shifted from the existing pole line to a new conduit system that is installed parallel to the Verizon and PEPSCO systems.
- The proposed backbone system is anticipated to be a 2-way 21/2" system that runs through 6 4'X'4'X4' precast manholes.
- Existing Services configuration:
 - Aerial fed: 0
 - Underground fed: 2
 - Additional service turn-outs may be installed for future expansion.
- Undergrounding of this utility may be reimbursable depending on Comcast's documented rights.
 - Historically not the case.

Implementation Recommendations

After considering all the different elements of this project and keeping in mind similar state projects as well as the number of utility owners involved, it is recommended that an Advanced Utility Breakout Contract (AUBC) be issued for this project. This will allow for a single contract to build the infrastructure necessary for all the utility owners and complete the utility underground facilities relocation process prior to the SHA roadway project.

The utilization of an AUBC will reduce the total schedule time for the project. Without an AUBC each utility owner will need to build their own infrastructure individually after the other utility owners are done building their proposed systems. The AUBC is an efficient streamlined process that eliminates the problems associated with managing utility owners during the relocation process.

Proposed Project Delivery Highlights

- Phase I
 - Conduit and manhole infrastructure packaged by SHA for advertisement and award in a single contract administered by SHA.
 - Single excavation operation, pre-approved sub consultants install conduits and manholes, installation subject to utility company inspection.
 - Phasing and coordination oversight from General Contractor to implement a single Maintenance of Traffic (MOT) phasing and move the work block by block.
 - Temporary pavement restoration installed, permanent repair of rigid base as required.
- Phase II
 - Utility companies perform their own pulling, splicing of cable and remove of aerial systems.
 - Utility companies remove their OH facilities once the UG system is in place.
 - PEPCO to leave and power existing poles with attached street lighting until SHA roadway improvement contract requires their removal
- Phase III
 - SHA roadway improvement contract is advertised and awarded for installation of roadway improvements.

Proposed Project Delivery Key Items to Consider

- Approach creates additional administration, scheduling and implementation of the AUBC contract.
 - Erosion and Sediment (E&S) control design, implementation.
 - MOT Design, implementation.
 - Roadway paving replacement.
 - Sidewalk repair.
- Requires effort to keep utility companies on-task in phase II.
- A street lighting system must be designed and installed by SHA contract.
- Requires the rearrangements of existing building services including aerial to underground conversions.
 - Potential electrical inspections.
 - Potential refusal by property owners.
- Longer disruption to local and traveling public versus standard Overhead (OH) to Overhead relocations.

AUBC Sequence of Construction

Implementing the construction of this contract will require the following sequence of construction. Begin with constructing the PEPCO, Verizon and CATV duct banks starting at the south end of the project. Each utility would have its own narrow trench with shoring required due to the depth and limited horizontal room. The work would consist of three distinct operations with the PEPCO duct work preceding the Verizon and CATV duct work by one city block. Working from south to north the limits of each stage of the PEPCO work would be to the south of each intersection. The subsequent Verizon and CATV work limits would be the north of each intersection. Once the Verizon and CATV

work is completed in the trailing section, the work zone will be shifted north one city block or a maximum of approximately 400'. The south intersection will be opened to normal traffic operations and traffic patterns for the next intermediate intersection in the work zone will be modified as described above.

The proposed typical trench section, Figure 10, was submitted to SHA's Office of Materials Technologies (OMT) for their review and pavement repair recommendation. Figure 10 shows OMT's recommended trench typical section.

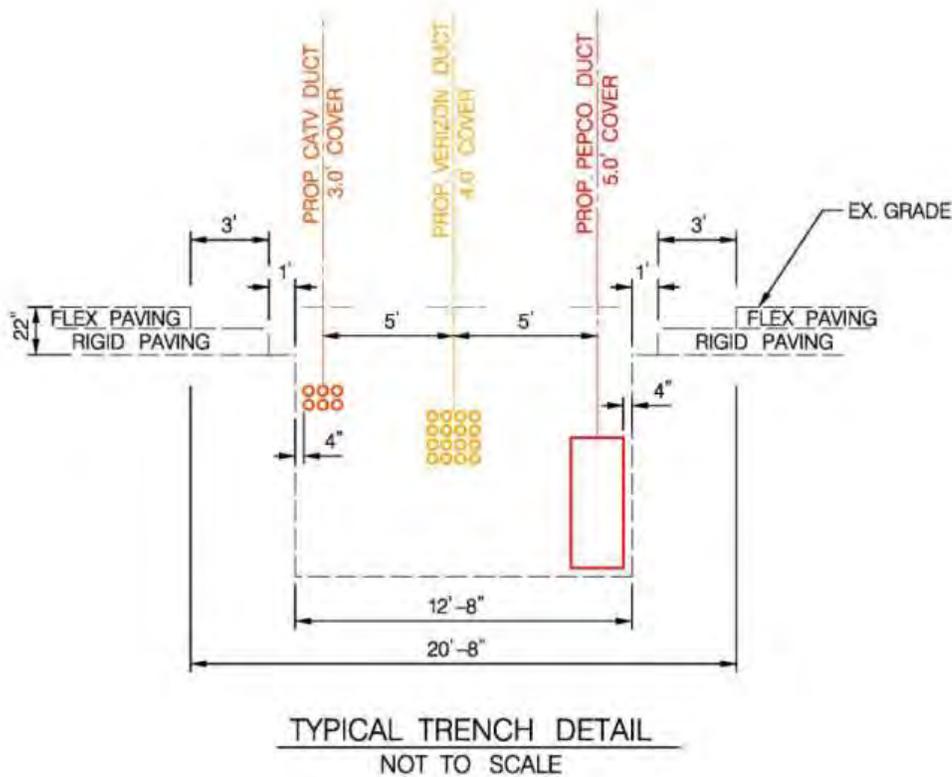


Figure 14

AUBC Proposed Maintenance of Traffic

MOT would consist of a single 14'+/-NB lane and a single 14'+/-SB lane through the work zone limits only. The work zone should be protected with temporary concrete barrier (TCB) on both sides. The existing two lanes of traffic in each direction with a median left turn lane will be maintained before and after the work zone (with the exception of the lane tapers at each end of the work zone). The work zone would be approximately 25' in width centered on the centerline of the roadway and/or the Verizon duct bank. This would require shutting down the inside NB and SB lane with one 14' outside thru lane remaining. Any left hand turn lanes within the work zone from either direction of US 1 are eliminated.

The work zone would be limited to the length of two city blocks with ingress to and egress from the intermediate eastern intersecting road/driveways limited to NB US 1 and ingress to and egress from the intermediate western intersecting road/driveways limited to SB US 1. Restricted traffic movements to and from US 1 would be detoured to other intersections and side roads before and/or after the work zone.

The maximum length of a work zone would be approximately 725' between Lakeland Road and Navahoe Street, between Pontiac Street and Berwyn Road and between Branchville Road and the north end of the project. There would be a total of 8 additional work zones that average approximately 600' in length. See Table 1 for limits at each Stage.

Any utility duct work that crosses live traffic lanes would have to be done during night time operations and outside of the active work zone so that a single lane of traffic can be maintained in each direction. This will also require shoring of the trench and the use of steel traffic plates until the trench is backfilled and paved.

Total Construction Duration (Phase I and Phase III combined) - approximately 481calendar days/15 months

Total Utility Relocation Work (Phase II) - approximately 24 months

Addendum "C" shows a proposed CPM construction schedule with a Notice to Proceed date of June 01, 2014 and a finish date of September 25, 2015. At which points the utility companies get mobilized to do their cable work which would take approximately 24 months. The completely UG system would be completed September 25, 2017.

Table 1
US 1 at College Park Segment 1
Utility Underground Relocation MOT Phasing

PHASE	PEPCO				INTERSECTION CLOSURE	VERIZON/CATV				TOTAL WORK AREA LENGTH	DETOUR	DETOUR ROUTES
	STAGE A	STA	STA	DIST.		STAGE B	STA	STA	DIST.			
Phase 1 - One Lane NB and One Lane SB	1A	51+75	55+50	375.00	Lakeland Rd.					375.00	SE US1 to EB Lakeland & WB Lakeland to SB US1	Berwyn House Rd., Rhode Island Ave., Lakeland Rd.
	2A	55+50	59+50	400.00	Melbourne Place	1B	52+25	56+00	375.00	725.00	SE US1 to EB Melbourne & WB Melbourne to SB US1	Berwyn House Rd., Rhode Island Ave., Lakeland Rd., NB US 1
	3A	59+50	62+50	300.00	Navahoe St.	2B	56+00	60+50	450.00	650.00	Access to or from SB US 1 is already restricted	n/a
	4A	62+50	65+50	300.00	Berwyn House Rd.	3B	60+50	63+50	300.00	500.00	SE US1 to EB Berwyn House Rd. & WB Berwyn House Rd. to SB US1	Lakeland Rd., Rhode Island Ave., Berwyn House Rd.
	5A	65+50	70+00	450.00	Pontiac St.	4B	63+50	66+50	300.00	650.00	SE US1 to EB Pontiac St. & WB Pontiac St. to SB US1	Berwyn Rd., 48th Ave.
	6A	70+00	73+75	375.00	Quebec St.	5B	66+50	71+00	450.00	725.00	SE US1 to EB Quebec St. & WB Quebec St. to SB US1	Berwyn Rd., 48th Ave., Pontiac St.
	7A	73+75	77+00	325.00	Berwyn Rd.	6B	71+00	74+75	375.00	600.00	SE US1 to EB Berwyn Rd. & WB Berwyn Rd. to SB US1	Pontiac St., 48th Ave.
	8A	77+00	81+00	400.00	n/a	7B	74+75	77+50	275.00	625.00	n/a	n/a
	9A	81+00	83+75	275.00	Tecumseh St.	8B	77+50	81+75	425.00	625.00	SE US1 to EB Tecumseh St. & WB Tecumseh St. to SB US1	Greenbelt Rd., 48th Ave.
	10A	83+75	84+50	75.00	Greenbelt Rd.	9B	81+75	84+50	275.00	275.00	SB US1 to EB Greenbelt Rd. & WB Greenbelt Rd. to SB US1	Tecumseh St., 48th Ave.
Totals				3275.00					3225.00			

AUBC Cost Estimate

A cost estimate for the project has been developed by KCI taking into consideration the costs of the conduit, manholes, excavation, placement, backfill, paving, erosion and sediment control and Maintenance of Traffic. PEPCO and Verizon provided their undergrounding facilities cost separately. COMCAST did not provide a cost estimate, so a percentage factor was used to include their undergrounding cost (60% of Verizon’s cost). There will be additional 4921 Square Feet area of right of way to be acquired and SHA provided the price information per square footage used in this area for the main project. The right of way acquisition was calculated as a perpetual easement. The following summarizes the cost for undergrounding:

Description	Cost
Civil Construction Work (MOT, E&S, Paving, etc)	\$9,216,382.69
PEPCO	\$1,029,660.00
Verizon	\$ 900,000.00
COMCAST	<u>\$ 540,000.00</u>
Sub-Total	\$12,056,491.69
35% Contingency	\$ 4,219,772.09
Right of Way	<u>\$ 155,011.50</u>
Total Cost	\$16,431,275.28

Please see Addendum “B” for the breakdown of the cost estimate.

The City of College Park will be responsible for the AUBC Final Engineering Design Cost (Approximately \$55,000.00); the cost associated with preparing the bidding contract documents for the AUBC package (Approximately \$60,000.00); Construction Services (Approximately \$500,000.00); Utility Coordination during the construction (Approximately \$40,000.00). For a Total of **\$655,000.00**

Overhead Cost Estimate

The only overhead cost estimate provided up to date is the PEPCO overhead relocation **\$720,000.00**. Verizon’s cost to relocate the existing aerial outside plant is estimated at **\$1,100,000.00**. Final overhead relocation costs will be provided to SHA District 3 Utility Engineer for the SHA Project.

Key Items for the Undergrounding Construction Relocation

There are critical items that will need to be addressed and considered to keep the undergrounding project on schedule:

- Significant effort required during the project to keep the utility owners on task and on schedule during construction. Relocation and undergrounding projects typically provide no additional revenue to utility owners and they are not bound by tariffs to keep projects on schedule.

- The buildings that currently have electric service from overhead secondary wires will need to have work done to their service equipment in order to maintain service on the proposed underground system. The conversion of these services has the potential to require electrical inspections in accordance with the National Electric Safety Code (NESC) and county standards. When inspections are required by the county it leaves building owners susceptible to other inspections that may lead to costs to make required improvements.
- As the project resides adjacent to the University of Maryland campus there will likely be disruptions to the local and traveling public during the project. Plans will need to be developed to reduce the impacts to travelers through the area.

Acronyms Glossary

AASHTO – American Association of State Highway and Transportation Officials

ADA – American with Disabilities Act

AUBC – Advance Utility Breakout Contract

CATV – Cable TV

CO – Central Office

COG inlet – curb on gutter inlet

FDH – Fiber Distribution Hub

FO – Fiber Optic

FONSI – Finding of No Significant Impact

FTTP – Fiber-to-the-premises

kV – Kilovolts

MOT – Maintenance of Traffic

NB – Northbound

NESC – National Electric Safety Code

OH - Overhead

OMT – Office of Materials Technologies

OPUC (TX) – Office of Public Utility Counsel

OSP – Outside Plant

PEPCO – Potomac Electric Power Company

SB – Southbound

SHA – State Highway Administration

STA - Station

TCB – Temporary Concrete Barrier

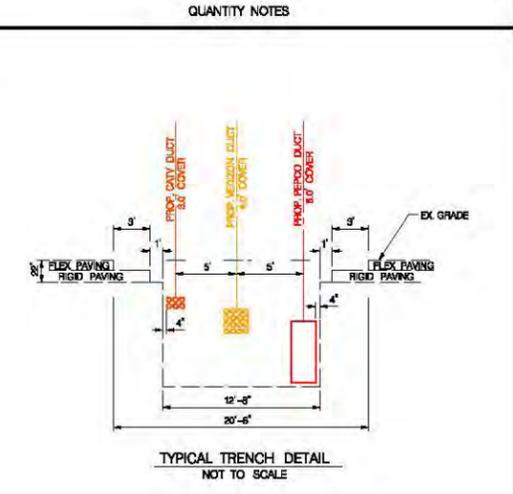
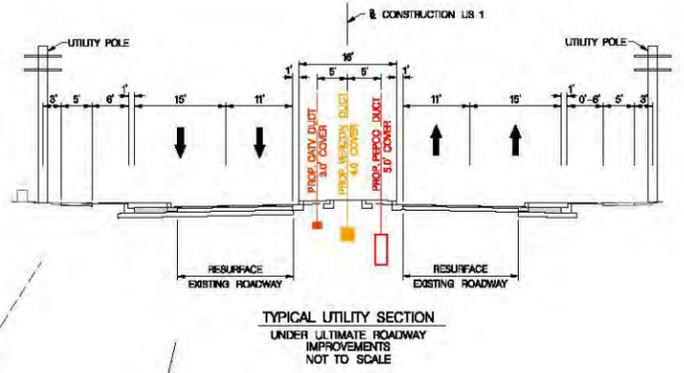
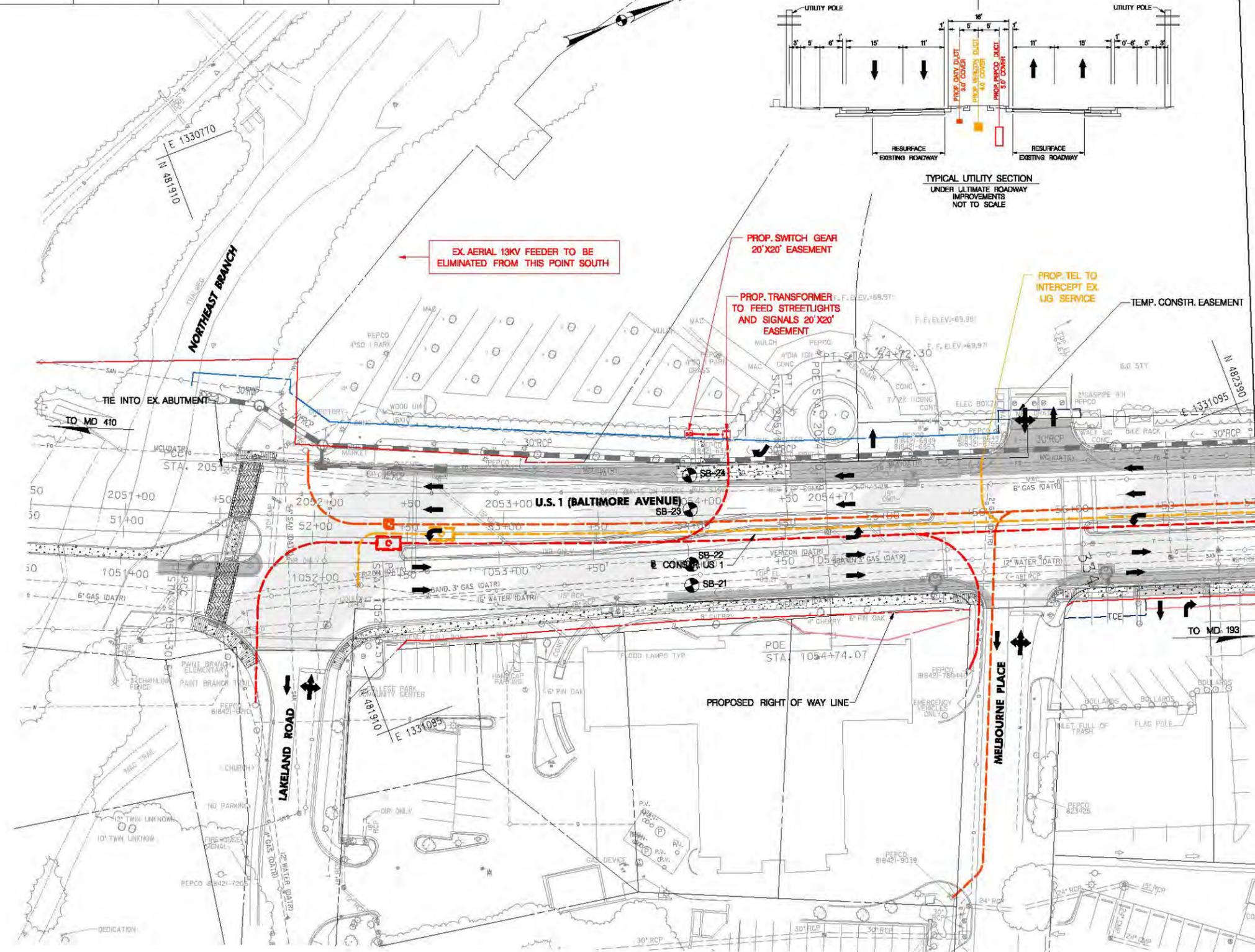
UG – Underground

V - Volts

WSSC – Washington Suburban Sanitary Commission

ADDENDUM “A”

CURVE DATA					
CURVE	DELTA	Dc	RADIUS	TANGENT	EXTERNAL



EX. AERIAL 13KV FEEDER TO BE ELIMINATED FROM THIS POINT SOUTH

PROP. SWITCH GEAR 20'X20' EASEMENT

PROP. TRANSFORMER TO FEED STREETLIGHTS AND SIGNALS 20'X20' EASEMENT

PROP. TEL TO INTERCEPT EX. UG SERVICE

TEMP. CONSTR. EASEMENT

MATCH LINE SEE DRAWING NO. UC-02

UNDERGROUND UTILITY CONCEPT

01-10-2014

SHA STATE OF MARYLAND
DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION
HIGHWAY DESIGN DIVISION

US 1 AT COLLEGE PARK
SEGMENT 1

DATUM: NAD 8391 Horizontal
NAVD 88 Vertical

- LEGEND**
- PERPETUAL EASEMENT
 - REVERTABLE EASEMENT
 - TEMPORARY CONSTRUCTION EASEMENT
 - PROPOSED RIGHT-OF-WAY LINE
 - GRIND AND RESURFACE
 - FULL DEPTH PAVEMENT
 - CONCRETE APRON
 - CONCRETE SIDEWALK

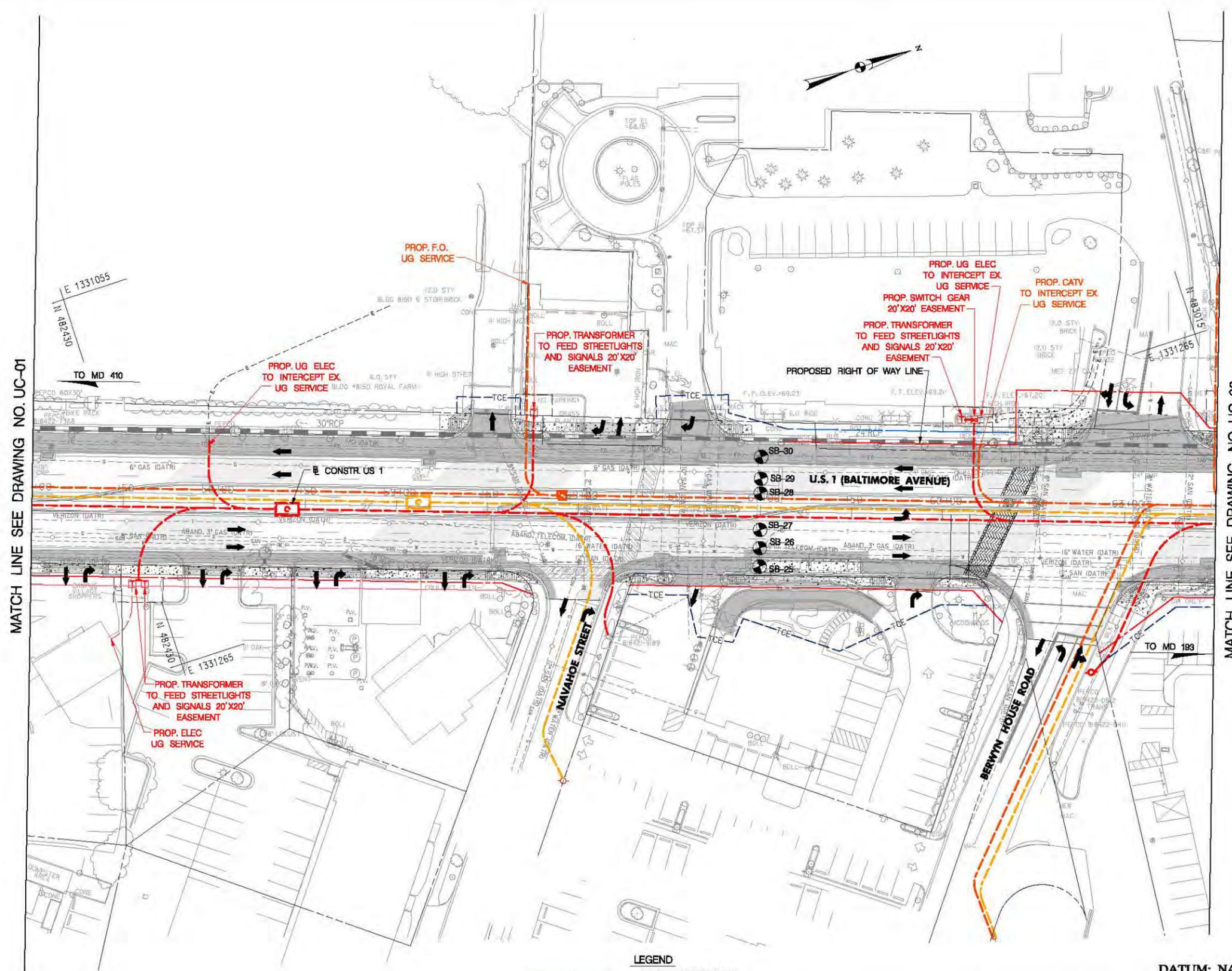
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 - PROP. CATV CONDUIT SYSTEM
 - PROP. VERIZON CONDUIT SYSTEM
 - PROP. PEPCO CONDUIT SYSTEM
 - PROP. SWITCH GEAR
 - PROP. TRANSFORMER

R/W PLAT NUMBER	CROSS REFERENCE	REVISIONS
	ITEM SHEET NO.	
	TYPICAL SHEETS	
	SUPERELEVATION SHEETS	
	PIPE & DRAINAGE SCHEDULE	
	GEOMETRIC LAYOUT SHEETS	
	ROADWAY PLAN SHEETS	
	ROADWAY PROFILE SHEETS	
	TRAFFIC CONTROL SHEETS	
	EROSION & SEDIMENT CONTROL	
	SIGNING & MARKING PLANS	
	LANDSCAPE PLAN SHEETS	
	UTILITIES	

UNDERGROUND UTILITY CONCEPT		
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UNDERGROUND UTILITY CONCEPT 01-10-2014

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US 1 AT COLLEGE PARK
SEGMENT 1

DATUM: NAD 83/91 Horizontal
NAVD 88 Vertical

LEGEND

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	REVERTABLE EASEMENT
	TEMPORARY CONSTRUCTION EASEMENT
	PROPOSED RIGHT-OF-WAY LINE
	GRIND AND RESURFACE
	FULL DEPTH PAVEMENT
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UTILITY LEGEND

	PROP. AERIAL LINES
	PROP. CATV CONDUIT SYSTEM
	PROP. VERIZON CONDUIT SYSTEM
	PROP. PEPCO CONDUIT SYSTEM
	PROP. SWITCH GEAR
	PROP. TRANSFORMER

R/W PLAT NUMBER	CROSS REFERENCE	REVISIONS
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	SURFELEVATION SHEETS	
	PIPE & DRAINAGE SCHEDULE	
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	ROADWAY PLAN SHEETS	
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UNDERGROUND UTILITY CONCEPT

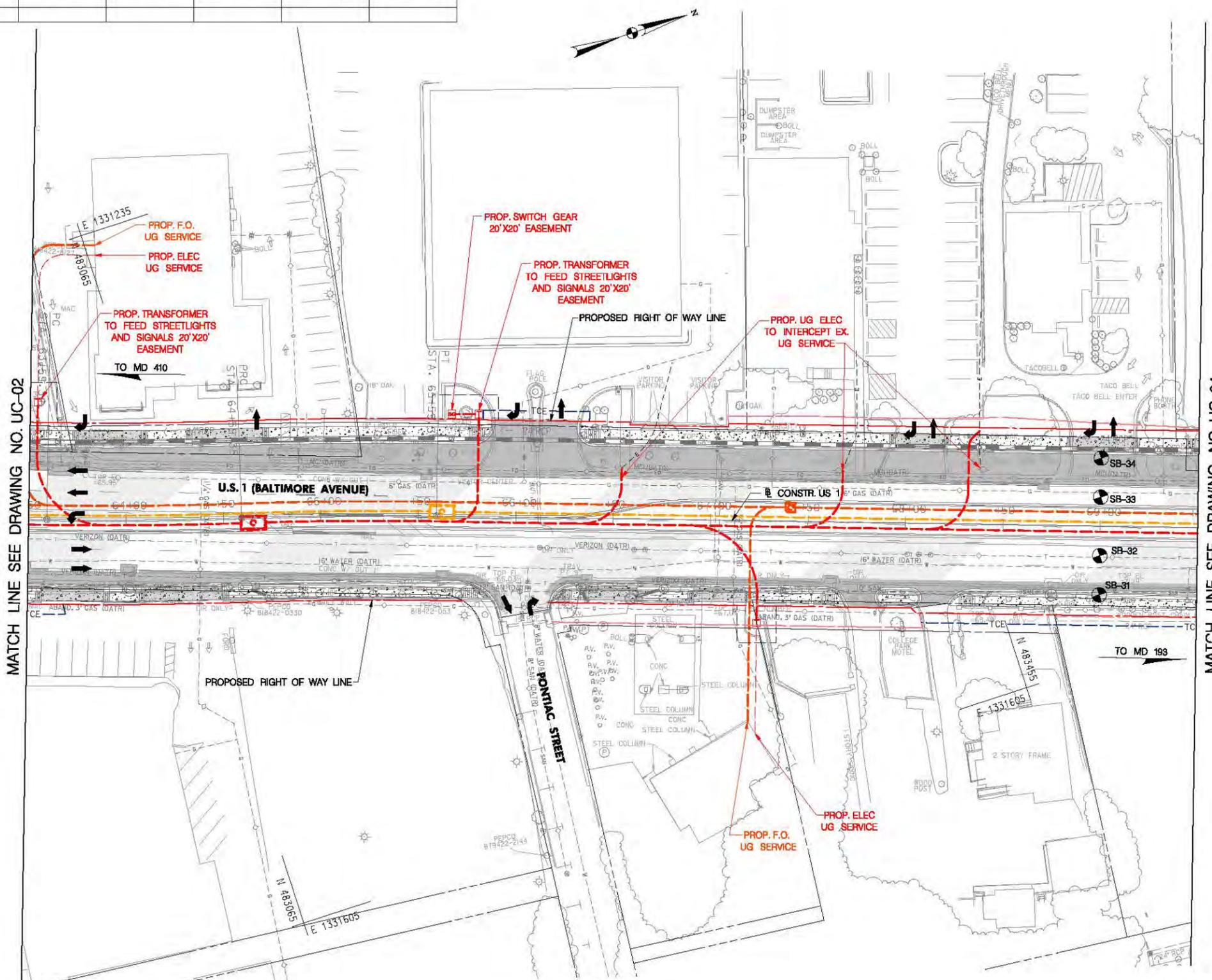
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CURVE DATA						
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UNDERGROUND UTILITY CONCEPT 01-10-2014

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DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION
HIGHWAY DESIGN DIVISION

US 1 AT COLLEGE PARK
SEGMENT 1

DATUM: NAD 8391 Horizontal
NAVD 88 Vertical

- LEGEND**
- PERPETUAL EASEMENT
 - REVERTABLE EASEMENT
 - TEMPORARY CONSTRUCTION EASEMENT
 - PROPOSED RIGHT-OF-WAY LINE
 - GRIND AND RESURFACE
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UTILITY LEGEND

- PROP. AERIAL LINES
- PROP. CATV CONDUIT SYSTEM
- PROP. VERIZON CONDUIT SYSTEM
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- PROP. TRANSFORMER

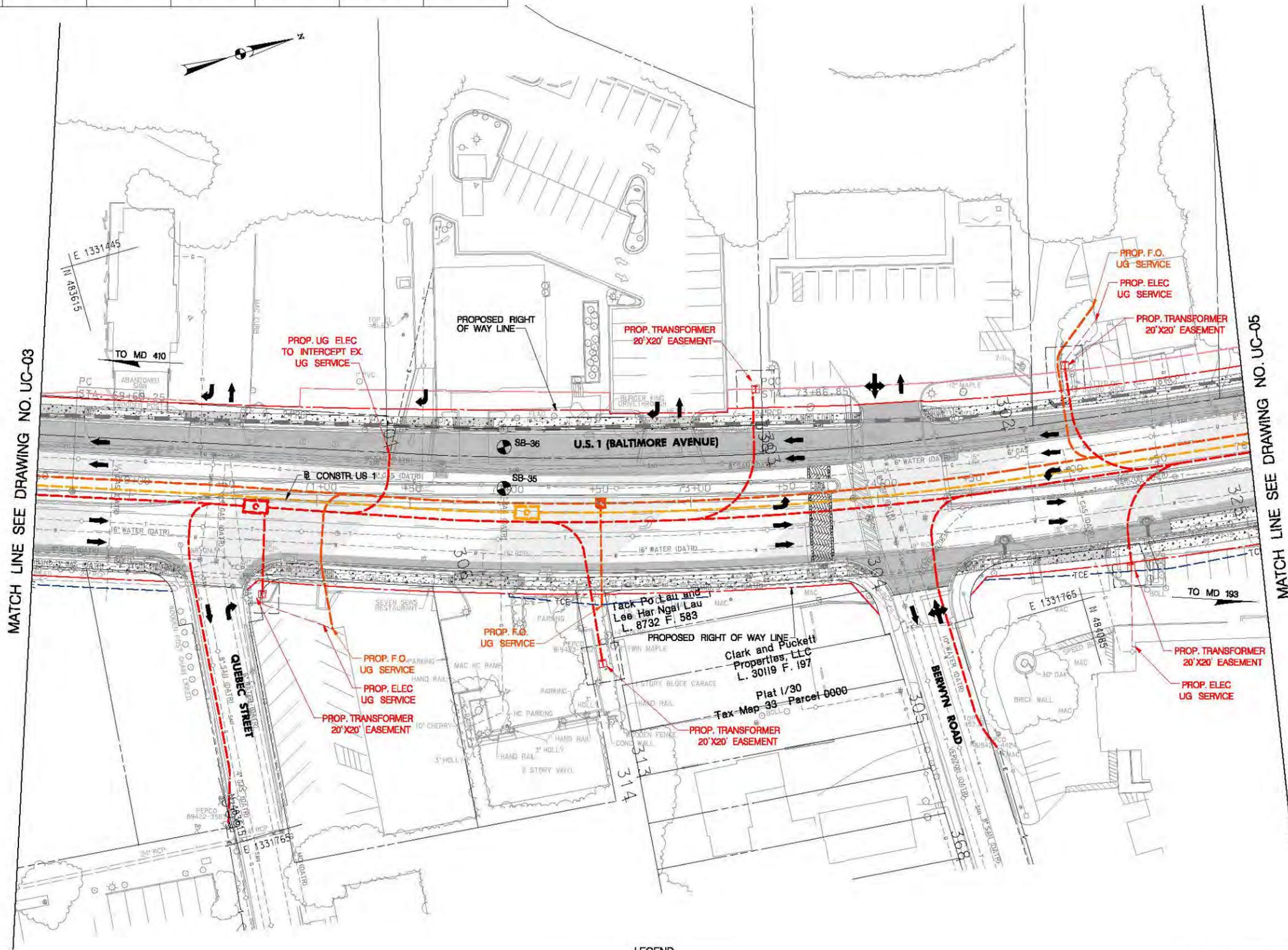
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SHEET NO.		OF	

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UNDERGROUND UTILITY CONCEPT

01-10-2014

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UTILITY LEGEND

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	PROP. CATV CONDUIT SYSTEM
	PROP. VERIZON CONDUIT SYSTEM
	PROP. PEPCO CONDUIT SYSTEM
	PROP. SWITCH GEAR
	PROP. TRANSFORMER

LEGEND

	PERPETUAL EASEMENT
	REVERTABLE EASEMENT
	TEMPORARY CONSTRUCTION EASEMENT
	PROPOSED RIGHT-OF-WAY LINE
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DATUM: NAD 8391 Horizontal
NAVD 88 Vertical

R/W PLAT NUMBER	CROSS REFERENCE	REVISIONS
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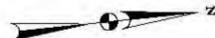
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SEGMENT 1

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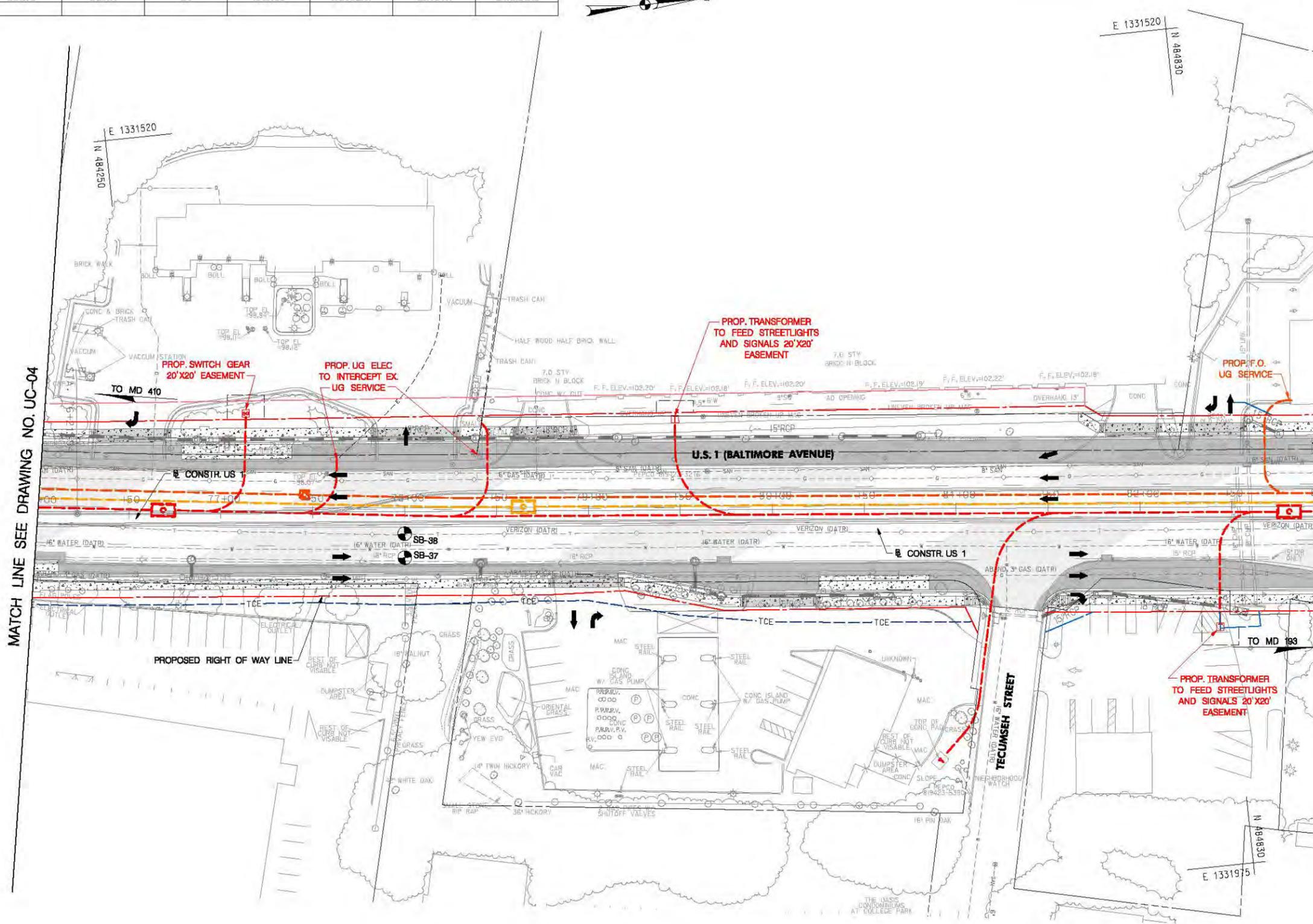
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QUANTITY NOTES

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UNDERGROUND UTILITY CONCEPT 01-10-2014

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STATE HIGHWAY ADMINISTRATION
HIGHWAY DESIGN DIVISION

US 1 AT COLLEGE PARK
SEGMENT 1

DATUM: NAD 8391 Horizontal
NAVD 88 Vertical

UTILITY LEGEND

	PROP. AERIAL LINES
	PROP. CATV CONDUIT SYSTEM
	PROP. VERIZON CONDUIT SYSTEM
	PROP. PEPCO CONDUIT SYSTEM
	PROP. SWITCH GEAR
	PROP. TRANSFORMER

LEGEND

	PERPETUAL EASEMENT
	REVERTABLE EASEMENT
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R / W PLAT NUMBER	CROSS REFERENCE	REVISIONS
	ITEM SHEET NO.	
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UNDERGROUND UTILITY CONCEPT

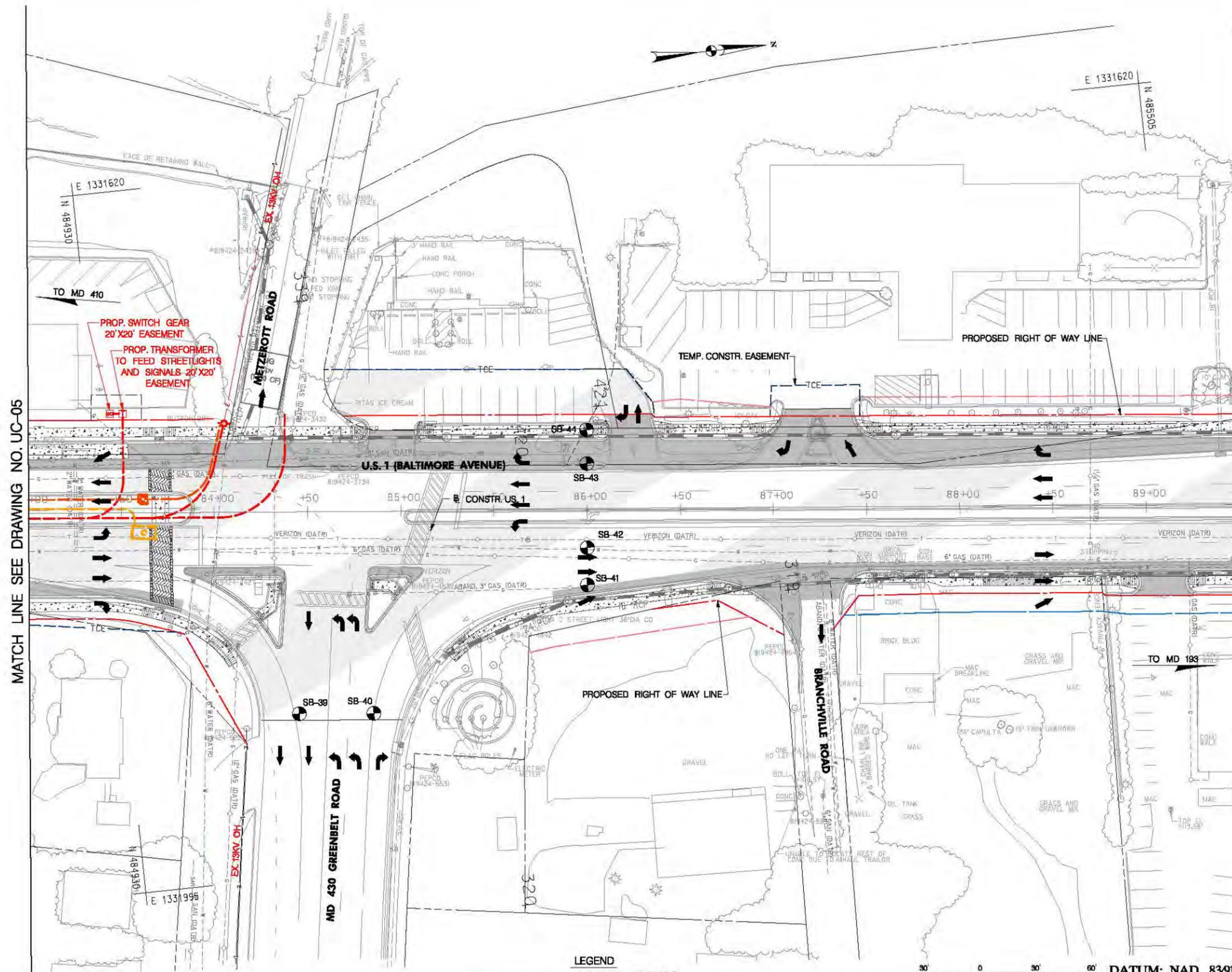
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UTILITY LEGEND

- PROP. AERIAL LINES
- PROP. CATV CONDUIT SYSTEM
- PROP. VERIZON CONDUIT SYSTEM
- PROP. PEPCO CONDUIT SYSTEM
- PROP. SWITCH GEAR
- PROP. TRANSFORMER

LEGEND

- PERPETUAL EASEMENT
- REVERTABLE EASEMENT
- TEMPORARY CONSTRUCTION EASEMENT
- PROPOSED RIGHT-OF-WAY LINE
- GRIND AND RESURFACE
- FULL DEPTH PAVEMENT
- CONCRETE APRON
- CONCRETE SIDEWALK

DATUM: NAD 83/91 Horizontal
NAVD 88 Vertical
SCALE 1" = 30'

R/W PLAT NUMBER	CROSS REFERENCE	SHEET NOs.	REVISIONS
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	TYPICAL SHEETS		
	SUPERELEVATION SHEETS		
	PIPE & DRAINAGE SCHEDULE		
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**UNDERGROUND
UTILITY CONCEPT
01-10-2014**



STATE OF MARYLAND
DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY ADMINISTRATION
HIGHWAY DESIGN DIVISION

US 1 AT COLLEGE PARK
SEGMENT 1

UNDERGROUND UTILITY CONCEPT

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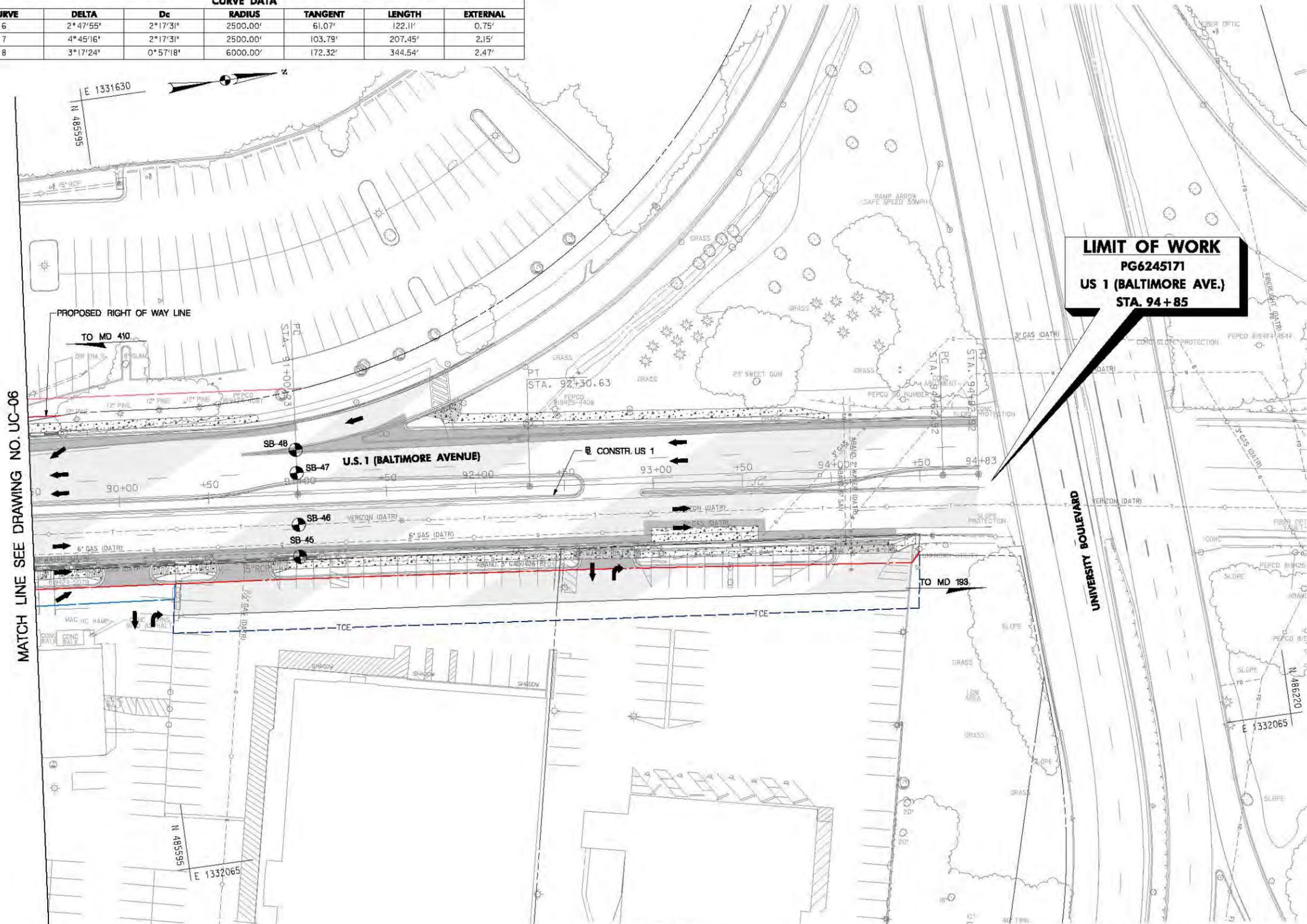
DRAWN BY JBS LOGMILE _____

CHECKED BY DSR

F.A.P. NO. _____

DRAWING NO. **UC-06** OF **7** SHEET NO. OF

CURVE DATA						
CURVE	DELTA	Dc	RADIUS	TANGENT	LENGTH	EXTERNAL
6	2°47'55"	2°17'31"	2500.00'	61.07'	122.11'	0.75'
7	4°45'16"	2°17'31"	2500.00'	103.79'	207.45'	2.15'
8	3°17'24"	0°57'18"	6000.00'	172.32'	344.54'	2.47'



LIMIT OF WORK
 PG6245171
 US 1 (BALTIMORE AVE.)
 STA. 94+85

MATCH LINE SEE DRAWING NO. UC-06

**UNDERGROUND
 UTILITY CONCEPT
 01-10-2014**

SHA STATE OF MARYLAND
 DEPARTMENT OF TRANSPORTATION
 STATE HIGHWAY ADMINISTRATION
 HIGHWAY DESIGN DIVISION

US 1 AT COLLEGE PARK
 SEGMENT 1

LEGEND

	PERPETUAL EASEMENT
	REVERTABLE EASEMENT
	TEMPORARY CONSTRUCTION EASEMENT
	PROPOSED RIGHT-OF-WAY LINE
	GRIND AND RESURFACE
	FULL DEPTH PAVEMENT
	CONCRETE APRON
	CONCRETE SIDEWALK

UTILITY LEGEND

	PROP. AERIAL LINES
	PROP. CATV CONDUIT SYSTEM
	PROP. VERIZON CONDUIT SYSTEM
	PROP. PEPCO CONDUIT SYSTEM
	PROP. SWITCH GEAR
	PROP. TRANSFORMER

R/W PLAT NUMBER	CROSS REFERENCE	REVISIONS
	ITEM SHEET NOs.	
	TYPICAL SHEETS	
	SURFELEVATION SHEETS	
	PIPE & DRAINAGE SCHEDULE	
	GEOMETRIC LAYOUT SHEETS	
	ROADWAY PLAN SHEETS	
	ROADWAY PROFILE SHEETS	
	TRAFFIC CONTROL SHEETS	
	EROSION & SEDIMENT CONTROL	
	SIGNING & MARKING PLANS	
	LANDSCAPE PLAN SHEETS	
	UTILITIES	

SCALE: 1" = 30'
 DATUM: NAD 83/91 Horizontal
 NAVD 88 Vertical

UNDERGROUND UTILITY CONCEPT

SCALE 1" = 30' ADVERTISED DATE _____ CONTRACT NO. PG6438174

DESIGNED BY JBS COUNTY PRINCE GEORGE'S
 DRAWN BY JBS LOGMILE _____
 CHECKED BY DSR
 F.A.P. NO. _____

DRAWING NO. **UC-07** OF **7** SHEET NO. OF _____

BY: James Sappington Division: P007 Utility Services Emp

ADDENDUM “B”

KCI TECHNOLOGIES INC.
QUANTITY AND COST BREAKDOWN

Project: **SHA Cost Estimate-US 1 @ College Park**

Client: MSHA-District 3

Job Order No.: **05122206.9**

Type of Est.: **Feasibility Study - Concept Plans**

Date of Est.: **January 10, 2014**

	Date	By
COMPUTED:	01/02/14	JBS
CHECKED:	01/08/14	NEP

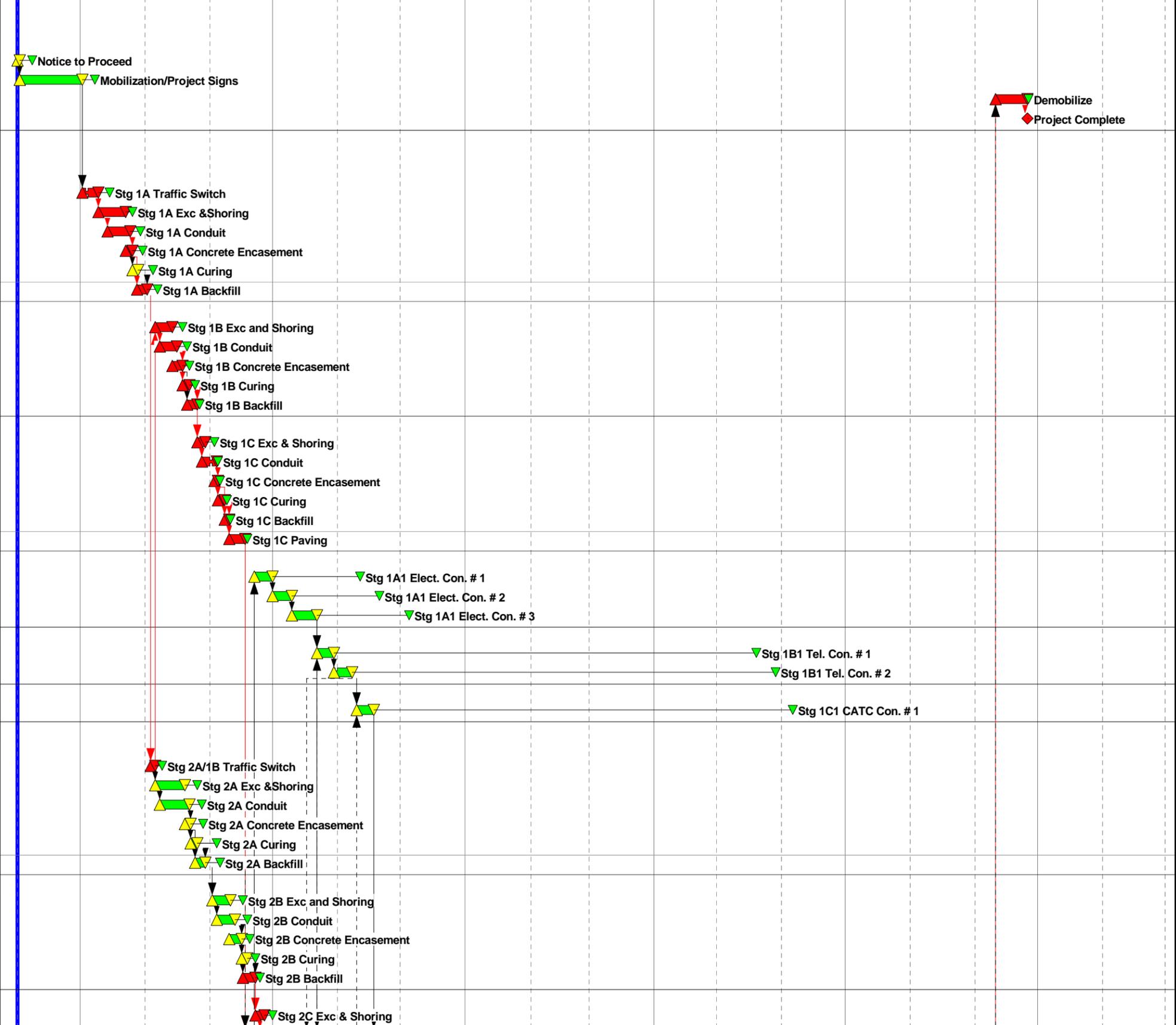
ITEM #	CAT. CODE #	ITEM DESCRIPTIONS	UNIT	QTY.	UNIT PRICE	AMOUNT
CATEGORY 100000 - MAINTENANCE OF TRAFFIC						
1001	120500	Maintenance of Traffic (15% of Categories 2-8)	LS	1	\$1,558,431.09	\$1,558,431.09
1002	120610	Arrow Panel	UD	1,000	\$12.00	\$12,000.00
1003	120625	Temporary Traffic Signs High Performance Wide Angle Sheeting	SF	1,030	\$16.00	\$16,480.00
1004	120820	Drums for Maintenance of Traffic	EA	150	\$55.00	\$8,250.00
1005	120715	RESET PRECAST TEMPORARY CONCRETE TRAFFIC BARRIER FOR MAINTENANCE OF TRAFFIC	LF	3600	\$4.00	\$14,400.00
1006	120717	REFLECTIVEBARRIER MARKERS	EA	108	\$20.00	\$2,160.00
1007	120750	TEMPORARY CRASH CUSHION SAND FILLED PLASTIC BARRELS FOR MAINTENANCE OF TRAFFIC	BBL	36	\$300.00	\$10,800.00
1008	120765	REMOVE AND RESET TEMPORARY CRASH CUSHION SAND FILLED PLASTIC BARRELS FOR MAINTENANCE OF TRAFFIC	BBL	252	\$90.00	\$22,680.00
1009	121150	PRECAST TEMPORARY 32 INCH F SHAPE CONCRETE TRAFFIC BARRIER	LF	1450	\$15.00	\$21,750.00
CATEGORY 300000 - DRAINAGE						
3001	387160	Filter Log	LF	3,350	\$7.50	\$25,125.00
3002	388063	Portable Sediment Tank	EA	6	\$1,200.00	\$7,200.00
3003	388066	Inlet Protection	EA	33	\$200.00	\$6,600.00
3004	388130	Quarterly Erosion and Sediment Control Incentive	EA	4	\$500.00	\$2,000.00
3005	388135	Final Erosion and Sediment Control Incentive	EA	1	\$2,000.00	\$2,000.00
CATEGORY 500000 - PAVING						
5001	585405	5 Inch White Lead Free Reflective Thermosplastic Pavement Markings	LF	3,000	\$1.10	\$3,300.00
5002	585407	5 Inch Yellow Lead Free Reflective Thermosplastic Pavement Markings	LF	11,000	\$1.00	\$11,000.00
5003	585621	12 Inch White Preformed Thermosplastic Pavement Marking Lines	LF	600	\$8.00	\$4,800.00
5004	585625	24 Inch White Preformed Thermosplastic Pavement Marking Lines	LF	200	\$15.00	\$3,000.00
5005	585627	White Preformed Thermosplastic Pavement Marking Legends & Symbols	SF	200	\$25.00	\$5,000.00
5006	504089	HMA Superpave 9.5mm for Surface, PG64-22, Level-4 (2" lift)	TON	1,050	\$120.00	\$126,000.00
5007	504444	HMA Superpave 25.0mm for Partial Depth Patch, PG64-22, Level-4 (two 4" lifts)	TON	4,200	\$110.00	\$462,000.00
5008	560108	8 Inch Plain PCC Pavement	SY	8,800	\$100.00	\$880,000.00
5009	520113	6 Inch Graded Aggregate Base Course (two 6" lifts)	SY	17,600	\$15.00	\$264,000.00
CATEGORY 600000 - SHOULDERS						
6001	634310	Stand Type A Curb & Gutter 12"x10"	LF	300	\$40.00	\$12,000.00
6002	648510	Monolithic Concrete Median Variable Width 2' to 6'	LF	200	\$90.00	\$18,000.00
6003	655105	5 Inch Concrete Sidewalk	SF	1,800	\$8.00	\$14,400.00
CATEGORY 800000 - UTILITIES						
8001	815210	Furnish and Install 4'x4'x4'hr Manhole - CATV	EA	6	\$3,500.00	\$21,000.00
8002	800000	Furnish and Install 6-4" Conduits - CATV	LF	3,260	\$363.92	\$1,186,379.20
8003	809201	Furnish and Install 12'X6'X7'hr Manhole - VERIZON	EA	6	\$20,000.00	\$120,000.00
8004	800000	Furnish and Install 16-4" Conduits - VERIZON	LF	3,174	\$476.90	\$1,513,680.60
8005	800000	Underground Aerial Facilities - VERIZON Labor Cost	LS	1	\$900,000.00	\$900,000.00
8006	809201	Furnish and Install 12'X6'X7'hr Manhole - PEPCO	EA	6	\$20,000.00	\$120,000.00
8007	800000	Furnish and Install 16-6" Conduits - PEPCO	LF	3,379	\$680.20	\$2,298,395.80
8008	800000	Furnish and Install Single Phase UG Transformer - PEPCO	EA	12	\$4,000.00	\$48,000.00
8009	800000	Furnish and Install Three Phase UG Transformer - PEPCO	EA	4	\$9,000.00	\$36,000.00
8010	800000	Furnish and Install UG Switch Gear - PEPCO	EA	6	\$30,000.00	\$180,000.00
8011	800000	Furnish and Install New Pole - PEPCO	EA	5	\$24,000.00	\$120,000.00
8012	800000	Underground Aerial Facilities - PEPCO Labor Cost	LS	1	\$1,029,660.00	\$1,029,660.00
8013	800000	Permanent Lighting	EA	148	\$2,500.00	\$370,000.00
8014	800000	Temporary Lighting Power	LS	1	\$60,000.00	\$60,000.00
8014	800000	Underground Aerial Facilities - COMCAST Labor Cost (Assumed)	LS	1	\$540,000.00	\$540,000.00
Subtotal Construction - ALL CATEGORIES						\$12,056,491.69
35% Contingency						\$4,219,772.09
Construction Cost Estimate						\$16,276,263.78
Additional Right of Way Needs						\$155,011.50

ADDENDUM “C”

Activity ID	Activity Description	Orig Dur	Cal ID	WORK	Total Float	Early Start	Early Finish	2014												2015				
								M	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP

General							
Preliminary							
US1-0010	Notice to Proceed	1	2	GEN	6	01JUN14	01JUN14
US1-0020	Mobilization/Project Signs	30	2	GEN	6	02JUN14	01JUL14
US1-0100	Demobilize	15	2	GEN	1	11SEP15	25SEP15
US1-0102	Project Complete	0	2	GEN	1		25SEP15

Phase 1							
Sect 1-51+75 to 55+50							
Sect 1 Electric							
US1-1000	Stg 1A Traffic Switch	5	5	ELE	3	02JUL14	09JUL14
US1-1002	Stg 1A Exc & Shoring	9	5	ELE	3	10JUL14	22JUL14
US1-1004	Stg 1A Conduit	9	5	ELE	3	14JUL14	24JUL14
US1-1006	Stg 1A Concrete Encasement	3	5	ELE	3	23JUL14	25JUL14
US1-1008	Stg 1A Curing	3	2	ELE	7	26JUL14	28JUL14
US1-1010	Stg 1A Backfill	5	5	ELE	3	28JUL14	01AUG14
Sect 1 Telephone							
US1-1100	Stg 1B Exc and Shoring	6	5	TEL	3	06AUG14	13AUG14
US1-1102	Stg 1B Conduit	6	5	TEL	3	08AUG14	15AUG14
US1-1104	Stg 1B Concrete Encasement	3	5	TEL	3	14AUG14	18AUG14
US1-1106	Stg 1B Curing	3	2	TEL	3	19AUG14	21AUG14
US1-1108	Stg 1B Backfill	3	5	TEL	1	21AUG14	25AUG14
Sect 1 CATV							
US1-1202	Stg 1C Exc & Shoring	4	5	CAB	1	26AUG14	29AUG14
US1-1204	Stg 1C Conduit	4	5	CAB	1	28AUG14	03SEP14
US1-1206	Stg 1C Concrete Encasement	2	5	CAB	1	03SEP14	04SEP14
US1-1208	Stg 1C Curing	3	2	CAB	1	05SEP14	07SEP14
US1-1210	Stg 1C Backfill	2	5	CAB	1	08SEP14	09SEP14
US1-1212	Stg 1C Paving	6	5	CAB	1	10SEP14	17SEP14
Sect 1 Elect Connections							
US1-1012	Stg 1A1 Elect. Con. # 1	7	5	ELE	29	22SEP14	30SEP14
US1-1014	Stg 1A1 Elect. Con. # 2	7	5	ELE	29	01OCT14	09OCT14
US1-1016	Stg 1A1 Elect. Con. # 3	8	5	ELE	29	10OCT14	21OCT14
Sect 1 Telephone Connect.							
US1-1112	Stg 1B1 Tel. Con. # 1	6	5	TEL	135	22OCT14	29OCT14
US1-1114	Stg 1B1 Tel. Con. # 2	6	5	TEL	135	30OCT14	07NOV14
Sect 1 CATV Connect.							
US1-1214	Stg 1C1 CATC Con. # 1	6	5	CAB	135	10NOV14	17NOV14
Sect 2-55+50 to 59+50							
Sect 2 Electric							
US1-2000	Stg 2A/1B Traffic Switch	2	5	ELE	3	04AUG14	05AUG14
US1-2002	Stg 2A Exc & Shoring	10	5	ELE	4	06AUG14	19AUG14
US1-2004	Stg 2A Conduit	10	5	ELE	4	08AUG14	21AUG14
US1-2006	Stg 2A Concrete Encasement	3	5	ELE	4	20AUG14	22AUG14
US1-2008	Stg 2A Curing	3	2	ELE	9	23AUG14	25AUG14
US1-2010	Stg 2A Backfill	5	5	ELE	4	25AUG14	29AUG14
Sect 2 Telephone							
US1-2100	Stg 2B Exc and Shoring	7	5	TEL	4	02SEP14	10SEP14
US1-2102	Stg 2B Conduit	7	5	TEL	4	04SEP14	12SEP14
US1-2104	Stg 2B Concrete Encasement	4	5	TEL	4	10SEP14	15SEP14
US1-2106	Stg 2B Curing	3	2	TEL	4	16SEP14	18SEP14
US1-2108	Stg 2B Backfill	4	5	TEL	2	17SEP14	22SEP14
Sect 2 CATV							
US1-2202	Stg 2C Exc & Shoring	4	5	CAB	2	23SEP14	26SEP14



Start Date	01JUN14	▲	Early Bar
Finish Date	25SEP15	▼	Float Bar
Data Date	01JUN14	▶	Progress Bar
Run Date	16JAN14 22:16	▲	Critical Activity

US1S
 KCI Technologies/ IT
 US 1 @ College Park Utility Reloc.
 One Phase-Single Lane Traffic

Sheet 1 of 5

Date	Revision	Checked	Approved

Attachment 3: Financing Options

ASSUMPTIONS

Estimated Cost of Utility Work

Cost Estimate for Undergrounding:	\$17,405,000
Cost Estimate for Aerial Relocation:	\$3,325,000
Potential Cost to the City/County for Undergrounding:	<u>\$14,080,000</u>

Proposed New Development & Projected Value

Development Name	Completion Date	Current Assessment	Projected Assessment	Annual City Tax Increment
Best Western Plus	2013	\$1,100,000	\$5,000,000	\$12,000
Maryland Book Exchange	2015	\$6,300,000	\$85,000,000	\$260,000
Courtyard Marriott	2016	\$2,700,000	\$20,000,000	\$58,000
Knox Village	2016	\$26,500,000	\$150,000,000	\$414,000
SUBTOTAL	-	-	-	\$744,000
Metropolitan	2016	\$3,700,000	\$50,000,000	\$154,000
Monument Village	2016	\$3,100,000	\$55,000,000	\$172,000
TownePlace Suites	2016	\$1,100,000	\$6,000,000	\$16,000
4700 Berwyn House (multifamily)	2017	\$5,100,000	\$35,000,000	\$100,000
University Hotel on East Campus	2018	\$0	\$50,000,000	\$166,000
The Enclave – Phase II	2022	\$32,000,000	\$50,000,000	\$58,000
JBG Rosenfeld – Applebees/FedEx	2022	\$3,600,000	\$35,000,000	\$105,000
City Hall w/ Rt. 1 Properties	2024	\$2,500,000	\$30,000,000	\$88,000
Northgate – vacant site	2025	\$1,300,000	\$20,000,000	\$62,000
Renfrew Props. – West of Rt. 1	2025	\$4,000,000	\$20,000,000	\$53,000
University View Village	2025	\$7,500,000	\$50,000,000	\$140,000
Quality Inn/Plato's	2028	\$7,000,000	\$75,000,000	\$228,000
TOTAL	-	\$107,500,000	\$736,000,000	\$2,096,000

FINANCING OPTIONS

City and County Bond Financing

<i>City General Obligation Bond for 20 years at 3.3% interest:</i>	\$10,000,000
<i>County General Obligation Bond:</i>	\$4,000,000

General Obligation Bond Financing Costs

- 20-Year Total:	\$13,818,761
- Annual Debt Service:	\$690,938

Advantages

- Interest rates for GO bonds are lower than those available for revenue or TIF bonds.
- It is the simplest solution as it does not require supplemental revenue or other partnerships.
- If financing is interest only in the initial years then the revenue from new development would come online in time to pay the debt service with little to no out of pocket expenses from the City.

Disadvantages

- Funds would not be collected explicitly for revitalization efforts beyond undergrounding utilities.
- The City would be committing the full additional tax revenue from four development projects to cover the debt service. This revenue would not be available for other uses for the next 20 years.

Establishment of a Tax Increment Financing District for Route 1 Revitalization

TIF district boundaries would be generally consistent with the Central US 1 Corridor Development District Overlay Zone.

<i>TIF Revenue Bond at 4.5% interest with contributions for 20 years from City at 50% and County at 25% of increment:</i>	\$14,000,000
---	--------------

This option would require supplemental revenue to cover a shortfall in the initial years.

Supplement revenue options include:

- | | |
|---|---------------------------------------|
| - Developer Contributions | - Special Taxing District |
| - State Highway Administration Contribution | - University of Maryland Contribution |

TIF Revenue Bond Financing Costs

- 20-Year Total:	\$21,525,320
- Annual Debt Service:	\$1,076,266

<i>TIF District Revenue Projection:</i>	\$41,609,991
---	--------------

Debt Coverage Projections

- Revenue exceeds Debt Service:	2016
- Shortfall before 2016:	\$998,646

Advantages

- Funds would be allocated for corridor-wide improvements beyond undergrounding utilities.
- Prince George's County would be contributing more than through the bond financing option.

Disadvantages

- It is unknown whether Prince George's County would participate in this model.
- Supplemental revenue would be needed in the initial years to cover the revenue shortfall. Without this supplemental revenue the assumed interest rate would rise to around 8%.
- A special taxing district would require approval from two-thirds majority of affected property owners.

4

Sites for City Hall and College Park Academy



MEMORANDUM

TO: Mayor & Council
THROUGH: Joseph L. Nagro, City Manager *JL*
FROM: Stephen Groh, Director of Finance *SG*
DATE: January 31, 2014
SUBJECT: College Park Academy
Possible Financing Models for Al-Huda Property (City response to Model 3 only)

The College Park Academy has prepared several financing models to cover the purchase of the Al-Huda property at 5301 Edgewood Road for their permanent location. The various models are itemized on the attached sheet, which was prepared by the Academy for use at a meeting on January 25. Academy management has asked us to elaborate on the City's thoughts on Model 3 (CPA as purchaser, UMD as lender, City as guarantor).

If CPA purchases the property and finances the purchase with a below-market rate loan from the University, the City would probably be asked to be the guarantor of the loan. The best terms that the City could obtain if it were borrowing would be 3.30% for a 20-year loan (the fixed rate would only apply for the first 15 years), with annual debt service of \$694,000. If the University loaned the money at 3.0% for 30 years, the Academy would be close to being able to pay the \$513,000 annual debt service with their budgeted \$500,000 rent allocation in their County charter school budget.

A City guarantor of the Academy's loan would still place a \$10,000,000 contingent liability on the City's financial statements, undoubtedly impacting our future ability to borrow money for our own purposes.

I would add some additional clarification to Model 3. We have been told that the University has no interest in accepting title to the Al-Huda property. Therefore, in the event that the Academy defaulted or closed prior to the pay-off of the University loan, the City could obtain a first right of refusal to purchase the property. In the event of Academy default or closing, the University could temporarily stay debt service to allow time for the Academy or the City to sell the property. The unpaid interest could be added to the principal pay-off balance. Otherwise, the City would have to pay the \$500,000 annual debt service, as part of their guarantee, during the period of time it might take for the Academy or the City to sell the property.

The City currently has long-term debt for the construction of the parking garage. In addition, we anticipate borrowing \$2,000,000 in FY15 for a new vehicle master lease. This debt is listed in the following schedule:

Lender	Purpose	Interest Rate	Term	Current Balance	Annual Debt Service
SunTrust Bank	Parking Garage	3.78%	20 years	7,652,000	559,497
SunTrust Bank	Master Lease #3	TBD	5 years	2,000,000	est. 475,000

According to a senior vice president at SunTrust Bank, our ability to borrow is considered based on a number of ratios, analyzed over a 3-year period. They include debt to fund balance, debt per capita, and other calculations.

Other possible City borrowings in the near future include construction of a new City Hall or expansion of the existing City Hall (depending on location selected), and the undergrounding of utilities on Route 1 from Paint Branch Parkway to Greenbelt Road. Although we have figures for the utility undergrounding, we do not have any firm figures for the City Hall expansion or replacement.

Possible Financing Models for Al Huda Property

The College Park Academy expects, based on preliminary designs, that the total cost of the acquisition and renovations of the Al Huda School site will be \$10 million. This includes the \$5.75m asking price and about \$4 million in rehabilitation and renovation (original renovation estimates are higher, but probably can be reduced; the purchase price could be lower as well). The school estimates that it is able to cover payments on a \$10 million 30-year loan at 3% (approximately \$500,000 in annual payments). The City's borrowing terms on \$10 million would probably be for 20 years with an interest rate of about 4%. These terms bring the annual payment to \$740,000.

Model 1: City is purchaser, UMD is the lender

The city purchases the Al Huda property with the University as the lender. The loan is, ideally, at the terms that the school has budgeted (30 years, 3%). The City then leases the property to the school, and the school's lease payment covers the cost of the loan. In this scenario, the City acquires both the asset and the liability of the property.

Model 2: CPA is purchaser, uses a private lender, and the City and UMD are guarantors

CPA purchases the school and borrows the \$10 million for the acquisition and renovations privately. The City guarantees the loan payment for the number of years the lender requires (probably more than 5 years but less than 30 years) in order for the school to get the terms it needs to make this option feasible. UM provides a back-up guarantee in order to enable CPA to obtain better terms. If CPA uses a private lender, New Market Tax Credits may be worth exploring and would help to reduce the costs of the loan.

Model 3: CPA purchaser, UMD lender, city guarantor

CPA purchases the school and makes the renovations, with the University as its lender (\$10 million) and the City as the guarantor of the loan. The guarantee could be structured to give the city a certain amount of time to make good on its guarantee if the school were to shut down.

Notes on loan guarantees:

- In preliminary discussions with a financial consultant, it is believed that if the City guarantees CPA's loan the interest rate would be about 3.75%. If the University is able to guarantee the loan, the interest rate may be as low as 3.25%.
- If the City guarantees the loan and CPA is unable to fulfill its obligation, the City would be expected to make the payments (roughly \$500k annually if the loan is \$10 million, 30 years, at 3%).

5 A
Monument
Realty:
Application for City
Revitalization Tax
Credit

MEMORANDUM

TO: Mayor and Council

FROM: Michael Stiefvater, Economic Development Coordinator *MS*
Steve Groh, Finance Director

THROUGH: Joseph L. Nagro, City Manager *JLN*
Terry Schum, Planning Director *TS*

DATE: January 31, 2014

SUBJECT: Revitalization Tax Credit Application from Monument Village

ISSUE

On November 27, 2013, City staff received an application and supporting documentation (see Attachment 1) from the developer of the proposed Monument Village located at 9122-9128 Baltimore Avenue (the "Project"), MR Hillcrest Capital LLC (the "Applicant"), for a revitalization tax credit under the City's Revitalization Tax Credit Program (the "Program"). The purpose of the Program, which was established under Ordinance No. 12-O-10 (see Attachment 2), is to provide financial incentives to encourage economic development and redevelopment through a five-year property tax credit against the City's property tax imposed on real property.

BACKGROUND

The Project's initial detailed site plan (DSP-06095), which included 220 apartment units and 25,000-square-feet of retail, was approved with conditions by the City Council on August 14, 2007 and the Prince George's County District Council on February 18, 2008. The initial detailed site plan was submitted by JPI, a Texas-based developer, that was unable to obtain financing for the development and discontinued its efforts in 2009. With the property back on the market, the Applicant entered into a contract with the owners, University House at Hillcrest, LP and Helen A. Lasick LLC, in December 2012. The Applicant anticipates taking possession of the property in April or May 2014, subject to approvals and financing.

The Applicant later submitted an amendment (DSP-06095-01) to increase the number of residential units and decrease the retail square footage, among other changes. The amendment was unanimously supported by the City Council during a December 3, 2013 vote. The amendment is pending certification of the DSP by the Maryland-National Capital Park and Planning Commission.

Additionally, the Project is seeking a Revitalization Tax Credit from Prince George's County for their County real property taxes but has not yet received a decision on their application.

ELIGIBILITY SUMMARY

Given that the Project was approved, but not constructed, prior to the adoption of the Program it is ineligible for a tax credit. However, the Applicant is requesting a waiver of this requirement pursuant to a provision that states the following:

“the Council may waive the requirement that an application must be filed no later than the date of acceptance for a detailed site plan...and consider whether to grant a tax credit under the following circumstances for projects for which no appeal was filed by the City if a Detailed Site Plan has been approved, but construction has not occurred, for the purpose of encouraging construction.”

Additionally, the Program establishes sets of eligibility requirements and eligibility criteria. Attachment 3 provides details on how the Project addresses each of the eligibility requirements, while Attachment 4 provides details on how the Project addresses each of the eligibility criteria. Since the Project is located in Tax Credit District One, as it is part of the US 1 Corridor Development District Overlay Zone, it is required to meet a minimum four out of ten eligibility criteria. As the Project will meet five eligibility criteria it is eligible for consideration of a tax credit.

FINANCIAL SUMMARY

While qualifying projects are eligible to receive a five-year tax credit on the increased assessment attributed to the taxable improvements upon project completion, the waiver provision allows the Council to alter the amount and/or duration of the tax credit. In any case, the maximum tax credit is an amount equal to 75% of the increased assessment of City tax imposed in the first year, 60% in the second year, 45% in the third year, 30% in the fourth year, and 15% in the fifth year.

Currently the two properties are assessed at a value of \$3,604,700, while the anticipated completion of the Project in late 2015 or early 2016 is estimated to increase the total assessment to \$55,000,000. Therefore, the total increased assessment would be \$51,395,300, which given the City's current real property tax rate of \$.335 per \$100 results in a future annual tax bill of \$172,174.25 upon completion.

The following depicts the tax credit if granted at the amount and term described in Section 175-11:

Year 1 Credit at 75%:	\$129,130.69
Year 2 Credit at 60%:	\$103,304.55
Year 3 Credit at 45%:	\$77,478.41
Year 4 Credit at 30%:	\$51,652.28
<u>Year 5 Credit at 15%:</u>	<u>\$25,826.14</u>
 Estimated Total Five Year Credit:	 \$387,392.06

RECOMMENDATION

The staff review has determined that the Applicant's request for a waiver to the eligibility requirements is appropriate. If the waiver is granted, the tax credit is subject to approval by the Mayor and Council who will determine the amount, duration, and timetable of the credit.

ATTACHMENTS

1. Revitalization Tax Credit Program Application from the Developer of Monument Village
2. Revitalization Tax Credit Ordinance
3. Review of Eligibility Requirements
4. Review of Eligibility Criteria



City of College Park
 Planning, Community, and Economic Development Department
 4500 Knox Road
 College Park, MD 20740
 Phone: (240) 487-3538
 Fax: (301) 887-0558

REVITALIZATION TAX CREDIT PROGRAM APPLICATION

This program provides a real property tax credit for properties located within a revitalization district to provide a financial incentive that encourages economic development and redevelopment in the City.

Please contact the Economic Development Coordinator at 240-487-3543 to schedule an appointment to submit a completed application with the required documents and appropriate signatures to avoid any delays in review of your application.

Please print legibly and return to the address above or by email to mstiefvater@collegeparkmd.gov.

Only completed applications, including all required documentation, will be reviewed by City staff.

1. IMPROVEMENT STATUS (check one)

- Construction yet to begin and prior to submittal of detailed site plan or building permit
- Construction yet to begin, but approved detailed site plan or building permit in place
- Under Construction
- Completed

2. PROPERTY INFORMATION		
Property Address: 9122 and 9128 Baltimore Avenue		
Tax Account Number(s): 21-3939386 & 21-3698172		
Current Owner: University House at Hillcrest, LP & Helen A. Lasick LLC		
Current Owner's Address: See attachment		
City:	State:	Zip Code:
Contact Person:		
Phone:	Email:	

3. APPLICANT INFORMATION (if different than current property owner)		
Applicant Name: MR Hillcrest 1 Capital LLC		
Mailing Address: c/o Monument Realty LLC, 1700 K Street, NW, Suite 600		
City: Washington	State: DC	Zip Code: 20006
Contact Person: Amy Phillips		
Phone: 202-777-2018	Email: aPhillips@monumentrealty.com	

4. IMPROVEMENT INFORMATION
Detailed Site Plan Number (if applicable): DSP 06095
Building Permit Number (if issued): N/A
Total Assessment Prior to Proposed Improvements: Land Valuation: 21-3939386: \$955,000; 21-3698172: \$2,201,100 Improvement Valuation: 21-3939386: \$0; 21-3698172: \$448,600
Estimated Total Assessment After Proposed Improvements: \$55,000,000.00
Projected Completion Date of Proposed Improvements: December 2015
Property Use Before Proposed Improvements: Vacant
Description of Proposed Improvements: 235 multi-family dwelling units and 4,800 SF of retail.

5. ELIGIBILITY CRITERIA (check each criteria that the project meets; additionally provide evidence for all criteria met)

- A) The project is located within a ½-mile radius of an existing or under construction rail station for Washington Metropolitan Area Transit Authority, Maryland Area Regional Commuter, Maryland Transit Administration, or similar agency.
- B) The project involves the assemblage of lots or parcels owned by different parties.
- C) The project involves the buyout of leases to facilitate redevelopment.
- D) The project will complete, or commit funds for, substantial infrastructure improvements such as a new or relocated traffic signal, a public street, a public park, a public parking garage, undergrounding of utilities, or a bikeshare station.

- E) The project meets the minimum green building guidelines as established by the U.S. Green Building Council's LEED Silver Certification for the project's appropriate rating system. A LEED scorecard must be submitted with the detailed site plan application and evidence of certification at the time of final application for the tax credit.
- F) The project is located within one of the walkable development nodes designated in the approved Central US 1 Corridor Sector Plan.
- G) The project involves the demolition of an existing non-historic structure, which has been vacant at least one year.
- H) The project is a brownfield development, which means real property where expansion or redevelopment is complicated by the presence or potential presence of environmental contamination, and requires an environmental cleanup prior to redevelopment.
- I) The project has secured at least one locally-owned, non-franchise business as evidenced by executed lease agreements at the time of final application for the tax credit.
- J) The project provides space for a business incubator, community center, art gallery, or similar public-benefit use.

I/We hereby affirm that I/we have full legal capacity to authorize the filing of this application and that all information and exhibits submitted herewith are true and correct to the best of my/our knowledge.

I/We have read and understand the selected revitalization tax credit program guidelines.

MR. Hillcrest 1 Capital LLC

By: Michael J. Darby 11/27/13
 Owner/Applicant Signature Authorized Signatory Date

Owner/Applicant Signature Date

Note: Applying for a tax credit does not obligate the City of College Park to approve a tax credit for the specified project. Only after the review and approval of the application and either the Detailed Site Plan or Building Permit will the City of College Park approve a tax credit. The project shall comply with the Program Guidelines established by the City of College Park. In the event that an application is denied by City staff, applicant may appeal to the Mayor and Council.

Office Use Only

Date Application Received: _____ Date of Completed Application: _____

Tax Account Number(s): _____

Tax Credit District: _____ Number of Criteria Met: _____

Estimated 1st Year Credit: \$ _____ Estimated 2nd Year Credit: \$ _____

Estimated 3rd Year Credit: \$ _____ Estimated 4th Year Credit: \$ _____

Estimated 5th Year Credit: \$ _____ Approval Letter Date: _____

Denial Letter Date: _____ Council Resolution Date: _____

Approval/Denial: _____ Planning _____ Finance _____

Owner Contact Information

Parcel 21-3698172

University House at Hillcrest LP

801 Grand Avenue

Des Moines, Iowa 50309

Contact: Terrence Tobin

Phone: 515-248-2998

Parcel 21-3939386

Helen A. Lasick, LLC

415 Montgomery Street

Laurel, Maryland 20707

Contact: Joe Lasick

Phone: 240-508-4404

**City of College Park
Revitalization Tax Credit Eligibility Criteria
MR Hillcrest 1 Capital LLC
November 27, 2013**

The project is eligible under the following criteria:

B) The project involves the assemblage of lots or parcels owned by different parties.

The applicant is the contract purchaser of two lots: 21-3939386 and 21-3698172 owned by Helen A. Lasick LLC and University House at Hillcrest LP, respectively. See attached tax records.

D) The project will complete or commit funds for substantial infrastructure improvements such as a new or relocated traffic signal, a public street, a public park, a public parking garage, undergrounding of utilities or a bikeshare station.

Per the covenants with the City of College Park, the applicant will contribute \$60,000.00 to the City to advance the study for the undergrounding of utilities along Route 1.

E) The project meets the minimum green building guidelines as established by the U.S. Green Building Council's LEED Silver Certification for the project's appropriate rating system.

Please find attached the current LEED tracking score card. The project is being designed to LEED Silver standards.

F) The project is located within one of the walkable development nodes designated in the approved Central US 1 Corridor Sector Plan.

Please find attached a locational map of the project.

G) The project involves the demolition of an existing non-historic structure, which has been vacant at least one year.

The project will include demolition of the remaining foundations of Lasick's restaurant, which remain following a fire in 2004. See attached photograph with area outlined in blue.

Real Property Data Search (w4)

[Search Help](#)

Search Result for PRINCE GEORGE'S COUNTY

[View Map](#) [View GroundRent Redemption](#) [View GroundRent Registration](#)

Account Identifier: District - 21 Account Number - 3939386

Owner Information

Owner Name:	HELEN A LASICK LLC	Use:	COMMERCIAL
Mailing Address:	9128 BALTIMORE AVE COLLEGE PARK MD 20740-1314	Principal Residence:	NO
		Deed Reference:	1) /24635/ 00622 2)

Location & Structure Information

Premises Address: 9128 BALTIMORE AVE
COLLEGE PARK 20740-0000 **Legal Description:** PARCEL B

Map: 0025 **Grid:** 00D3 **Parcel:** 0000 **Sub District:** **Subdivision:** 0310 **Section:** **Block:** F **Lot:** 2013 **Assessment Year:** 2013 **Plat No:** 224088
Plat Ref:

Special Tax Areas: **Town:** COLLEGE PARK

Ad Valorem: **Tax Class:** 8

Primary Structure Built	Above Grade Enclosed Area	Finished Basement Area	Property Land Area	County Use
			1,2600 AC	005

Stories	Basement	Type	Exterior	Full/Half Bath	Garage	Last Major Renovation
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Value Information

	<u>Base Value</u>	<u>Value</u> As of 01/01/2013	<u>Phase-in Assessments</u> As of	
			07/01/2013	07/01/2014
Land:	955,000	955,000		
Improvements	0	0		
Total:	955,000	955,000	955,000	955,000
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	07/01/2013	07/01/2014
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00
Tax Exempt:		Special Tax Recapture:	
Exempt Class:		NONE	

Homestead Application Information

Homestead Application Status: No Application

Real Property Data Search (w-4)

[Search Help](#)

Search Result for PRINCE GEORGE'S COUNTY

[View Map](#) [View GroundRent Redemption](#) [View GroundRent Registration](#)

Account Identifier: District - 21 Account Number - 3698172

Owner Information

Owner Name: UNIVERSITY HOUSE AT HILLCREST L P **Use:** COMMERCIAL
 PRINCIPAL ENTERPRISE CAPITAL S SCHOON **Principal Residence:** NO
Mailing Address: 801 GRAND AVE **Deed Reference:** 1) /00000/ 00000
 DES MOINES IA 50309- 2)

Location & Structure Information

Premises Address: 9122 BALTIMORE AVE **Legal Description:** PARCEL A
 COLLEGE PARK 20740-0000

Map: Grid: Parcel: Sub District: Subdivision: Section: Block: Lot: Assessment Year: Plat No: 207074
 0025 00D3 0000 0310 2013 **Plat Ref:**

Town: COLLEGE PARK

Special Tax Areas:

Ad Valorem: 8
Tax Class:

Primary Structure Built	Above Grade Enclosed Area	Finished Basement Area	Property Land Area	County Use
1940	7552		110,056 SF	005
Stories	Basement	Type	Exterior	Full/Half Bath
		MOTEL		
			Garage	Last Major Renovation

Value Information

	Base Value	Value	Phase-in Assessments	
		As of	As of	As of
Land:	2,201,100	01/01/2013	07/01/2013	07/01/2014
Improvements	1,000	2,201,100		
Total:	2,202,100	448,600		
Preferential Land:	0	2,649,700	2,351,300	2,500,500
				0

Transfer Information

Seller: TIRUPATI FRIENDS LTD PARTNERS	Date: 06/07/2005	Price: \$3,150,000
Type: NON-ARMS LENGTH OTHER	Deed1: /00000/ 00000	Deed2:
Seller: HARDEMAN, WINFRED	Date: 05/11/1981	Price: \$0
Type:	Deed1: /00000/ 00000	Deed2:
Seller: UNIVERSITY HOUSE AT HILLCREST	Date: 05/07/1963	Price: \$0
Type:	Deed1: /00000/ 00000	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2013	07/01/2014
County:	000	0.00	
State:	000	0.00	
Municipal:	000	0.00 0.00	0.00 0.00
Tax Exempt:		Special Tax Recapture:	
Exempt Class:		NONE	

Homestead Application Information

Homestead Application Status: No Application

Monument Village at College Park West



ORDINANCE
OF THE MAYOR AND COUNCIL OF THE CITY OF COLLEGE PARK, MARYLAND,
AMENDING CHAPTER 175 "TAXATION" TO ADD ARTICLE IV,
"REVITALIZATION TAX CREDIT", SECTION 175-5, "PURPOSE"; §175-6,
AUTHORITY TO ESTABLISH REVITALIZATION TAX CREDIT DISTRICTS; §175-7
REVITALIZATION TAX DISTRICTS ESTABLISHED"; §175-8 "AUTHORITY TO
GRANT A TAX CREDIT FOR REAL PROPERTY LOCATED IN A REVITALIZATION
TAX CREDIT DISTRICT"; §175-9 "ELIGIBILITY REQUIREMENTS"; §175-10
"ELIGIBILITY CRITERIA"; §175-11 "TAX CREDIT – AMOUNT AND TERM"; §175-12
"APPLICATION PROCESS"; AND §175-13 "WAIVER", TO SET CRITERIA FOR
AND ESTABLISH REVITALIZATION TAX DISTRICTS, GRANT A TAX CREDIT
AGAINST THE CITY PROPERTY TAX IMPOSED ON REAL PROPERTY WITHIN
THE DISTRICTS AND ESTABLISH ELIGIBILITY CRITERIA FOR THE TAX CREDIT

WHEREAS, the State of Maryland, pursuant to 9-318(g) of the Tax-Property Article, Annotated Code of Maryland, has authorized the establishment of revitalization districts by resolution for the purpose of encouraging redevelopment; and

WHEREAS, Section 9-318(g) of the Tax-Property Article, Annotated Code of Maryland, also authorizes the City to grant a property tax credit against the City's real property tax for a property located within the revitalization district that is constructed or substantially redeveloped in conformance with adopted eligibility criteria and reassessed as a result of the construction or redevelopment at a higher value than that assessed prior to the construction or redevelopment; and

WHEREAS, the Mayor and Council have determined that it is in the public interest to provide for the establishment of revitalization tax districts and to set the criteria for designation of such districts; and

WHEREAS, the Mayor and City Council have determined that it is in the public interest to authorize the granting of a property tax credit against the City's real property tax for properties within a revitalization district and to adopt eligibility criteria for granting the credit.

CAPS : Indicate matter added to existing law.
 [Brackets] : Indicate matter deleted from law.
 Asterisks * * * : Indicate matter remaining unchanged in existing law but not set forth in Ordinance

Section 1. NOW THEREFORE, BE IT ORDAINED AND ENACTED, by the Mayor and Council of the City of College Park, Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-5, "Purpose" be and it is hereby enacted as follows:

ARTICLE V REVITALIZATION TAX CREDIT

§175-5 PURPOSE. THE PURPOSE OF THE CITY OF COLLEGE PARK'S REVITALIZATION TAX CREDIT PROGRAM IS TO PROVIDE FINANCIAL INCENTIVES TO ENCOURAGE ECONOMIC DEVELOPMENT AND REDEVELOPMENT BY CREATING REVITALIZATION DISTRICTS IN THE CITY.

Section 2. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-6, "Establishment of Revitalization Tax Credit Districts" be and it is hereby enacted as follows:

§175-6. AUTHORITY TO ESTABLISH REVITALIZATION TAX CREDIT DISTRICTS. THE COUNCIL MAY ESTABLISH ONE OR MORE REVITALIZATION TAX CREDIT DISTRICTS. A REVITALIZATION TAX CREDIT DISTRICT MAY BE ESTABLISHED WITHIN AN EXISTING DEVELOPMENT DISTRICT OVERLAY ZONE, TRANSIT DISTRICT OVERLAY ZONE, COMMERCIAL DISTRICT, INDUSTRIAL DISTRICT, OR COMMERCIAL CORRIDOR.

Section 3. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-7, "Revitalization districts established" be and it is hereby enacted as follows:

§175-7 REVITALIZATION TAX DISTRICTS ESTABLISHED.

THE FOLLOWING DISTRICTS ARE ESTABLISHED:

A. DISTRICT ONE – TO INCLUDE THE AREAS ENCOMPASSED BY THE US 1 CORRIDOR DEVELOPMENT DISTRICT OVERLAY ZONE AND THE COLLEGE PARK-RIVERDALE TRANSIT DISTRICT OVERLY ZONE.

B. DISTRICT TWO – TO INCLUDE THE AREAS ENCOMPASSED BY THE HOLLYWOOD COMMERCIAL DEVELOPMENT DISTRICT OVERLAY ZONE, THE BERWYN COMMERCIAL AND INDUSTRIAL DISTRICTS, THE BRANCHVILLE INDUSTRIAL DISTRICT AND THE GREENBELT/UNIVERSITY COMMERCIAL CORRIDOR.

Section 4. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 “Taxation”, Article IV “Revitalization Tax Credit” §175-8, “Authority to grant a tax credit for real property located in a revitalization tax credit district” be and it is hereby enacted as follows:

§175-8 AUTHORITY TO GRANT A TAX CREDIT FOR REAL PROPERTY LOCATED IN A REVITALIZATION TAX CREDIT DISTRICT.

A PROPERTY TAX CREDIT MAY BE GRANTED BY RESOLUTION AGAINST THE CITY’S PROPERTY TAX IMPOSED ON REAL PROPERTY LOCATED WITHIN A REVITALIZATION DISTRICT THAT IS CONSTRUCTED OR SUBSTANTIALLY REDEVELOPED IN CONFORMANCE WITH THE ELIGIBILITY CRITERIA ESTABLISHED IN THIS ARTICLE AND REASSESSED AS A RESULT OF THE CONSTRUCTION OR REDEVEVELOPMENT AT A HIGHER VALUE THAN THAT ASSESSED PRIOR TO THE CONSTRUCTION OR REDEVELOPMENT.

Section 5. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-9, "Eligibility requirements" be and it is hereby enacted as follows:

§175-9 ELIGIBILITY REQUIREMENTS.

TO BE ELIGIBLE FOR THE TAX CREDIT, A PROPERTY MUST MEET THE FOLLOWING ELIGIBILITY CRITERIA:

- A. IMPROVEMENTS MUST INCLUDE NEW CONSTRUCTION, RECONSTRUCTION, OR REHABILITATION OF RESIDENTIAL (EXCLUDING SINGLE FAMILY DETACHED), COMMERCIAL, HOSPITALITY, OR MIXED-USE PROPERTIES.
- B. THE APPLICANT MUST BE IN GOOD STANDING WITH THE CITY OF COLLEGE PARK'S PUBLIC SERVICES AND FINANCE DEPARTMENTS. IN ORDER TO BE IN GOOD STANDING, APPLICANTS MAY NOT HAVE ANY OUTSTANDING CODE VIOLATIONS OR BE DELINQUENT ON ANY PAYMENTS INCLUDING, BUT NOT LIMITED TO, TRASH BILLS, PERMIT FEES, AND CITY TAX PAYMENTS.
- C. PROJECTS ARE INELIGIBLE FOR THIS PROGRAM IF THEY ARE LOCATED WITHIN A TAX INCREMENT FINANCING DISTRICT AT THE TIME OF APPLICATION.
- D. ELIGIBILITY IS CONTINGENT UPON CITY COUNCIL APPROVAL OF THE PROJECT'S DETAILED SITE PLAN, IF APPLICABLE, OR BUILDING PERMITS. IN THE EVENT THE CITY COUNCIL APPROVES THE DETAILED SITE PLAN WITH CONDITIONS OR ANY AGREEMENT BETWEEN THE APPLICANT AND

THE CITY, ALL RECOMMENDED CONDITIONS OR TERMS OF AGREEMENT MUST BE COMPLIED WITH BEFORE ANY TAX CREDIT WILL TAKE EFFECT.

E. PROJECTS THAT ARE UNDER CONSTRUCTION, COMPLETED, OR HAVE AN APPROVED DETAILED SITE PLAN OR BUILDING PERMIT PRIOR TO THE ADOPTION OF THIS PROGRAM ARE NOT ELIGIBLE FOR THE TAX CREDIT.

Section 6. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-10, "Eligibility criteria" be and it is hereby enacted as follows:

§175-10 ELIGIBILITY CRITERIA

WHEN EVALUATING WHETHER A PROJECT WILL RECEIVE A TAX CREDIT UNDER THIS ARTICLE, THE CITY COUNCIL WILL USE THE FOLLOWING CRITERIA. FOR PROJECTS LOCATED WITHIN THE BOUNDARIES OF TAX CREDIT DISTRICT 1 AT LEAST 4 OF THE CRITERIA MUST BE MET AND FOR PROJECTS LOCATED WITHIN THE BOUNDARIES OF TAX CREDIT DISTRICT 2 AT LEAST 2 OF THE CRITERIA MUST BE MET.

- A. THE PROJECT IS LOCATED WITHIN A ½-MILE RADIUS OF AN EXISTING OR UNDER CONSTRUCTION RAIL STATION FOR WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY, MARYLAND AREA REGIONAL COMMUTER, MARYLAND TRANSIT ADMINISTRATION, OR SIMILAR AGENCY.
- B. THE PROJECT INVOLVES THE ASSEMBLAGE OF LOTS OR PARCELS OWNED BY DIFFERENT PARTIES.

- C. THE PROJECT INVOLVES THE BUYOUT OF LEASES TO FACILITATE REDEVELOPMENT.
- D. THE PROJECT WILL COMPLETE, OR COMMIT FUNDS FOR, SUBSTANTIAL INFRASTRUCTURE IMPROVEMENTS SUCH AS A NEW OR RELOCATED TRAFFIC SIGNAL, A PUBLIC STREET, A PUBLIC PARK, A PUBLIC PARKING GARAGE, UNDERGROUNDING OF UTILITIES, OR A BIKESHARE STATION.
- E. THE PROJECT MEETS THE MINIMUM GREEN BUILDING GUIDELINES AS ESTABLISHED BY THE US GREEN BUILDING COUNCIL'S LEED SILVER CERTIFICATION FOR THE PROJECT'S APPROPRIATE RATING SYSTEM. A LEED SCORECARD MUST BE SUBMITTED WITH THE DETAILED SITE PLAN APPLICATION AND EVIDENCE OF CERTIFICATION AT THE TIME OF FINAL APPLICATION FOR THE TAX CREDIT.
- F. THE PROJECT IS LOCATED WITHIN ONE OF THE WALKABLE DEVELOPMENT NODES DESIGNATED IN THE APPROVED CENTRAL US 1 CORRIDOR SECTOR PLAN.
- G. THE PROJECT INVOLVES THE DEMOLITION OF AN EXISTING NON-HISTORIC STRUCTURE, WHICH HAS BEEN VACANT AT LEAST ONE YEAR.
- H. THE PROJECT IS A BROWNFIELD DEVELOPMENT, WHICH MEANS REAL PROPERTY WHERE EXPANSION OR REDEVELOPMENT IS COMPLICATED BY THE PRESENCE OR POTENTIAL PRESENCE OF ENVIRONMENTAL CONTAMINATION, AND REQUIRES AN ENVIRONMENTAL CLEANUP PRIOR TO REDEVELOPMENT.
- I. THE PROJECT HAS SECURED AT LEAST ONE LOCALLY-OWNED, NON-FRANCHISE BUSINESS AS EVIDENCED BY EXECUTED LEASE

AGREEMENTS AT THE TIME OF FINAL APPLICATION FOR THE TAX CREDIT.

- J. THE PROJECT PROVIDES SPACE FOR A BUSINESS INCUBATOR, COMMUNITY CENTER, ART GALLERY, OR SIMILAR PUBLIC-BENEFIT USE.

Section 7. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-11, "Tax credit - amount and term" be and it is hereby enacted as follows:

§175-11 TAX CREDIT – AMOUNT AND TERM

AN ELIGIBLE PROPERTY MAY RECEIVE A 5-YEAR TAX CREDIT ON CITY REAL PROPERTY TAXES BASED ON THE INCREASED ASSESSMENT ATTRIBUTED TO THE TAXABLE IMPROVEMENTS UPON PROJECT COMPLETION AS DETERMINED BY THE SUPERVISOR OF ASSESSMENTS. THE TAX CREDIT SHALL BE IN AN AMOUNT EQUAL TO 75% OF THE INCREASED ASSESSMENT OF CITY TAX IMPOSED IN THE FIRST YEAR; 60% IN THE SECOND YEAR; 45% IN THE THIRD YEAR; 30% IN THE FOURTH YEAR; AND 15% IN THE FIFTH YEAR. THE TAX CREDIT IS TRANSFERABLE TO SUBSEQUENT PROPERTY OWNERS WITHIN THE TERM OF THE ORIGINAL AGREEMENT.

Section 8. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-12, "Application process" be and it is hereby enacted as follows:

§175-12 APPLICATION PROCESS

- A. SUBMIT PRELIMINARY APPLICATION

AN APPLICATION FOR A CITY TAX CREDIT SHALL BE SUBMITTED TO THE CITY'S PLANNING, COMMUNITY, AND ECONOMIC DEVELOPMENT DEPARTMENT NO LATER THAN THE DATE OF ACCEPTANCE FOR A DETAILED SITE PLAN BY THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION (M-NCPPC), IF APPLICABLE, OR THE SUBMISSION OF A BUILDING PERMIT APPLICATION TO PRINCE GEORGE'S COUNTY. THE APPLICATION SHALL SPECIFY WHICH EVALUATION CRITERIA ARE BEING ADDRESSED BY THE APPLICANT, THE ESTIMATED VALUE OF THE COMPLETED IMPROVEMENTS, AND ANY ADDITIONAL INFORMATION REQUESTED BY THE CITY. ALL PLANS ASSOCIATED WITH THE DETAILED SITE PLAN OR BUILDING PERMIT SHALL BE SUBMITTED WITH THE APPLICATION.

B. CITY STAFF REVIEW AND RECOMMENDATION

UPON RECEIPT AND ACCEPTANCE OF A COMPLETED APPLICATION, THE CITY'S PLANNING, COMMUNITY, AND ECONOMIC DEVELOPMENT DEPARTMENT WILL REFER A COPY OF THE APPLICATION TO THE FINANCE DEPARTMENT. CITY STAFF WILL PROVIDE A RECOMMENDATION TO THE CITY COUNCIL FOR A TAX CREDIT AT THE TIME OF DETAILED SITE PLAN REVIEW BEFORE THE CITY COUNCIL. FOR PROJECTS THAT DO NOT REQUIRE A DETAILED SITE PLAN, STAFF WILL REVIEW BUILDING PERMIT PLANS AND SCHEDULE THE APPLICATION FOR REVIEW BY THE CITY COUNCIL AT A CITY COUNCIL WORKSESSION.

C. CITY COUNCIL RESOLUTION

A CITY COUNCIL RESOLUTION MUST BE APPROVED TO AUTHORIZE THE AWARD OF A TAX CREDIT. THE APPROVAL WILL BE CONTINGENT ON ALL REQUIRED TERMS OF THE REVITALIZATION TAX CREDIT PROGRAM BEING MET AT THE TIME OF FINAL APPLICATION. IF THE PRINCE GEORGE'S COUNTY PLANNING BOARD, THE DISTRICT COUNCIL, OR ANY OTHER GOVERNMENT AGENCY WITH AUTHORITY CHANGES THE CITY APPROVED CONDITIONS FOR THE DETAILED SITE PLAN AFTER THE RESOLUTION HAS BEEN ADOPTED, STAFF WILL REVIEW THE CHANGES AND PROVIDE A SUPPLEMENTAL RECOMMENDATION FOR THE TAX CREDIT AUTHORIZATION THAT THE CITY COUNCIL WILL RELY UPON WITH RESPECT TO DETERMINING WHETHER IT SHOULD RE-CONSIDER THE AUTHORIZATION.

D. FINAL APPLICATION APPROVAL

PRIOR TO FINAL ACCEPTANCE OF THE APPLICATION FOR A CITY TAX CREDIT, DOCUMENTATION MUST BE SUBMITTED TO THE CITY'S DIRECTOR OF FINANCE INCLUDING A LEGAL DESCRIPTION OF THE PROPERTY, PROOF OF A PROPERLY ISSUED USE AND OCCUPANCY PERMIT APPLICABLE TO ELIGIBLE IMPROVEMENTS, EVIDENCE OF COMPLIANCE WITH ANY CITY AGREEMENT OR REQUIRED CERTIFICATIONS, AND SUCH OTHER INFORMATION OR DOCUMENTATION AS THE DIRECTOR MAY REQUIRE. UPON FINAL ACCEPTANCE THE CITY WILL ISSUE A CERTIFICATE TO THE PROPERTY OWNER THAT CONFIRMS THE PARCEL'S TAX CREDIT STATUS. A COPY OF THE CERTIFICATE WILL BE SENT TO THE PRINCE GEORGE'S

COUNTY SUPERVISOR OF ASSESSMENTS WHO WILL DETERMINE THE VALUE OF IMPROVEMENT.

Section 9. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-13, "Waiver" be and it is hereby enacted as follows:

§175-13 WAIVER

A. IF IT FINDS THAT THE PURPOSES OF THIS ARTICLE WILL BE EQUALLY WELL SERVED BY DOING SO, THE COUNCIL MAY WAIVE THE REQUIREMENT IN §175-12 THAT AN APPLICATION MUST BE FILED NO LATER THAN THE DATE OF ACCEPTANCE FOR A DETAILED SITE PLAN, IF APPLICABLE, OR A BUILDING PERMIT APPLICATION, AND CONSIDER WHETHER TO GRANT A TAX CREDIT UNDER THE FOLLOWING CIRCUMSTANCES FOR PROJECTS FOR WHICH NO APPEAL WAS FILED BY THE CITY:

1. WHEN THE APPLICATION IS FILED PRIOR TO THE APPROVAL OF THE DETAILED SITE PLAN OR ISSUANCE OF THE BUILDING PERMIT; OR
2. NOTWITHSTANDING §175-9(E), IF THE DETAILED SITE PLAN WAS APPROVED AFTER JANUARY 1, 2009, THE PROJECT HAS BEEN CONSTRUCTED, AND THE PROJECT SATISFIES AT LEAST THE MINIMUM REQUIRED CRITERIA IDENTIFIED IN §175-10 FOR THE DISTRICT; OR
3. IF A DETAILED SITE PLAN HAS BEEN APPROVED, BUT CONSTRUCTION HAS NOT OCCURRED, FOR THE PURPOSE OF ENCOURAGING THE CONSTRUCTION; OR

4. FOR AN APPLICATION THAT IS TIMELY FILED, WHEN THE MINIMUM REQUIREMENTS OF §175-10 ARE NOT MET.

B. IN GRANTING A TAX CREDIT UNDER THIS SECTION, THE COUNCIL MAY REDUCE THE AMOUNT OR DURATION OF THE CREDIT SET OUT IN §175-11.

C. IN MAKING APPLICATION FOR A WAIVER, THE APPLICANT SHALL PROVIDE FOR CONSIDERATION THE INFORMATION REQUESTED BY THE CITY'S PLANNING, COMMUNITY, AND ECONOMIC DEVELOPMENT STAFF.

BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park that, upon formal introduction of this proposed Ordinance, which shall be by way of a motion duly seconded and without any further vote, the City Clerk shall distribute a copy to each Council member and shall maintain a reasonable number of copies in the office of the City Clerk and shall publish this proposed ordinance or a fair summary thereof in a newspaper having a general circulation in the City of College Park together with a notice setting out the time and place for a public hearing thereon and for its consideration by the Council. The public hearing, hereby set for 7:15 P.M. on the 27th day of November, 2012, shall follow the publication by at least seven (7) days, may be held separately or in connection with a regular or special Council meeting and may be adjourned from time to time. All persons interested shall have an opportunity to be heard. After the hearing, the Council may adopt the proposed ordinance with or without amendments or reject it. As soon as practicable after adoption, the City Clerk shall have a fair summary of the Ordinance and notice of its adoption published in a newspaper having a general circulation in the City of College Park and available at the City's offices. This Ordinance shall become effective on December 18, 2012 provided that a fair

summary of this Ordinance is published at least once prior to the date of passage and once as soon as practical after the date of passage in a newspaper having general circulation in the City.

INTRODUCED by the Mayor and Council of the City of College Park, Maryland at a regular meeting on the 23rd day of October 2012.

ADOPTED by the Mayor and Council of the City of College Park, Maryland at a regular meeting on the 27th day of November 2012.

EFFECTIVE the 18th day of December, 2012.

ATTEST:

**THE CITY OF COLLEGE PARK,
MARYLAND**

By: Janeen S. Miller
Janeen S. Miller, CMC, City Clerk

By: Andrew M. Fellows
Andrew M. Fellows, Mayor

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Suellen M. Ferguson
Suellen M. Ferguson, City Attorney

ATTACHMENT 3: Review of Eligibility Requirements

In order for a project to be eligible for the Program, it must meet basic eligibility requirements as set by Section 175-9 of the Ordinance. The table below lists these requirements, details on how they were addressed, and whether the Project met them.

	Eligibility Requirement	Details	Met
A	Eligible improvements include new construction, reconstruction, or rehabilitation of residential (excluding Single Family detached), commercial, hospitality, or mixed-use properties.	The project is new construction with 228 apartments and 4,800 SF of retail scheduled to break ground in mid-2014.	Yes
B	The applicant must be in good standing with the City's Public Services and Finance Departments. In order to be in good standing, applicants may not have any outstanding code violations or be delinquent on any payments	The Applicant has not taken ownership of the property at this time but according to the Public Services and Finance Departments there are not any outstanding code violations or payments.	Yes
C	Projects are ineligible for this program if they are located within a tax increment financing district at the time of application.	There is no established tax increment financing district at this time; however, establishing one is under consideration.	Yes
D	Eligibility is contingent upon City Council approval of the project's detailed site plan, if applicable, or building permit if no detailed site plan is required. In the event the City Council approves the detailed site plan with conditions or any agreement between the applicant and the City, all recommended conditions or terms of agreement must be complied with before any tax credit will take effect.	The City Council approved the Project's detailed site plan (DSP-06095) with conditions on August 14, 2007. A revised detailed site plan (DSP-06095-01), which modified the residential and retail aspects, was supported by the City Council on December 3, 2013 by the City Council.	Yes
E	Projects that are under construction, completed, or have an approved detailed site plan or building permit prior to the adoption of this program are not eligible for the tax credit.	The Project has yet to begin construction, but its detailed site plan (DSP-06095) was approved on February 18, 2008 by the Prince George's County District Council. This approval is prior to the adoption of the Program in November 2012.	No

ATTACHMENT 4: Review of Eligibility Criteria

The Project is located in Tax Credit District One and therefore is required to meet a minimum four out of ten eligibility criteria identified in Section 175-10. The table below lists these criteria, details on how they were addressed, and whether the Project meets them.

	Eligibility Criteria	Details	Met
A	The project is located within a ½-mile radius of an existing or under construction rail station for Washington Metropolitan Area Transit Authority, Maryland Area Regional Commuter, Maryland Transit Administration, or similar agency.	The Project is located approximately 1.1 miles from the nearest rail station, which is the Greenbelt Metro Station.	No
B	The project involves the assemblage of lots or parcels owned by different parties.	The Project involved the assemblage of parcels owned by Helen A. Lasick LLC and University House at Hillcrest LP.	Yes
C	The project involves the buyout of leases to facilitate redevelopment.	The project did not involve the direct buy out of leases to facilitate redevelopment.	No
D	The project will complete, or commit funds for, substantial infrastructure improvements such as a new or relocated traffic signal, a public street, a public park, a public parking garage, undergrounding of utilities, or a bikeshare station.	Per covenants with the City, the Applicant will contribute \$60,000 to the City for the study of undergrounding utilities along Route 1 and will commit funds for installation of a traffic signal and a location for a bikeshare station.	Yes
E	The project meets the minimum green building guidelines as established by the US Green Building Council's LEED Silver certification for the project's appropriate rating system.	Per the submitted LEED tracking score, the Project is being designed to meet or exceed LEED Silver standards.	Yes
F	The project is located within one of the walkable development nodes designated in the approved Central US 1 Corridor Sector Plan.	The Project is located within Character Area 5a: Walkable Nodes, as designated by the Central US 1 Corridor Sector Plan.	Yes
G	The project involves the demolition of an existing non-historic structure, which has been vacant at least one year.	The Applicant will demolish the remaining foundations of Lasick's restaurant, which remain from a fire in 2004.	Yes
H	The project is a brownfield development, which means real property where expansion or redevelopment is complicated by the presence or potential presence of environmental contamination, and requires an environmental cleanup prior to redevelopment.	The redevelopment of the subject property is not complicated by the presence of suspected environmental contamination.	No
I	The project has secured at least one locally-owned, non-franchise business as evidenced by executed lease agreements at the time of final application for the tax credit.	The Applicant has not secured any tenants for the planned retail space at this time.	No
J	The project provides space for a business incubator, community center, art gallery, or similar public-benefit use.	The Project will not provide space for one of the public-benefit uses listed, or a similar use.	No

5 B
Monument
Realty:
Request for
amendments to the
Declaration of
Covenants

(Provided separately in a
confidential envelope)

6

**Award of contract
to MobileNOW!**

MEMORANDUM

TO: Mayor and City Council

THROUGH: Joe Nagro, City Manager 

THROUGH: Robert Ryan, Public Services Director 

FROM: Jim Miller, Parking Enforcement Manager

DATE: January 31, 2014

SUBJECT: Parking Pay-By-Cell System Contract

ISSUE

The City's current pay to park metered system does not provide a pay-by-cell service. Such service is available as an additional means of payment, as a convenience to pay parking customers.

SUMMARY

City staff has researched the possibility of providing pay-by-cell service as part of the pay by space/pay station system. There are multiple vendors who can provide such service. Staff has explored the available services (including the one used by UMD). Factors considered included compatibility with our existing system, and cost, both to the City and to our customers.

The vendor, MobileNOW! LLC, had previously presented to Mayor and Council. Their system is compatible with both the hardware and software currently in use by the City. They have also partnered with the City's pay station vendor, Metric Parking, to allow for pay-by-cell on the pay by space/pay station system, and may provide for the same services for the single space mechanical meters that are still located in some areas if requested by the City. This service is offered at no cost to the City. Cost to customers will vary from \$0.35 per transaction for occasional users, or \$1.50 - \$2.50 per month for a regular user subscription. This vendor will present again at the work session on Tuesday, February 4th, 2014 for the benefit of new Council Members. A draft contract has been prepared and approved by the City Attorney for Council consideration.

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to contract with MobileNOW LLC to provide pay-by-cell service for City pay parking customers through a service contract in substantially the form attached.

ATTACHMENTS

1. Draft contract

AGREEMENT

This Agreement dated the _____ day of _____, 2014 by and between the CITY OF COLLEGE PARK (the "City"), a municipal corporation organized under the laws of Maryland, whose address is 4500 Knox Road, College Park, MD 20740, and MobileNOW!, LLC, a Delaware corporation whose principal address is 155 Gibbs St., #530, Rockville, MD 20850 and which is qualified and authorized to transact business in Maryland, hereinafter referred to as "MobileNOW!"

WITNESSETH:

WHEREAS, the City desires that MobileNOW! provide Pay-By-Cell Parking Services for the parking spaces controlled by approximately 13 pay stations and, at the option of the City, the approximately 312 single space coin-operated on-street parking meters and parking lot meters under the control of and enforcement by the City.

WHEREAS, the City desires to employ the services of MobileNOW! in connection with the aforementioned services under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants and promises set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. DEFINITIONS.

- A. For this Pay-By-Cell Parking Services Contract, the parties agree that the following terms, phrases, words and their derivations have the meanings given. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number and words in the singular number include the plural number. The words "shall," "will," and "must" are always mandatory and not merely directory.
1. **Agreement:** This document, including any written amendments hereto and other written documents which are expressly incorporated herein by reference.
 2. **Pay By Cell Phone Parking Service:** A system permitting a parking meter patron to remotely pay parking meter charges by cell phone or other means.
 3. **Parking Meter Patron, Patron:** A person parking in a City-metered parking space who is obligated to pay for the parking privilege.
 4. **Contract Administrator:** The Contract Administrator of the City Department of Public Services or designee.
 5. **City:** The City of College Park

6. **Day:** Calendar day or days.
7. **Convenience Fee:** The fee paid by the parking meter patron to MobileNOW! as a transaction cost for remotely paying parking meter charges. This does not include paying parking tickets.
8. The term "**dollar**" and the symbol "\$" mean United States of America dollar.
9. **Payment Card Industry Data Security Standard (PCI DSS):** The information security standards defined by the Payment Card Industry Security Standards Council for organizations that handle cardholder information for the major debit, credit, prepaid, e-purse and POS cards. (<https://www.pcisecuritystandards.org/>)
10. All references to a time of day are references to the time in the State of Maryland, USA.

II. APPOINTMENT AND SCOPE OF WORK.

- A. The City hereby engages MobileNOW!, as an independent licensed contractor, and not as an agent or employee of the City, to provide the services described in Exhibit A attached hereto. Work under this Agreement shall begin within ten days of notice to proceed, and services shall be implemented within forty five days of notice to proceed.
- B. MobileNOW! agrees to provide the services described in MobileNOW!'s proposal dated _____ which is incorporated herein as Exhibit "A."
- C. MobileNOW! shall perform the services described in this Agreement:
 1. in a timely, diligent and professional manner in accordance with recognized standards of the applicable industry or profession, and;
 2. in accordance with the time periods set forth in this Agreement and in the schedule and sequencing specified by the City.

MobileNOW! shall furnish efficient business administration and superintendence and shall use its best efforts to ensure that such services being performed under this Agreement are completed in the best way and in the most expeditious and economical manner consistent with the City's best interests.

III. MOBILENOW! DUTIES AND RESPONSIBILITIES.

- A. MobileNOW! shall provide Pay By Cell Phone Parking Service using MobileNOW! cashless payment for the parking spaces controlled by approximately 13 City pay stations and, if notified to do so by the City, the approximately 312 single-space coin-operated on-street parking meters and parking lot meters. The location of such parking spaces shall be determined by the City and is subject to change. MobileNOW! shall be prepared to launch the complete live MobileNOW! system in College Park, MD at a mutually agreed date within 45 days of notice to proceed.

- B. MobileNOW! shall provide and install decals on pay stations and designated parking meters indicating availability and instructions for use of MobileNOW! service to the public.
- C. MobileNOW! shall provide training and support to City employees for enforcement and auditing within 45 days of notice to proceed.
- D. MobileNOW! shall provide and maintain the technological infrastructure for web-based parking meter patron portal and City administration portal.
- E. MobileNOW! shall provide payment infrastructure utilizing MobileNOW! initiated payments with the City's designated financial institution for processing, and will process through the Automated Clearing House ("ACH") 100% of net parking revenue to City once every week.
- F. MobileNOW! shall perform all necessary parking meter patron support and help functions associated with the use of MobileNOW! system.
- G. MobileNOW! shall provide a local telephone number for activation of MobileNOW! cashless payments.
- H. MobileNOW! shall provide to the City a password-encrypted Internet portal for operator information, parking citation adjudication and system utilization.
- I. MobileNOW! shall provide signage indicating availability and instructions for use of MobileNOW! services.

IV. SERVICE COMPLAINT RESOLUTION.

- A. Complaint Resolution. When received, MobileNOW! shall record complaints on a form approved by the City's Contract Administrator and shall take appropriate steps to resolve the complaint. Any complaints received by MobileNOW! shall be resolved within 24 hours of the receipt of the complaint. If a complaint cannot be resolved within that time period, MobileNOW! shall notify the City's Contract Administrator of action taken to resolve the complaint and collaborate with the Contract Administrator to find a resolution.
- B. Complaint Records. MobileNOW! shall keep records of all complaints and indicate the disposition of each. MobileNOW! shall provide the City's Contract Administrator with a full written explanation of the disposition of any patron's complaint involving a claim of loss of funds or compromise of credit card information by MobileNOW! within one business day after MobileNOW! receives the complaint. All such records shall be available for inspection by the City's Contract Administrator at all times during business hours.

V. CITY OF COLLEGE PARK DUTIES AND RESPONSIBILITIES.

- A. The City shall provide information as needed for implementation of service to MobileNOW!.
- B. The City shall provide banking information for ACH processing of funds.
- C. The City shall review, approve, and recommend changes to the marketing materials to be used in implementation of system including signage, decals and other informational

products. Such approval may be subject to City permitting or other approval processes as provided herein.

- D. The City shall install signage provided by MobileNOW!
- E. The City shall make appropriate City staff available for training as required by MobileNOW!.
- F. The City shall perform the necessary activities, media events and press releases to promote the use of MobileNOW! system in the City .

VI. EXCLUSIVITY.

The City agrees that MobileNOW! will be the sole and exclusive service provider permitting City parking patrons to pay their pay station and parking meter charges remotely (pay by cell phone parking system) during the term of this Agreement and all extensions, and that MobileNOW! system will be the only pay by cell parking system available for pay stations and parking meters that are under the control of and enforcement by the City.

VII. COMPENSATION.

- A. Fees charged to the City. There are no fees or costs to the City for this pay by cell phone parking service.
- B. Fees charged to the Parking Meter Patron. MobileNow! will charge a convenience fee of \$0.35 per parking transaction to parking meter patrons. MobileNow! will not charge a fee for Short Message Service (SMS) text messaging service reminders.
- C. Future changes to services and costs. In subsequent years, or as new features are added or the model of the service evolves, the fee structure may change to accommodate those new features and models. The City and MobileNOW! shall agree to any fee changes as a modification to this Agreement. If the City and MobileNOW! cannot agree to the proposed change, this Agreement will terminate without prejudice 90 days after the impasse is reached. Any additional features would be optional if there are new fees involved, and the patron may opt out of these features.

VIII. RECORDS & RIGHT TO AUDIT.

- A. MobileNOW! shall maintain such financial records, complaint records, and other records as may be prescribed by the City or by applicable Federal and State laws, rules, and regulations. MobileNOW! shall retain these records for a period of not less than three years after the termination or expiration of this Agreement, or until they are audited by the City, whichever event occurs first. These records shall be made available during the term of the Agreement and the subsequent three-year period for examination, transcription, and audit by the City, its designees, or other authorized entities.
- B. MobileNOW! shall present all records (papers, electronic files, audio and/or video recordings) pertaining to any activity performed by MobileNOW! in relation to the pay by cell phone parking services provided to the City and to any City parking meter patron upon request. Prior to the close out of the contract, MobileNOW! shall appoint a records

custodian to handle any records request(s) and provide the custodian's name and telephone number(s) to the Contract Administrator.

IX. EQUAL EMPLOYMENT OPPORTUNITY.

During the performance of this Agreement, MobileNOW! agrees that it will comply with all applicable Federal, State and local laws relating to discrimination in employment.

X. INDEMNIFICATION.

MobileNOW! agrees to indemnify, and hold the City and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of any kind and description, including attorneys fees, arising directly or indirectly out of the performance of this Agreement, caused by the negligent or intentional act, error or omission of MobileNOW!, its agents, employees, subcontractors or representatives.

XI. CONTRACT TERM.

Except as specified in Section XII below, this Agreement shall be effective for three years commencing upon the date of activation of the service for testing in the City. This Agreement may be extended for additional one-year terms upon mutual agreement of the parties.

XII. TERMINATION FOR CAUSE OR CONVENIENCE

- A. If through any cause, MobileNOW! shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if MobileNOW! shall violate any of the covenants, Agreements, or stipulations of this Agreement, or if MobileNOW! fails to act in good faith or to carry out the work in accordance with the contract documents, any of which shall constitute a breach of this Agreement, the City shall notify MobileNOW! of such default with a demand for cure. If MobileNOW! does not cure the default within thirty days, the City shall thereupon have the right to terminate this Agreement by giving written notice to MobileNOW! of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. MobileNOW! shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by MobileNOW!.
- B. The performance of work or delivery of services under this Agreement may be terminated in whole or in part at any time upon written notice when the City determines that such termination is in its best interest. In no event will the City be liable for loss of profit on services not performed.

XIII. COMPLIANCE WITH LAWS.

MobileNOW! shall observe and comply with Federal, State, County and local laws, ordinances and regulations that affect the work to be done herein, and shall indemnify and hold the City, and all of its officers, agents and servants harmless against any claim or liability from or based on the violation of any such law, ordinance or regulation, whether by MobileNOW! or MobileNOW!'s agent(s). MobileNOW! is responsible for obtaining any and all licenses or permits of any kind pertaining to performance of work under this Agreement.

XIV. PAYMENT CARD INDUSTRY (PCI) COMPLIANCE.

MobileNOW! shall ensure that, during the term of this Agreement and any subsequent terms thereto, MobileNOW!, its agents, partners, and its subcontractors comply with the Payment Card Industry Data Security Standard (PCI DSS) at a minimum Merchant Level 1. At any time during this Agreement and any subsequent terms thereto, the City reserves the right to require documentation from MobileNOW! that MobileNOW!, its agents, partners, processors and/or its subcontractors are in compliance with the then current PCI DSS.

XV. ASSIGNMENT AND DELEGATION.

- A. No Assignments. No party may assign any of its rights under this Agreement, except with the prior written consent of the other party. That party shall not unreasonably withhold its consent. All assignments of rights are prohibited under this subsection, whether they are voluntary or involuntary, by merger, consolidation, dissolution, operation of law, or any other manner. For purposes of this Section,
1. a "change of control" is deemed an assignment of rights; and
 2. "merger" refers to any merger in which a party participates, regardless of whether it is the surviving or disappearing entity.
- B. Any purported assignment of rights in violation of this Section is void.

XVI. INSURANCE.

MobileNOW! will purchase and maintain during the entire term of this Agreement, comprehensive general liability insurance, professional errors and omissions insurance, and workers' compensation insurance with limits of not less than those set forth below. On each policy, with the exception of the workers compensation coverage, MobileNOW! will name the City of College Park as an additional insured.

A. Comprehensive General Liability Insurance

- (1) Personal injury liability insurance with a limit of \$1,000,000.00 each occurrence/aggregate;
- (2) Property damage liability insurance with limits of \$1,000,000.00 each occurrence/aggregate.

All insurance shall include completed operations and contractual liability coverage.

B. Automobile Liability Coverage

Automobile fleet insurance - Combined Single Limit for Bodily Injury and Property Damage - (each accident):\$1,000,000

C. Workers' Compensation Insurance.

MobileNOW! shall comply with the requirements and benefits established by the State of Maryland for the provision of Workers' Compensation insurance. MobileNOW! shall provide workers' compensation insurance meeting the statutory limits for Maryland and Employers' Liability limits of \$500,000.00.

MobileNOW! covenants to maintain insurance, in these amounts, which will insure all activities undertaken by MobileNOW! on behalf of the City under this Agreement. Copies of the certificates of insurance for all required coverage shall be furnished to the City prior to beginning work. The City shall receive 30 days prior notice of any amendment, reduction or elimination of the insurance coverage required herein.

Provision of any insurance required herein does not relieve MobileNOW! of any of the responsibilities or obligations assumed by MobileNOW! in the contract awarded, or for which MobileNOW! may be liable by law or otherwise. Provision of such insurance is not intended in any way to waive the City's immunities or any damage limits applicable to municipal government as provided by law.

XVII. CONFLICTS OF INTEREST.

MobileNOW! covenants that it has presently no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required to be performed under this Agreement. MobileNOW! further covenants that in the performance of this Agreement no person having any such interest shall be employed.

XVIII. INJURY TO PROPERTY.

In case of any direct or indirect damage done to public or private property by or because of the work, or in consequence of any act or omission on the part of MobileNOW!, its agents, servants or employees, MobileNOW! shall, at its own cost and expense, restore such property to a condition similar or equal to that existing before such damage was done. This remedy shall be in addition to, and not in place of, any other remedy allowed by law.

XIX. RELIEF

MobileNOW! recognizes the substantial and immediate harm that a breach or threatened breach of this Agreement will impose upon the City, and further recognizes that in such event monetary damages may be available to the City. Accordingly, in the event of a breach or threatened breach of this Agreement, MobileNOW! consents to the City's entitlement to seek ex parte, preliminary, interlocutory, temporary or permanent injunctive, or any other equitable relief, protecting and fully enforcing the City's rights hereunder and preventing MobileNOW! from further breaching any of its obligations set forth herein. Nothing herein shall be construed as prohibiting the City from pursuing any other remedies available to the City at law or in equity for such breach or threatened breach, including the recovery of damages from MobileNOW!.

XX. COSTS

In the event of any breach or failure by a party to fulfill any term, covenant or provision of this Agreement, the breaching party shall be responsible for any and all costs and expenses, including reasonable attorneys fees, incurred on account of such breach.

XXI. OTHER PAYMENTS; EXPENSES; TAXES

The City will not be responsible for any cost or expenses of operation of any kind associated with MobileNOW!'s provision of Services pursuant to this Agreement, except as set out herein. MobileNOW! shall be entitled to no fees, bonuses, contingent payments, or any other amount in connection with the Services except as set out herein. The parties hereto further agree that the City shall have no obligation to reimburse, pay directly or otherwise satisfy any expenses of MobileNOW! in connection with the performance of their obligations under this Agreement except as set out herein.

The parties hereto further recognize that MobileNOW!, as an independent contractor of the City, is responsible for directly assuming and remitting any applicable Federal or State withholding taxes, estimated tax payments, Social Security payments, unemployment compensation payments, and any other fees, taxes, and expenses whatsoever that result from the Services provided under this Agreement. In the event that MobileNOW! is deemed not to be an independent contractor by any local, state or federal governmental agency, MobileNOW! agrees to indemnify and hold harmless the City for any and all fees, costs and expenses, including, but not limited to, attorneys fees incurred thereby. The City is a non-taxable entity.

XXII. GOVERNING LAW AND CHOICE OF FORUM.

1. This contract shall be binding upon the assigns and successors of each party. Except to the extent Federal law is applicable, the interpretation, effect, and validity of this Agreement resulting shall be governed by the laws of the State of Maryland.

2. Any party who wishes to bring against the other party a civil action or proceeding arising out of this contract or the relationship of the parties consents to venue in Prince George's County, Maryland.

XXIII. LOGO, TRADEMARK, AND SERVICE MARK AUTHORIZATION.

- A. MobileNOW! specifically authorizes the City to use the MobileNOW! logo and related trademarks and service marks in promoting the Pay By Cell Phone Parking Service to the public. All uses and representations of the marks must be pre-approved by MobileNOW!
- B. This authorization terminates upon the expiration or termination of this Agreement.

XXIV. INTELLECTUAL PROPERTY INDEMNITY.

- A. MobileNOW! warrants that products and/or services provided to the City and/or the parking meter patrons by MobileNOW! and the use thereof do not infringe or violate any patent, copyright, trademark, mask work, trade secret, or any intellectual property of a third party. MobileNOW! shall indemnify, defend, settle on behalf of, and hold harmless the City from and against any and all demands, claims, proceedings, actions, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, other expenses for investigation, handling, and litigation, and settlement or judgment amount) asserted against or incurred by the City, or its officers, employees, or agents by reason of, resulting from, or arising in connection with any breach of this Section.
- B. The City shall promptly notify MobileNOW! of any claim regarding indemnification and give information and assistance reasonably requested by MobileNOW! and MobileNOW! is given sole authority to defend or settle such claim. If a court or a settlement enjoins the use of such products and/or services, MobileNOW! shall, at its own expense and at the City's option, obtain for the City either the right to continue using such products and/or services, replace same with a non-infringing product and/or service, modify same so it becomes non-infringing, or refund the value of such products and/or services and accept return for same.
- C. MobileNOW! shall have no liability to the City with respect to any infringement of patent, copyright, trademark, or other intellectual property rights, resulting from MobileNOW!'s compliance with the City's proprietary design, specification, or instructions, from the City's modification of such products and/or services provided to the City by MobileNOW! without disclosure to MobileNOW!, or the City's use of such products and/or services provided to the City by MobileNOW! with any product and/or service not supplied by MobileNOW! (except as specified by MobileNOW!).
- D. No trade mark, trade name, logo, trade dress, copyright or other license therein, or other intellectual property right is conveyed by this Agreement.

XXV. FRUSTRATION

- A. The parties will exercise every reasonable effort to meet their respective contractual obligations; however, neither party shall be considered to have failed to fulfill in a timely manner its obligations under this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of reasonable diligence, the non-performing party could not avoid. The term "uncontrollable forces" shall mean any event which results in the prevention or delay of performance by a party of its contractual obligations and which is beyond the reasonable control of the non-performing party.
- B. Neither party shall, however, be excused from performance if non-performance is due to forces that are preventable, removable, or remediable or which the non-performing party could have, with the exercise of reasonable diligence, prevented, removed, or remedied with reasonable dispatch. The non-performing party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement.

XXVI. INDEPENDENT CONTRACTOR.

MobileNOW! shall perform this Agreement as an independent contractor and shall not be considered an agent of the City, nor shall any of MobileNOW!'s employees or agents be subagents of the City.

XXVII. MODIFICATION.

This Agreement may be modified only by written instrument signed by both parties hereto.

XXVIII. NOTICES.

All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed, express, certified or registered mail, return receipt requested, with postage prepaid, or sent priority next day delivery by a nationally recognized overnight courier service that regularly maintains records of items picked up and delivered to the parties at the addresses set forth below or to such other person or address as a party shall notify the other in writing. Notices delivered personally shall be deemed communicated as of the date of actual receipt, mailed notices shall be deemed communicated as of the date three business days after mailing, and notices sent by courier shall be deemed communicated as of the date two business days after pick-up.

MobileNOW! LLC
155 Gibbs Street # 530
Rockville, MD 20850
FAX: 516.873.8881

City of College Park
Joseph L. Nagro, City Manager
4500 Knox Road
College Park, MD 20740
FAX: 301.699.8029

XXIX. WAIVER.

- A. No Oral Waivers. The parties may waive this Agreement or any provision herein only by a writing executed by the party or parties against whom the waiver is sought to be enforced.
- B. Effect of Failure, Delay or Course of Dealing. No failure or delay in exercising any right or remedy, or in requiring the satisfaction of any condition, under this Agreement, and no act, omission or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy or condition.
- C. Each Waiver for a Specific Purpose. A waiver made in writing on one occasion is effective only in that instance and only for the purpose stated.

XXX. SEVERABILITY.

If any provision of this Agreement shall be declared illegal, void or unenforceable by a court of competent jurisdiction, or in an arbitration proceeding, the other provisions shall not be affected but shall remain in full force and effect.

XXXI. ENTIRE AGREEMENT.

This Agreement, including the recitals provided herein and the exhibits attached hereto, constitutes the entire Agreement between the City and MobileNOW!, and the parties shall not be bound by any prior negotiation, representations or promises, not contained herein.

IN WITNESS WHEREOF, the parties have set their hands and seals hereto on the dates written below.

ATTEST

CITY OF COLLEGE PARK, MARYLAND

By: _____
Janeen S. Miller, CMC, City Clerk

By: _____ (Seal)
Joseph L. Nagro, City Manager

Date: _____

Date: _____

ATTEST

MOBILENOW! LLC

By: _____

By: _____ (Seal)

Print or Type Name

Print or Type Name

Print or Type Title

Print or Type Title

Date: _____

Date: _____

Approved as to form and legal sufficiency:

Suellen M. Ferguson
City Attorney

7

Consideration of a Human Rights Ordinance, Contractor Non- discrimination and Equal Benefits Ordinance

MEMORANDUM

To: Mayor and Council

From: Suellen M. Ferguson, Esq.

CC: Joe Nagro, City Manager

Date: January 31, 2014

Re: Human Rights Ordinance, Non-Discrimination and Provision of Equal Benefits by City Contractors

ISSUE:

The City does not have a human rights ordinance. The only reference in the City Code to discrimination on the basis of race, national origin or other unlawful bases is found in the Charter, at §9-1, which prohibits discrimination against City employees and officials. There are not any City laws or policies that prohibit discrimination by City contractors either in hiring or the provision of benefits.

SUMMARY:

Councilmember Wojahn has requested that staff review the stated issue. The City of Hyattsville has recently adopted a Human Rights Ordinance, a copy of which is attached. This ordinance makes discrimination based on age, race, color, creed, religion, national origin, ancestry, disability, marital status, sex, sexual orientation, gender identity or physical characteristic a violation of municipal law. Hyattsville does not enforce its law, however, and leaves that to the Prince George's County Human Relations Commission and the Maryland Commission on Civil Rights. A copy of the "purpose" section of the County's Human Relations Commission law is also attached. Neither the State nor the County incorporates a municipality's law in their scope for enforcement, however, the type of discrimination prohibited largely overlap. Neither Commission enforces a prohibition against gender identity discrimination. For any action not enforceable under the municipal law, Hyattsville authorizes complainants to file a private right of action to the extent allowed by Title 20 of the State Government Article, Annotated Code of Maryland.

Currently, the City certifies that it does not unlawfully discriminate in choosing contractors. However, there are no requirements applicable that City requests for proposals or contracts require non-discrimination with respect to hiring or benefits by contractors. Such requirements could be imposed by ordinance or by adoption of a City policy. To allow a private right of action to enforce these requirements, an ordinance would be necessary.

RECOMMENDATION

That the Council provide guidance on whether it wishes to proceed with drafting of legislation for these purposes.

**CITY OF HYATTSVILLE
ORDINANCE 2013-04**

An Ordinance whereby the City Council declares it illegal to engage in discriminatory conduct based on age, race, color, creed, religion, national origin, ancestry, disability, marital status, sex, sexual orientation, gender identity or physical characteristic and extends this protection in employment, housing and real estate transactions and public accommodations.

WHEREAS, Maryland Annotated Code, Article 23A, Section 2 grants to municipal corporations of the State of Maryland, including the City of Hyattsville, the power to protect the health, comfort and convenience of their citizens; and

WHEREAS, the State Government Article of the Maryland Annotated Code, Title 20, Human Relations, establishes the Maryland Commission on Civil Rights.

WHEREAS, the Mayor and City Council deem it in the best interest of its citizens to enact legislation making discrimination illegal in the City of Hyattsville.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Hyattsville in regular session assembled that Chapter 60 of the Hyattsville Code is hereby enacted to read as follows:

ALL NEW

**Chapter 60
Human Rights**

60-1. Name.

This ordinance shall be referred to as the Hyattsville Human Rights Act.

60-2. Purpose and Intent.

It is the intent of the City Council, in enacting the Hyattsville Human Rights Act, to protect and safeguard the right and opportunity of all persons to be free from all forms of discrimination, including discrimination based on age, race, color, creed, religion, national origin, ancestry, disability, marital status, sex, sexual orientation, gender identity or physical characteristic.

60-3. Definitions.

1. "Disability" or "Disabled" shall mean, with respect to an individual: a physical or mental impairment; a record of such an impairment; or being regarded as having such an impairment.

2. "Discriminate, Discrimination or Discriminatory" shall mean any act, policy, advertisement or practice which subjects any person to differential treatment as a result of that person's actual or perceived race, color, creed, religion, national origin, ancestry, disability, age, marital status, sex, sexual orientation, gender identity or physical characteristic. Discrimination also includes any differential treatment because of one's association with a person or group of people identified herein.
3. "Employee" shall mean any individual employed or seeking employment from an employer;
4. "Employer" shall mean any person who, for compensation, regularly employs individuals, not including the employer's parents, spouse or children. For purposes of the Hyattsville Human Rights Act an "employer" is also any person acting on behalf of an employer, directly or indirectly, or any employment agency.
5. "Gender identity" shall mean a person's gender-related self-identity, appearance, expression or behavior, regardless of the person's assigned sex at birth.
6. "Person" shall mean any natural person, firm, corporation, partnership or other organization, association or group of persons however arranged;
7. "Physical Characteristic" shall mean a bodily condition or bodily characteristic of any person which is from birth, accident, or disease, or from any natural physical development, or any other event outside the control of that person including individual physical mannerisms, height, or weight.
8. "Place of public accommodation" shall mean all establishments within Hyattsville which offer goods, services, accommodations, or entertainment to the public.
9. "Sexual orientation" shall mean a person's actual or perceived heterosexuality, homosexuality, asexuality, or bisexuality.

60-4. Prohibited Acts of Discrimination - - Employment

With regard to employment, it shall be unlawful for any employers or labor organizations to engage in any of the following acts for a discriminatory reason:

- (1) To discriminate against any individual, with respect to failure to hire, refusal to hire, discharge, compensation, terms, conditions, or privileges of employment, including promotion; however nothing in this subsection shall be construed to require any employer to provide benefits, such as insurance, to individuals not employed by the employer;
- (2) To limit, segregate, or classify employees in any way which would deprive or tend to

deprive any employee of employment opportunities, or which would otherwise tend to adversely affect his or her status as an employee; or

- (3) To fail or refuse to refer for employment, or to give negative information to a potential employer of any individual, in such a manner that would deprive or limit an individual's employment opportunities or that would otherwise adversely affect an individual's status as an applicant or prospective employee.

60-5. Prohibited Acts of Discrimination - - Housing and Real Estate Transactions.

With regard to housing and real estate transactions, it shall be unlawful to engage in any of the following acts for a discriminatory reason:

- (1) To discriminate by impeding, delaying, discouraging, imposing different terms, or otherwise limiting or restricting any transaction in real estate;
- (2) To discriminate in the terms and conditions, or in performing, or refusing to perform, any act necessary to determining an individual's financial ability to engage in a real estate transaction or to represent falsely that an interest in real estate is not available for transaction;
- (3) For a property manager to discriminate by refusing to provide equal treatment of, or services to, occupants or potential occupants of any real estate which he or she manages; or
- (4) It shall not be an unlawful discriminatory practice for an owner, lessor or renter to refuse to rent, lease or sublease a portion of a single family dwelling unit where it is anticipated that the owner, lessor or renter will be occupying any portion of the single-family dwelling.

60-6. Prohibited Acts of Discrimination - - Business Establishment or Public Accommodations.

It shall be unlawful for a business establishment or place of public accommodation to deny, directly or indirectly, any person the full enjoyment of the goods, services, facilities, privileges, advantages, and accommodations for a discriminatory reason.

Sec. 7. Posting of Notices.

Every employer, business, or institution subject to the Hyattsville Human Rights Act shall post and keep posted in a conspicuous location where business or activity is customarily conducted or negotiated, a notice setting forth excerpts from or summaries of the pertinent provisions of the Hyattsville Human Rights Act and information pertinent to the enforcement of rights hereunder. The notice shall be posted in both English and Spanish. If over ten percent of an employer's employees speak a language other than English or Spanish as their native language, the notice

shall be posted in that language. At the request of the employer or institution, notices required by this section shall be provided by the City. Notices shall be posted within ten (10) days after receipt from the City.

60-8. General Exceptions.

- (1) It shall not be an unlawful discriminatory practice for an employer to observe the conditions of a bona fide seniority system or a bona fide employee benefit system based on age such as a retirement, pension or insurance plan which is not a subterfuge or pretext to evade the purposes of the Hyattsville Human Rights Act.
- (2) Nothing contained in the Hyattsville Human Rights Act shall be deemed to prohibit selection or rejection based solely upon a bona fide occupational qualification, a bona fide physical requirement, or, as to a religious or denominational institution, based upon a preference for applicants of the same religion or denomination.

60-9. Enforcement.

Any person who is aggrieved by discriminatory conduct is encouraged to file a complaint with the Prince George's County Human Relations Commission and also with the Maryland Commission on Civil Rights under Title 20 of the State Government Article of the Maryland Annotated Code. Upon such complaint being filed, an aggrieved person may avail himself or herself of the remedies in the above quoted Article including, pursuant to §§20-1013 and 20-1035, the right to file an action in the Circuit Court against the Respondents named in the complaint.

AND BE IT FURTHER ORDAINED that if any provision of this Ordinance or the application thereof to any person or circumstance is held invalid for any reason, such invalidity shall not affect the other provisions or any other applications of the Ordinance which can be given effect without the invalid provision or applications, and to this end, all the provisions of this Ordinance are hereby declared to be severable;

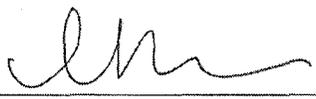
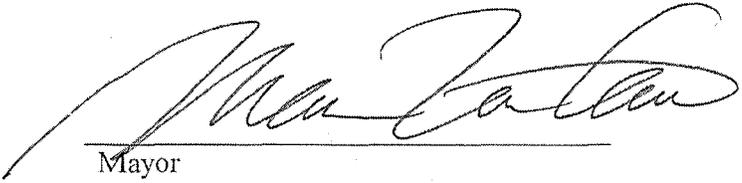
AND BE IT FURTHER ORDAINED that this Ordinance shall take effect twenty (20) days from the date of its adoption;

AND BE IT FURTHER ORDAINED that a fair summary of this ordinance shall forthwith be published twice in a newspaper having general circulation in the City and otherwise be made available to the public.

INTRODUCED by the City Council of the City of Hyattsville, Maryland, at a regular public meeting on NOVEMBER 18, 2013.

ADOPTED by the City Council of the City of Hyattsville, Maryland, at a regular public meeting on DECEMBER 2, 2013.

Adopted: 12/2/13

Attest:  
Mayor

⊞ indicate deletions

CAPS/**BOLD** indicate additions

Asterisks * * * Indicate matter retained in existing law but omitted herein

DIVISION 12. HUMAN RELATIONS COMMISSION.

SUBDIVISION 1. GENERAL PROVISIONS.

Sec. 2-185. Human Relations Commission; purpose.

(a) It shall be a function of the County government to foster and encourage the growth and development of the County in such a manner that all persons shall have an equal opportunity to pursue their lives free of discrimination imposed because of race, religion, color, sex, national origin, age, occupation, marital status, political opinion, personal appearance, sexual orientation, physical or mental handicap, or familial status. Discriminatory practices based upon the foregoing criteria are declared to be contrary to the public policy of the County.

(b) The County government shall direct its efforts and resources toward eliminating discriminatory practices within the County in the areas of housing, employment, law enforcement, education, public accommodations, commercial real estate, and any other facets of the lives of its citizens where such practices may be found to exist.

(c) It is intended that the prohibitions in this Division are substantially similar, but not necessarily identical, to prohibitions in federal and State law. The intent is to assure that a complaint filed under this Division may proceed more promptly than possible under either federal or State law. It is not County policy, however, to create a duplicative or cumulative process to those existing under similar or identical federal or State laws. Once a complaint is fully adjudicated under a similar or identical federal or State law, the complaint should not be reprocessed under this Division if the effect is duplicative or cumulative.

(CB-1-1972; CB-48-1976; CB-30-1990; CB-23-1991)

8

FY 2015 Budget Guidance



MEMORANDUM

TO: Mayor & Council
THROUGH: Joseph L. Nagro, City Manager *LN*
FROM: Stephen Groh, Director of Finance *SG*
DATE: January 31, 2014
SUBJECT: FY2015 Budget Guidance and Schedule

Although we are only half way through fiscal year 2014, it is time to begin preparations for the fiscal year 2015 budget process. Based on the required dates for issuance of the requested budget document, ordinance introduction, public hearing and budget adoption, we have compiled the attached FY2015 Tentative Budget Schedule #1. The process will begin with distribution of budget worksheets to departments the first week in February, following December month-end close. If you have any conflict with any of the dates on the budget schedule, please let us know as soon as possible.

Budget Distribution & Saturday Worksessions

We plan to distribute the requested budget to Mayor & Council no later than Monday, March 31. Hopefully, it will be ready by Friday, March 28, but it is too early to guarantee that. The budget will be available in book form or on CD and will be posted to the website. The Saturday budget worksessions will be held on April 5 and April 12, beginning at 7:30 a.m., unless we can finish in one session. The budget ordinance will be introduced at the regular M&C meeting on Tuesday, April 22.

Revenue Budget

We have received the estimate of FY15 real property tax assessments and the total is 0.5% (1/2 of 1%) higher than the FY14 assessment (prior to application of the homestead tax credit). We won't get the FY15 homestead tax credit ("HTC") estimate until the 2nd week in February. I assume that the FY15 HTC will be lower than FY14 but can't estimate how much lower at this time. There are no other new projects in the pipeline for the near future, other than the remaining portion of Domain. FY15 will be the first year for The Varsity to receive its revitalization tax credit (\$60,000). State Highway Administration has given us an FY15 estimate for highway user tax (\$113,583 versus \$252,774 we budgeted in FY14). The one-time additional payment we received in FY14 is not scheduled to recur in FY15. We expect admissions & amusement ("A&A") tax to be flat or lower. Speed enforcement camera revenue continues to decline.

It would be our hope to NOT recommend a property tax rate increase for FY15 as rates were increased 4% in FY14. The same is true of occupancy permit fees as they were increased 3.6% in FY14.

Expenditure Budget

For the past several years, we have asked departments to limit non-personnel expenditure budgets (other than fuel and utilities) to the prior year level plus a certain percentage increase. For FY2015, due to the flat property tax assessments, we are directing the departments to budget for no increase, and we would prefer a decrease. FY15 is the second year of the collective bargaining agreement for certain Public Works employees and the cost of living adjustment ("COLA") in the agreement for FY15 is 1.75%. The intention is to maintain a status-quo budget with no new programs and no increases in staffing.

In order to provide funding for future vehicle replacement, we anticipate securing a new 5-year master lease in FY15. Our 2 previous master leases were for \$1,500,000 each. However, as 5 trash trucks are scheduled for replacement over the next 5 years (at approximately \$250,000 each) along with other trucks, cars and equipment, we plan to budget for a \$2,000,000 master lease. Debt service on the new master lease will be budgeted in FY15.

For FY15, we will be budgeting \$250,000 for the 1st installment of the purchase of prior service credit for entry into the Maryland State Retirement System. If approved by the state legislature and the employees, we would enter the plan on July 1, 2014 and make the full payment in October 2014. We would borrow from ourselves and repay it through budgeted transfers over the next 5 years.

Use of Unassigned Reserve

For FY14, \$35,005 of unassigned reserve was used to balance the budget. It is hoped that we could avoid using unassigned reserve to balance the FY15 requested budget, but it is too early to tell.

M&C Wish Lists

Mayor & Council may submit "wish list" items for FY15. These requests may be for the operating budget or C.I.P. Staff will investigate or price out the requests, which may be included in the requested budget (at the City Manager's discretion) or submitted to M&C in an appendix to the budget document. Please submit any requests to either Joe or Steve in writing or by e-mail as soon as possible (but no later than Friday, February 14) so that the departments will have ample time to price out the items.

Considering the lack of additional revenues and the inevitable increase in expenditures, we hope that you will limit any wish list requests.

We look forward to working with you to achieve the best possible budget for the coming fiscal year. If you have any questions, please do not hesitate to contact us.



FY2015 TENTATIVE BUDGET SCHEDULE #1
as of January 31, 2014

Listed below is the tentative budget schedule for the FY2015 budget. Updates to this schedule will be provided as needed.

Operating budget worksheets distributed to departments	Tuesday, February 4
Mayor & Council wish lists due back to Finance	Friday, February 14
Pricing of Mayor & Council wish list items by departments	February 17 – 28
Operating budget worksheets due back to Finance	Friday, February 28
Capital project pages to be updated	February 3 – February 21
Review of department operating budget submittals by City Manager and Finance Director	March 3 – 7
City Manager's Requested Budget distributed to M&C	Monday, March 31 (possibly by Friday, March 28)
Budget worksessions	Saturday, April 5 @ 7:30 am Saturday, April 12 @ 7:30 am (if needed) Additional worksessions if needed
Budget ordinance introduced	Tuesday, April 22
Budget public hearing Constant yield tax rate public hearing (if needed)	Tuesday, May 13
Worksession discussion of possible budget changes after public hearing (if needed)	Tuesday, May 20
Adopt budget ordinance	Tuesday, May 27
Effective date of FY2015 adopted budget	July 1

9

Legislation

LEGISLATIVE INFORMATIONAL REPORT

TO: Mayor and City Council
FROM: Bill Gardiner, Assistant City Manager *BG*
THROUGH: Joseph Nagro, City Manager *JN*
DATE: January 31, 2014
SUBJECT: State Legislation Update

Note: Updates on items previously listed in the January 17, 2014 memo are in italics.

College Park Priority Bills

PG 403-14 University of Maryland College Park Bus Service - Motor Vehicle Permit Exception - Removal of Sunset

Sponsor Senators Rosapepe and Pinsky, Delegates Barnes, Frush, Gaines, Healey, Pena-Melnyk and Washington)

Synopsis Ends the termination date for the law allowing College Park residents to use the University of Maryland College Park bus system in select circumstances.

Status: Approved by consent in the County Affairs Committee on January 16th and reported favorably out of the Delegation on Friday, January 17th. *Awaiting introduction in the House and assignment to a committee.*

PG 404-14 City of College Park Employees - Participation in the Employees' Pension System

Sponsor Senator Rosapepe, Delegates Barnes, Frush and Pena-Melnyk

Synopsis Allows certain employees of the City of College Park to participate in the state's employee pension system.

Status: Approved by consent in the County Affairs Committee and no action taken (held for one week in the County Delegation on Friday, January 17, 2014). *Voted favorably by the County Delegation on January 24, 2014, and awaiting introduction in the House and assignment to a committee.*

PG 405-14 College Park Student Housing Subsidy Reduction Act

Sponsor Senator Rosapepe, Delegates Barnes, Frush and Pena-Melnyk

Synopsis Altering the area within which the Prince George's County school facilities surcharge does not apply to multi-family housing designated as student housing, and generally relating to the application of the school facilities surcharge in Prince George's County.

Status: No Action

Additional Bills of Interest to College Park

HB0292 Natural Gas - Hydraulic Fracturing - Prohibition

Synopsis: Prohibiting a person from engaging in the hydraulic fracturing of a well for the exploration or production of natural gas.

Additional Facts: Introduced in a prior session as: HB0337 Session: 2013 Regular Session

Committee(s): First Reading 1/20/14 in Environmental Matters

PG 406-14 Transportation- Interstate 95 Link to Roadways or Property Near the University of Maryland, College Park - Spending Prohibited

Sponsor Senators Pinsky and Rosapepe, Delegates Niemann, Frush, Gaines and Pena-Melnyk

Synopsis Transportation- Interstate 95 Link to Roadways or Property Near the University of Maryland, College Park - Spending Prohibited

Status: No Action

PG 407-14 Transportation - Roadway Near High Voltage Electric Transmission Line in Prince George's County - Limitation

Sponsor Senators Pinsky and Rosapepe, Delegates Niemann, Frush, Gaines and Pena-Melnyk

Synopsis Transportation - Roadway near High Voltage Electric Transmission Line in Prince George's County – Limitation

Status: No Action

PG 402-14 Authority to Impose Fee on Use of Disposable Bags

Sponsor Senator Pinsky, Delegate Frush

Synopsis Authorizes the County Council to Impose Fee on Use of Disposable Bags in Prince George's County

Status: No Action

Delegate Carr of Montgomery County may file a bill that would create a process for local governments and electric companies to calculate the value of existing street lights, and for local governments to buy the equipment from the utility company.

Status: No Action. *Delegate Carr has been informed that the City Council can be listed as a supporter of this proposal. It has not yet been introduced.*

Bill Information Requested by Council Members

PG 413-14 Deferred Water and Sewer Charges Homeowner Disclosure Act of 2014

Sponsor Senator Peters and Delegate Holmes

Synopsis Summary Pending

House Bill # Not Introduced

Local Action: 1/24/2014 Local - Delegation: FWA Unanimous vote

PG 414-14 Property Tax Credit - Qualified Residential Property

Sponsor Delegate Washington

Synopsis Authorizes the governing body of Prince George's County to grant a property tax credit against the county property tax on certain residential real property including qualifying abandoned or vacant residential homes.

Status: No Action

PG 417-14 Watershed Protection and Restoration Program - Report on County Funding Plan

Sponsor Delegate Valentino-Smith

Synopsis Requiring the Prince George's County Department of Environmental Resources to prepare a report on funding, collection and implementation of the Watershed Protection and Restoration Program in Prince George's County to the Prince George's Delegation by Oct. 1, 201

Local Action: Delegation: Favorable with Amendment, Unanimous vote

HB0025 **Local Government - Municipal Elections - No-Excuse Absentee Voting**
Synopsis: Prohibiting a municipality from requiring an individual to provide a reason that the individual will be unable to vote in person on election day in order to vote by absentee ballot.
Sponsored by: Delegate George
Status: **In the House - Hearing 1/30 at 1:00 p.m.**
Comment: **MML supports. If enacted, the City would be required to amend its voting regulations.**

HB0063 **Sales and Use Tax - Exemption - University and College Textbooks**
Sponsored by: Delegate Smigiel
Status: **In the House - Hearing 1/28 at 1:00 p.m.**

HB0469 **Speed Monitoring Systems - School Zones - Days of Operation**
Synopsis: Altering the permissible days for the operation of a speed monitoring system in a school zone to establish that the speed monitoring system may operate only on days when the school for which the school zone has been established is scheduled to be in session.
Sponsored by: Delegate Davis
Status: **In the House - First Reading Environmental Matters. Optotraffic estimated a 30 percent reduction in College Park citations. This would result in a \$366,000 reduction of citation revenue to the City (after deducting the Optotraffic charge) if the bill were enacted as drafted.**

Additional Legislation that May be of Interest to the Council (Updated January 30, 2014)

MML informed the City that speed camera legislation prohibiting third parties from receiving a percentage of the citation as payment for transaction services is likely to be submitted before the General Assembly. A bill has not yet been introduced.

HB0057 **Vehicle Laws - Speed Monitoring Systems and Work Zone Speed Control Systems**
Sponsored by: Delegate Cardin
Synopsis: Requiring that specified time-stamped images of a motor vehicle provide sufficient information to allow for the calculation of a specified speed of the motor vehicle; altering a requirement relating to the issuance of warnings; requiring a court to impose a civil penalty of \$1,000 if it finds that a citation for an alleged violation recorded by a speed monitoring system or a work zone speed control system was issued erroneously; requiring a civil penalty collected under the Act to be deposited into the Transportation Trust Fund; etc.
Status: **In the House - First Reading Environmental Matters**

HB0071 **Speed Monitoring Systems - Penalty for Erroneous Citations**
Synopsis: Requiring a court that finds that a citation for an alleged violation recorded by a speed monitoring system was issued erroneously to require the person responsible for maintaining the speed monitoring system to pay a penalty of \$125 to the person to whom the citation was issued.
Sponsored by: Delegate Conaway
Status: **In the House - First Reading Environmental Matters**

SB 595 LOCAL GOVERNMENT – RESTRICTIONS ON INCOME–PRODUCING REAL PROPERTY – FISCAL IMPACT REVIEW

Senator Peters, et al

Requiring the governing body of a county or municipal corporation to provide a copy of rent–control legislation to the Department of Legislative Services prior to enacting the legislation; requiring the Department to prepare a fiscal note and economic impact analysis for the legislation within 30 days; requiring a copy of the fiscal note and economic impact analysis to be provided to specified persons; providing for the prospective application of the Act; etc.

Preliminary analysis: local government mandate

Assigned to: Budget and Taxation

Comment: If enacted, would not apply to rent control legislation enacted prior to the effective date of the legislation (June 1, 2014)

SB 600 REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM

Senator Pugh, et al

Establishing the Regional Institution Strategic Enterprise Zone Program; authorizing specified institutions to apply to the Secretary of Business and Economic Development to have a specified area of the State designated as a Regional Institution Strategic Enterprise zone; requiring county and municipal corporations to provide specified property tax credits for entities locating in a zone; allowing entities locating in a zone to claim specified income tax credits and make specified income tax modifications; etc.

Assigned to: Budget and Taxation

Comment: In current form, bill would allow the Secretary of the Department of Business and Economic Development to approve an area requested by a university to receive significant local tax credits without the approval of the local government.

SB 601 BUSINESS AND ECONOMIC DEVELOPMENT – MARYLAND E–NNOVATION INITIATIVE PROGRAM

Senator Miller, et al

Establishing a Maryland E–Nnovation Initiative Program; establishing a Maryland E–Nnovation Initiative Fund and a Maryland E–Nnovation Initiative Fund Authority in the Department of Business and Economic Development; providing for the membership and duties of the Authority; allowing specified companies to purchase credits against the insurance premium tax or Maryland corporate income tax in order to fund specified research at specified institutions of higher education; etc.

Assigned to: Budget and Taxation

HB0510 Sustainable Communities Tax Credit Program - Extension and Alteration

Synopsis: Extending and altering the Sustainable Communities Tax Credit Program; providing for a tax credit for the rehabilitation of small commercial properties; repealing a tax credit for qualified rehabilitated structures; altering the tax credit for high performance buildings; etc.

Sponsored by: Chair, Ways and Means Committee

Status: In the House - First Reading Ways and Means

Comment: Submitted by the Administration.

HB0553 Housing - Energy-Efficient Homes Construction Loan Program

Synopsis: Establishing the Energy-Efficient Homes Construction Loan Program; establishing the purpose of the Program; requiring and authorizing the Department of Housing and Community Development to perform specified duties; establishing the Energy-Efficient Homes Construction Fund as a special, non-lapsing fund; requiring the Department to adopt specified regulations; etc.

Sponsored by: Chair, Environmental Matters Committee

Status: In the House - Hearing 2/13 at 1:00 p.m.
Comment: Submitted by the Administration

City Manager Recommendation 1.

Based on prior City of College Park positions on proposed legislation or prior discussions at City Council Meetings, the City Council should consider voting in favor of sending correspondence to our State Representatives in support of the following bills that have been introduced in the House:

HB0292 Natural Gas - Hydraulic Fracturing - Prohibition
HB0063 Sales and Use Tax - Exemption - University and College Textbooks

City Manager Recommendation 2.

The Council should discuss and consider taking a position or continue to gather information and monitor the legislation below:

HB0025 Local Government - Municipal Elections - No-Excuse Absentee Voting
HB0469 Speed Monitoring Systems - School Zones - Days of Operation
HB0510 Sustainable Communities Tax Credit Program - Extension and Alteration
HB0553 Housing - Energy-Efficient Homes Construction Loan Program
SB 595 LOCAL GOVERNMENT – RESTRICTIONS ON INCOME–PRODUCING REAL PROPERTY –
 FISCAL IMPACT REVIEW
SB 600 REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM

ATTACHMENTS: (ONLY BILLS THAT HAVE BEEN INTRODUCED)

HB0025 Local Government - Municipal Elections - No-Excuse Absentee Voting
HB0063 Sales and Use Tax - Exemption - University and College Textbooks
HB0157 Open Meetings Act-Advance Notice of Meeting—Agenda.
HB0292 Natural Gas - Hydraulic Fracturing - Prohibition
HB0469 Speed Monitoring Systems - School Zones - Days of Operation
HB0510 Sustainable Communities Tax Credit Program - Extension and Alteration
HB0553 Housing - Energy-Efficient Homes Construction Loan Program
SB 595 LOCAL GOVERNMENT – RESTRICTIONS ON INCOME–PRODUCING REAL PROPERTY –
 FISCAL IMPACT REVIEW
SB 600 REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE PROGRAM
SB 601 BUSINESS AND ECONOMIC DEVELOPMENT – MARYLAND E–NNOVATION INITIATIVE
 PROGRAM

HOUSE BILL 25

L3, G1

4lr0922

(PRE-FILED)

By: **Delegate George**

Requested: November 13, 2013

Introduced and read first time: January 8, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Local Government – Municipal Elections – No-Excuse Absentee Voting**

3 FOR the purpose of prohibiting a municipality from requiring an individual to provide
4 a certain reason in order to vote by absentee ballot; and generally relating to
5 absentee voting in municipal elections.

6 BY repealing and reenacting, with amendments,
7 Article – Local Government
8 Section 4–108
9 Annotated Code of Maryland
10 (2013 Volume)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article – Local Government**

14 4–108.

15 (a) A qualified voter may vote in a municipal election by absentee ballot.

16 (b) **(1)** [A] **SUBJECT TO PARAGRAPH (2)** OF THIS SUBSECTION, A
17 municipality shall provide a procedure to vote by absentee ballot.

18 **(2)** A MUNICIPALITY MAY NOT REQUIRE AN INDIVIDUAL TO
19 PROVIDE A REASON THAT THE INDIVIDUAL WILL BE UNABLE TO VOTE IN
20 PERSON ON ELECTION DAY IN ORDER TO VOTE BY ABSENTEE BALLOT.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) A municipality may use any method to enable absentee voters to vote,
2 including using any facilities to transmit and receive applications for absentee ballots.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 2014.

HOUSE BILL 63

Q4
HB 58/13 – W&M

(PRE-FILED)

4lr0372

By: Delegate Smigiel
Requested: August 1, 2013
Introduced and read first time: January 8, 2014
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Exemption – University and College Textbooks**

3 FOR the purpose of providing an exemption from the sales and use tax for the sale of
4 certain textbooks purchased by certain individuals; defining a certain term; and
5 generally relating to a sales and use tax exemption for the sale of university and
6 college textbooks.

7 BY adding to

8 Article – Tax – General

9 Section 11–232

10 Annotated Code of Maryland

11 (2010 Replacement Volume and 2013 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – Tax – General**

15 **11–232.**

16 **(A) IN THIS SECTION, “TEXTBOOK” MEANS A BOOK:**

17 **(1) WRITTEN, DESIGNED, AND PRODUCED FOR EDUCATIONAL,**
18 **INSTRUCTIONAL, OR PEDAGOGICAL PURPOSES; AND**

19 **(2) REQUIRED FOR A COURSE AT AN INSTITUTION OF HIGHER**
20 **EDUCATION AS DEFINED IN § 10–101(H) OF THE EDUCATION ARTICLE.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (B) THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF A
2 TEXTBOOK THAT IS PURCHASED BY A FULL-TIME OR PART-TIME STUDENT
3 ENROLLED AT AN INSTITUTION OF HIGHER EDUCATION.

4 (C) AN INDIVIDUAL MAY ESTABLISH FULL-TIME OR PART-TIME
5 STUDENT STATUS BY PRODUCING A VALID STUDENT IDENTIFICATION CARD AT
6 THE TIME OF PURCHASE OF THE TEXTBOOK.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2014.

HOUSE BILL 292

M3, M1
HB 337/13 - ENV

4lr1484

By: Delegates S. Robinson, Barkley, Bobo, Carr, Fraser-Hidalgo, Frush, Gutierrez, Hubbard, Hucker, A. Kelly, Lee, Luedtke, A. Miller, Morhaim, Nathan-Pulliam, Pena-Melnyk, B. Robinson, Waldstreicher, and M. Washington

Introduced and read first time: January 20, 2014

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Natural Gas - Hydraulic Fracturing - Prohibition**

3 FOR the purpose of prohibiting a person from engaging in the hydraulic fracturing of a
4 well for the exploration or production of natural gas in the State; defining a
5 certain term; and generally relating to hydraulic fracturing for the exploration
6 or production of natural gas.

7 BY adding to

8 Article - Environment

9 Section 14-107.1

10 Annotated Code of Maryland

11 (2007 Replacement Volume and 2013 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Environment**

15 **14-107.1.**

16 (A) (1) IN THIS SECTION, "HYDRAULIC FRACTURING" MEANS A
17 DRILLING TECHNIQUE THAT EXPANDS EXISTING FRACTURES OR CREATES NEW
18 FRACTURES IN ROCK BY INJECTING FLUIDS, OFTEN A MIXTURE OF WATER AND
19 CHEMICALS, SAND, OR OTHER SUBSTANCES, AND OFTEN UNDER PRESSURE,
20 INTO OR UNDERNEATH THE SURFACE OF THE ROCK FOR PURPOSES THAT
21 INCLUDE WELL DRILLING AND THE EXPLORATION OR PRODUCTION OF NATURAL
22 GAS.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) "HYDRAULIC FRACTURING" INCLUDES:**

2 **(I) FRACKING;**

3 **(II) HYDROFRACKING; AND**

4 **(III) HYDROFRACTURING.**

5 **(B) A PERSON MAY NOT ENGAGE IN THE HYDRAULIC FRACTURING OF A**
6 **WELL FOR THE EXPLORATION OR PRODUCTION OF NATURAL GAS IN THE STATE.**

7 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
8 **October 1, 2014.**

HOUSE BILL 469

R5

4lr1322

By: Delegates Davis, Barnes, Braveboy, Burns, Glenn, Griffith, Haynes, Healey, Holmes, James, Jameson, K. Kelly, Love, McDonough, W. Miller, Minnick, Mitchell, Myers, Oaks, Olszewski, Parrott, Proctor, Rudolph, Schuh, Schulz, Serafini, Summers, Swain, Tarrant, F. Turner, V. Turner, Valderrama, Vallario, Vaughn, Walker, A. Washington, and Wilson

Introduced and read first time: January 27, 2014

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Speed Monitoring Systems – School Zones – Days of Operation**

3 FOR the purpose of altering the permissible days for the operation of a speed
4 monitoring system in a school zone to establish that the speed monitoring
5 system may operate only on days when the school for which the school zone has
6 been established is scheduled to be in session; and generally relating to speed
7 monitoring systems in school zones.

8 BY repealing and reenacting, with amendments,
9 Article – Transportation
10 Section 21–809(b)(1)(viii)
11 Annotated Code of Maryland
12 (2012 Replacement Volume and 2013 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Transportation**

16 21–809.

17 (b) (1) (viii) A speed monitoring system in a school zone may operate
18 only [Monday through Friday] between 6:00 a.m. and 8:00 p.m. **ON DAYS WHEN THE**
19 **SCHOOL FOR WHICH THE SCHOOL ZONE HAS BEEN ESTABLISHED IS SCHEDULED**
20 **TO BE IN SESSION.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2014.

HOUSE BILL 510

Q7, C8

4lr0127

By: **Chair, Ways and Means Committee (By Request – Departmental – Planning)**

Introduced and read first time: January 29, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sustainable Communities Tax Credit Program – Extension and Alteration**

3 FOR the purpose of extending and altering the Sustainable Communities Tax Credit
4 Program; providing for a certain tax credit for rehabilitation of certain small
5 commercial properties; repealing a certain tax credit for certain rehabilitations;
6 requiring the Director of the Maryland Historical Trust to adopt certain
7 regulations, which shall include certain fees; altering the time period in which
8 the Trust must receive a certain fee; prohibiting the Trust from accepting an
9 application for a commercial rehabilitation project under certain circumstances;
10 altering a certain tax credit for high performance buildings; requiring the
11 amount of a certain tax credit to remain in the Sustainable Communities Tax
12 Credit Reserve Fund under certain circumstances; requiring the Governor to
13 include an appropriation to a certain reserve fund for certain fiscal years;
14 extending through a certain fiscal year certain authority for the Director to
15 issue certain initial credit certificates; providing for the expiration of certain tax
16 credits or the revocation of certain credits under certain circumstances;
17 requiring the Director to notify certain persons on or before a certain date;
18 requiring the Director to provide a certain report to the Comptroller; altering,
19 adding, and repealing certain defined terms; making certain technical changes;
20 and generally relating to the Sustainable Communities Tax Credit Program.

21 BY repealing and reenacting, with amendments,
22 Article – State Finance and Procurement
23 Section 5A–303
24 Annotated Code of Maryland
25 (2009 Replacement Volume and 2013 Supplement)

26 BY repealing and reenacting, with amendments,
27 Chapter 76 of the Acts of the General Assembly of 2004, as amended by Chapter
28 425 of the Acts of the General Assembly of 2013

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 2 1.(h)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article – State Finance and Procurement**

5 5A-303.

6 (a) (1) In this section the following words have the meanings indicated.

7 (2) “Business entity” means:

8 (i) a person conducting or operating a trade or business in the
9 State; or

10 (ii) an organization operating in Maryland that is exempt from
11 taxation under § 501(c)(3) of the Internal Revenue Code.

12 (3) “Certified heritage area” has the meaning stated in § 13-1101 of
13 the Financial Institutions Article.

14 (4) (i) “Certified historic structure” means a structure that is
15 located in the State and is:

16 1. listed in the National Register of Historic Places;

17 2. designated as a historic property under local law and
18 determined by the Director to be eligible for listing on the National Register of Historic
19 Places;

20 3. A. located in a historic district listed on the
21 National Register of Historic Places or in a local historic district that the Director
22 determines is eligible for listing on the National Register of Historic Places; and

23 B. certified by the Director as contributing to the
24 significance of the district; or

25 4. located in a certified heritage area and certified by the
26 Maryland Heritage Areas Authority as contributing to the significance of the certified
27 heritage area.

28 (ii) “Certified historic structure” does not include a structure
29 that is owned by the State, a political subdivision of the State, or the federal
30 government.

31 (5) “Certified rehabilitation” means a completed rehabilitation of[

1 (i)] a certified historic structure that the Director certifies is a
2 substantial rehabilitation in conformance with the rehabilitation standards of the
3 United States Secretary of the Interior]; or

4 (ii) a qualified rehabilitated structure].

5 (6) (I) “Commercial rehabilitation” means a rehabilitation of a
6 structure other than a single-family, owner-occupied residence.

7 (II) “COMMERCIAL REHABILITATION” DOES NOT INCLUDE A
8 SMALL COMMERCIAL PROJECT.

9 (7) “Director” means the Director of the Maryland Historical Trust.

10 (8) “Financial assistance” means action by the State or a State unit to
11 award grants, loans, loan guarantees, or insurance to a public or private entity to
12 finance, wholly or partly, a project that involves or may result in building construction,
13 building alteration, or land disturbance.

14 (9) “High performance building” means a building that:

15 (i) meets or exceeds the current version of the U.S. Green
16 Building Council’s LEED (Leadership in Energy and Environmental Design) green
17 building rating system gold rating; or

18 (ii) achieves at least a comparable numeric rating according to a
19 nationally recognized, accepted, and appropriate numeric sustainable development
20 rating system, guideline, or standard approved by the Secretaries of Budget and
21 Management and General Services under § 3-602.1 of this article.

22 (10) (i) “Historic property” means a district, site, building,
23 structure, monument, or object significant to:

24 1. the prehistory or history of the State; or

25 2. the upland or underwater archeology, architecture,
26 engineering, or culture of the State.

27 (ii) “Historic property” includes related artifacts, records, and
28 remains.

29 (11) “Local historic district” means a district that the governing body of
30 a county or municipal corporation, or the Mayor and City Council of Baltimore, has
31 designated under local law as historic.

1 (12) ["Main Street Maryland community" means:

2 (i) a commercial area in a local jurisdiction designated by the
3 Secretary of Housing and Community Development as a Main Street Maryland
4 community under the Main Street Maryland Program on or before January 1, 2010; or

5 (ii) a commercial area in Baltimore City designated as a Main
6 Street by the Mayor of Baltimore City on or before January 1, 2010.

7 (13) "Main Street Maryland Program" means the Maryland Main Street
8 designation program for local jurisdictions established in the Code of Maryland
9 Regulations (COMAR).

10 (14) "National register structure" means a structure that is:

11 (i) listed on the National Register of Historic Places; or

12 (ii) located in a historic district listed on the National Register
13 of Historic Places and certified by the Director as contributing to the significance of
14 the district.

15 [(15)] (13) "Political subdivision" means a county or municipal
16 corporation of the State.

17 [(16)] (i) "Qualified rehabilitated structure" means a building, other
18 than a single-family, owner-occupied residence, that:

19 1. A. is located in a Main Street Maryland
20 community; or

21 B. beginning in fiscal 2012, is located in a Main Street
22 Maryland community or a sustainable community;

23 2. will be substantially rehabilitated; and

24 3. meets the requirements set forth in subsection (b)(7)
25 of this section.

26 (ii) "Qualified rehabilitated structure" does not include a
27 certified historic structure.]

28 [(17)] (14) "Qualified rehabilitation expenditure" means any amount
29 that:

30 (i) is properly chargeable to a capital account;

1 (ii) is expended in the rehabilitation of a structure that by the
2 end of the calendar year in which the certified rehabilitation is completed is a certified
3 historic structure [or a qualified rehabilitated structure];

4 (iii) is expended in compliance with a plan of proposed
5 rehabilitation that has been approved by the Director; and

6 (iv) is not funded, financed, or otherwise reimbursed by any:

7 1. State or local grant;

8 2. grant made from the proceeds of tax-exempt bonds
9 issued by the State, a political subdivision of the State, or an instrumentality of the
10 State or of a political subdivision of the State;

11 3. State tax credit other than the tax credit under this
12 section; or

13 4. other financial assistance from the State or a political
14 subdivision of the State, other than a loan that must be repaid at an interest rate that
15 is greater than the interest rate on general obligation bonds issued by the State at the
16 most recent bond sale prior to the time the loan is made.

17 **[(18)] (15)** (i) "Single-family, owner-occupied residence" means a
18 structure or a portion of a structure:

19 1. occupied by the owner and the owner's immediate
20 family as their primary or secondary residence; OR

21 2. **A SMALL COMMERCIAL PROJECT.**

22 (ii) "Single-family, owner-occupied residence" includes a
23 residential unit in a cooperative project owned by or leased to a cooperative housing
24 corporation, as defined in § 5-6B-01 of the Corporations and Associations Article, and
25 leased for exclusive occupancy to, and occupied by, a member of the corporation and
26 the member's immediate family under a proprietary lease.

27 **(16) (I) "SMALL COMMERCIAL PROJECT" MEANS A**
28 **REHABILITATION OF A STRUCTURE PRIMARILY USED FOR COMMERCIAL,**
29 **INCOME-PRODUCING PURPOSES IF:**

30 1. **THE QUALIFIED REHABILITATION EXPENDITURES**
31 **DO NOT EXCEED \$500,000; AND**

32 2. **THE STRUCTURE IS LOCATED IN A SUSTAINABLE**
33 **COMMUNITY.**

1 **(II) “SMALL COMMERCIAL PROJECT” INCLUDES A**
 2 **STRUCTURE THAT IS USED FOR BOTH COMMERCIAL AND RESIDENTIAL RENTAL**
 3 **PURPOSES.**

4 **(III) “SMALL COMMERCIAL PROJECT” DOES NOT INCLUDE A**
 5 **STRUCTURE THAT IS USED SOLELY FOR RESIDENTIAL PURPOSES.**

6 **[(19)] (17) “Smart Growth Subcabinet” means the Smart Growth**
 7 **Subcabinet established under Title 9, Subtitle 14 of the State Government Article.**

8 **[(20)] (18) “State unit” has the meaning stated in § 11–101 of the State**
 9 **Government Article.**

10 **[(21)] (19) “Substantial rehabilitation” means rehabilitation of a**
 11 **structure for which the qualified rehabilitation expenditures, during the 24–month**
 12 **period selected by the individual or business entity ending with or within the taxable**
 13 **year, exceed:**

14 (i) for single–family, owner–occupied residential property,
 15 \$5,000; **OR**

16 (ii) [for a qualified rehabilitated structure located in a Main
 17 Street Maryland community, the greater of:

18 1. 50% of the adjusted basis of the structure; or

19 2. \$25,000; or

20 (iii)] for all other property, the greater of:

21 1. the adjusted basis of the structure; or

22 2. \$25,000.

23 **[(22)] (20) “Sustainable community” has the meaning stated in § 6–201**
 24 **of the Housing and Community Development Article.**

25 (b) (1) The Director, in consultation with the Smart Growth Subcabinet,
 26 shall adopt regulations to:

27 (i) establish procedures and standards for certifying historic
 28 structures and rehabilitations under this section;

1 (ii) for commercial rehabilitations, establish an application
2 process for the award of initial credit certificates for Maryland sustainable
3 communities tax credits consistent with the requirements of this subsection;

4 (iii) for commercial rehabilitations, establish criteria, consistent
5 with the requirements of this subsection, for evaluating, comparing, and rating plans
6 of proposed rehabilitation that have been determined by the Director[:

7 1. for certified historic structures,] to conform with the
8 rehabilitation standards of the United States Secretary of the Interior; [and

9 2. for rehabilitations of the exteriors of qualified
10 rehabilitated structures, to be compatible with the rehabilitation standards of the
11 United States Secretary of the Interior if the structure is located in, or adversely
12 affects:

13 A. a designated historic district; or

14 B. a district determined by the Director to be eligible for
15 listing on the National Register of Historic Places; and]

16 (iv) for commercial rehabilitations, establish a competitive
17 award process for the award of initial credit certificates for Maryland sustainable
18 communities tax credits that favors the award of tax credits for rehabilitation projects
19 that:

20 1. are located in jurisdictions that have been historically
21 underrepresented in the award of tax credits for commercial rehabilitations, based on
22 the number of national register structures in each jurisdiction;

23 2. are consistent with and promote current growth and
24 development policies and programs of the State;

25 3. are located in areas targeted by the State for
26 additional revitalization and economic development opportunities due to the focusing
27 of State resources and incentives;

28 4. [beginning in fiscal 2012, are located in sustainable
29 communities;

30 5.] are located in areas where the political subdivision
31 has implemented regulatory streamlining or other development incentives that foster
32 redevelopment and revitalization in priority funding areas, as defined in Title 5,
33 Subtitle 7B of this article, and the appropriate local governing body or the planning
34 board or commission, if designated by the local governing body, has certified to the

1 Smart Growth Subcabinet those regulatory streamlining or other development
2 incentives; AND

3 [6.] 5. include affordable and workforce housing options[;
4 and

5 7. are qualified rehabilitated structures more than 50
6 years old];

7 (v) for commercial rehabilitations, determine whether the
8 certified rehabilitation is a high performance building;

9 (vi) for commercial rehabilitations, establish a required external
10 marker or, at a minimum, an internal marker for the rehabilitation [projects]
11 PROJECT that identifies that the rehabilitation was funded by Maryland sustainable
12 communities tax credits; [and]

13 (vii) as provided in paragraph [(6)] (7) of this subsection, charge
14 [a] reasonable [fee] FEES to certify historic structures and [qualified rehabilitated
15 structures] REHABILITATIONS under this subtitle;

16 (VIII) FOR COMMERCIAL REHABILITATIONS, REQUIRE
17 DOCUMENTATION THAT THE APPLICANT HAS OWNERSHIP OR SITE CONTROL OF
18 THE STRUCTURE IN ORDER TO DEMONSTRATE THE ABILITY TO MEET THE
19 REQUIREMENT TO BEGIN WORK AS REQUIRED UNDER SUBSECTION (C)(3)(I)1 OF
20 THIS SECTION;

21 (IX) FOR COMMERCIAL REHABILITATIONS, PROVIDE A TIME
22 LIMIT FOR APPROVAL OF THE ADDITIONAL TAX CREDIT FOR HIGH
23 PERFORMANCE BUILDINGS PROVIDED FOR IN SUBSECTION (C)(1)(II) OF THIS
24 SECTION; AND

25 (X) FOR SMALL COMMERCIAL PROJECTS, ESTABLISH
26 CONDITIONS REGARDING THE PERCENTAGE OF THE STRUCTURE THAT MAY BE
27 USED FOR RESIDENTIAL RENTAL PURPOSES IF THE STRUCTURE IS USED FOR
28 BOTH COMMERCIAL AND RESIDENTIAL RENTAL PURPOSES.

29 (2) The Director may not certify that a rehabilitation is a certified
30 rehabilitation eligible for a tax credit provided under this section unless the individual
31 or business entity seeking certification states under oath the amount of the
32 individual's or business entity's qualified rehabilitation expenditures.

33 (3) Each year, the Director may accept applications for approval of
34 plans of proposed commercial rehabilitations and for the award of initial credit
35 certificates for the fiscal year that begins July 1 of that year.

1 (4) (I) A SMALL COMMERCIAL PROJECT SHALL BE TREATED AS
2 A SINGLE-FAMILY, OWNER-OCCUPIED RESIDENTIAL PROPERTY, INCLUDING
3 THE LIMITATION ON THE AMOUNT OF THE TAX CREDIT PROVIDED IN
4 SUBSECTION (C)(2)(II) OF THIS SECTION.

5 (II) A SMALL COMMERCIAL PROJECT IS SUBJECT TO THE
6 CREDIT RECAPTURE PROVISION IN SUBSECTION (E) OF THIS SECTION.

7 [(4)] (5) (i) For commercial rehabilitations, the Director may not
8 accept an application for approval of plans of proposed rehabilitation if:

9 1. any substantial part of the proposed rehabilitation
10 work has begun; or

11 2. the applicant for a commercial rehabilitation has
12 previously submitted three or more applications for commercial rehabilitations with
13 total proposed rehabilitations exceeding \$500,000 in that year.

14 (ii) For commercial rehabilitations, the Director may accept an
15 application for approval of plans of a proposed rehabilitation for which a substantial
16 part of the proposed rehabilitation work has begun if the rehabilitation work has been
17 approved under the federal historic tax credit.

18 [(5) (i)] (6) Except as provided in subsection (d)(3)(iii) of this
19 section, not more than 75% of the total credit amounts under initial credit certificates
20 issued for any fiscal year may be issued for projects in a single county or Baltimore
21 City.

22 [(ii) Not more than 10% of the total credit amounts under initial
23 credit certificates issued for any fiscal year may be issued for projects that are
24 qualified rehabilitated structures.]

25 [(6)] (7) (i) The Director shall adopt regulations to charge [a]
26 reasonable [fee] FEES to certify historic structures and rehabilitations under this
27 section WHICH SHALL INCLUDE:

28 1. A MINIMUM FEE FOR THE SECOND PHASE OF THE
29 APPLICATION PROCESS;

30 2. FOR A COMMERCIAL REHABILITATION PROJECT, A
31 FINAL FEE THAT MAY NOT EXCEED 3% OF THE AMOUNT OF THE ISSUED INITIAL
32 CREDIT CERTIFICATE; AND

1 **3. FOR ANY OTHER REHABILITATION PROJECT, A**
 2 **FINAL FEE THAT MAY NOT EXCEED 3% OF THE AMOUNT OF THE CREDIT FOR**
 3 **WHICH THE REHABILITATION WOULD BE ELIGIBLE BASED ON THE GREATER OF**
 4 **THE ESTIMATED OR FINAL QUALIFIED REHABILITATION EXPENDITURES FOR**
 5 **THE REHABILITATION.**

6 (ii) The Director shall set the level of the [fee] FEES so that the
 7 projected proceeds from the [fee] FEES will cover the costs to the Trust of
 8 administering the credit under this section and the federal historic tax credit.

9 [(iii) The fee charged may not exceed 3% of the amount of the
 10 initial credit certificate issued for a commercial rehabilitation project or the amount of
 11 the credit for which a single-family, owner-occupied rehabilitation would be eligible
 12 based on the greater of the estimated or final qualified rehabilitation expenditures for
 13 the rehabilitation.]

14 [(iv) (III) If [the] A fee charged for a commercial rehabilitation
 15 is not received by the Trust within [120] 90 days after the Trust sends notice that the
 16 fee is due, the initial credit certificate for the rehabilitation shall expire.

17 (IV) FOR COMMERCIAL REHABILITATIONS, IF AN
 18 APPLICANT'S INITIAL CREDIT CERTIFICATE EXPIRED FOR FAILURE TO PAY A
 19 FEE AS REQUIRED IN THIS PARAGRAPH, THE TRUST MAY NOT ACCEPT AN
 20 APPLICATION FROM THE APPLICANT FOR A COMMERCIAL REHABILITATION
 21 DURING THE 3 FISCAL YEARS FOLLOWING THE FISCAL YEAR IN WHICH THE
 22 CERTIFICATE EXPIRED.

23 (v) The proceeds from the [fee] FEES shall be deposited in a
 24 special fund, to be used only for the purposes of paying the costs of administering the
 25 credit under this section and the federal historic tax credit.

26 (vi) Any unused balance of the fund at the end of each fiscal year
 27 shall be transferred to the Reserve Fund established under subsection (d) of this
 28 section and shall increase the amount of the initial credit certificates that the Trust
 29 may issue for the following fiscal year.

30 [(7) For a building to be a qualified rehabilitated structure, after the
 31 rehabilitation process:

32 (i) 50% or more of the existing external walls of the building
 33 must be retained in place as external walls;

34 (ii) 75% or more of the existing external walls of the building
 35 must be retained in place as internal or external walls; and

1 (iii) 75% or more of the internal structural framework of the
2 building must be retained in place.]

3 (c) (1) (i) Except as otherwise provided in this section, for the taxable
4 year in which a certified rehabilitation is completed, an individual or business entity
5 may claim a tax credit in an amount equal to 20% of the individual's or business
6 entity's qualified rehabilitation expenditures for the rehabilitation.

7 (ii) For A commercial [rehabilitations] REHABILITATION, an
8 individual or business entity may claim [a] AN ADDITIONAL tax credit in an amount
9 equal to [25%] 5% of the individual's or business entity's qualified rehabilitation
10 expenditures if the certified rehabilitation is a certified historic structure and a high
11 performance building.

12 [(iii) For commercial rehabilitations, an individual or business
13 entity may claim a tax credit in an amount equal to 10% of the individual's or business
14 entity's qualified rehabilitation expenditures if the certified rehabilitation is a
15 qualified rehabilitated structure.]

16 (2) (i) For any commercial rehabilitation, the State tax credit
17 allowed under this section may not exceed the lesser of:

- 18 1. \$3,000,000; or
19 2. the maximum amount specified under the initial
20 credit certificate issued for the rehabilitation.

21 (ii) For a rehabilitation other than a commercial rehabilitation,
22 the State tax credit allowed under this section may not exceed \$50,000.

23 (iii) For the purposes of the limitation under subparagraph (i) of
24 this paragraph, the following shall be treated as a single commercial rehabilitation:

- 25 1. the phased rehabilitation of the same structure or
26 property;
27 2. the separate rehabilitation of different components of
28 the same structure or property; or
29 3. the rehabilitation of multiple structures that are
30 functionally related to serve an overall purpose.

31 (3) (i) Subject to subparagraph (ii) of this paragraph, the initial
32 credit certificate for a proposed commercial rehabilitation shall expire and the credit
33 under this section may not be claimed if:

1 1. within 18 months after the initial credit certificate
2 was issued, the applicant has not notified the Trust, in writing, that the commercial
3 rehabilitation has begun; or

4 2. the commercial rehabilitation is not completed within
5 30 months after the initial credit certificate was issued.

6 (ii) For reasonable cause, the Director may postpone the
7 30-month expiration date for an initial credit certificate for a commercial
8 rehabilitation.

9 (4) If the tax credit allowed under this section in any taxable year
10 exceeds the total tax otherwise payable by the business entity or the individual for
11 that taxable year, the individual or business entity may claim a refund in the amount
12 of the excess.

13 (5) The State credit allowed under this section may be allocated
14 among the partners, members, or shareholders of an entity in any manner agreed to
15 by those persons in writing.

16 (d) (1) In this subsection, "Reserve Fund" means the Sustainable
17 Communities Tax Credit Reserve Fund established under paragraph (2) of this
18 subsection.

19 (2) (i) There is a Sustainable Communities Tax Credit Reserve
20 Fund that is a continuing, nonlapsing special fund that is not subject to § 7-302 of this
21 article.

22 (ii) The money in the Fund shall be invested and reinvested by
23 the Treasurer, and interest and earnings shall be credited to the General Fund.

24 (iii) If the fees paid in any fiscal year are less than the directly
25 related administrative costs of operating the Sustainable Communities Tax Credit
26 Program, funds in the Reserve Fund shall be used for the directly related
27 administrative costs of the Program.

28 (3) (i) Subject to the provisions of this subsection, the Director
29 shall issue an initial credit certificate for each commercial rehabilitation for which a
30 plan of proposed rehabilitation is approved.

31 (ii) An initial credit certificate issued under this subsection
32 shall state the maximum amount of credit under this section for which the commercial
33 rehabilitation may qualify.

34 (iii) 1. Except as otherwise provided in this subparagraph
35 and in subsection [(b)(6)(vi)] **(B)(7)(VI)** of this section, for any fiscal year, the Director
36 may not issue initial credit certificates for credit amounts in the aggregate totaling

1 more than the amount appropriated to the Reserve Fund for that fiscal year in the
2 State budget as approved by the General Assembly.

3 2. If the aggregate credit amounts under initial credit
4 certificates issued in a fiscal year total less than the amount appropriated to the
5 Reserve Fund for that fiscal year as a result of the limitation under subsection
6 [(b)(5)(i)] **(B)(6)** of this section, any excess amount may be issued under initial credit
7 certificates for projects in a county or Baltimore City in the same fiscal year, without
8 regard to the limitation under subsection [(b)(5)(i)] **(B)(6)** of this section.

9 3. Subject to subsubparagraph 2 of this subparagraph, if
10 the aggregate credit amounts under initial credit certificates issued in a fiscal year
11 total less than the amount appropriated to the Reserve Fund for that fiscal year, any
12 excess amount shall remain in the Reserve Fund and may be issued under initial
13 credit certificates for the next fiscal year.

14 4. For any fiscal year, if funds are transferred from the
15 Reserve Fund under the authority of any provision of law other than paragraph (4) of
16 this subsection, the maximum credit amounts in the aggregate for which the Director
17 may issue initial credit certificates shall be reduced by the amount transferred.

18 5. In each fiscal year, the Director shall estimate the
19 amount of fees to be collected based on the amount appropriated to the Reserve Fund
20 and reserve the difference between the estimated fees and estimated directly related
21 administrative costs of the Program to be used to administer the Program.

22 6. If the reservation of funds to administer the Program
23 under subsubparagraph 5 of this subparagraph is not necessary to cover the directly
24 related administrative costs of the Program, any excess amount shall remain in the
25 Reserve Fund and may be issued under initial credit certificates for the next fiscal
26 year.

27 **7. IF AN INITIAL CREDIT CERTIFICATE EXPIRES AS**
28 **PROVIDED FOR UNDER SUBSECTION (C)(3) OF THIS SECTION, THE AMOUNT OF**
29 **THE CREDIT CERTIFICATE SHALL REMAIN IN THE RESERVE FUND AND MAY BE**
30 **ISSUED UNDER OTHER INITIAL CREDIT CERTIFICATES.**

31 (iv) For each of fiscal years [2011, 2012, 2013, and 2014] **2015,**
32 **2016, 2017, 2018, AND 2019,** the Governor shall include in the budget bill an
33 appropriation to the Reserve Fund.

34 (v) Notwithstanding the provisions of § 7-213 of this article, the
35 Governor may not reduce an appropriation to the Reserve Fund in the State budget as
36 approved by the General Assembly.

1 (vi) The Director may not issue an initial credit certificate for
2 any fiscal year after fiscal year [2014] 2019.

3 (4) (i) Except as provided in this paragraph, money appropriated to
4 the Reserve Fund shall remain in the Fund.

5 (ii) 1. Within 15 days after the end of each calendar quarter,
6 the Trust shall notify the Comptroller as to each commercial rehabilitation completed
7 and certified during the quarter:

8 A. the maximum credit amount stated in the initial
9 credit certificate for the project; and

10 B. the final certified credit amount for the project.

11 2. On notification that a project has been certified, the
12 Comptroller shall transfer an amount equal to the maximum credit amount stated in
13 the initial credit certificate for the project from the Reserve Fund to the General Fund.

14 (iii) 1. On or before October 1 of each year, the Trust shall
15 notify the Comptroller as to the maximum credit amount stated in the initial credit
16 certificate for each commercial rehabilitation for which the initial credit certificate has
17 expired under subsection (c)(3) of this section as of the end of the prior fiscal year.

18 2. [On] EXCEPT AS PROVIDED IN PARAGRAPH
19 (3)(III)7 OF THIS SUBSECTION, ON notification that the initial credit certificate for a
20 project has expired under subsection (c)(3) of this section, the Comptroller shall
21 transfer an amount equal to the maximum credit amount stated in the initial credit
22 certificate for the project from the Reserve Fund to the General Fund.

23 (5) (I) THIS PARAGRAPH APPLIES TO A COMMERCIAL
24 REHABILITATION FOR WHICH AN APPLICATION FOR A PLAN OF PROPOSED
25 REHABILITATION HAS BEEN APPROVED BY THE DIRECTOR ON OR AFTER JULY
26 1, 2006, AND ON OR BEFORE JUNE 30, 2014.

27 (II) AFTER THE EXPIRATION DATE OF AN INITIAL CREDIT
28 CERTIFICATE PROVIDED TO AN APPLICANT THAT RECEIVED APPROVAL FOR A
29 PLAN OF PROPOSED COMMERCIAL REHABILITATION, THE DIRECTOR SHALL
30 NOTIFY THE APPLICANT, IN WRITING, THAT THE INITIAL CREDIT CERTIFICATE
31 WILL BE REVOKED FOR THE APPROVED REHABILITATION IF THE APPLICANT
32 DOES NOT SUBMIT A REQUEST FOR FINAL CERTIFICATION OF THE
33 REHABILITATION WITHIN 12 MONTHS OF THE EXPIRATION DATE OF THE INITIAL
34 CREDIT CERTIFICATE.

1 (III) AN INITIAL CREDIT CERTIFICATE IS REVOKED IF,
2 WITHIN 6 MONTHS OF THE DATE OF THE WRITTEN NOTIFICATION UNDER
3 SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN APPLICANT DOES NOT PROVIDE
4 TO THE DIRECTOR, IN WRITING, THE FOLLOWING:

5 1. DOCUMENTATION ESTABLISHING THAT THE
6 REHABILITATION WAS COMPLETED PRIOR TO THE EXPIRATION DATE OF THE
7 INITIAL TAX CREDIT CERTIFICATION; AND

8 2. NOTIFICATION THAT THE APPLICANT IS IN THE
9 PROCESS OF PREPARING THE FINAL CERTIFICATION.

10 (IV) THE DIRECTOR SHALL REPORT TO THE COMPTROLLER,
11 IN ACCORDANCE WITH SUBSECTION (H) OF THIS SECTION, ON THE NUMBER AND
12 AMOUNT OF INITIAL CREDIT CERTIFICATES THAT HAVE BEEN REVOKED IN
13 ACCORDANCE WITH THIS PARAGRAPH.

14 (e) (1) (i) In this subsection the following words have the meanings
15 indicated.

16 (ii) 1. "Dispose of" means to transfer legal title or, in the
17 case of a leasehold, the leasehold interest.

18 2. "Dispose of" includes to sell in a sale-and-leaseback
19 transaction, to transfer on the foreclosure of a security interest, or to transfer by gift.

20 3. "Dispose of" does not include to transfer title or the
21 leasehold interest to a creditor on creation of a security interest.

22 (iii) "Disqualifying work" means work that:

23 1. is performed on a certified rehabilitation; and

24 2. if performed as part of the rehabilitation certified
25 under this section, would have made the rehabilitation ineligible for certification.

26 (2) The credit allowed under this section shall be recaptured as
27 provided in paragraph (3) of this subsection if, during the taxable year in which a
28 certified rehabilitation is completed or any of the 4 taxable years succeeding the
29 taxable year in which the certified rehabilitation is completed:

30 (i) any disqualifying work is performed on the certified
31 rehabilitation; or

32 (ii) for a commercial rehabilitation, the certified rehabilitation is
33 complete and has been disposed of.

1 (3) (i) 1. If the disqualifying work is performed or the certified
2 rehabilitation is disposed of during the taxable year in which the certified
3 rehabilitation was completed, 100% of the credit shall be recaptured.

4 2. If the disqualifying work is performed or the certified
5 rehabilitation is disposed of during the first full year succeeding the taxable year in
6 which the certified rehabilitation was completed, 80% of the credit shall be recaptured.

7 3. If the disqualifying work is performed or the certified
8 rehabilitation is disposed of during the second full year succeeding the taxable year in
9 which the certified rehabilitation was completed, 60% of the credit shall be recaptured.

10 4. If the disqualifying work is performed or the certified
11 rehabilitation is disposed of during the third full year succeeding the taxable year in
12 which the certified rehabilitation was completed, 40% of the credit shall be recaptured.

13 5. If the disqualifying work is performed or the certified
14 rehabilitation is disposed of during the fourth full year succeeding the taxable year in
15 which the certified rehabilitation was completed, 20% of the credit shall be recaptured.

16 (ii) The individual or business entity that claimed the tax credit
17 shall pay the amount to be recaptured as determined under subparagraph (i) of this
18 paragraph as taxes payable to the State for the taxable year in which the disqualifying
19 work is performed or the certified rehabilitation is disposed of.

20 (f) (1) The Comptroller may determine, under the process for return
21 examination and audit under §§ 13-301 and 13-302 of the Tax – General Article:

22 (i) the amount of rehabilitation expenditures used in
23 calculating the credit;

24 (ii) whether such expenditures are qualified rehabilitation
25 expenditures under this section; and

26 (iii) whether the credit is allowable as claimed.

27 (2) The authority of the Comptroller to examine and audit a tax return
28 does not limit the authority of the Director to determine whether a rehabilitation
29 qualifies as a certified rehabilitation or whether a certificate of certified rehabilitation
30 has been properly issued.

31 (3) The Comptroller may adopt regulations to require that an entity
32 other than a corporation claim the tax credit on the tax return filed by that entity.

33 (4) (i) Except as otherwise provided in this paragraph, the credit
34 under this section may be claimed for the year a certified rehabilitation is completed,

1 only if the Director has, by the time the return is filed, issued a certificate of
2 completion for the certified rehabilitation.

3 (ii) A taxpayer claiming the credit may amend a return for the
4 year the certified rehabilitation was completed to account for a certificate issued
5 subsequent to the filing of the original return.

6 (iii) An amended return shall be filed within the period allowed
7 under the Tax – General Article for filing refund claims.

8 (iv) The provisions of this paragraph do not extend the period in
9 which a certified rehabilitation must be completed to be eligible for a tax credit under
10 this section.

11 (v) An amended return may account for an amended
12 certification issued by the Director for a certified rehabilitation.

13 (g) A refund payable under subsection (c) of this section:

14 (1) operates to reduce the income tax revenue from corporations if the
15 person entitled to the refund is a corporation subject to the income tax under Title 10
16 of the Tax – General Article;

17 (2) operates to reduce insurance premium tax revenues if the person
18 entitled to the refund is subject to taxation under Title 6 of the Insurance Article; and

19 (3) operates to reduce the income tax revenue from individuals if the
20 person entitled to the refund is:

21 (i) an individual subject to the income tax under Title 10 of the
22 Tax – General Article; or

23 (ii) an organization exempt from taxation under § 501(c)(3) of
24 the Internal Revenue Code.

25 (h) (1) On or before December 15 of each fiscal year, the Director shall
26 report to the Governor and, subject to § 2–1246 of the State Government Article, to the
27 General Assembly, on:

28 (i) the initial credit certificates awarded for commercial
29 rehabilitations AND SMALL COMMERCIAL PROJECTS under this section for that
30 fiscal year;

31 (ii) the tax credits awarded for certified rehabilitations
32 completed in the preceding fiscal year;

1 (iii) whether the tax credits awarded for certified rehabilitations
2 completed in the preceding fiscal year were located in:

- 3 1. [a Main Street Maryland community;
- 4 2. beginning in fiscal 2012, a sustainable community;
- 5 3.] a local historic district; or
- 6 [4.] 2. a national register district; and

7 (iv) the estimated amount of directly related administrative
8 costs reserved in the Reserve Fund, the estimated amount of fees to be collected, the
9 actual directly related administrative costs, and the actual amount of fees collected.

10 (2) The report required under paragraph (1) of this subsection shall
11 include for each initial credit certificate awarded for the fiscal year for a commercial
12 rehabilitation:

13 (i) the name of the owner or developer of the commercial
14 rehabilitation;

15 (ii) the name and address of the proposed or certified
16 rehabilitation and the county where the project is located;

17 (iii) the dates of receipt and approval by the Director of all
18 applications regarding the project, including applications:

19 1. for certification that a structure or property will
20 qualify as a certified historic structure [or a qualified rehabilitated structure]; and

21 2. for approval of the proposed rehabilitation; and

22 (iv) the maximum amount of the credit stated in the initial
23 credit certificate for the project and the estimated rehabilitation expenditures stated
24 in the application for approval of the plan of proposed rehabilitation.

25 (3) The report required under paragraph (1) of this subsection shall
26 include for each certified commercial rehabilitation completed during the preceding
27 fiscal year:

28 (i) the name of the owner or developer of the commercial
29 rehabilitation;

30 (ii) the name and address of the certified rehabilitation and the
31 county where the project is located;

1 (iii) the dates of receipt and approval by the Director of all
2 applications regarding the project; and

3 (iv) 1. the maximum amount of the credit stated in the
4 initial credit certificate for the project and the estimated rehabilitation expenditures
5 stated in the application for approval of the plan of proposed rehabilitation; and

6 2. the actual qualified rehabilitation expenditures and
7 the final amount of the credit for which the project qualified.

8 (4) The report required under paragraph (1) of this subsection shall
9 summarize for each category of certified rehabilitations:

10 (i) the total number of applicants for:

11 1. certification that a structure or property will qualify
12 as a certified historic structure [or a qualified rehabilitated structure];

13 2. approval of plans of proposed rehabilitations; or

14 3. certification of the completed rehabilitations;

15 (ii) the number of proposed projects for which plans of proposed
16 rehabilitation were approved; and

17 (iii) the total estimated rehabilitation expenditures stated in
18 approved applications for approval of plans of proposed rehabilitation and the total
19 qualified rehabilitation expenditures for completed rehabilitations certified.

20 (5) The information required under paragraph (4) of this subsection
21 shall be provided in the aggregate and separately for each of the following categories of
22 certified rehabilitations:

23 (i) owner-occupied single family residential structures; [and]

24 (II) SMALL COMMERCIAL PROJECTS; AND

25 [(ii)] (III) commercial rehabilitations.

26 (i) (1) Subject to the provisions of this subsection, the provisions of this
27 section and the tax credit authorized under this section shall terminate as of July 1,
28 [2014] 2019.

29 (2) On and after July 1, [2014] 2019:

1 (i) the tax credit authorized under this section may be claimed
2 for:

3 1. a rehabilitation project, other than a commercial
4 rehabilitation, for which an application for approval of a plan of proposed
5 rehabilitation was received by the Director on or before June 30, [2014] **2019**; or

6 2. a commercial rehabilitation for which an initial credit
7 certificate has been awarded under subsection (d) of this section; and

8 (ii) the Director shall continue to report to the Governor and the
9 General Assembly as required under subsection (h) of this section for as long as any
10 rehabilitation project for which the tax credit may be claimed remains incomplete.

11 **Chapter 76 of the Acts of 2004, as amended by Chapter 425 of the Acts of 2013**

12 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5–801 of
13 Article 83B – Department of Housing and Community Development of the Annotated
14 Code of Maryland be repealed and reenacted, with amendments, and transferred to
15 the Session Laws, to read as follows:

16 1.

17 (h) (1) Subject to the provisions of this subsection, the provisions of this
18 section and the tax credit authorized under this section shall terminate as of July 1,
19 2004.

20 (2) On or after July 1, 2004, the tax credit authorized under this
21 section may be claimed for:

22 (i) a project for rehabilitation of a single-family,
23 owner-occupied residence for which an application for approval of a plan of proposed
24 rehabilitation was received by the Director on or before June 30, 2004; or

25 (ii) subject to paragraph (3) of this subsection, a commercial
26 rehabilitation project for which an application of a plan of proposed rehabilitation has
27 been approved by the Director on or before June 30, 2004.

28 (3) The tax credit authorized under this section for a commercial
29 rehabilitation project expires on [July 1, 2014] **JANUARY 1, 2015**, unless, on or before
30 [June 30, 2014] **DECEMBER 31, 2014**, the applicant demonstrates to the Director
31 that the commercial rehabilitation project:

32 (I) has a valid, unexpired building permit for the rehabilitation
33 project; AND

1 (II) CONSTRUCTION ON THE PROJECT BEGAN WITHIN 3
2 MONTHS OF THE DATE OF ISSUANCE OF THE BUILDING PERMIT.

3 (4) The Director shall notify, in writing, the owner or developer that
4 received approval of a plan of proposed rehabilitation for a commercial rehabilitation
5 project of the requirements of this subsection.

6 (5) On or before [August 1, 2014] **JANUARY 30, 2015**, the Director
7 shall report to the Comptroller the number of tax credits and the amount of the tax
8 credits that have expired in accordance with this subsection.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2014.

HOUSE BILL 553

C8

4lr0115

By: **Chair, Environmental Matters Committee (By Request – Departmental – Housing and Community Development)**

Introduced and read first time: January 29, 2014

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Housing – Energy–Efficient Homes Construction Loan Program**

3 FOR the purpose of establishing the Energy–Efficient Homes Construction Loan
4 Program; establishing the purpose of the Program; requiring and authorizing
5 the Department of Housing and Community Development to perform certain
6 duties; specifying the uses of a loan under the Program; setting certain
7 requirements for a mortgage lien that secures a certain loan; requiring an
8 applicant for a certain loan to submit certain documentation and information;
9 prohibiting certain actions in connection with the Program; establishing certain
10 penalties; establishing the Energy–Efficient Homes Construction Fund as a
11 special, nonlapsing fund; requiring the Department to administer the Fund;
12 requiring the State Treasurer to hold the Fund and the Comptroller to account
13 for the Fund; specifying the contents of the Fund; specifying the purpose for
14 which the Fund may be used; providing for the investment of money in the
15 Fund; requiring the Department to adopt certain regulations; defining certain
16 terms; and generally relating to construction financing for energy–efficient
17 homes.

18 BY adding to

19 Article – Housing and Community Development
20 Section 4–2001 through 4–2006 to be under the new subtitle “Subtitle 20.
21 Energy–Efficient Homes Construction Loan Program”
22 Annotated Code of Maryland
23 (2009 Replacement Volume and 2013 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – State Finance and Procurement
26 Section 6–226(a)(2)(ii)76. and 77.
27 Annotated Code of Maryland
28 (2009 Replacement Volume and 2013 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
 2 Article – State Finance and Procurement
 3 Section 6–226(a)(2)(ii)78.
 4 Annotated Code of Maryland
 5 (2009 Replacement Volume and 2013 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 7 MARYLAND, That the Laws of Maryland read as follows:

8 Article – Housing and Community Development

9 SUBTITLE 20. ENERGY-EFFICIENT HOMES CONSTRUCTION LOAN PROGRAM.

10 4–2001.

11 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 12 INDICATED.

13 (B) “FUND” MEANS THE ENERGY-EFFICIENT HOMES CONSTRUCTION
 14 FUND.

15 (C) “LOW-ENERGY HOME” MEANS A HOME THAT IS DESIGNED TO BE AT
 16 LEAST 60% MORE ENERGY EFFICIENT THAN A HOME BUILT TO APPLICABLE
 17 BUILDING CODE STANDARDS IN EFFECT BEFORE JULY 1, 2014.

18 (D) “NET-ZERO HOME” MEANS A HOME THAT IS DESIGNED TO PRODUCE
 19 AN AMOUNT OF ENERGY IN 1 YEAR THAT IS EQUAL TO THE AMOUNT OF ENERGY
 20 THAT THE HOME USES IN 1 YEAR.

21 (E) “PROGRAM” MEANS THE ENERGY-EFFICIENT HOMES
 22 CONSTRUCTION LOAN PROGRAM.

23 (F) “SUSTAINABLE COMMUNITY” HAS THE MEANING STATED IN § 6–201
 24 OF THIS ARTICLE.

25 4–2002.

26 (A) THERE IS AN ENERGY-EFFICIENT HOMES CONSTRUCTION LOAN
 27 PROGRAM.

28 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE CONSTRUCTION
 29 LOANS TO PERSONS TO CONSTRUCT LOW-ENERGY HOMES AND NET-ZERO
 30 HOMES IN SUSTAINABLE COMMUNITIES.

1 (C) THE PROGRAM SHALL BE OPERATED WITH MONEY IN THE FUND.

2 4-2003.

3 (A) THE DEPARTMENT SHALL:

4 (1) ADMINISTER THE PROGRAM;

5 (2) ATTACH TO A PROGRAM LOAN THE TERMS NEEDED TO CARRY
6 OUT THE PROGRAM;

7 (3) ESTABLISH ELIGIBILITY STANDARDS FOR PROGRAM LOANS;

8 (4) ESTABLISH INTEREST RATES THAT MAY BE AS LOW AS 0% OR
9 AS HIGH AS IS REASONABLE TO MAKE THE PROJECT VIABLE; AND

10 (5) ADOPT REGULATIONS TO CARRY OUT THE PROGRAM.

11 (B) IN SETTING THE TERMS AND INTEREST RATES FOR PROGRAM
12 LOANS, THE DEPARTMENT MAY:

13 (1) OFFER PREFERRED INTEREST RATES AND TERMS FOR LOANS
14 USED TO FINANCE NET-ZERO HOMES; AND

15 (2) ESTABLISH DIFFERENT INTEREST RATES BASED ON THE
16 PROJECTED ENERGY EFFICIENCY OF THE HOME TO BE CONSTRUCTED.

17 (C) THE DEPARTMENT MAY:

18 (1) CONTRACT FOR SERVICES RELATED TO THE PROGRAM;

19 (2) CONTRACT WITH PRIVATE MORTGAGE SERVICERS TO
20 PERFORM ON BEHALF OF THE DEPARTMENT FUNCTIONS THE SERVICERS
21 ORDINARILY PERFORM, INCLUDING FORECLOSURE AND EMPLOYMENT OF
22 COUNSEL;

23 (3) CHARGE A NONREFUNDABLE APPLICATION FEE AND OTHER
24 CUSTOMARY LOAN FEES;

25 (4) ENTER INTO AGREEMENTS WITH LENDERS OR OTHER
26 ENTITIES TO COLLECTIVELY LEND MONEY FOR THE CONSTRUCTION OF
27 NET-ZERO AND LOW-ENERGY HOMES;

1 (5) PURCHASE OR COMMIT TO PURCHASE FROM MORTGAGE
2 LENDERS NOTES OR MORTGAGES THAT MEET THE REQUIREMENTS OF THIS
3 SUBTITLE, ANY REGULATIONS ADOPTED UNDER THIS SUBTITLE, AND
4 APPROPRIATE PROGRAM DIRECTIVES;

5 (6) MODIFY THE INTEREST RATE, THE TIME OR AMOUNT OF
6 PAYMENT, OR ANY OTHER TERM OF A PROGRAM LOAN TO FACILITATE
7 REPAYMENT OF THE PROGRAM LOAN AND TO ACHIEVE THE PURPOSE OF THE
8 PROGRAM; AND

9 (7) WITHOUT APPROVAL OR EXECUTION BY THE BOARD OF
10 PUBLIC WORKS:

11 (I) ASSIGN A MORTGAGE FOR VALUE;

12 (II) RELEASE A MORTGAGE;

13 (III) FORECLOSE A MORTGAGE;

14 (IV) ACQUIRE PROPERTY THAT SECURES A LOAN IN
15 DEFAULT; AND

16 (V) ENCUMBER, SELL, OR OTHERWISE DISPOSE OF
17 PROPERTY ACQUIRED IN CONNECTION WITH A LOAN IN DEFAULT.

18 4-2004.

19 (A) PROCEEDS OF A PROGRAM LOAN SHALL BE USED ONLY FOR:

20 (1) PROPERTY ACQUISITION AND DEVELOPMENT COSTS FOR THE
21 CONSTRUCTION OF A NET-ZERO HOME OR LOW-ENERGY HOME IN A
22 SUSTAINABLE COMMUNITY; AND

23 (2) SETTLEMENT AND CLOSING COSTS.

24 (B) A PROGRAM LOAN SHALL BE SECURED BY A MORTGAGE LIEN THAT:

25 (1) MAY BE SUBORDINATE TO OTHER MORTGAGE LIENS; AND

26 (2) MAY INCLUDE TERMS, INCLUDING DEFERRED PAYMENT OF
27 PRINCIPAL AND INTEREST, THAT THE DEPARTMENT CONSIDERS NECESSARY TO
28 MAKE THE PROJECT VIABLE.

1 (C) TO APPLY FOR A LOAN UNDER THIS SUBTITLE, AN APPLICANT
2 SHALL SUBMIT:

3 (1) A COMPLETED APPLICATION IN A FORM THAT THE
4 DEPARTMENT REQUIRES;

5 (2) INFORMATION ON PROJECTED ENERGY USAGE, PROJECT
6 DESIGN, AND MARKETING DATA; AND

7 (3) ANY OTHER INFORMATION OR DOCUMENTATION THAT THE
8 DEPARTMENT CONSIDERS NECESSARY TO MAKE A DETERMINATION ON THE
9 LOAN.

10 (D) THE DEPARTMENT MAY GIVE A PREFERENCE TO AN APPLICATION
11 FOR:

12 (1) A NET-ZERO HOME; OR

13 (2) A PROJECT THAT INCLUDES FINANCING FROM OTHER
14 SOURCES IN ADDITION TO THE PROGRAM LOAN.

15 4-2005.

16 (A) (1) A PERSON MAY NOT KNOWINGLY MAKE OR CAUSE TO BE MADE
17 A FALSE STATEMENT OR REPORT IN A DOCUMENT REQUIRED TO BE SUBMITTED
18 TO THE DEPARTMENT UNDER AN AGREEMENT RELATING TO A PROGRAM LOAN.

19 (2) A LOAN APPLICANT MAY NOT KNOWINGLY MAKE OR CAUSE TO
20 BE MADE ANY FALSE STATEMENT OR REPORT TO INFLUENCE AN ACTION OF THE
21 DEPARTMENT ON A PROGRAM LOAN APPLICATION OR A PROGRAM LOAN
22 ALREADY MADE.

23 (B) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A
24 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
25 EXCEEDING 5 YEARS OR A FINE NOT EXCEEDING \$50,000 OR BOTH.

26 4-2006.

27 (A) THERE IS AN ENERGY-EFFICIENT HOMES CONSTRUCTION FUND.

28 (B) THE DEPARTMENT SHALL ADMINISTER THE FUND.

1 (C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
2 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 (2) THE STATE TREASURER SHALL HOLD THE FUND
4 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

5 (D) THE FUND CONSISTS OF:

6 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

7 (2) REPAYMENTS OR PREPAYMENTS OF PRINCIPAL AND
8 PAYMENTS OF INTEREST ON LOANS MADE UNDER THE ENERGY-EFFICIENT
9 HOMES CONSTRUCTION LOAN PROGRAM;

10 (3) INVESTMENT EARNINGS OF THE FUND; AND

11 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
12 THE BENEFIT OF THE FUND.

13 (E) THE DEPARTMENT MAY USE THE FUND ONLY TO:

14 (1) PAY EXPENSES OF THE PROGRAM; AND

15 (2) MAKE OR PURCHASE LOANS UNDER THE PROGRAM.

16 (F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
17 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

18 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID
19 INTO THE FUND.

20 Article - State Finance and Procurement

21 6-226.

22 (a) (2) (ii) The provisions of subparagraph (i) of this paragraph do not
23 apply to the following funds:

24 76. the Baltimore City Public School Construction
25 Financing Fund; [and]

26 77. the Spay/Neuter Fund; AND

78. THE ENERGY-EFFICIENT HOMES CONSTRUCTION

1
2 FUND.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2014.

SENATE BILL 595

N1, L6

4r1839
CF 4r2077

By: **Senators Peters, Colburn, Currie, DeGrange, Edwards, Getty, King,
McFadden, and Robey**

Introduced and read first time: January 30, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Local Government – Restrictions on Income–Producing Real Property –**
3 **Fiscal Impact Review**

4 FOR the purpose of requiring the governing body of a county or municipal corporation
5 to provide a copy of rent–control legislation to the Department of Legislative
6 Services prior to enacting the legislation; requiring the Department to prepare a
7 fiscal note and economic impact analysis for the legislation within a certain
8 period; requiring that a copy of the fiscal note and economic impact analysis be
9 provided to certain persons; providing that this Act does not apply to certain
10 rent–controlled properties; providing for the application of this Act; defining a
11 certain term; and generally relating to the adoption of rent–control legislation
12 by a county or municipal corporation.

13 BY adding to
14 Article – Local Government
15 Section 1–1312
16 Annotated Code of Maryland
17 (2013 Volume)

18 Preamble

19 WHEREAS, The State of Maryland has an important interest in monitoring
20 actions that may negatively impact its revenues; and

21 WHEREAS, Local rent–control laws cause a loss of State and local property tax
22 revenues and tax burden shifts and can negatively impact income and transfer taxes;
23 and

24 WHEREAS, By suppressing the assessable tax base and new construction, local
25 rent–control laws can alter funding under State aid formulas; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, It is beneficial for the State and local governments to have a clear
2 understanding of the fiscal and economic impact of rent-control laws before they are
3 enacted; now, therefore,

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That the Laws of Maryland read as follows:

6 Article - Local Government

7 1-1312.

8 (A) IN THIS SECTION, "RENT CONTROL" MEANS GOVERNMENT CONTROL
9 AND REGULATION OF THE AMOUNT OF RENT CHARGED FOR LEASING PRIVATE
10 PROPERTY.

11 (B) THIS SECTION DOES NOT APPLY TO RENT CONTROL THAT:

12 (1) APPLIES ONLY TO PROPERTY OWNED BY A HOUSING
13 AUTHORITY, A COUNTY, A MUNICIPAL CORPORATION, OR THE STATE; OR

14 (2) IS A CONDITION OF PARTICIPATION IN A
15 GOVERNMENT-SPONSORED AFFORDABLE HOUSING PROGRAM IN WHICH THE
16 OWNER OF THE PROPERTY VOLUNTARILY ACCEPTS THE RENT CONTROL IN
17 ORDER TO RECEIVE A MATERIAL BENEFIT FROM THE GOVERNMENT.

18 (C) BEFORE ENACTING LEGISLATION THAT WOULD IMPOSE RENT
19 CONTROL, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION
20 SHALL PROVIDE A COPY OF THE LEGISLATION TO THE DEPARTMENT OF
21 LEGISLATIVE SERVICES.

22 (D) WITHIN 30 DAYS OF RECEIVING RENT-CONTROL LEGISLATION
23 UNDER SUBSECTION (C) OF THIS SECTION, THE DEPARTMENT OF LEGISLATIVE
24 SERVICES SHALL PREPARE:

25 (1) A FISCAL NOTE ANALYZING THE IMPACT OF THE BILL ON THE
26 REVENUES AND EXPENDITURES OF THE STATE GOVERNMENT AND OF LOCAL
27 GOVERNMENTS; AND

28 (2) AN ECONOMIC IMPACT ANALYSIS.

29 (E) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL PROVIDE A
30 COPY OF THE FISCAL NOTE AND ECONOMIC ANALYSIS PREPARED UNDER
31 SUBSECTION (D) OF THIS SECTION TO:

1 **(1) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL**
2 **CORPORATION THAT PROPOSED THE LEGISLATION;**

3 **(2) THE CHAIRS OF THE SENATE BUDGET AND TAXATION AND**
4 **HOUSE WAYS AND MEANS COMMITTEES; AND**

5 **(3) THE DIRECTOR OF THE BUREAU OF REVENUE ESTIMATES.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
7 construed to only apply prospectively and may not be applied or interpreted to have
8 any effect on or application to any law enacted before the effective date of this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 June 1, 2014.

SENATE BILL 600

C8, F2, Q2

4r0862
CF 4r2756

By: Senators Pugh, Astle, Benson, Brinkley, Colburn, Currie, DeGrange, Edwards, Feldman, Ferguson, Forehand, Frosh, Getty, Gladden, Glassman, Jones-Rodwell, Kasemeyer, King, Kittleman, Klausmeier, Madaleno, Manno, Mathias, McFadden, Miller, Peters, Ramirez, Raskin, Robey, Rosapepe, Stone, and Young

Introduced and read first time: January 30, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Regional Institution Strategic Enterprise Zone Program**

3 FOR the purpose of establishing the Regional Institution Strategic Enterprise Zone
4 Program to access institutional assets that have a strong and demonstrated
5 history of commitment to economic development and revitalization in the
6 communities in which they are located; authorizing certain public schools or
7 institutions of higher education that meet certain criteria to apply to the
8 Secretary of Business and Economic Development to be designated as a
9 qualified institution; authorizing a qualified institution to apply to the
10 Secretary to have a certain area of the State designated as a Regional
11 Institution Strategic Enterprise zone; requiring the Secretary to approve or
12 reject a zone application within a certain number of days on or after a certain
13 date after the application is submitted; requiring the Secretary to provide
14 certain notice a certain number of days before approving or rejecting an
15 application; requiring the Secretary to assign a zone a business development
16 concierge; requiring the business development concierge to assist entities
17 locating in a zone with certain activities; authorizing a business entity that
18 locates in a zone to receive certain tax incentives and financial assistance;
19 requiring the governing body of a county or municipal corporation to grant a
20 property tax credit on a certain assessment of qualified properties located in the
21 zone; providing for the amount of the credit; requiring the State Department of
22 Assessments and Taxation to allocate the amount of credit based on the use of
23 the property; providing for an enhanced credit for properties located in certain
24 enterprise zones or certain focus areas; providing that the credit may not be
25 claimed for more than a certain number of years; requiring the Secretary to
26 make certain certifications; requiring the State Department of Assessments and
27 Taxation to submit a certain list to the Secretary; allowing entities locating in

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain zones to alter the calculation of a certain Maryland income tax
2 modification for depreciation of certain property to provide an additional
3 allowance for the taxable year the property is placed in service; making entities
4 that locate in certain zones eligible to claim certain income tax credits for
5 entities that employ qualified individuals in enterprise zones or focus areas;
6 authorizing and requiring the Secretary to adopt certain regulations; defining
7 certain terms; and generally relating to the creation of the Regional Institution
8 Strategic Enterprise Zone Program.

9 BY repealing and reenacting, with amendments,

10 Article – Economic Development

11 Section 5–102(9) and (10)

12 Annotated Code of Maryland

13 (2008 Volume and 2013 Supplement)

14 BY adding to

15 Article – Economic Development

16 Section 5–102(10); and 5–1401 through 5–1406 to be under the new subtitle

17 “Subtitle 14. Regional Institution Strategic Enterprise Zone Program”

18 Annotated Code of Maryland

19 (2008 Volume and 2013 Supplement)

20 BY adding to

21 Article – Tax – Property

22 Section 9–103.1

23 Annotated Code of Maryland

24 (2012 Replacement Volume and 2013 Supplement)

25 BY adding to

26 Article – Tax – General

27 Section 10–210.1(c)

28 Annotated Code of Maryland

29 (2010 Replacement Volume and 2013 Supplement)

30 BY repealing and reenacting, without amendments,

31 Article – Tax – General

32 Section 10–310

33 Annotated Code of Maryland

34 (2010 Replacement Volume and 2013 Supplement)

35 BY repealing and reenacting, with amendments,

36 Article – Tax – General

37 Section 10–702

38 Annotated Code of Maryland

39 (2010 Replacement Volume and 2013 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Economic Development**

4 5-102.

5 The Department shall administer the State's economic development and
6 financial assistance programs and funds including:

7 (9) jointly with the Department of Housing and Community
8 Development, the Community Development Block Grant for Economic Development;
9 [and]

10 **(10) THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE**
11 **PROGRAM UNDER SUBTITLE 14 OF THIS TITLE; AND**

12 **[(10)] (11) any other programs or funds designated by statute, the**
13 **Governor, or the Secretary.**

14 **SUBTITLE 14. REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE**
15 **PROGRAM.**

16 5-1401.

17 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
18 **INDICATED.**

19 **(B) "AREA" MEANS A GEOGRAPHIC AREA IN ONE OR MORE POLITICAL**
20 **SUBDIVISIONS IN THE STATE DESCRIBED BY A CLOSED PERIMETER BOUNDARY.**

21 **(C) "NONPROFIT ORGANIZATION" MEANS AN ORGANIZATION THAT IS**
22 **EXEMPT OR ELIGIBLE FOR EXEMPTION FROM TAXATION UNDER § 501(C)(3) OF**
23 **THE INTERNAL REVENUE CODE.**

24 **(D) "PUBLIC SCHOOL" HAS THE MEANING STATED IN § 1-101 OF THE**
25 **EDUCATION ARTICLE.**

26 **(E) "QUALIFIED INSTITUTION" MEANS AN ENTITY THAT IS DESIGNATED**
27 **AS A QUALIFIED INSTITUTION UNDER § 5-1403 OF THIS SUBTITLE AND MAY**
28 **INCLUDE:**

29 **(1) A PUBLIC SCHOOL;**

1 (2) A NONPROFIT ORGANIZATION THAT IS AFFILIATED WITH NEW
2 CONSTRUCTION OR RENOVATION OF A PUBLIC SCHOOL;

3 (3) AN INSTITUTION OF HIGHER EDUCATION AS DEFINED UNDER §
4 10-101 OF THE EDUCATION ARTICLE; OR

5 (4) A NONPROFIT ORGANIZATION THAT IS AFFILIATED WITH A
6 FEDERAL AGENCY.

7 (F) "RISE ZONE" MEANS AN AREA THAT MEETS THE REQUIREMENTS OF
8 § 5-1404 OF THIS SUBTITLE AND IS DESIGNATED AS A RISE ZONE BY THE
9 SECRETARY UNDER § 5-1404 OF THIS SUBTITLE.

10 5-1402.

11 THE PURPOSE OF THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE
12 ZONE PROGRAM IS TO ACCESS INSTITUTIONAL ASSETS THAT HAVE A STRONG
13 AND DEMONSTRATED HISTORY OF COMMITMENT TO ECONOMIC DEVELOPMENT
14 AND REVITALIZATION IN THE COMMUNITIES IN WHICH THEY ARE LOCATED.

15 5-1403.

16 (A) AN INSTITUTION MAY APPLY TO THE SECRETARY TO BE
17 DESIGNATED AS A QUALIFIED INSTITUTION.

18 (B) TO BE ELIGIBLE FOR DESIGNATION AS A QUALIFIED INSTITUTION,
19 THE APPLICANT SHALL:

20 (1) EVIDENCE AN INTENTION:

21 (I) TO MAKE A SIGNIFICANT FINANCIAL INVESTMENT OR
22 COMMITMENT IN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO
23 BECOME A RISE ZONE;

24 (II) TO USE THE RESOURCES AND EXPERTISE OF THE
25 APPLICANT TO SPUR ECONOMIC DEVELOPMENT AND COMMUNITY
26 REVITALIZATION IN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO
27 BECOME A RISE ZONE; AND

28 (III) TO CREATE A SIGNIFICANT NUMBER OF NEW JOBS
29 WITHIN AN AREA OF THE STATE THAT THE APPLICANT INTENDS TO BECOME A
30 RISE ZONE;

1 (2) HAVE A DEMONSTRATED HISTORY OF COMMUNITY
2 INVOLVEMENT AND ECONOMIC DEVELOPMENT WITHIN THE COMMUNITIES THAT
3 THE APPLICANT SERVES; AND

4 (3) MEET THE MINIMUM FINANCIAL QUALIFICATIONS
5 ESTABLISHED BY THE SECRETARY.

6 (C) IF THE APPLICANT IS A NONPROFIT ORGANIZATION, THE
7 APPLICATION SHALL DEMONSTRATE AND ESTABLISH AN AFFILIATION WITH:

8 (1) A FEDERAL AGENCY; OR

9 (2) THE PROPOSED CONSTRUCTION OR RENOVATION OF A PUBLIC
10 SCHOOL.

11 (D) (1) IN ADDITION TO THE REQUIREMENTS UNDER SUBSECTION (B)
12 OF THIS SECTION, THE SECRETARY MAY ESTABLISH BY REGULATION ANY
13 OTHER REQUIREMENTS NECESSARY AND APPROPRIATE IN ORDER FOR AN
14 APPLICANT TO BE DESIGNATED AS A QUALIFIED INSTITUTION.

15 (2) THE SECRETARY SHALL ADOPT REGULATIONS THAT
16 ESTABLISH FACTORS FOR EVALUATING APPLICATIONS UNDER SUBSECTION (B)
17 OF THIS SECTION.

18 (E) IN THE FORM AND CONTENT ACCEPTABLE TO THE SECRETARY, AN
19 APPLICANT SHALL SUBMIT TO THE SECRETARY AN APPLICATION THAT
20 CONTAINS THE INFORMATION THAT THE SECRETARY CONSIDERS NECESSARY
21 TO EVALUATE THE REQUEST FOR DESIGNATION AS A QUALIFIED INSTITUTION.

22 5-1404.

23 (A) ON OR AFTER JULY 1, 2015, A QUALIFIED INSTITUTION MAY APPLY
24 TO THE SECRETARY TO DESIGNATE AN AREA AS A RISE ZONE.

25 (B) THE APPLICATION SHALL:

26 (1) BE IN THE FORM AND CONTAIN THE INFORMATION THAT THE
27 SECRETARY REQUIRES BY REGULATION;

28 (2) STATE THE BOUNDARIES OF THE AREA OF THE PROPOSED
29 RISE ZONE; AND

1 (3) CONTAIN A PLAN THAT IDENTIFIES THE TARGET STRATEGY
2 FOR THE RISE ZONE.

3 (C) THE SECRETARY MAY ESTABLISH, BY REGULATION, ANY OTHER
4 REQUIREMENTS NECESSARY AND APPROPRIATE FOR AN AREA TO BE
5 DESIGNATED AS A RISE ZONE.

6 (D) (1) WITHIN 90 DAYS AFTER SUBMISSION OF AN APPLICATION
7 UNDER THIS SECTION, THE SECRETARY SHALL APPROVE OR REJECT AN
8 APPLICATION FOR DESIGNATION OF A RISE ZONE.

9 (2) AT LEAST 60 DAYS BEFORE APPROVAL OR REJECTION OF AN
10 APPLICATION UNDER THIS SECTION, THE SECRETARY SHALL NOTIFY:

11 (I) THE LEGISLATIVE POLICY COMMITTEE; AND

12 (II) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL
13 CORPORATION IN WHICH THE PROPOSED RISE ZONE IS LOCATED.

14 (3) THE LEGISLATIVE POLICY COMMITTEE OR THE GOVERNING
15 BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH THE RISE ZONE
16 IS LOCATED MAY PROVIDE ADVICE TO THE SECRETARY REGARDING THE
17 APPROVAL OR REJECTION OF THE RISE ZONE.

18 5-1405.

19 (A) THE SECRETARY SHALL ASSIGN TO A RISE ZONE A BUSINESS
20 DEVELOPMENT CONCIERGE WHO IS AN EMPLOYEE OF THE DEPARTMENT.

21 (B) A BUSINESS DEVELOPMENT CONCIERGE SHALL ASSIST ENTITIES
22 LOCATING IN THE RISE ZONE WITH:

23 (1) STATE, COUNTY, OR MUNICIPAL CORPORATION PERMIT AND
24 LICENSE APPLICATIONS;

25 (2) ACCESSING EXISTING PROGRAMS AT THE DEPARTMENT, THE
26 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, OR THE
27 DEPARTMENT OF TRANSPORTATION; AND

28 (3) ANY OTHER ACTIVITIES THE SECRETARY AUTHORIZES THAT
29 RELATE TO THE DEVELOPMENT OF THE RISE ZONE.

30 5-1406.

1 (A) (1) TO THE EXTENT PROVIDED FOR IN THIS SECTION, A BUSINESS
2 ENTITY THAT LOCATES IN A RISE ZONE IS ENTITLED TO:

3 (I) THE PROPERTY TAX CREDIT UNDER § 9-103.1 OF THE
4 TAX - PROPERTY ARTICLE;

5 (II) THE INCOME TAX CREDIT UNDER § 10-702 OF THE TAX -
6 GENERAL ARTICLE;

7 (III) THE INCOME TAX MODIFICATION UNDER § 10-210.1(C)
8 OF THE TAX - GENERAL ARTICLE; AND

9 (IV) CONSIDERATION FOR FINANCIAL ASSISTANCE FROM
10 PROGRAMS IN SUBTITLE 1 OF THIS TITLE.

11 (2) FOR PURPOSES OF THE INCOME TAX CREDIT AUTHORIZED
12 UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, THE BUSINESS ENTITY IS
13 TREATED AS BEING LOCATED IN AN ENTERPRISE ZONE.

14 (B) A BUSINESS ENTITY THAT MOVES INTO OR LOCATES IN A RISE
15 ZONE ON OR AFTER THE DATE THAT THE ZONE IS DESIGNATED UNDER THIS
16 SUBTITLE MAY QUALIFY FOR THE INCENTIVES UNDER THIS SECTION.

17 (C) (1) UNLESS A BUSINESS ENTITY MAKES A SIGNIFICANT CAPITAL
18 INVESTMENT OR EXPANSION OF ITS LABOR FORCE AFTER A RISE ZONE IS
19 DESIGNATED, THE INCENTIVES UNDER THIS SECTION ARE NOT AVAILABLE TO A
20 BUSINESS ENTITY THAT WAS IN A RISE ZONE BEFORE THE DATE THAT THE
21 ZONE IS DESIGNATED.

22 (2) THE DEPARTMENT SHALL ADOPT REGULATIONS
23 ESTABLISHING FACTORS TO DETERMINE IF A BUSINESS ENTITY MAKES A
24 SIGNIFICANT CAPITAL INVESTMENT OR EXPANSION OF ITS LABOR FORCE
25 UNDER PARAGRAPH (1) OF THIS SUBSECTION.

26 Article - Tax - Property

27 9-103.1.

28 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
29 MEANINGS INDICATED.

1 (2) "BASE YEAR" MEANS THE TAXABLE YEAR IMMEDIATELY
2 BEFORE THE TAXABLE YEAR IN WHICH A PROPERTY TAX CREDIT UNDER THIS
3 SECTION IS TO BE GRANTED.

4 (3) (I) "BASE YEAR VALUE" MEANS THE VALUE OF THE
5 PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY
6 TAX ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.

7 (II) "BASE YEAR VALUE" DOES NOT INCLUDE ANY NEW REAL
8 PROPERTY THAT WAS FIRST ASSESSED IN THE BASE YEAR.

9 (4) (I) "BUSINESS ENTITY" MEANS A PERSON WHO OPERATES
10 OR CONDUCTS A TRADE OR BUSINESS.

11 (II) "BUSINESS ENTITY" INCLUDES A PERSON WHO OWNS,
12 OPERATES, DEVELOPS, CONSTRUCTS, OR REHABILITATES REAL PROPERTY IF
13 THE REAL PROPERTY:

14 1. IS INTENDED FOR USE PRIMARILY AS SINGLE OR
15 MULTIFAMILY RESIDENTIAL PROPERTY LOCATED IN A REGIONAL INSTITUTION
16 STRATEGIC ENTERPRISE ZONE THAT IS DESIGNATED UNDER TITLE 5,
17 SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND

18 2. IS PARTIALLY DEVOTED TO A NONRESIDENTIAL
19 USE.

20 (5) (I) "ELIGIBLE ASSESSMENT" MEANS THE DIFFERENCE
21 BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE AS DETERMINED BY
22 THE DEPARTMENT FOR THE APPLICABLE TAXABLE YEAR IN WHICH THE TAX
23 CREDIT UNDER THIS SECTION IS TO BE GRANTED.

24 (II) FOR A BUSINESS ENTITY THAT IS LOCATED ON LAND OR
25 WITHIN IMPROVEMENTS OWNED BY THE FEDERAL, STATE, COUNTY, OR
26 MUNICIPAL GOVERNMENT, "ELIGIBLE ASSESSMENT" MEANS THE DIFFERENCE
27 BETWEEN THE BASE YEAR VALUE AND THE ACTUAL VALUE REDUCED BY THE
28 VALUE OF ANY PROPERTY ENTITLED TO AN EXEMPTION UNDER TITLE 7 OF THIS
29 ARTICLE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE TAXABLE
30 YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

31 (6) "QUALIFIED PROPERTY" MEANS REAL PROPERTY THAT IS:

32 (I) NOT USED FOR RESIDENTIAL PURPOSES;

1 (II) USED IN A TRADE OR BUSINESS BY A BUSINESS ENTITY;
2 AND

3 (III) LOCATED IN A REGIONAL INSTITUTION STRATEGIC
4 ENTERPRISE ZONE THAT IS DESIGNATED UNDER TITLE 5, SUBTITLE 14 OF THE
5 ECONOMIC DEVELOPMENT ARTICLE.

6 (B) THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL
7 CORPORATION SHALL GRANT A TAX CREDIT UNDER THIS SECTION AGAINST THE
8 PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF QUALIFIED
9 PROPERTY.

10 (C) (1) THE APPROPRIATE GOVERNING BODY SHALL CALCULATE THE
11 AMOUNT OF THE TAX CREDIT UNDER THIS SECTION EQUAL TO A PERCENTAGE
12 OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF
13 THE QUALIFIED PROPERTY AS FOLLOWS:

14 (I) 80% IN EACH OF THE FIRST 5 TAXABLE YEARS
15 FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY
16 BECOMES A QUALIFIED PROPERTY;

17 (II) 70% IN THE SIXTH TAXABLE YEAR;

18 (III) 60% IN THE SEVENTH TAXABLE YEAR;

19 (IV) 50% IN THE EIGHTH TAXABLE YEAR;

20 (V) 40% IN THE NINTH TAXABLE YEAR; AND

21 (VI) 30% IN THE TENTH TAXABLE YEAR.

22 (2) THE DEPARTMENT SHALL ALLOCATE THE ELIGIBLE
23 ASSESSMENT TO THE NONRESIDENTIAL PART OF THE QUALIFIED PROPERTY AT
24 THE SAME PERCENTAGE AS THE SQUARE FOOTAGE OF THE NONRESIDENTIAL
25 PART IS TO THE TOTAL SQUARE FOOTAGE OF THE BUILDING.

26 (3) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE
27 CREDIT ALLOWED UNDER THIS SECTION, THE AMOUNT OF PROPERTY TAX
28 IMPOSED ON THE ELIGIBLE ASSESSMENT SHALL BE CALCULATED WITHOUT
29 REDUCTION FOR ANY CREDITS ALLOWED UNDER THIS TITLE.

30 (4) (I) FOR QUALIFIED PROPERTY LOCATED IN AN
31 ENTERPRISE ZONE DESIGNATED UNDER TITLE 5, SUBTITLE 7 OF THE

1 ECONOMIC DEVELOPMENT ARTICLE, THE APPROPRIATE GOVERNING BODY
2 SHALL CALCULATE THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION
3 EQUAL TO 80% OF THE AMOUNT OF PROPERTY TAX IMPOSED ON THE ELIGIBLE
4 ASSESSMENT OF THE QUALIFIED PROPERTY FOR EACH OF THE 10 TAXABLE
5 YEARS FOLLOWING THE CALENDAR YEAR IN WHICH THE PROPERTY INITIALLY
6 BECOMES A QUALIFIED PROPERTY.

7 (II) FOR QUALIFIED PROPERTY LOCATED IN A FOCUS AREA
8 DESIGNATED UNDER § 5-706 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE
9 APPROPRIATE GOVERNING BODY SHALL CALCULATE THE AMOUNT OF THE TAX
10 CREDIT UNDER THIS SECTION EQUAL TO 100% OF THE AMOUNT OF PROPERTY
11 TAX IMPOSED ON THE ELIGIBLE ASSESSMENT OF THE QUALIFIED PROPERTY
12 FOR EACH OF THE 10 TAXABLE YEARS FOLLOWING THE CALENDAR YEAR IN
13 WHICH THE PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

14 (D) (1) A TAX CREDIT UNDER THIS SECTION IS AVAILABLE TO A
15 QUALIFIED PROPERTY FOR NO MORE THAN 10 CONSECUTIVE YEARS BEGINNING
16 WITH THE TAXABLE YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE
17 REAL PROPERTY INITIALLY BECOMES A QUALIFIED PROPERTY.

18 (2) IF THE DESIGNATION OF A REGIONAL INSTITUTION
19 STRATEGIC ENTERPRISE ZONE EXPIRES, THE TAX CREDIT UNDER THIS SECTION
20 CONTINUES TO BE AVAILABLE TO A QUALIFIED PROPERTY.

21 (3) STATE PROPERTY TAX IMPOSED ON REAL PROPERTY IS NOT
22 AFFECTED BY THIS SECTION.

23 (E) WHEN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE IS
24 DESIGNATED BY THE SECRETARY OF BUSINESS AND ECONOMIC
25 DEVELOPMENT, THE SECRETARY SHALL CERTIFY TO THE STATE DEPARTMENT
26 OF ASSESSMENTS AND TAXATION:

27 (1) THE REAL PROPERTIES IN THE ZONE THAT ARE QUALIFIED
28 PROPERTIES FOR EACH TAXABLE YEAR FOR WHICH THE PROPERTY TAX CREDIT
29 UNDER THIS SECTION IS TO BE GRANTED; AND

30 (2) THE DATE THAT THE REAL PROPERTIES BECAME QUALIFIED
31 PROPERTIES.

32 (F) BEFORE PROPERTY TAX BILLS ARE SENT, THE STATE DEPARTMENT
33 OF ASSESSMENTS AND TAXATION SHALL SUBMIT TO THE SECRETARY OF
34 BUSINESS AND ECONOMIC DEVELOPMENT A LIST CONTAINING:

- 1 (1) THE LOCATION OF EACH QUALIFIED PROPERTY;
- 2 (2) THE AMOUNT OF THE BASE YEAR VALUE FOR EACH QUALIFIED
- 3 PROPERTY; AND
- 4 (3) THE AMOUNT OF THE ELIGIBLE ASSESSMENT FOR EACH
- 5 QUALIFIED PROPERTY.

Article - Tax - General

7 10-210.1.

8 (C) IN ADDITION TO THE MODIFICATIONS UNDER §§ 10-204 THROUGH
9 10-210 OF THIS SUBTITLE AND SUBSECTION (B) OF THIS SECTION, TO
10 DETERMINE MARYLAND ADJUSTED GROSS INCOME OF AN INDIVIDUAL THAT
11 LOCATES IN A REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE AND
12 SATISFIES THE REQUIREMENTS OF § 5-1406 OF THE ECONOMIC DEVELOPMENT
13 ARTICLE, AN AMOUNT IS ADDED TO OR SUBTRACTED FROM FEDERAL ADJUSTED
14 GROSS INCOME TO REFLECT THE DETERMINATION OF THE DEPRECIATION
15 DEDUCTION PROVIDED UNDER § 167(A) OF THE INTERNAL REVENUE CODE AS
16 IF THE DEPRECIATION DEDUCTION PROVIDED IN § 167(A) OF THE INTERNAL
17 REVENUE CODE FOR THE TAXABLE YEAR THE PROPERTY IS PLACED IN SERVICE
18 IN THE REGIONAL INSTITUTION STRATEGIC ENTERPRISE ZONE INCLUDES AN
19 ALLOWANCE EQUAL TO 100% OF THE ADJUSTED BASIS OF THE PROPERTY.

20 10-310.

21 In addition to the modifications under §§ 10-305 through 10-309 of this
22 subtitle, to determine Maryland modified income the federal taxable income of a
23 corporation shall be adjusted as provided for an individual under § 10-210.1 of this
24 title.

25 10-702.

26 (a) (1) In this section the following words have the meanings indicated.

27 (2) (i) "Business entity" means:

28 1. a person conducting or operating a trade or business;

29 or

30 2. an organization that is exempt from taxation under §
31 501(c)(3) or (4) of the Internal Revenue Code.

1 (ii) "Business entity" does not include a person owning,
 2 operating, developing, constructing, or rehabilitating property intended for use
 3 primarily as single or multifamily residential property located within the enterprise
 4 zone.

5 (3) (I) "Enterprise zone" has the meaning stated in § 5-701 of the
 6 Economic Development Article.

7 (II) "ENTERPRISE ZONE" INCLUDES A REGIONAL
 8 INSTITUTION STRATEGIC ENTERPRISE ZONE ESTABLISHED UNDER TITLE 5,
 9 SUBTITLE 14 OF THE ECONOMIC DEVELOPMENT ARTICLE.

10 (4) "Qualified employee" means an individual who:

11 (i) is a new employee or an employee rehired after being laid off
 12 for more than one year by a business entity;

13 (ii) is employed by a business entity at least 35 hours each week
 14 for at least 6 months before or during the taxable year for which the entity claims a
 15 credit;

16 (iii) spends at least 50% of the hours under item (ii) of this
 17 paragraph, either in the enterprise zone or on activities of the business entity
 18 resulting directly from its location in the enterprise zone;

19 (iv) earns at least 150% of the federal minimum wage; and

20 (v) is hired by the business entity after the later of:

21 1. the date on which the enterprise zone is designated;

22 or

23 2. the date on which the business entity locates in the
 24 enterprise zone.

25 (5) "Economically disadvantaged individual" means an individual who
 26 is certified by provisions that the Department of Labor, Licensing, and Regulation
 27 adopts as an individual who, before becoming employed by a business entity in an
 28 enterprise zone:

29 (i) was both unemployed for at least 30 consecutive days and
 30 qualified to participate in training activities for the economically disadvantaged under
 31 Title II, Part B of the federal Workforce Investment Act or its successor; or

32 (ii) in the absence of an applicable federal act, met the criteria
 33 for an economically disadvantaged individual that the Secretary of Labor, Licensing,
 34 and Regulation sets.

1 (6) "Focus area" has the meaning stated in § 5-701 of the Economic
2 Development Article.

3 (7) "Focus area employee" means an individual who:

4 (i) is a new employee or an employee rehired after being laid off
5 for more than 1 year by a business entity;

6 (ii) is employed by a business entity at least 35 hours each week
7 for at least 12 months before or during the taxable year for which the entity claims a
8 credit;

9 (iii) spends at least 50 percent of the hours under item (ii) of this
10 paragraph either in the focus area or on activities of the business entity resulting
11 directly from its location in the focus area;

12 (iv) is hired by the business entity after the later of:

13 1. the date on which the focus area is designated; or

14 2. the date on which the business entity located in the
15 focus area; and

16 (v) earns at least 150 percent of the federal minimum wage.

17 (b) (1) Any business entity that is located in an enterprise zone and
18 satisfies the requirements of § 5-707 of the Economic Development Article may claim
19 a credit only against the State income tax for the wages specified in subsections (c)
20 and (d) of this section that are paid in the taxable year for which the entity claims the
21 credit.

22 (2) A business entity that is located in a focus area and satisfies the
23 requirements of § 5-707 of the Economic Development Article may claim a credit only
24 against the State income tax for the wages specified in subsection (e) of this section
25 that are paid to a focus area employee in the taxable year for which the entity claims
26 the credit.

27 (3) An organization that is exempt from taxation under § 501(c)(3) or
28 (4) of the Internal Revenue Code may apply the credit under this section as a credit
29 against income tax due on unrelated business taxable income as provided under §§
30 10-304 and 10-812 of this title.

31 (c) If a business entity does not claim an enhanced tax credit under
32 subsection (e) of this section for a focus area employee, for the taxable year in which a
33 business entity satisfies the requirements of § 5-707 OR § 5-1406 of the Economic
34 Development Article, a credit is allowed that equals:

1 (1) up to \$3,000 of the wages paid to each qualified employee who:

2 (i) is an economically disadvantaged individual; and

3 (ii) is not hired to replace an individual whom the business
4 entity employed in that or any of the 3 preceding taxable years; and

5 (2) up to \$1,000 of the wages paid to each qualified employee who:

6 (i) is not an economically disadvantaged individual; and

7 (ii) is not hired to replace an individual whom the business
8 entity employed in that or any of the 3 preceding taxable years.

9 (d) (1) If a business entity does not claim an enhanced tax credit under
10 subsection (e) of this section for a focus area employee, for each taxable year after the
11 taxable year described in subsection (c) of this section, while the area is designated an
12 enterprise zone, a credit is allowed that equals:

13 (i) up to \$3,000 of the wages paid to each qualified employee
14 who:

15 1. is an economically disadvantaged individual;

16 2. became a qualified employee during the taxable year
17 to which the credit applies; and

18 3. is not hired to replace an individual whom the
19 business entity employed in that or any of the 3 preceding taxable years;

20 (ii) up to \$2,000 of the wages paid to each qualified employee
21 who is an economically disadvantaged individual, if the business entity received a
22 credit under subsection (c)(1) of this section for the qualified employee in the
23 immediately preceding taxable year; and

24 (iii) up to \$1,000 of the wages paid to each qualified employee
25 who is not hired to replace an individual whom the business entity employed in that or
26 any of the 3 preceding taxable years if the qualified employee:

27 1. is an economically disadvantaged individual for whom
28 the business entity received a credit under subsection (c)(1) of this section or item (i) of
29 this paragraph and a credit under item (ii) of this paragraph in the 2 immediately
30 preceding taxable years; or

31 2. is not an economically disadvantaged individual but
32 became a qualified employee during the taxable year to which the credit applies.

1 (2) A business entity that hires a qualified employee to replace
2 another qualified employee for whom the business entity received a credit under
3 subsection (c)(1) of this section and paragraph (1)(ii) of this subsection in the
4 immediately preceding taxable year may treat the new qualified employee as the
5 replacement for the other qualified employee to determine any credit that may be
6 available to the business entity under paragraph (1)(ii) or (iii) of this subsection.

7 (e) (1) For the taxable year in which a business entity satisfies the
8 requirements of §§ 5-706 and 5-707 OR § 5-1406 of the Economic Development
9 Article, a credit is allowed that equals:

10 (i) up to \$4,500 of the wages paid to each focus area employee
11 who:

- 12 1. is an economically disadvantaged individual; and
13 2. is not hired to replace an individual whom the
14 business entity employed in that year or any of the 3 preceding taxable years; and

15 (ii) up to \$1,500 of the wages paid to each focus area employee
16 who:

- 17 1. is not an economically disadvantaged individual; and
18 2. is not hired to replace an individual whom the
19 business entity employed in that year or any of the 3 preceding taxable years.

20 (2) For each taxable year after the taxable year described in
21 paragraph (1) of this subsection, while the area is designated a focus area, a credit is
22 allowed that equals:

23 (i) up to \$4,500 of the wages paid to each focus area employee
24 who:

- 25 1. is an economically disadvantaged individual;
26 2. became a focus area employee during the taxable year
27 to which the credit applies; and
28 3. is not hired to replace an individual whom the
29 business entity employed in that year or any of the 3 preceding taxable years;

30 (ii) up to \$3,000 of the wages paid to each focus area employee
31 who is an economically disadvantaged individual, if the business entity received a
32 credit under paragraph (1)(i) of this subsection for the focus area employee in the
33 immediately preceding taxable year; and

1 (iii) up to \$1,500 of the wages paid to each focus area employee
 2 who is not hired to replace an individual whom the business entity employed in that
 3 year or any of the 3 preceding taxable years if the focus area employee:

4 1. is an economically disadvantaged individual for whom
 5 the business entity received a credit under item (ii) of this paragraph in the 2
 6 immediately preceding taxable years and under:

7 A. paragraph (1)(i) of this subsection; or

8 B. item (i) of this paragraph; or

9 2. is not an economically disadvantaged individual but
 10 became a focus area employee during the taxable year to which the credit applies.

11 (3) A business entity that hires a focus area employee to replace
 12 another focus area employee for whom the business entity received a credit under
 13 paragraph (1)(i) of this subsection and paragraph (2)(ii) of this subsection in the
 14 immediately preceding taxable year may treat the focus area employee as the
 15 replacement for the other focus area employee to determine any credit that may be
 16 available to the business entity under paragraph (2)(ii) or (iii) of this subsection.

17 (f) If the credit allowed under this section in any taxable year exceeds the
 18 State income tax for that taxable year, a business entity may apply the excess as a
 19 credit against the State income tax for succeeding taxable years until the earlier of:

20 (1) the full amount of the excess is used; or

21 (2) the expiration of the 5th taxable year from the date on which the
 22 business entity hired the qualified employee to whom the credit first applies.

23 (g) If a credit is claimed under this section, the claimant must make the
 24 addition required in § 10-205, § 10-206, or § 10-306 of this title.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 26 October 1, 2014.

SENATE BILL 601

C8, Q7, F2

4lr0861
CF 4lr2753

By: Senators Miller, Astle, Benson, Brinkley, Colburn, Conway, Currie, DeGrange, Dyson, Edwards, Feldman, Ferguson, Forehand, Frosh, Getty, Gladden, Glassman, Jones-Rodwell, Kasemeyer, King, Kittleman, Klausmeier, Madaleno, Manno, Mathias, McFadden, Middleton, Montgomery, Peters, Pugh, Ramirez, Raskin, Robey, Rosapepe, Stone, Young, and Zirkin

Introduced and read first time: January 30, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Business and Economic Development – Maryland E–Nnovation Initiative**
3 **Program**

4 FOR the purpose of establishing a Maryland E–Nnovation Initiative Program for
5 certain purposes; establishing a Maryland E–Nnovation Initiative Fund in the
6 Department of Business and Economic Development for certain purposes;
7 establishing a Maryland E–Nnovation Initiative Fund Authority in the
8 Department for certain purposes; providing for the investment of money in and
9 expenditures from the Fund; providing for the membership and duties of the
10 Authority; allowing certain persons to purchase credits against the insurance
11 premium tax or Maryland corporate income tax in order to fund certain
12 research at certain institutions of higher education; providing for the duties of
13 the Department in connection with the Program; requiring the Authority to
14 obtain the services of an independent third party to conduct a bidding process
15 for the purchase of certain tax credits for certain purposes; establishing certain
16 requirements for certain offers for certain tax credit bids; limiting the total tax
17 credits that may be allowed for all years; requiring certain dedicated capital to
18 be paid to the Fund in certain amounts in accordance with certain procedures;
19 requiring the Department to issue certain tax credit certificates in a certain
20 manner; providing for certain penalties under certain circumstances;
21 authorizing the Department to purchase certain insurance for certain purposes;
22 authorizing a purchaser of certain tax credits to claim the credits for certain
23 taxable years in a certain manner; providing for the transfer of certain tax
24 credits under certain circumstances; providing for the creation and
25 administration of certain research endowments by certain governing bodies of
26 certain institutions of higher education; requiring certain institutions of higher

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 education to obtain certain qualified donations in order to receive certain
 2 matching funds; requiring certain reports on the receipt of qualified donations;
 3 providing for the expenditure of endowment proceeds under certain
 4 circumstances; establishing certain requirements for certain individuals in
 5 certain positions funded by endowment proceeds; requiring the Authority to
 6 issue certain eligibility criteria; requiring the governing body of a certain
 7 institution of higher education to submit certain research endowment plans to
 8 the Authority; requiring the Authority to make available a certain amount of
 9 funds to match qualified donations; requiring the Authority to review certain
 10 requests and distribute certain funds under certain circumstances; requiring a
 11 certain institution of higher education to deposit certain qualified donations into
 12 certain research endowments by a certain date; providing for the reallocation of
 13 certain funds under certain circumstances; requiring that certain designated
 14 capital be treated in a certain manner under certain circumstances; requiring
 15 the Department to submit certain information to the Maryland Insurance
 16 Administration; providing for the application of certain laws to certain services and
 17 transactions under this Act; requiring the Department to administer the Program
 18 and to adopt certain regulations; requiring the Department to submit an annual
 19 report to the Governor and certain committees of the General Assembly on certain
 20 matters; requiring the Department to publish the report on the Department's Web
 21 site in a certain format; prohibiting a certain publication from including any
 22 proprietary or confidential information; defining certain terms; and generally
 23 relating to tax credits, higher education, and the Maryland E–Nnovation Initiative
 24 Program.

25 BY adding to
 26 Article – Economic Development
 27 Section 6–601 through 6–631 to be under the new subtitle “Subtitle 6. Maryland
 28 E–Nnovation Initiative Program”
 29 Annotated Code of Maryland
 30 (2008 Volume and 2013 Supplement)

31 BY repealing and reenacting, with amendments,
 32 Article – Insurance
 33 Section 6–122
 34 Annotated Code of Maryland
 35 (2011 Replacement Volume and 2013 Supplement)

36 BY repealing and reenacting, without amendments,
 37 Article – State Finance and Procurement
 38 Section 6–226(a)(2)(i)
 39 Annotated Code of Maryland
 40 (2009 Replacement Volume and 2013 Supplement)

41 BY repealing and reenacting, with amendments,
 42 Article – State Finance and Procurement
 43 Section 6–226(a)(2)(ii)76. and 77.

1 Annotated Code of Maryland
2 (2009 Replacement Volume and 2013 Supplement)

3 BY adding to
4 Article – State Finance and Procurement
5 Section 6–226(a)(2)(ii)78.
6 Annotated Code of Maryland
7 (2009 Replacement Volume and 2013 Supplement)

8 Preamble

9 WHEREAS, The State of Maryland is home to world-class research
10 universities, national federal laboratories, and businesses; and

11 WHEREAS, Our region is home to the White House, U.S. Congress, federal
12 agencies, embassies, trade associations, regulatory agencies, foundations, corporate
13 headquarters, and other technology and policy resources; and

14 WHEREAS, By recruiting and retaining top university researchers and
15 encouraging collaboration among Maryland research universities and federal agencies,
16 the Maryland General Assembly can enhance the economic competitiveness of the
17 State and build on existing clusters of research and innovation; and

18 WHEREAS, By stimulating corporate, foundation, and private donor support for
19 university professorships, endowed chairs, and related public-private partnerships,
20 Maryland can spur progress on key national technical and scientific issues facing the
21 nation while supporting job growth and economic development in Maryland; and

22 WHEREAS, Leveraging the impact of State funds through matching funds from
23 the private sector to create a \$100 million Maryland E–Nnovation Initiative Program
24 will provide Maryland with a tremendous advantage in the global competition for the
25 best minds in the world and the opportunities, jobs, and industries created by their
26 work; now, therefore,

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 MARYLAND, That the Laws of Maryland read as follows:

29 Article – Economic Development

30 SUBTITLE 6. MARYLAND E–NNOVATION INITIATIVE PROGRAM.

31 PART I. DEFINITIONS.

32 6–601.

1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (B) "ALLOCATION AMOUNT" MEANS THE TOTAL AMOUNT OF TAX
4 CREDITS ALLOCATED TO A PURCHASER.

5 (C) "ALLOCATION DATE" MEANS THE DATE ON WHICH TAX CREDITS ARE
6 ALLOCATED TO A PURCHASER UNDER § 6-614 OF THIS SUBTITLE.

7 (D) "AUTHORITY" MEANS THE MARYLAND E-NNOVATION INITIATIVE
8 FUND AUTHORITY ESTABLISHED UNDER § 6-605 OF THIS SUBTITLE.

9 (E) "DESIGNATED CAPITAL" MEANS THE AMOUNT OF MONEY THAT A
10 PURCHASER INVESTS UNDER THE PROGRAM.

11 (F) "ENDOWMENT PROCEEDS" MEANS THOSE INVESTMENT EARNINGS
12 ACCRUING TO A RESEARCH ENDOWMENT OF A NONPROFIT INSTITUTION OF
13 HIGHER EDUCATION AND AVAILABLE FOR EXPENDITURE BY THE INSTITUTION
14 IN ACCORDANCE WITH § 6-618 OF THIS SUBTITLE.

15 (G) "FUND" MEANS THE MARYLAND E-NNOVATION INITIATIVE FUND
16 CREATED UNDER § 6-604 OF THIS SUBTITLE.

17 (H) "GOVERNING BOARD" HAS THE MEANING STATED IN § 10-101 OF
18 THE EDUCATION ARTICLE.

19 (I) "GOVERNING BODY" MEANS:

20 (1) A GOVERNING BOARD;

21 (2) THE GOVERNING ENTITY OF PRIVATE NONPROFIT
22 INSTITUTIONS OF HIGHER EDUCATION; OR

23 (3) THE GOVERNING ENTITY OF A REGIONAL HIGHER EDUCATION
24 CENTER.

25 (J) "INSURANCE PREMIUM TAX LIABILITY" MEANS:

26 (1) ANY LIABILITY INCURRED BY AN INSURANCE COMPANY
27 UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE AS OF OCTOBER 1,
28 2014; OR

1 (2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS
2 SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS
3 BEEN IMPOSED BY THE STATE ON THE INSURANCE COMPANY AS OF OCTOBER 1,
4 2014, NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR
5 REDUCED.

6 (K) "MARYLAND CORPORATE INCOME TAX LIABILITY" MEANS:

7 (1) ANY LIABILITY INCURRED BY A CORPORATION UNDER TITLE
8 10, SUBTITLE 1 OF THE TAX – GENERAL ARTICLE AS OF OCTOBER 1, 2014; OR

9 (2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS
10 SUBSECTION IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS
11 BEEN IMPOSED BY THE STATE ON THE CORPORATION AS OF OCTOBER 1, 2014,
12 NOT TO EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.

13 (L) (1) "NONPROFIT INSTITUTION OF HIGHER EDUCATION" MEANS
14 AN INSTITUTION OF POSTSECONDARY EDUCATION THAT GENERALLY LIMITS
15 ENROLLMENT TO GRADUATES OF SECONDARY SCHOOLS AND AWARDS DEGREES
16 AT EITHER THE ASSOCIATE, BACCALAUREATE, OR GRADUATE LEVEL.

17 (2) "NONPROFIT INSTITUTION OF HIGHER EDUCATION"
18 INCLUDES PUBLIC AND PRIVATE NONPROFIT INSTITUTIONS OF HIGHER
19 EDUCATION LOCATED IN THE STATE.

20 (M) "PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION" HAS
21 THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.

22 (N) "PROGRAM" MEANS THE MARYLAND E-NOVATION INITIATIVE
23 PROGRAM UNDER THIS SUBTITLE.

24 (O) "PURCHASER" MEANS:

25 (1) AN INSURANCE COMPANY THAT:

26 (I) IS AUTHORIZED TO DO BUSINESS IN THE STATE;

27 (II) HAS INSURANCE PREMIUM TAX LIABILITY; AND

28 (III) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN
29 ALLOCATION OF PREMIUM TAX CREDITS UNDER THE PROGRAM;

30 (2) A HOLDING COMPANY THAT:

1 (I) HAS AT LEAST ONE INSURANCE COMPANY SUBSIDIARY
2 AUTHORIZED TO DO BUSINESS IN THE STATE; AND

3 (II) IS CONTRIBUTING DESIGNATED CAPITAL ON BEHALF OF
4 ONE OR MORE OF THESE SUBSIDIARIES; OR

5 (3) A CORPORATION THAT:

6 (I) HAS MARYLAND CORPORATE INCOME TAX LIABILITY;
7 AND

8 (II) CONTRIBUTES DESIGNATED CAPITAL TO PURCHASE AN
9 ALLOCATION OF MARYLAND CORPORATE INCOME TAX CREDITS UNDER THE
10 PROGRAM.

11 (P) "QUALIFIED DONATION" MEANS ANY PRIVATE DONATION, GIFT,
12 IRREVOCABLE PLEDGE, OR BEQUEST TO A RESEARCH ENDOWMENT IN
13 ACCORDANCE WITH § 6-619 OF THIS SUBTITLE.

14 (Q) "REGIONAL HIGHER EDUCATION CENTER" HAS THE MEANING
15 STATED IN § 10-101 OF THE EDUCATION ARTICLE.

16 (R) "RESEARCH ENDOWMENT" MEANS AN ACCOUNT ESTABLISHED AT
17 OR ADMINISTERED BY A NONPROFIT INSTITUTION OF HIGHER EDUCATION IN
18 ACCORDANCE WITH § 6-618 OF THIS SUBTITLE.

19 (S) "TAX CREDIT" MEANS A CREDIT AGAINST INSURANCE PREMIUM TAX
20 LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY OFFERED TO A
21 PURCHASER UNDER THE PROGRAM.

22 6-602. RESERVED.

23 6-603. RESERVED.

24 PART II. MARYLAND E-NOVATION INITIATIVE FUND AND AUTHORITY.

25 6-604.

26 (A) THERE IS A MARYLAND E-NOVATION INITIATIVE FUND IN THE
27 DEPARTMENT.

28 (B) THE SECRETARY SHALL MANAGE AND SUPERVISE THE FUND.

1 (C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
2 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 (2) THE STATE TREASURER SHALL HOLD THE FUND
4 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

5 (D) THE FUND CONSISTS OF:

6 (1) DESIGNATED CAPITAL DISTRIBUTED TO THE FUND UNDER §
7 6-612 OF THIS SUBTITLE;

8 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
9 AND

10 (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
11 THE BENEFIT OF THE FUND.

12 (E) THE DEPARTMENT MAY USE THE FUND TO:

13 (1) FINANCE RESEARCH ENDOWMENTS AT NONPROFIT
14 INSTITUTIONS OF HIGHER EDUCATION IN SCIENTIFIC AND TECHNICAL FIELDS
15 OF STUDY; AND

16 (2) PAY THE RELATED ADMINISTRATIVE, LEGAL, AND ACTUARIAL
17 EXPENSES OF THE DEPARTMENT.

18 (F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
19 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

20 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE
21 CREDITED TO THE FUND.

22 (G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN
23 ACCORDANCE WITH THE STATE BUDGET.

24 6-605.

25 THERE IS A MARYLAND E-INNOVATION INITIATIVE FUND AUTHORITY IN
26 THE DEPARTMENT.

27 6-606.

1 THE AUTHORITY CONSISTS OF THOSE MEMBERS APPOINTED TO THE
2 MARYLAND VENTURE FUND AUTHORITY ESTABLISHED UNDER SUBTITLE 5 OF
3 THIS TITLE.

4 6-607.

5 (A) THE CHAIR OF THE MARYLAND VENTURE FUND AUTHORITY SHALL
6 SERVE AS THE CHAIR OF THE AUTHORITY.

7 (B) THE AUTHORITY SHALL DETERMINE THE MANNER OF ELECTION OF
8 OFFICERS AND THEIR TERMS OF OFFICE.

9 6-608.

10 (A) (1) FIVE MEMBERS OF THE AUTHORITY ARE A QUORUM.

11 (2) AN ACT OF THE AUTHORITY SHALL BE APPROVED BY A
12 MAJORITY VOTE OF THE MEMBERS ATTENDING A MEETING AT WHICH A QUORUM
13 IS PRESENT.

14 (B) A MEMBER OF THE AUTHORITY:

15 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE
16 AUTHORITY; BUT

17 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
18 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE
19 BUDGET.

20 6-609.

21 THE AUTHORITY SHALL PROVIDE ADVICE TO AND CONSULT WITH THE
22 DEPARTMENT IN CONNECTION WITH THE ADMINISTRATION OF THE PROGRAM
23 UNDER THIS SUBTITLE.

24 6-610. RESERVED.

25 6-611. RESERVED.

26 PART III. DESIGNATED CAPITAL.

27 6-612.

1 (A) ALL DESIGNATED CAPITAL FROM PURCHASERS SHALL BE
2 DEPOSITED INTO THE FUND TO BE INVESTED AS PROVIDED IN THIS SUBTITLE.

3 (B) AS SOON AS PRACTICABLE AFTER THE DEPARTMENT RECEIVES
4 EACH INSTALLMENT OF DESIGNATED CAPITAL AND A NONPROFIT INSTITUTION
5 OF HIGHER EDUCATION RECEIVES AN EQUIVALENT AMOUNT IN QUALIFIED
6 DONATIONS, THE DEPARTMENT AND EACH INSTITUTION THAT HAS BEEN
7 ALLOCATED FUNDING FROM THE FUND SHALL ENTER INTO A MEMORANDUM OF
8 UNDERSTANDING UNDER WHICH THE ALLOCATED AMOUNT OF FUNDING WILL
9 BE TRANSFERRED BY THE DEPARTMENT TO THE INSTITUTION FOR USE AS
10 PROVIDED IN THIS SUBTITLE.

11 (C) THE DEPARTMENT SHALL SECURE THE COMMITMENT OF THE
12 PURCHASERS IN ACCORDANCE WITH § 6-613 OF THIS SUBTITLE.

13 6-613.

14 (A) THE AUTHORITY SHALL OBTAIN THE SERVICES OF AN
15 INDEPENDENT THIRD PARTY TO CONDUCT A BIDDING PROCESS IN ORDER TO
16 SECURE PURCHASERS FOR THE PROGRAM AS PROVIDED IN THIS SECTION.

17 (B) USING THE PROCEDURES ADOPTED BY THE INDEPENDENT THIRD
18 PARTY, EACH POTENTIAL PURCHASER SHALL MAKE A TIMELY AND
19 IRREVOCABLE OFFER, SUBJECT ONLY TO THE DEPARTMENT'S ISSUANCE TO
20 THE PURCHASER OF TAX CREDIT CERTIFICATES, TO MAKE SPECIFIED
21 CONTRIBUTIONS OF DESIGNATED CAPITAL TO THE DEPARTMENT ON THE DATES
22 SPECIFIED IN § 6-614(A) OF THIS SUBTITLE.

23 (C) THE OFFER SHALL INCLUDE:

24 (1) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MAY NOT
25 BE LESS THAN \$5,000,000;

26 (2) THE POTENTIAL PURCHASER'S SPECIFIED CONTRIBUTION
27 FOR EACH TAX CREDIT DOLLAR REQUESTED, WHICH MAY NOT BE LESS THAN
28 THE GREATER OF:

29 (I) 70% OF THE REQUESTED DOLLAR AMOUNT OF TAX
30 CREDITS; OR

31 (II) THE PERCENTAGE OF THE REQUESTED DOLLAR
32 AMOUNT OF TAX CREDITS THAT THE SECRETARY, ON THE RECOMMENDATION

1 OF THE INDEPENDENT THIRD PARTY, DETERMINES TO BE CONSISTENT WITH
2 MARKET CONDITIONS AS OF THE OFFER DATE; AND

3 (3) ANY OTHER INFORMATION THE INDEPENDENT THIRD PARTY
4 REQUIRES.

5 (D) THE MAXIMUM AMOUNT OF TAX CREDITS THAT MAY BE ALLOCATED
6 UNDER THIS SUBTITLE FOR ALL YEARS IN WHICH TAX CREDITS ARE ALLOCATED
7 IS:

8 (1) \$25,000,000 FOR CALENDAR YEAR 2014; AND

9 (2) \$25,000,000 FOR CALENDAR YEAR 2016.

10 (E) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR
11 CALENDAR YEAR 2014:

12 (1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX
13 CREDITS IS FEBRUARY 1, 2015; AND

14 (2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN
15 NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2015, INDICATING
16 WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE
17 AMOUNT OF TAX CREDITS ALLOCATED.

18 (F) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR
19 CALENDAR YEAR 2016:

20 (1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX
21 CREDITS IS FEBRUARY 1, 2017; AND

22 (2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN
23 NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2017, INDICATING
24 WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF SO, THE
25 AMOUNT OF TAX CREDITS ALLOCATED.

26 6-614.

27 (A) (1) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR
28 CALENDAR YEAR 2014, DESIGNATED CAPITAL COMMITTED BY A PURCHASER
29 SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY
30 INSTALLMENTS DUE ON JUNE 1 OF 2015, 2016, AND 2017.

1 (2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR
2 CALENDAR YEAR 2016, DESIGNATED CAPITAL COMMITTED BY A PURCHASER
3 SHALL BE PAID TO THE FUND OF THE DEPARTMENT IN THREE EQUAL YEARLY
4 INSTALLMENTS DUE ON JUNE 1 OF 2017, 2018, AND 2019.

5 (B) ON RECEIPT OF EACH INSTALLMENT OF DESIGNATED CAPITAL, THE
6 DEPARTMENT SHALL ISSUE TO EACH PURCHASER A TAX CREDIT CERTIFICATE
7 REPRESENTING A FULLY VESTED CREDIT AGAINST INSURANCE PREMIUM TAX
8 LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EQUAL TO
9 ONE-THIRD OF THE TOTAL TAX CREDITS ALLOCATED TO THE PURCHASER.

10 (C) THE DEPARTMENT SHALL ISSUE TAX CREDIT CERTIFICATES TO
11 PURCHASERS IN ACCORDANCE WITH THE BIDDING PROCESS SELECTED BY THE
12 INDEPENDENT THIRD PARTY ON BEHALF OF THE AUTHORITY UNDER § 6-613 OF
13 THIS SUBTITLE.

14 (D) THE TAX CREDIT CERTIFICATE SHALL STATE:

15 (1) THE TOTAL AMOUNT OF TAX CREDITS THAT THE PURCHASER
16 MAY CLAIM;

17 (2) THE AMOUNT OF DESIGNATED CAPITAL THAT THE
18 PURCHASER HAS CONTRIBUTED IN RETURN FOR THE ISSUANCE OF THE TAX
19 CREDIT CERTIFICATE;

20 (3) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE
21 FOR USE BY THE PURCHASER;

22 (4) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;

23 (5) THE PROCEDURES TO BE USED FOR TRANSFERRING THE TAX
24 CREDITS; AND

25 (6) ANY OTHER REQUIREMENTS THE DEPARTMENT CONSIDERS
26 NECESSARY.

27 (E) (1) A TAX CREDIT CERTIFICATE MAY NOT BE ISSUED TO ANY
28 PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF DESIGNATED CAPITAL
29 WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES.

30 (2) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION OF
31 DESIGNATED CAPITAL WITHIN THE TIME PERIOD THE DEPARTMENT SPECIFIES
32 SHALL BE SUBJECT TO A PENALTY EQUAL TO 10% OF THE AMOUNT OF

1 DESIGNATED CAPITAL THAT REMAINS UNPAID, PAYABLE TO THE DEPARTMENT
2 WITHIN 30 DAYS AFTER DEMAND BY THE DEPARTMENT.

3 (3) THE DEPARTMENT MAY OFFER TO REALLOCATE THE
4 DEFAULTED DESIGNATED CAPITAL AMONG THE OTHER PURCHASERS, SO THAT
5 THE RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL
6 ALLOCATION HAD BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT
7 ALLOCATION TO THE DEFAULTING PURCHASER.

8 (4) IF THE REALLOCATION OF DESIGNATED CAPITAL RESULTS IN
9 THE CONTRIBUTION BY ANOTHER PURCHASER OR PURCHASERS OF THE
10 AMOUNT OF DESIGNATED CAPITAL NOT CONTRIBUTED BY THE DEFAULTING
11 PURCHASER, THEN THE DEPARTMENT MAY WAIVE THE PENALTY PROVIDED
12 UNDER THIS SUBSECTION.

13 (5) (I) A PURCHASER THAT FAILS TO MAKE A CONTRIBUTION
14 OF DESIGNATED CAPITAL WITHIN THE TIME PERIOD SPECIFIED MAY AVOID THE
15 IMPOSITION OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX
16 CREDITS TO A NEW OR EXISTING PURCHASER WITHIN 30 DAYS AFTER THE DUE
17 DATE OF THE DEFAULTED INSTALLMENT.

18 (II) ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS
19 FROM A DEFAULTING PURCHASER UNDER THIS SECTION SHALL AGREE TO MAKE
20 THE REQUIRED CONTRIBUTION OF DESIGNATED CAPITAL WITHIN 30 DAYS
21 AFTER THE DATE OF THE TRANSFER.

22 (6) (I) THE DEPARTMENT IN ITS SOLE DISCRETION MAY
23 PURCHASE INSURANCE OR MAKE OTHER FINANCIAL ARRANGEMENTS IN ORDER
24 TO ENSURE THE AVAILABILITY OF THE FULL AMOUNT OF DESIGNATED CAPITAL
25 COMMITTED BY PURCHASERS.

26 (II) THE DEPARTMENT SHALL DISCLOSE ANY PURCHASE OF
27 INSURANCE OR OTHER SIMILAR FINANCIAL ARRANGEMENT UNDER THIS
28 PARAGRAPH IN THE ANNUAL REPORT REQUIRED UNDER § 6-631 OF THIS
29 SUBTITLE.

30 6-615.

31 (A) (1) SUBJECT TO THE RESTRICTION IN PARAGRAPH (2) OF THIS
32 SUBSECTION, A PURCHASER MAY CLAIM THE TAX CREDIT ON A TAX RETURN
33 FILED AFTER DECEMBER 31, 2017, FOR A TAXABLE YEAR THAT BEGINS ON OR
34 AFTER JANUARY 1, 2017.

1 (2) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR
2 CALENDAR YEAR 2014, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX
3 CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2018
4 THROUGH 2022.

5 (3) FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE FOR
6 CALENDAR YEAR 2016, A PURCHASER MAY CLAIM UP TO 20% OF THE TAX
7 CREDIT ALLOCATED TO THAT PURCHASER IN EACH CALENDAR YEAR FROM 2020
8 THROUGH 2024.

9 (B) (1) THE CREDIT TO BE APPLIED AGAINST INSURANCE PREMIUM
10 TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY IN ANY
11 TAXABLE YEAR MAY NOT EXCEED THE TAX LIABILITY OF THE PURCHASER FOR
12 THAT TAXABLE YEAR.

13 (2) ANY UNUSED CREDIT AGAINST TAX LIABILITY MAY BE:

14 (1) CARRIED FORWARD INDEFINITELY UNTIL THE TAX
15 CREDITS ARE USED; AND

16 (ii) 1. FOR TAX CREDITS ALLOCATED UNDER THIS
17 SUBTITLE FOR CALENDAR YEAR 2014, USED BY THE PURCHASER WITHOUT
18 RESTRICTION DURING ANY CALENDAR YEAR AFTER 2022; OR

19 2. FOR TAX CREDITS ALLOCATED UNDER THIS
20 SUBTITLE FOR CALENDAR YEAR 2016, USED BY THE PURCHASER WITHOUT
21 RESTRICTION DURING ANY CALENDAR YEAR AFTER 2024.

22 (3) ON 30 DAYS' ADVANCE NOTICE TO THE DEPARTMENT, TAX
23 CREDITS ALLOCATED TO A PURCHASER UNDER THIS SUBTITLE MAY BE
24 TRANSFERRED WITHOUT FURTHER RESTRICTION TO ANY OTHER ENTITY THAT:

25 (i) MEETS THE DEFINITION OF A PURCHASER;

26 (ii) IS IN GOOD STANDING WITH THE MARYLAND
27 INSURANCE ADMINISTRATION, IF THE PURCHASER IS AN INSURANCE COMPANY
28 OR HOLDING COMPANY; AND

29 (iii) AGREES TO ASSUME ALL OF THE TRANSFEROR'S
30 OBLIGATIONS UNDER THE PROGRAM.

31 (C) A PURCHASER CLAIMING A CREDIT AGAINST INSURANCE PREMIUM
32 TAX LIABILITY OR MARYLAND CORPORATE INCOME TAX LIABILITY EARNED

1 THROUGH AN INVESTMENT UNDER THE PROGRAM IS NOT REQUIRED TO PAY
2 ANY ADDITIONAL TAX AS A RESULT OF CLAIMING THE CREDIT.

3 (D) A PURCHASER IS NOT REQUIRED TO REDUCE THE AMOUNT OF
4 PREMIUM TAX INCLUDED BY THE PURCHASER IN CONNECTION WITH
5 RATE MAKING FOR ANY INSURANCE CONTRACT WRITTEN IN THE STATE
6 BECAUSE OF A REDUCTION IN THE PURCHASER'S INSURANCE PREMIUM TAX
7 DERIVED FROM THE CREDIT GRANTED UNDER THIS SUBTITLE.

8 **6-616. RESERVED.**

9 **6-617. RESERVED.**

10 **PART IV. RESEARCH ENDOWMENTS.**

11 **6-618.**

12 (A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF
13 HIGHER EDUCATION MAY CREATE AND ADMINISTER ONE OR MORE RESEARCH
14 ENDOWMENTS TO RECEIVE FUNDING FROM THE FUND.

15 (B) A RESEARCH ENDOWMENT CONSISTS OF FUNDS DISTRIBUTED BY
16 THE AUTHORITY FROM THE FUND IN ACCORDANCE WITH § 6-624 OF THIS
17 SUBTITLE AND QUALIFIED DONATIONS.

18 (C) (1) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF
19 HIGHER EDUCATION MAY INVEST FUNDS DEPOSITED INTO THE RESEARCH
20 ENDOWMENT IN A MANNER CONSISTENT WITH OTHER INSTITUTIONAL
21 ENDOWMENTS MANAGED BY THE INSTITUTION.

22 (2) ANY INTEREST OR OTHER INVESTMENT EARNINGS ON THE
23 FUNDS INVESTED ARE RETAINED BY THE NONPROFIT INSTITUTION OF HIGHER
24 EDUCATION TO BE USED FOR THE PURPOSES SET FORTH IN THIS SUBTITLE.

25 (D) INVESTMENT EARNINGS ACCRUING TO THE RESEARCH ENDOWMENT
26 OF A NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY BE EXPENDED BY
27 THE GOVERNING BODY OF THE INSTITUTION IF THE INVESTMENT EARNINGS
28 ARE EXPENDED ONLY FOR THE ELIGIBLE USES DESIGNATED.

29 (E) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER
30 EDUCATION IS EXEMPT FROM LIABILITY FOR ANY LOSS OR DECREASE IN VALUE
31 OF THE ASSETS OR INCOME OF A RESEARCH ENDOWMENT, UNLESS THE LOSSES

1 OR DECREASES IN VALUE RESULT FROM BAD FAITH, GROSS NEGLIGENCE, OR
2 INTENTIONAL MISCONDUCT.

3 (F) THE GOVERNING BODY OF A NONPROFIT INSTITUTION OF HIGHER
4 EDUCATION SHALL ISSUE RULES FOR THE ADMINISTRATION OF RESEARCH
5 ENDOWMENTS THAT FULFILL THE PURPOSES AND REQUIREMENTS OF THIS
6 SUBTITLE.

7 6-619.

8 (A) PRIVATE DONATIONS TO A RESEARCH ENDOWMENT SHALL BE
9 CONSIDERED A QUALIFIED DONATION IF:

10 (1) THE DONATION OR PLEDGE IS EXPRESSLY OR SPECIFICALLY
11 RESTRICTED BY THE DONOR FOR ONE OR MORE OF THE ELIGIBLE USES UNDER §
12 6-620 OF THIS SUBTITLE;

13 (2) THE INDIVIDUAL DONATION OR PLEDGE IS A MINIMUM OF
14 \$500,000 OR IS BUNDLED WITH OTHER QUALIFIED DONATIONS TO MEET THE
15 \$500,000 THRESHOLD; AND

16 (3) THE NONPROFIT INSTITUTION OF HIGHER EDUCATION
17 ACCEPTS THE DONATION FROM INDIVIDUALS, PARTNERSHIPS, ASSOCIATIONS,
18 PUBLIC OR PRIVATE FOR-PROFIT AND NONPROFIT CORPORATIONS, OR
19 NONGOVERNMENTAL FOUNDATIONS.

20 (B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, A
21 NONPROFIT INSTITUTION OF HIGHER EDUCATION MAY DESIGNATE
22 UNRESTRICTED GIFTS OR BEQUESTS, OR A PORTION OF AN UNRESTRICTED GIFT
23 OR BEQUEST, FOR USE AS A QUALIFIED DONATION.

24 (C) A QUALIFIED DONATION EXCLUDES:

25 (1) ANY DONATION RECEIVED BY A NONPROFIT INSTITUTION OF
26 HIGHER EDUCATION PRIOR TO OCTOBER 1, 2014;

27 (2) EDUCATIONAL OR GENERAL FEES, AUXILIARY FEES, OR
28 OTHER STUDENT FEES GENERATED BY THE INSTITUTION;

29 (3) PROCEEDS FROM PROMISSORY NOTES, BONDS, LOANS, OR
30 OTHER INSTRUMENTS EVIDENCING AN INDEBTEDNESS OR ANY OTHER
31 OBLIGATION OF REPAYMENT BY THE GOVERNING BODY OF A NONPROFIT
32 INSTITUTION OF HIGHER EDUCATION TO THE MAKER OF THE INSTRUMENT; OR

1 (4) ANY OTHER FUNDS RECEIVED FROM THE STATE OR FEDERAL
2 GOVERNMENT.

3 (D) (1) THE PRESIDENT OF EACH NONPROFIT INSTITUTION OF
4 HIGHER EDUCATION OR THE PRESIDENT'S DESIGNEE SHALL MAKE THE INITIAL
5 DETERMINATION OF WHETHER A DONATION CONSTITUTES A QUALIFIED
6 DONATION.

7 (2) THE PRESIDENT OF THE NONPROFIT INSTITUTION OF HIGHER
8 EDUCATION SHALL PROVIDE A REPORT TO THE GOVERNING BODY OF THE
9 INSTITUTION AT LEAST ONCE EACH FISCAL YEAR REGARDING THE AMOUNT OF
10 QUALIFIED DONATIONS THE INSTITUTION HAS RECEIVED.

11 6-620.

12 (A) ENDOWMENT PROCEEDS SHALL BE EXPENDED BY A NONPROFIT
13 INSTITUTION OF HIGHER EDUCATION TO FURTHER BASIC AND APPLIED
14 RESEARCH IN SCIENTIFIC AREAS AS DESIGNATED BY THE AUTHORITY THAT
15 OFFER PROMISING AND SIGNIFICANT ECONOMIC IMPACTS AND THE
16 OPPORTUNITY TO DEVELOP CLUSTERS OF TECHNOLOGICAL INNOVATION IN THE
17 STATE, INCLUDING:

18 (1) CYBER TECHNOLOGY;

19 (2) ENERGY AND ENVIRONMENTAL SCIENCES;

20 (3) NANOTECHNOLOGY AND MATERIALS SCIENCE;

21 (4) ADVANCED MEDICAL AND PUBLIC HEALTH SCIENCE;

22 (5) QUANTUM COMPUTING AND QUANTUM ENGINEERING;

23 (6) TRANSPORTATION TECHNOLOGY, LOGISTICS, AND
24 AUTONOMOUS SYSTEMS INTEGRATION;

25 (7) SPACE AND AEROSPACE SCIENCES;

26 (8) BIOMETRICS, SECURITY, SENSING, AND RELATED
27 IDENTIFICATION TECHNOLOGIES;

28 (9) GERONTOLOGY;

1 (10) NEUROSCIENCES; OR

2 (11) LANGUAGE SCIENCES.

3 (B) ENDOWMENT PROCEEDS MAY BE EXPENDED BY A NONPROFIT
4 INSTITUTION OF HIGHER EDUCATION FOR:

5 (1) THE PAYMENT OF THE BASE SALARIES OF NEWLY ENDOWED
6 DEPARTMENT CHAIRS, NEW PROFESSORSHIP POSITIONS, NEW RESEARCH
7 SCIENTISTS, OR NEW RESEARCH STAFF POSITIONS, INCLUDING RESEARCH
8 TECHNICIANS AND SUPPORT PERSONNEL, AND TO FUND AFFILIATED GRADUATE
9 OR UNDERGRADUATE STUDENT RESEARCH FELLOWSHIPS, IF THE POSITIONS OR
10 FELLOWSHIPS ARE ENGAGED IN THE AREAS OF RESEARCH IDENTIFIED IN
11 SUBSECTION (A) OF THIS SECTION; OR

12 (2) THE PURCHASE OF BASIC INFRASTRUCTURE, INCLUDING
13 LABORATORY AND SCIENTIFIC EQUIPMENT OR OTHER ESSENTIAL EQUIPMENT
14 AND MATERIALS, RELATED TO AN AREA OF RESEARCH IDENTIFIED IN
15 SUBSECTION (A) OF THIS SECTION.

16 (C) AN INDIVIDUAL IN A POSITION THAT IS FUNDED BY ENDOWMENT
17 PROCEEDS UNDER SUBSECTION (B)(1) OF THIS SECTION SHALL:

18 (1) WORK AT LEAST ONE DAY EACH WEEK IN SUPPORT OF A
19 FEDERAL LABORATORY OR ASSOCIATED FEDERAL LABORATORY RESEARCH
20 SUPPORT ORGANIZATION; OR

21 (2) HOLD A JOINT APPOINTMENT OR SECONDARY POSITION AT
22 ANOTHER NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE.

23 (D) THE AUTHORITY SHALL ISSUE ELIGIBILITY CRITERIA REGARDING
24 THE EXPENDITURE OF ENDOWMENT PROCEEDS TO PAY THE BASE SALARIES OF
25 PERSONNEL, FUND STUDENT FELLOWSHIPS, AND PURCHASE BASIC
26 INFRASTRUCTURE.

27 6-621.

28 (A) THE GOVERNING BODY OF EACH NONPROFIT INSTITUTION OF
29 HIGHER EDUCATION SHALL SUBMIT A RESEARCH ENDOWMENT PLAN TO THE
30 AUTHORITY PRIOR TO SUBMITTING ITS FIRST REQUEST FOR A DISTRIBUTION OF
31 MATCHING FUNDS FROM THE FUND.

32 (B) THE RESEARCH PLAN SHALL INCLUDE:

1 ADDRESSES THE RESEARCH NEEDS OF THE INSTITUTION AS IDENTIFIED IN THE
2 RESEARCH PLAN; AND

3 (5) A DESIGNATION OF THE APPLICABLE RESEARCH ENDOWMENT
4 INTO WHICH THE REQUESTED MATCHING FUNDS ARE TO BE DEPOSITED.

5 (D) THE AUTHORITY SHALL REVIEW EACH REQUEST FOR DISTRIBUTION
6 OF MATCHING FUNDS FROM THE FUND FOR COMPLIANCE WITH THE
7 PROVISIONS OF THIS SUBTITLE AND DEPARTMENT REGULATIONS.

8 (E) IF THE AUTHORITY APPROVES THE REQUEST OF A NONPROFIT
9 INSTITUTION OF HIGHER EDUCATION, THE AUTHORITY SHALL DISTRIBUTE
10 MATCHING FUNDS TO THE APPLICABLE RESEARCH ENDOWMENT IN AN AMOUNT
11 EQUAL TO THE AMOUNT OF QUALIFIED DONATIONS.

12 6-625.

13 (A) EACH NONPROFIT INSTITUTION OF HIGHER EDUCATION SHALL
14 DEPOSIT BY JULY 1, 2018, FOR TAX CREDITS ALLOCATED UNDER THIS SUBTITLE
15 FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX CREDITS ALLOCATED
16 UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016 AN AMOUNT OF QUALIFIED
17 DONATIONS EQUAL TO OR GREATER THAN THE TOTAL AMOUNT OF FUNDS
18 ALLOCATED FOR DISTRIBUTION TO THE NONPROFIT INSTITUTION OF HIGHER
19 EDUCATION IN ACCORDANCE WITH § 6-624 OF THIS SUBTITLE.

20 (B) IF A NONPROFIT INSTITUTION OF HIGHER EDUCATION FAILS TO
21 HAVE DEPOSITED INTO ITS RESEARCH ENDOWMENTS THE REQUIRED AMOUNT
22 OF QUALIFIED DONATIONS BY JULY 1, 2018, FOR TAX CREDITS ALLOCATED
23 UNDER THIS SUBTITLE FOR CALENDAR YEAR 2014 OR BY JULY 1, 2020, FOR TAX
24 CREDITS ALLOCATED UNDER THIS SUBTITLE FOR CALENDAR YEAR 2016, ANY
25 PORTION OF THE FUNDS ALLOCATED TO THE INSTITUTION THAT HAS NOT BEEN
26 DISTRIBUTED SHALL BE REALLOCATED TO ANOTHER NONPROFIT INSTITUTION
27 OF HIGHER EDUCATION IN ACCORDANCE WITH THIS SUBTITLE.

28 (C) IF THE AUTHORITY FAILS TO ALLOCATE THE FUNDS IN THE FUND
29 DERIVED FROM THE PURCHASES OF TAX CREDITS ALLOCATED UNDER THIS
30 SUBTITLE FOR CALENDAR YEARS 2014 OR 2016 BY JULY 1, 2018, OR JULY 1,
31 2020, RESPECTIVELY, AND A NONPROFIT INSTITUTION OF HIGHER EDUCATION
32 HAS PREVIOUSLY RECEIVED 25% OF THE FUNDS IN THE FUND, THE AUTHORITY
33 MAY DISTRIBUTE ADDITIONAL FUNDS TO THE NONPROFIT INSTITUTION IN
34 ACCORDANCE WITH THIS SUBTITLE.

35 6-626. RESERVED.

1 6-627. RESERVED.

2 PART VI. MISCELLANEOUS.

3 6-628.

4 (A) IN ANY CASE UNDER THE INSURANCE LAW OF THE STATE IN WHICH
5 THE ASSETS OF A PURCHASER ARE EXAMINED OR CONSIDERED, THE
6 DESIGNATED CAPITAL SHALL BE TREATED AS AN ADMITTED ASSET, SUBJECT TO
7 THE SAME FINANCIAL RATING AS THAT HELD BY THE STATE.

8 (B) THE DEPARTMENT SHALL SUBMIT THE FOLLOWING TO THE
9 MARYLAND INSURANCE ADMINISTRATION:

10 (1) THE NAMES, ADDRESSES, AND AMOUNT OF DESIGNATED
11 CAPITAL TO BE CONTRIBUTED AND PREMIUM TAX CREDITS EARNED BY EACH
12 SUCCESSFUL BIDDER WITHIN 30 DAYS AFTER THE CLOSE OF THE BIDDING
13 PROCESS UNDER § 6-613 OF THIS SUBTITLE;

14 (2) A COPY OF THE TAX CREDIT CERTIFICATE ISSUED TO EACH
15 PURCHASER WITHIN 30 DAYS AFTER THE ISSUANCE OF THE CERTIFICATE
16 UNDER § 6-614 OF THIS SUBTITLE;

17 (3) THE OCCURRENCE OF A DEFAULT BY A PURCHASER; AND

18 (4) THE TRANSFER OF PREMIUM TAX CREDITS BY A PURCHASER.

19 6-629.

20 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,
21 DIVISION II OF THE STATE FINANCE AND PROCUREMENT ARTICLE DOES NOT
22 APPLY TO A SERVICE THAT THE DEPARTMENT OBTAINS THAT IS RELATED TO
23 THE INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF AN ASSET
24 OF THE DEPARTMENT IN A TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.

25 (B) THE DEPARTMENT IS SUBJECT TO TITLE 12, SUBTITLE 4 OF THE
26 STATE FINANCE AND PROCUREMENT ARTICLE FOR SERVICES RELATED TO THE
27 INVESTMENT, MANAGEMENT, ANALYSIS, PURCHASE, OR SALE OF ASSETS OF THE
28 DEPARTMENT IN ANY TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.

29 (C) SECTION 10-305 OF THE STATE FINANCE AND PROCUREMENT
30 ARTICLE DOES NOT APPLY TO THE SALE, LEASE, TRANSFER, EXCHANGE, OR

1 OTHER DISPOSITION OF REAL OR PERSONAL PROPERTY, INCLUDING A SHARE
2 OF STOCK IN A BUSINESS ENTITY, THAT THE DEPARTMENT ACQUIRES IN A
3 TRANSACTION AUTHORIZED UNDER THIS SUBTITLE.

4 **6-630.**

5 THE DEPARTMENT SHALL ADMINISTER THIS SUBTITLE AND SHALL ADOPT
6 REGULATIONS TO CARRY OUT THIS SUBTITLE.

7 **6-631.**

8 (A) (1) ON OR BEFORE JANUARY 1, 2016, AND JANUARY 1 OF EACH
9 SUBSEQUENT YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE
10 IMPLEMENTATION OF THE PROGRAM TO THE GOVERNOR AND, IN ACCORDANCE
11 WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET
12 AND TAXATION COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE.

13 (2) THE DEPARTMENT SHALL PUBLISH THE REPORT ON THE
14 DEPARTMENT'S WEB SITE IN A PUBLICLY AVAILABLE FORMAT.

15 (3) THE REPORT PUBLISHED ON THE WEB SITE MAY NOT
16 INCLUDE ANY PROPRIETARY OR CONFIDENTIAL INFORMATION.

17 (B) THE REPORT SHALL INCLUDE:

18 (1) WITH RESPECT TO EACH PURCHASER OF TAX CREDITS UNDER
19 THE PROGRAM:

20 (I) THE NAME OF THE PURCHASER OF THE TAX CREDITS;

21 (II) THE AMOUNT OF TAX CREDITS ALLOCATED TO THE
22 PURCHASER;

23 (III) THE AMOUNT OF DESIGNATED CAPITAL THE
24 PURCHASER CONTRIBUTED FOR THE ISSUANCE OF THE TAX CREDIT
25 CERTIFICATE; AND

26 (IV) THE AMOUNT OF ANY TAX CREDITS THAT HAVE BEEN
27 TRANSFERRED UNDER § 6-615 OF THIS SUBTITLE; AND

28 (2) WITH RESPECT TO EACH NONPROFIT INSTITUTION OF HIGHER
29 EDUCATION THAT HAS RECEIVED AN ALLOCATION OF FUNDS FROM THE FUND:

10

Neighborhood
Stabilization
Committee

**RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COLLEGE
PARK, MARYLAND, ESTABLISHING THE NEIGHBORHOOD
STABILIZATION COMMITTEE**

WHEREAS, the Mayor and Council of the City of College Park had formed a Neighborhood Stabilization and Quality of Life Work Group (“Work Group”) by Resolution 12-R-18 in 2012 to engage with various stakeholders, including the University of Maryland, City residents, University of Maryland students, public safety officials, and rental property owners, to identify possible strategies to stabilize neighborhoods and improve quality of life for College Park residents; and

WHEREAS, the Work Group held numerous committee meetings from November 2012 through June 2013 to identify and define potential strategies for 1) reducing issues that negatively impact quality of life for College Park residents, 2) increasing rates of homeownership, 3) building positive relations between different groups in the community, and 4) expanding options for affordable housing; and

WHEREAS, the Work Group held two public forums, in January and April 2013, to provide an opportunity for members of the broader community to express their concerns and ideas related to these issues, and at which a large number of people representing a broad spectrum of the community provided input through oral and written testimony; and

WHEREAS, the Work Group submitted its report to the Mayor and Council on August 7, 2013, including 63 possible strategies for addressing the above issues as well as 23 potential metrics that might be used to assess progress; and

WHEREAS, the Work Group’s report fulfills the original mission and charge of the Neighborhood Stabilization and Quality of Life Work Group; and

CAPS : Indicate matter added to existing law.
[Brackets] : Indicate matter deleted from law.

WHEREAS, the Work Group's report recommended that the City Council designate a smaller, ongoing committee to promote and facilitate a continuing dialogue among various stakeholders; and

WHEREAS, the Mayor and Council have determined to accept the final report of the Work Group, express the Council's appreciation for the considerable effort and substantial contributions made by the Work Group and each of the Work Group members, and establish a new Neighborhood Stabilization Committee that includes various stakeholders as part of the Committee; and

WHEREAS, the Mayor and Council adopted Resolution 13-R-20 on September 24, 2013, to establish the Neighborhood Stabilization Committee to include various stakeholders as part of the Committee; and

WHEREAS, the Mayor and Council adopted Resolution 13-R-20. Amended on October 8, 2013 to amend the composition of the membership of the Neighborhood Stabilization Committee by adding a representative of the Graduate Student Government and another City resident; and

WHEREAS, THE MAYOR AND COUNCIL NOW DESIRE TO AMEND THE COMPOSITION OF THE MEMBERSHIP OF THE NEIGHBORHOOD STABILIZATION COMMITTEE BY INCLUDING THE MAYOR AND FULL CITY COUNCIL WHO SHALL SERVE AS MEMBERS OF THE COMMITTEE FOR THE LENGTH OF THEIR ELECTED TERM OF OFFICE.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of College Park that Resolution 13-R-20. Amended be and it is hereby amended as follows; and it is further

RESOLVED, that the purposes for the Committee are to support implementation of strategies, continue to develop new strategies, and evaluate progress; and it is further

RESOLVED, that the Committee shall consist of the following members, each serving a two-year term:

- ~~Two Councilmembers~~ MAYOR AND CITY COUNCIL OF THE CITY OF COLLEGE PARK (ELECTED CITY OFFICIALS SHALL SERVE FOR THE TERM OF THEIR ELECTED OFFICE)
- One representative of the University of Maryland Department of Public Safety, selected by the University
- One representative of the University of Maryland administration, selected by the University
- Four City residents selected by Council, with the goal of having one resident from each council district
- Four University of Maryland students (the student liaison to the City Council, one Student Government Association representative, one representative of the Interfraternity Council/Pan-Hellenic Association, and one representative of the National Pan-Hellenic Council, Inc.)
- One representative of the Graduate Student Government
- One representative of the Prince George's County Police Department (at least District Commander Level)
- Director of the City's Public Services Department
- Two rental property owners, selected by Council

and it is further

RESOLVED, that the Committee shall elect its chair, adopt procedures with respect to a quorum and other operations, and determine how it will accomplish its charge from the Council; and it is further

RESOLVED, that in developing its strategies, the Committee shall meet at least four times per year, and shall hold at least one public forum per year to solicit broader community input; and it is further

RESOLVED, that the Committee shall provide annual reports of its activities to the City Council and such other reports as the Council requests or the Committee deems useful.

ADOPTED by the Mayor and City Council of the City of College Park, Maryland
at a regular meeting on the _____ day of _____, 2014.

EFFECTIVE the _____ day of _____, 2014.

WITNESS:

**THE CITY OF COLLEGE PARK,
MARYLAND**

Janeen S. Miller, CMC, City Clerk

Andrew M. Fellows, Mayor

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:**

Suellen M. Ferguson, City Attorney

11

Appointments To Boards and Committees

City of College Park
Board and Committee Appointments

Shaded rows indicate a vacancy or reappointment opportunity.
 The date following the appointee's name is the initial date of appointment.

Advisory Planning Commission			
Appointee	Represents	Appointed by	Term Expires
Larry Bleau 7/9/02	District 1	Mayor	12/15
Rosemarie Green Colby 04/10/12	District 2	Mayor	04/15
Christopher Gill 09/24/13	District 1	Mayor	09/16
James E. McFadden 2/14/99	District 3	Mayor	04/16
Clay Gump 1/24/12	District 3	Mayor	01/15
VACANT (formerly Smolka)	District 4	Mayor	08/14
Mary Cook 8/10/10	District 4	Mayor	08/13

City Code Chapter 15 Article IV: The APC shall be composed of 7 members appointed by the Mayor with the approval of Council, shall seek to give priority to the appointment of residents of the City and assure that there shall be representation from each of the City's four Council districts. Vacancies shall be filled by the Mayor with the approval of the Council for the unexpired portion of the term. Terms are three years. The Chairperson is elected by the majority of the Commission. Members are compensated. Liaison: Planning.

Airport Authority			
Appointee	Resides in	Appointed by	Term Expires
James Garvin 11/9/04	District 3	M&C	07/14
Jack Robson 5/11/04	District 3	M&C	02/14
Anna Sandberg 2/26/85	District 3	M&C	03/16
Gabriel Iriarte 1/10/06	District 3	M&C	04/16
Christopher Dullnig 6/12/07	District 2	M&C	01/17
VACANT		M&C	
VACANT		M&C	

City Code Chapter 11 Article II: 7 members, must be residents and qualified voters of the City, appointed by Mayor and City Council, *term to be decided by appointing body*. Vacancies shall be filled by M&C for an unexpired portion of a term. Authority shall elect Chairperson from membership. Not a compensated committee. Liaison: City Clerk's Office.

Animal Welfare Committee			
Appointee	Resides in	Appointed by	Term Expires
Cindy Vernasco 9/11/07	District 2	M&C	09/13
Dave Turley 3/23/10	District 1	M&C	03/16
Christiane Williams 5/11/10	District 1	M&C	05/15
Patti Brothers 6/8/10	Non resident	M&C	06/13
Taimi Anderson 6/8/10	Non resident	M&C	06/13
Harriet McNamee 7/13/10	District 1	M&C	07/13
Suzie Bellamy 9/28/10	District 4	M&C	09/13

Harleigh Ealley 12/14/10	District 1	M&C	12/13
Christine Nagle 03/13/12	District 1	M&C	03/15
10-R-20: Up to fifteen members appointed by the Mayor and Council for three-year terms. Not a compensated committee. Liaison: Public Services.			

Board of Election Supervisors			
Appointee	Represents	Appointed by	Term Expires
John Robson (Chief) 5/24/94	Mayoral appt	M&C	03/15
Terry Wertz 2/11/97	District 1	M&C	03/15
Maxine Gross 3/25/03	District 2	M&C	03/15
Janet Evander 07/16/13	District 3	M&C	03/15
VACANT (formerly Smolka)	District 4	M&C	03/15

City Charter C4-3: The Mayor and Council shall, not later than the first regular meeting in March of each year in which there is a general election, appoint and fix the compensation for five qualified voters as Supervisors of Elections, one of whom shall be appointed from the qualified voters of each of the four election districts and one of whom shall be appointed by the Mayor with the consent of the Council. The Mayor and Council shall designate one of the five Supervisors of Elections as the Chief of Elections. This is a compensated committee. For purposes of compensation the year shall run from April 1 – March 31. Per Council action (item 11-G-66) effective in March, 2013: In an election year all of the Board receives compensation. In a non-election year only the Chief Election Supervisor will be compensated. Liaison: City Clerk's office.

Cable Television Commission			
Appointee	Resides in	Appointed by	Term Expires
Jane Hopkins 06/14/11	District 1	Mayor	06/14
Blaine Davis 5/24/94	District 1	Mayor	12/15
James Sauer 9/9/08	District 3	Mayor	09/14
Tricia Homer 3/12/13	District 1	Mayor	03/16
Clay Gump 3/12/02	District 3	Mayor	01/17

City Code Chapter 15 Article III: Composed of four Commissioners plus a voting Chairperson, appointed by the Mayor with the approval of the Council, three year terms. This is a compensated committee. Liaison: City Manager's Office.

College Park City-University Partnership			
Appointee	Represents	Appointed by	Term Expires
Robert T. Catlin	Class A Director	UMD President	01/13
Rob Specter	Class A Director	UMD President	01/13
Linda Clement	Class A Director	UMD President	01/11
Brian Darmody	Class A Director	UMD President	01/12
Andrew Fellows	Class B Director	M&C	01/1 ?
Maxine Gross	Class B Director	M&C	01/15
Senator James Rosapepe	Class B Director	M&C	01/13
Stephen Brayman	Class B Director	M&C	01/1 ?
Dr. Richard Wagner	Class C Director	City and University	01/13
<p>The CPCUP is a 501(c)(3) corporation whose mission is to promote and support commercial revitalization, economic development and quality housing opportunities consistent with the interests of the City of College Park and the University of Maryland. The CPCUP is not a City committee but the City makes appointments to the Partnership. Class B Directors are appointed by the Mayor and City Council; Class C Directors are jointly appointed by the Mayor and City Council and the President of the University of Maryland.</p>			

Citizens Corps Council			
Appointee	Represents	Appointed by	Term Expires
VACANT		M&C	
VACANT		M&C	
VACANT	Neighborhood Watch	M&C	
Dan Blasberg 3/27/12		M&C	03/15
David L. Milligan (Chair) 12/11/07		M&C	02/14
<p>Resolution 05-R-15. Membership shall be composed as follows: A Citizen Corps Coordinator for each neighborhood shall be nominated and appointed by the Mayor and Council and serve as a potential member of the CPCCC for the term of their respective office in the neighborhood group. Mayor and Council shall nominate and appoint 5 to 7 residents to serve as community coordinators and to serve on the CPCCC. At least one member of the CPCCC shall be the Neighborhood Watch Coordinator, and at least one member shall represent each of the other Citizen Corps programs such as CERT, Fire Corps, Volunteers In Police Service, etc. Each member of the CPCCC shall serve for a term of 3 years, and may be reappointed for an unlimited number of terms. The Mayor, with the approval of the City Council, shall appoint the Chair and Co-Chair of the CPCCC from among the members of the committee. The Director of Public Services shall serve as an ex officio member. Not a compensated committee. Liaison: Public Services.</p>			

Committee For A Better Environment			
Appointee	Resides in	Appointed by	Term Expires
Janis Oppelt 8/8/06	District 1	M&C	09/15
Stephen Jascourt 3/27/07	District 1	M&C	08/16
Suchitra Balachandran 10/9/07	District 4	M&C	01/17
Donna Weene 9/8/09	District 1	M&C	12/15
Gemma Evans 1/25/11	District 1	M&C	01/17
Benjamin Mellman 1/10/12	District 1	M&C	01/15
Macrina Xavier 08/14/12	District 1	M&C	08/15
Kennis Termini 01/14/14	District 1	M&C	01/17
City Code Chapter 15 Article VIII: No more than 25 members, appointed by the Mayor and Council, three year terms, members shall elect the chair. Not a compensated committee. Liaison: Planning.			

Education Advisory Committee			
Appointee	Represents	Appointed by	Term Expires
Brian Bertges 06/18/13	District 1	M&C	06/15
Cory Sanders 09/24/13	District 1	M&C	09/15
Charlene Mahoney	District 2	M&C	12/14
VACANT	District 2	M&C	
VACANT	District 3	M&C	
Melissa Day 9/15/10	District 3	M&C	11/14
Carolyn Bernache 2/9/10	District 4	M&C	02/14
Doris Ellis 9/28/10	District 4	M&C	09/13
Peggy Wilson 6/8/10	UMCP	UMCP	02/14
Resolutions 97-R-17, 99-R-4 and 10-R-13: At least 9 members who shall be appointed by the Mayor and Council: at least two from each Council District and one nominated by the University of Maryland. Two year terms. The Committee shall appoint the Chair and Vice-Chair of the Committee from among the members of the Committee. Not a compensated committee. Liaison: Youth and Family Services.			

Ethics Commission			
Appointee	Represents	Appointed by	Term Expires
Edward Maginnis 09/13/11	District 1	Mayor	08/15
VACANT	District 2	Mayor	
Sean O'Donnell 4/13/10	District 3	Mayor	04/12
Gail Kushner 09/13/11	District 4	Mayor	01/16
Robert Thurston 9/13/05	At Large	Mayor	09/12
Alan C. Bradford 1/23/96	At-Large	Mayor	07/15
Frank Rose 05/08/12	At-Large	Mayor	05/14
City Code Chapter 38 Article II: Composed of seven members appointed by the Mayor and approved by the Council. Of the seven members, one shall be appointed from each of the City's four election districts and three from the City at large. 2 year terms. Commission members shall elect one member as Chair for a renewable one-year term. Commission members sign an Oath of Office. Not a compensated committee. Liaison: City Clerk's office.			

Farmers Market Committee			
Appointee	Represents	Appointed by	Term Expires
Margaret Kane 05/08/12	District 1	M&C	05/15
Robert Boone 07/10/12	District 1	M&C	07/15
Leo Shapiro 07/10/12	District 3	M&C	07/15
Julie Forker 07/10/12	District 3	M&C	07/15
Kimberly Schumann 09/11/12	District 1	M&C	09/15
VACANT			
VACANT		M&C	
VACANT	Student	M&C	
Established April 10, 2012 by 12-R-07. Up to 7 members. Quorum = 3. Three year terms. Not a compensated committee. Liaison: Planning Department. Agreement reached during July 3, 2012 Worksession to fill the seven positions as outlined above. Effective September 11, 2012 by 12-R-17: Membership increased to 8.			

Housing Authority of the City of College Park			
Helen Long 11/12/02		Mayor	05/01/17
Betty Rodenhauen 04/09/13		Mayor	05/01/18
John Moore 9/10/96		Mayor	05/01/14
Thelma Lomax 7/10/90		Mayor	05/01/15
Carl Patterson 12/11/12	Attick Towers resident	Mayor	05/01/16
The College Park Housing Authority was established in City Code Chapter 11 Article I, but it operates independently under Article 44A Title I of the Annotated Code of Maryland. The Housing Authority administers low income housing at Attick Towers. The Mayor appoints five commissioners to the Authority; each serves a five year term; appointments expire May 1. Mayor administers oath of office. One member is a resident of Attick Towers. The Authority selects a chairman from among its commissioners. The Housing Authority is funded through HUD and rent collection, administers their own budget, and has their own employees. The City supplements some of their services.			

Neighborhood Stabilization Committee			
Name:	Represents:	Appointed By:	Term Ends:
	City Councilmember 1	City Council	
	City Councilmember 2	City Council	
	UMD DPS (UMD Police)	University	
	UMD Administration	University	
Jackie Pearce Garrett	City Resident 1	City Council	10/15
	City Resident 2	City Council	
Aaron Springer	City Resident 3	City Council	10/15
	City Resident 4	City Council	
Catherine McGrath	UMD Student 1	Student Liaison	10/15
	UMD Student 2	SGA Representative	
	UMD Student 3	IFC or PanHell. Assn.	
	UMD Student 4	Nat'l Pan-Hell. Council, Inc.	
	Graduate Student	GSG Representative	

	PG County Police Dept.	PG County Police	
Bob Ryan	Director of Public Services	City Council	10/15
	Rental Property Owner	City Council	
	Rental Property Owner	City Council	

Established by Resolution 13-R-20 adopted September 24, 2013 to replace the Neighborhood Stabilization and Quality of Life Workgroup. Amended October 8, 2013 (13-R-20.Amended) City Liaison: Clerk's Office. Two year terms. This is not a compensated committee.

Neighborhood Watch Steering Committee			
	Resident of:	Appointed By:	Term Expires:
Robert Boone 04/12/11	District 1	M&C	04/15
Aaron Springer 02/14/12	District 3	M&C	02/14
VACANT	District 4	M&C	

The Neighborhood Watch Steering Committee was created on April 12, 2011 by Resolution 11-R-06 as a three-person Steering Committee whose members shall be residents. Coordinators of individual NW programs in the City shall be ex-officio members. Terms are for two years. Annually, the members of the Steering Committee shall appoint a Chairperson to serve for a one-year term. Meetings shall be held on a quarterly basis. This Resolution dissolved the Neighborhood Watch Coordinators Committee that was established by 97-R-15. This is not a compensated committee. Liaison: Public Services.

Noise Control Board			
Appointee	Represents	Appointed by	Term Expires
Mark Shroder 11/23/10	District 1	Council, for District 1	11/14
Harry Pitt, Jr. 9/26/95	District 2	Council, for District 2	03/16
Alan Stillwell 6/10/97	District 3	Council, for District 3	09/16
Suzie Bellamy	District 4	Council, for District 4	12/16
Adele Ellis 04/24/12	Mayoral Appt	Mayor	04/16
Bobbie P. Solomon 3/14/95	Alternate	Council - At large	12/12
Larry Wenzel 3/9/99	Alternate	Council - At large	12/12

City Code Chapter 138-3: The Noise Control Board shall consist of five members, four of whom shall be appointed by the Council members, one from each of the four election districts, and one of whom shall be appointed by the Mayor. In addition, there shall be two alternate members appointed at large by the City Council. The members of the Noise Control Board shall select from among themselves a Chairperson. Four year terms. This is a compensated committee. Liaison: Public Services.

Recreation Board			
Appointee	Represents	Appointed by	Term Expires
Wade Price 12/14/05	District 1	M&C	02/15
Sarah Araghi 7/14/09	District 1	M&C	07/15
Alan C. Bradford 1/23/96	District 2*	M&C	02/14
VACANT	District 2	M&C	
Adele Ellis 9/13/88	District 3	M&C	02/14
VACANT	District 3	M&C	
Barbara Pianowski 3/23/10	District 4	M&C	03/13
Judith Oarr 05/14/13	District 4	M&C	05/16
Bettina McCloud 1/11/11	Mayoral	Mayor	01/14
Solonnne Privett	Mayoral	Mayor	04/16

City Code Chapter 15 Article II: 10 members: two from each Council district appointed by the Mayor and Council and two members nominated by the Mayor and confirmed by the Mayor and Council. The Chairperson will be chosen from among and by the district appointees. 3 year terms. Not a compensated committee. Liaison: Public Services.

*Although Mr. Bradford lives in what is now considered District 1, his residence was part of District 2 when he was appointed. The designation of his residence was changed to District 1 during the last redistricting. He is still considered an appointment from District 2.

** Effective April 2012: Jay Gilchrist, Director of UMD Campus Recreation Services, changed his status from Rec Board member (Mayoral Appointment) to UM liaison to the Rec Board, similar to the M-NCPPC representative.

Rent Stabilization Board			
Appointee	Represents	Appointed by	Term Expires
VACANT	Tenant	M&C	
VACANT	Tenant	M&C	
Richard Biffel 6/6/06	Landlord	M&C	09/13
Bradley Farrar 6/14/11	Landlord	M&C	06/14
Chris Kujawa 10/11/11	Resident	M&C	10/14

City Code Chapter 15 Article IX: Board shall have between 5 - 7 members appointed by M&C with priority given to the appointment of residents and to owners of real property located in the City. Three year terms. Vacancies shall be filled for unexpired portions of a term. At least two members should be tenants and two members should be landlords. Chairperson chosen by the Board from among the members. This is a compensated committee. Liaison: Public Services.

→06/18/2013: Ordinance was extended until September 1, 2014, and the administration and enforcement of the law was suspended until September 1, 2014. The RSB is on hiatus. There is no need to maintain a quorum at this time.

Sustainable Maryland Certified Green Team		
Appointee	Represents	Term Expires
Denise Mitchell 04/10/12	City Elected Official	04/14
Patrick Wojahn 04/10/12	City Elected Official	04/14
VACANT	City Staff	
Loree Talley 05/08/12	City Staff	05/14
VACANT	CBE Representative	
VACANT	A City School	
VACANT	UMD Student	
VACANT	UMD Faculty or Staff	
VACANT	City Business Community	
Ben Bassett - Proteus Bicycles 09/25/12	City Business Community	09/14
VACANT	Resident	
Christine Nagle 04/10/12	Resident	04/14
VACANT		
VACANT	Resident	
Established March 13, 2012 by Resolution 12-R-06. Up to 14 people with the following representation: 2 elected officials from the City of College Park, 2 City staff, 1 representative from the CBE, 1 representative of a City school, 1 student representative from the University of Maryland, 1 faculty or staff representative from the University of Maryland, 2 representatives of the City business community, up to 4 City residents. Two year terms. Not a compensated committee. A quorum shall be 6 people. The SMCGT shall select a Chair and a Co-Chair from among the membership on an annual basis. The SMCGT should meet at least bi-monthly. The liaison shall be the Planning Department.		

Tree and Landscape Board			
Member	Represents	Appointed by	Term Expires
Dennis Herschbach 3/26/02	Citizen	M&C	07/13
John Krouse	Citizen	M&C	11/14
VACANT	Citizen	M&C	
Mark Wimer 7/12/05	Citizen	M&C	02/14
Amelia Murdoch 9/9/97	Citizen	M&C	11/11
	CBE Chair Liaison		
John Lea-Cox 1/13/98	City Forester	M&C	12/14
	Planning Director		
Brenda Alexander	Public Works Director		
City Code Chapter 179-5: The Board shall have 9 voting members: 5 citizens appointed by M&C, plus the CBE Chair, the City Forester, the Planning Director and the Public Works Director. Two year terms. Members choose their own officers. Not a compensated committee. Liaison: City Clerk's office.			

Veterans Memorial Improvement Committee			
Appointee	Represents	Appointed by	Term Expires
Deloris Cass 11/7/01		M&C	12/15
Joseph Ruth 11/7/01	VFW	M&C	12/15
Leonard Smith 11/25/08		M&C	03/15
Blaine Davis 10/28/03	American Legion	M&C	12/15
Rita Zito 11/7/01		M&C	02/15
Doris Davis 10/28/03		M&C	12/15
Mary Cook 3/23/10		M&C	03/13
Arthur Eaton		M&C	11/16
VACANT			
Resolution 01-G-57: Board comprised of 9 to 13 members including at least one member from American Legion College Park Post 217 and one member from Veterans of Foreign Wars Phillips-Kleiner Post 5627. Appointed by Mayor and Council. Three year terms. Chair shall be elected each year by the members of the Committee. Not a compensated committee. Liaison: Public Works.			



Attachment 3: Financing Options

ASSUMPTIONS

Estimated Cost of Utility Work

Cost Estimate for Undergrounding:	\$17,405,000
Cost Estimate for Aerial Relocation:	\$3,325,000
Potential Cost to the City/County for Undergrounding:	<u>\$14,080,000</u>

Proposed New Development & Projected Value

Development Name	Completion Date	Current Assessment	Projected Assessment	Annual City Tax Increment
Best Western Plus	2013	\$1,100,000	\$5,000,000	\$12,000
Maryland Book Exchange	2015	\$6,300,000	\$85,000,000	\$260,000
Courtyard Marriott	2016	\$2,700,000	\$20,000,000	\$58,000
Knox Village	2016	\$26,500,000	\$150,000,000	\$414,000
SUBTOTAL	-	-	-	\$744,000
Metropolitan	2016	\$3,700,000	\$50,000,000	\$154,000
Monument Village	2016	\$3,100,000	\$55,000,000	\$172,000
TownePlace Suites	2016	\$1,100,000	\$6,000,000	\$16,000
4700 Berwyn House (multifamily)	2017	\$5,100,000	\$35,000,000	\$100,000
University Hotel on East Campus	2018	\$0	\$50,000,000	\$166,000
The Enclave – Phase II	2022	\$32,000,000	\$50,000,000	\$58,000
JBG Rosenfeld – Applebees/FedEx	2022	\$3,600,000	\$35,000,000	\$105,000
City Hall w/ Rt. 1 Properties	2024	\$2,500,000	\$30,000,000	\$88,000
Northgate – vacant site	2025	\$1,300,000	\$20,000,000	\$62,000
Renfrew Props. – West of Rt. 1	2025	\$4,000,000	\$20,000,000	\$53,000
University View Village	2025	\$7,500,000	\$50,000,000	\$140,000
Quality Inn/Plato's	2028	\$7,000,000	\$75,000,000	\$228,000
TOTAL	-	\$107,500,000	\$736,000,000	\$2,096,000

FINANCING OPTIONS

City and County Bond Financing

City General Obligation Bond for 20 years at 3.3% interest:	\$10,000,000
County General Obligation Bond:	\$4,000,000

General Obligation Bond Financing Costs

- 20-Year Total:	\$13,818,761
- Annual Debt Service:	\$690,938

Advantages

- Interest rates for GO bonds are lower than those available for revenue or TIF bonds.
- It is the simplest solution as it does not require supplemental revenue or other partnerships.
- If financing is interest only in the initial years then the revenue from new development would come online in time to pay the debt service with little to no out of pocket expenses from the City.

Disadvantages

- Funds would not be collected explicitly for revitalization efforts beyond undergrounding utilities.
- The City would be committing the full additional tax revenue from four development projects to cover the debt service. This revenue would not be available for other uses for the next 20 years.

Establishment of a Tax Increment Financing District for Route 1 Revitalization

TIF district boundaries would be generally consistent with the Central US 1 Corridor Development District Overlay Zone.

TIF Revenue Bond at 4.5% interest with contributions for 20 years from City at 50% and County at 25% of increment:	\$14,000,000
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This option would require supplemental revenue to cover a shortfall in the initial years.

Supplement revenue options include:

- | | |
|---|---------------------------------------|
| - Developer Contributions | - Special Taxing District |
| - State Highway Administration Contribution | - University of Maryland Contribution |

TIF Revenue Bond Financing Costs

- 20-Year Total:	\$21,525,320
- Annual Debt Service:	\$1,076,266

TIF District Revenue Projection:	\$41,609,991
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Debt Coverage Projections

- Revenue exceeds Debt Service:	2016
- Shortfall before 2016:	\$998,646

Advantages

- Funds would be allocated for corridor-wide improvements beyond undergrounding utilities.
- Prince George's County would be contributing more than through the bond financing option.

Disadvantages

- It is unknown whether Prince George's County would participate in this model.
- Supplemental revenue would be needed in the initial years to cover the revenue shortfall. Without this supplemental revenue the assumed interest rate would rise to around 8%.
- A special taxing district would require approval from two-thirds majority of affected property owners.

FYI

MEMORANDUM

TO: Mayor and Council
FROM: Terry Schum, Planning Director
DATE: January 31, 2014
SUBJECT: Feasibility Study for Undergrounding Utilities

ISSUE

In August 2013, the City of College Park executed a Letter of Agreement with the State Highway Administration (SHA) for the funding of a feasibility study for the undergrounding of utilities in conjunction with the design and construction of the first phase of improvements for the US Route 1 corridor. The SHA contracted with KCI Technologies Inc., to prepare the study, which has been completed. The consultant will present the findings of the study at the February 4, 2013 worksession. The SHA has stated that a decision by the city as to whether or not to pay for the undergrounding of utilities needs to be made by April 1, 2014.

SUMMARY

A summary of the utility undergrounding study is included as Attachment 1 and the full report is Attachment 2. The limits of the proposed utility work are generally from Lakeland Road to Greenbelt Road and include 30 utility poles. There are 11 registered utility companies in the project area but the primary companies are PEPCO, Verizon and Comcast. The consultant notified the utility companies of the study and obtained direct utility estimates from PEPCO and Verizon.

The conceptual design for the underground system proposes installation along the centerline or median area of the roadway and utilization of an Advanced Utility Breakout Contract (AUBC). This would be a separate contract in advance of the roadway construction contract. This approach has the potential of some cost savings to SHA but could take up to two years to complete. At this time, SHA has not begun to design for the aerial relocation of the utilities but has advised that this would commence on or about April 1, 2014 if a decision to underground has not been made. The consultant's field observations indicated potential challenges for the aerial relocation where new development has already occurred due to a potential lack of required clearance space.

The total estimated cost for the design, construction and administration of the AUBC contract is \$17,405,000. SHA would subtract the aerial relocation cost that they would have incurred from this amount for a total cost to the city of \$14,080,000. A meeting was held on January 28, 2014 with stakeholders from the city, county, state and CPCUP to

begin to explore options for funding this cost. Attachment 3 is a summary of the two basic options under consideration. The first option would utilize general obligation bonds sold separately by the city (\$10,000,000) and county (\$4,000,000) for this undergrounding project only. The second option establishes a tax increment financing district along most of the Route 1 corridor, which would support this project as well as other revitalization projects and goals including possible undergrounding for the second phase of Route 1 improvements.

RECOMMENDATION

Staff recommends discussion of the consultant's findings and recommendations. Additional stakeholder meetings are planned to ascertain the advantages and disadvantages of various financing options as well as the level of financial commitments that may be made.

ATTACHMENTS

1. Utility Study Overview
2. KCI Feasibility Study
3. Financing Options