

COUNTY EXECUTIVE TESTIMONY

WHITE FLINT REDEVELOPMENT FINANCING AND RELATED CIP AMENDMENTS AND RESOLUTIONS

PUBLIC HEARING

March 9, 2021

Good afternoon. I am Mary Beck, the Capital Budget Manager with the Office of Management and Budget, and I am here testifying today on behalf of the County Executive.

The County Executive has sent a White Flint Redevelopment Funding plan and CIP amendments to the County Council that are designed to achieve several goals:

1. To meet our legal requirements to establish a repayment plan for \$30 million in General Fund advances to finance the current Western Workaround construction;
2. To advance \$15 million in General Obligation bond premium to continue funding construction and to minimize near-term district repayments;
3. To use district revenue-backed debt to cover project costs beyond the \$45 million advanced interest-free by the County. This debt will also allow a longer repayment period, delaying the need for tax increases.
4. To avoid negatively impacting general fund reserves which are critical to our ability to inexpensively finance our overall capital program.
5. To lift the prior resolution's tax cap. The cap is inconsistent with the law's intent to have the district support the full cost of the identified district-funded projects. Lifting the cap will enable the district's planned revenue bond debt to achieve a strong bond rating and help keep district debt interest costs and future tax increases low.

The County Executive asks that the Council act quickly to approve the White Flint Redevelopment funding plan since that will allow the County to delay district tax increases.

A district tax increase should not be needed until FY24 according to a conservative analysis of the proposed funding plan. At that time, district taxes on a \$1 million property could be \$617 higher than current rates. Even with these increases, district property taxes would be lower than the upfront impact taxes and other transportation costs required in other parts of the County. Staff are engaged in activities to help grow the district's tax base and to contain project and financing costs to keep district tax rates as low as possible.

The County Executive is committed to financing the district costs in a way that minimizes and defers district tax increases while also avoiding negative impacts to general County taxpayers. With that in mind, County staff will continue to meet with property owners to consider their ideas for achieving these goals and the overall redevelopment vision of the master plan.

County staff can be available if any Councilmembers would like more in-depth briefings on the details of the funding plan.

Thank you for your consideration.