

ORDINANCE NO. 3619

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND, MARYLAND, ENTITLED "AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND PROVIDING FOR THE LEVY OF A SPECIAL AD VALOREM TAX IN THE SHADES LANE DEVELOPMENT DISTRICT AND RELATED MATTERS"

Whereas, the Mayor and City Council, pursuant to a Resolution adopted on September 21, 2004 (the "Resolution") and the authority of Sections 14-201 through 14-214, inclusive, of Article 41 of the Annotated Code of Maryland (the "TIF Act") and Section 44A of Article 23A of the Annotated Code of Maryland (the "STD Act" and, together with the TIF Act, the "Acts") established a contiguous area located within the City as both a "development district" (as defined in the TIF Act) and a "special taxing district" (as defined in the STD Act), and designated such area as the "Shades Lane Development District" (the "District"); and

Whereas, pursuant to Ordinance No. 3507, approved by the Mayor and City Council on October 5, 2004 (the "Ordinance"), the City authorized the issuance of special obligation bonds in an amount not to exceed \$750,000 pursuant to the authority of the Acts in order to finance certain infrastructure improvements within or related to the District; and

Whereas, pursuant to the Ordinance and an Executive Order of the Mayor executed and delivered on April 21, 2005 pursuant to the authority of the Acts and the Ordinance, the City issued and delivered its Mayor and City Council of Cumberland Special Obligation Bond (Shades Lane Project), Series 2005 on April 22, 2005 in the original principal amount of \$480,000 (the "Bond"); and

Whereas, the Ordinance provides that debt service on the Bond will be payable in the first instance from property taxes on real property located within the District representing the

levy by the City and County Commissioners of Allegany County (the "County") on the Tax Increment (as defined in the Resolution), and to the extent such incremental tax revenues prove insufficient, in the second instance from a special ad valorem tax or taxes levied upon property within the District; and

Whereas, it has been determined by City staff that revenues from taxes levied by the City and the County are and will be insufficient to cover debt service on the Bond and that it will be necessary to levy a special ad valorem tax on real property located within the District for the fiscal year beginning July 1, 2008 and ending June 30, 2009 at the rate of Two Dollars and Ninety-Five and Five-Tenths Cents (\$2.955) per One Hundred Dollars (\$100.00) of assessable base in accordance with the authority set forth in the Ordinance; and

Whereas, it has been determined that such special ad valorem tax should be set at a rate of Zero Dollars and Zero Cents (\$0.00) per One Hundred Dollars (\$100.00) of assessable base with respect to personal property located within the District.

Now, Therefore

Section 1: BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CUMBERLAND, that in accordance with and pursuant to the authority of the STD Act and the Ordinance, for the fiscal year beginning July 1, 2008 and ending June 30, 2009, there is hereby levied a special ad valorem tax, at the rate of Two Dollars and Ninety-Five and Five-Tenths Cents (\$2.955) per One Hundred Dollars (\$100.00) of assessable base, on real property located within the District.

Section 2: AND BE IT FURTHER ORDAINED that in accordance with and pursuant to the authority of the STD Act and the Ordinance, for the fiscal year beginning July 1, 2008 and ending June 30, 2009, there is hereby levied a special ad valorem tax, at the rate of Zero Dollars

and Zero Cents (\$0.00) per One Hundred Dollars (\$100.00) of assessable base, on personal property located within the District.

Section 3: AND BE IT FURTHER ORDAINED, that the special ad valorem tax levied pursuant to the provisions of this Ordinance shall be collected and deposited by the City Treasurer or other appropriate official in the Shades Lane Special Taxing District Fund established pursuant to the Resolution, and shall be applied in accordance with the provisions of the STD Act, the Resolution, the Ordinance and the Financing and Bond Purchase Agreement dated as of April 22, 2005 entered into between the City and Susquehanna Bank, the purchaser of the Bond, in connection with the issuance of the Bond.

Section 4: AND BE IT FURTHER ORDAINED, that the appropriate officials of the City are hereby authorized and directed to take all action necessary to provide for the billing, collection and application of the special ad valorem tax relating to the District provided for in this Ordinance.

Section 5: AND BE IT FURTHER ORDAINED, that this Ordinance shall take effect from the date of its passage.

Passed this 10 day of June, 2008.



MAYOR

ATTEST:



CITY CLERK

1st Reading: May 27, 2008
2nd Reading: June 10, 2008
3rd Reading: June 10, 2008