

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2025, Legislative Day No. 16

Resolution No. 47-25

Mr. Michael Ertel, Chair
By Request of County Executive

By the County Council, October 6, 2025

A RESOLUTION to authorize the County Executive or other authorized administrative official to amend and restate a written agreement on behalf of the County with Prescott Square Apartments, LLC (the “Owner”) for the payment of stipulated amounts in lieu of regular Baltimore County real property taxes in order to facilitate the development of a rental housing project to benefit eligible persons in Baltimore County.

WHEREAS, it is in the best interest of the citizens of Baltimore County to encourage and facilitate the development of family rental housing for eligible households; and

WHEREAS, the Owner has acquired a parcel of land located at 4400 Old Court Road in Pikesville, Baltimore County (the “Property”), to be improved by renovation of seventy-five (75) units of rental housing thereon of which seventy (70) units will be affordable units (for households whose incomes do not exceed 60% of Area Median Income (“AMI”)), the conversion of 28 units from two-bedroom units to three-bedroom units, 4 UFAS units, and the creation of community amenity spaces; and

WHEREAS, the Owner is operating a portion of the Property as rental housing for eligible residents (the “Project”) pursuant to a Declaration of Covenants entered into between the Owner and the County and recorded among the Land Records of Baltimore County in Liber 49111, folio 483 (the “Declaration”); and

WHEREAS, Section 7-506.1, Tax Property Article of the Annotated Code of Maryland provides for a real property tax exemption under certain circumstances, provided that the County and the Owner enter into a written agreement for the payment of a negotiated amount in lieu of the applicable real property tax; and

WHEREAS, the County Council on January 16, 2024, by Resolution 3-24, approved a Payment in Lieu of Taxes (the “Original PILOT”) for a period of ten (10) years; and

WHEREAS, subsequent to execution of the Original PILOT, the Owner was awarded an allocation of 9% Low Income Housing Tax Credits (the “Tax Credits”); and

WHEREAS, as a condition of the Tax Credits and the permanent financing, the term of the PILOT should exceed the tax credit compliance period and loan maturity date; and

WHEREAS, the Owner has applied to the County to revise the term of the Original PILOT.

NOW THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND that pursuant to said State statute, it is determined that the Property shall be exempt from Baltimore County real property taxes for the term specified herein; and

BE IT FURTHER RESOLVED, that the County Executive or other authorized administrative official is hereby authorized to enter into a written agreement (the “Agreement”) with the Owner on behalf of the County to make the following payments to the County in lieu of paying regular Baltimore County real property taxes:

- a) The Original PILOT was effective from July 1, 2024 (the “Effective Date”) and is being amended and restated by an Amended and Restated Payment in Lieu of Taxes Agreement to be executed and recorded among the Land Records of Baltimore County and shall remain effective until the Termination Date (hereinafter

defined). The payments to be made by the Owner to the County shall be in lieu of all ordinary Baltimore County real property taxes on real property under the Tax-Property Article of the Annotated Code of Maryland, as amended. Such payments shall be made by the Owner and shall be accepted by the County until the earlier of: (i) a termination of the Declaration prior to the expiration date in (vii) below, (ii) a change in the use of the Project for the provision of rental housing for eligible households and related facilities, (iii) sale or other transfer of the Property by the Owner without the prior written consent of the County, (iv) failure of the Owner to comply in all other respects with the conditions of Section 7-506.1 supra, (v) default by the Owner under the terms of this Agreement, (vi) refinance of the Property such that it would no longer be subject to the Declaration, or (vii) June 30, 2044 (the “Termination Date”).

(b) The intention of this Agreement is that the payments in lieu of taxes shall at no time exceed the amount of taxes otherwise payable based on the assessment for Baltimore County real property taxes, but not including State of Maryland property taxes.

(c) Upon execution of an Amended and Restated Payment in Lieu of Taxes Agreement, and payment of the negotiated sums provided in Paragraph (d) hereof, the Property shall be exempt from ordinary Baltimore County real property taxes on real property for the period beginning upon the Effective Date and continuing until the Termination Date.

(d) (i) Commencing on the Effective Date, the Owner shall make annual payments (the “Tax Payment”) in arrears at the end of each calendar year.

The Tax Payment shall be made prior to payment of any debt service on the Property. For Year 1, the Tax Payment shall be Three Hundred Dollars and No Cents (\$300.00) per unit.

(ii) The Tax Payment shall increase by 3% annually in Years 2 through 5; provided, however, if the Property is transferred or sold subject to the Declaration, the Tax Payment shall increase by four percent (4%) annually.

(iii) Commencing in Year 6, the the Tax Payment shall increase to Four Hundred Dollars (\$400.00) per unit.

(iv) The Tax Payment shall increase by 3% annually in Years 7 through 10; provided, however, if the Property is transferred or sold subject to the Declaration, the Tax Payment shall increase by four percent (4%) annually.

(v) Commencing in Year 11, the Tax Payment shall increase to Five Hundred Dollars and No Cents (\$500.00) per unit.

(vi) The Tax Payment shall increase by 3% annually in Years 12 through 15; provided, however, if the Property is transferred or sold subject to the Declaration, the Tax Payment shall increase by four percent (4%) annually.

(vii) Commencing in Year 16, the Tax Payment shall increase to Six Hundred Dollars and No Cents (\$600.00) per unit.

(viii) The Tax Payment shall increase by 3% annually in Years 17 through 20; provided, however, if the Property is transferred or sold subject to the Declaration, the Tax Payment shall increase by four percent (4%) annually.

(ix) Upon the Termination Date, the Agreement for stipulated payments in lieu of real property taxes shall expire, and the Owner shall thereafter pay all real property taxes in full when due.

(x) At no time shall the Owner be required to pay more than the full amount of taxes based on the Property's then current assessment.

(xi) The difference between the amount of stipulated payments in lieu of taxes remitted to the County under the Agreement and the amount of full real estate taxes which would have otherwise been paid based on the assessed value of the Property, shall be repaid upon the occurrence of any of the events listed in items (i) through (vi) of Paragraph (a) prior to the expiration date set forth in Paragraph (a)(vii); and

BE IT FURTHER RESOLVED, that this Resolution shall obligate the Owner to submit audited financial statements annually to the Baltimore County Office of Budget and Finance and the Department of Housing and Community Development within ninety (90) days of the close of the Owner's fiscal year; and

BE IT FURTHER RESOLVED that this Resolution shall take effect from the date of its passage by the County Council.