

HOWARD COUNTY, MARYLAND

CRESCENT SPECIAL TAXING DISTRICT

SPECIAL TAX REPORT

Prepared By:

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HOWARD COUNTY, MARYLAND CRESCENT SPECIAL TAXING DISTRICT SPECIAL TAX REPORT

Purpose of Report

The Crescent Special Taxing District (the “District”) is being created to facilitate the financing of all or a portion of the costs of the public improvements for the District, including costs related to the issuance of the bonds. Bonds are expected to be issued by Howard County, Maryland (the “County”) to fund the costs of the public improvements for the benefit of property within the District. The bonds will include the costs of the public improvements, issuance costs, interest on the bonds during construction and for a period after construction, and a debt service reserve fund.

The County will levy a special tax each year to provide funds for the payment of debt service on the bonds, to replenish the debt service reserve fund if needed, cover the cost of administration of the District, and fund other costs related to the bonds. The District is being created, special taxes levied, and bonds issued pursuant to the Special Taxing District Act, Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland (as amended from time to time, the “Act”). The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes levied as described in the “Rate and Method of Apportionment of Special Taxes” for the District.

Description of the Special Taxing District

The District includes one parcel, tax number 15-019921, consisting of approximately 60.89 acres. The Parcel is vacant property currently used for surface parking for Merriweather Post Pavilion patrons. Construction has started on the northern portion of the parcel to complete a 200,000 square foot office building. The District is generally bound by Little Patuxent Parkway to the north, existing property owners to the east, Route 29 Interchange #18 and Broken Land Parkway to the south, and Broken Land Parkway to the west.

The tax parcel comprising the District is shown in Table A.

Table A
Tax Parcel Within the District

Tax ID	Owner Name	Acres	2015 Assessed Value ¹
15-019921	The Howard Research And Development Corporation	60.89	\$7,281,900

¹Assessed values based on information provided by Maryland State Department of Assessments and Taxation. The base value will be established as of January 1 of the year preceding the effective date of the legislation creating the development district or 1/1/2015.

A map outlining the proposed area of the District is shown in Exhibit A, attached hereto.

The property in the District and in the entire Downtown Columbia Plan Area is currently zoned NT ("New Town") District under Section 125 of the Howard County Zoning Regulations. Pursuant to Section 125, development levels are limited to the following:

Table B
Howard County Zoning Code - Maximum Development Levels*

Dwelling units	5,500	Units
Net new office	4,300,000	GFA
Net new hotel	640	Rooms
Net new retail	1,250,000	GFA
<p>*The above development levels shall be in addition to the number of dwelling and gross floor area of nonresidential uses shown on a Site Development Plan approved prior to April 6, 2010.</p> <p>Source: Howard County Zoning Regulations Section 125, 9.c.</p>		

Legislation is currently proposed that would amend the allowable uses for the property in the Downtown Columbia Plan Area and in the District. Amendments to Section 125 of the Howard County zoning regulations are contemplated to provide for affordable income units in Downtown Columbia. Upon approval, the property in the Downtown Columbia Plan Area and District would be subject to minimum and maximum development requirements for the construction of 900 affordable housing units. Table C below shows the maximum allowable uses consistent with the proposed legislation.

Table C
Proposed Zoning Amendments - Maximum Development Levels

Affordable dwelling units	900	Units
Dwelling units	5,500	Units
Net new office	4,300,000	GFA
Net new hotel	640	Rooms
Net new retail	1,250,000	GFA
<p>Source: Affordable Housing Joint Recommendations Proposal.</p>		

The development to be completed and included in the District is shown by Table D. This development is consistent with the proposed zoning amendments as described above.

Table D
Proposed Special Taxing District Development

Development Type	Units	Gross SF/Unit	Gross Sq. Ft.
Residential			
Multi-Family Rental			
<i>Market rate</i>	1,649	1,125	1,855,125
<i>80% AMI</i>	75	1,075	80,625
<i>60% AMI/LIHTC</i>	90	920	82,800
<i>30% AMI</i>	77	1,048	80,696
<i>Sub-total</i>	1,891		2,099,246
Commercial			
Office	-	-	2,304,300
Retail	-	-	249,710
Hotel (rooms)	250	-	149,100
Total	2,141		4,802,356

A map showing the areas within the District planned for development, including Crescent Phase I, is attached to the Report as Exhibit B.

Proposed Public Improvements

The purpose of the District, the special taxes to be levied in the District, and the special obligation bonds to be issued with respect to the District, is to finance all or a part of the costs of public improvements necessary for the Phase I development and shown in Table E.

Table E
Crescent Special Taxing District - Public Improvements

Public Improvements	Total
Roads Segment 1:	
Merriweather Drive (2,076 LF)	\$4,228,334
Hickory Ridge (714 LF)	\$571,995
Road segment 1 SW Piping, Treatment & Storage	\$1,647,907
Road Segment 1 water & sewer	\$3,669,339
Sub-total segment 1	\$10,117,574
Roads Segment 2:	
Completion of Merriweather Drive, North section	\$3,937,008
Road segment 2 SW Piping, Treatment & Storage	\$830,277
Road Segment 2 water & sewer	\$1,836,687
Sub-total segment 2	\$6,603,973
At-grade intersection improvements (multiple intersections)	
Governor Warfield/Twin Rivers	\$359,355
Little Patuxent/Swift Stream	\$267,319
Broken Land/Twin Rivers	\$199,256
Little Patuxent/Merriweather Drive	\$499,905
Broken Land/Hickory Ridge Signalization	\$470,925
Maintenance of traffic/nightwork premium	\$123,165
Physical improvement allowance	\$978,075
Sub-total intersection improvements	\$2,898,000
Stormwater roadway	\$2,412,134
Public parking (area 3; garage c3.3) 2,545 spaces	\$51,168,911
Crescent Phase II public parking structure (C-3R1 underground 190 spaces)	\$5,787,994
Crescent Phase II public parking structure (C-3LR4 underground 100 spaces)	\$3,046,313
Road segment 4 (NS Connector/jug handle)	\$15,939,000
Total public improvements	\$97,973,899

A description of these improvements follows. A map of the public improvements is included as Exhibit C.

Roads and Associated Roadway Improvements

Road improvements include the costs of Road Segments 1, 2, and 4. These costs include construction of the new Merriweather Drive (2,655 linear feet) running south from Little Patuxent Parkway and east to the upgraded Symphony Drive; upgrades to and an extension of Symphony Drive, the north-south connector from Little Patuxent

Parkway to Broken Land Parkway, inclusive of the jug handle connecting both Merriweather and Symphony Drive to U.S. Route 29; and, an extension of the existing Hickory Ridge (714 linear feet), which will connect Broken Land Parkway to the new Merriweather Drive. Costs also include all associated roadway improvements integrated into the roads such as water and sewer piping, treatment and storage of storm drain runoff from new public roads, control ponds, and storage as necessary, storm water facilities, and sidewalks, but excluding dry utilities. These new public roads will supplement the existing transportation network, provide more ingress and egress options, and facilitate traffic flow both for the new development as well as for existing downtown residents, workers and visitors, including those attending events at Merriweather Post Pavilion.

At-Grade Intersection Improvements

At-grade intersection improvements include the costs to improve five intersections: three located outside of the District and two adjacent to the District. The intersections of Governor Warfield and Twin Rivers and Broken Land Parkway and Twin Rivers are both located north of the District near the new Metropolitan project. The intersection of Little Patuxent Parkway and Swift Stream is located north east of the District. Two intersections are adjacent to the District and include the Little Patuxent Parkway and Merriweather Drive intersection north of the District and Broken Land Parkway and Hickory Ridge intersection to the west side of the project. The costs of these improvements include the expansion and realignment of these intersections and new signalization. These new intersection improvements will enhance both the existing and expanded roadway network, facilitating improved traffic flow both for the new development, as well as for existing downtown residents, workers and visitors, including those attending events at Merriweather Post Pavilion.

Wetland Restoration and Mitigation

Storm water roadway improvements include the costs as required by the Maryland Department of the Environment for wetland mitigation, stream valley restoration, forest restoration and erosion controls for the management and protection of current and proposed green spaces located in public easement areas throughout and adjacent to the development area resulting from the public roadway improvements. These improvements will restore, protect and maintain the natural environment and ecosystem in the permanently protected open spaces, mitigating the impacts from the public roadway network improvements in the Crescent area, specifically the road crossings through the three stream valleys for Merriweather Drive, Hickory Ridge Road, and the North-South Connector.

Public Parking Improvements

Public parking improvements include all supporting infrastructure necessary to facilitate access and operational capability, as well as costs of constructing new parking structures located in the south portion of the Crescent parcel, pads 3-G, 3R1, and 3LR4. The new public parking garages are planned to include 2,545, 190, and 100 public spaces, respectively. It is recognized that some property will have its own private parking; however, all of the property will benefit from the availability of additional public parking. The property is planned to be an integrated community with the uses complimentary, enhancing each of the uses with the whole. All of the property benefits

from being in a mixed use development. The parking is necessary to create the mixed use development. As a result, all of the property benefits from the parking improvements.

The public improvements described above are all provided to meet the needs of the property in the District that results from the proposed use of the property. A map showing the proposed public improvements is attached hereto as Exhibit C.

Projected Issuance of Bonds

Three series of bonds (the “Bonds”) are anticipated to be issued by the County to finance approximately \$86.0 million of the costs of the public improvements described above. Bonds are anticipated to be supported by tax increment revenues and, if needed, special tax revenues. Bond proceeds will include the costs of constructing the improvements, a debt service reserve fund, issuance costs, and capitalized interest. Furthermore, interest income, to the extent available, on the bond proceeds will act as a supplement to the bond proceeds before they are fully expended. Table F below shows the estimated sources and uses of funds for the issuance of Bonds.

Table F
Sources and Uses of Funds

Sources of funds:	Series 1A	Series 1B	Series 1C	Total
Bond proceeds	\$13,907,000	\$67,030,000	\$32,716,000	\$113,653,000
Interest earned in the improvement fund	\$0	\$0	\$0	\$0
Total sources of funds	\$13,907,000	\$67,030,000	\$32,716,000	\$113,653,000
Total uses of funds:				
Public improvement costs	\$9,862,207	\$51,168,911	\$24,773,307	\$85,804,425
Issuance costs	\$600,000	\$350,000	\$350,000	\$1,300,000
Underwriter's discount	\$278,140	\$502,725	\$245,370	\$1,026,235
Capitalized interest	\$1,798,975	\$8,419,150	\$4,129,900	\$14,348,025
Reserve fund	\$1,367,438	\$6,588,563	\$3,216,188	\$11,172,188
Rounding	\$241	\$652	\$1,236	\$2,128
Total uses of funds	\$13,907,000	\$67,030,000	\$32,716,000	\$113,653,000

The actual issuance of the bonds may vary from these estimates depending on the interest rate on the bonds, the date the bonds are issued, the cost of issuing the bonds, reinvestment rates on bond proceeds, and other factors.

Bond issuance costs include legal fees, financial consulting fees, the cost of studies, the set-up and first year’s fee of the trustee, County expenses, document printing costs and other miscellaneous costs related to the issuance of bonds.

Capitalized interest on the bonds fund the interest on the bonds for up to twenty-four (24) months to allow time for the infrastructure improvements and other property in the District to be constructed, the property to be added to the property tax roll, and property taxes to be collected from the property and applied to the payment of the debt service on the bonds.

The purpose of the debt service reserve fund is to ensure there are sufficient funds to pay debt service should it be necessary to take action to collect delinquent property taxes. The proceeds in the debt service reserve fund are invested and the income is applied to the annual debt service on the bonds. The debt service reserve fund itself will eventually be applied to the repayment of the bonds. Accordingly, while the debt service reserve fund is funded from bond proceeds, it is not a cost of issuing the bonds.

Projected Debt Service and Administrative Expenses

Schedules showing projected debt service and administrative expenses are attached to this report as Exhibit D. Bonds are assumed to be issued and repaid over thirty (30) years.

The principal payments on the bonds are structured such that debt service is increasing each year during the amortization period of the bonds. The bonds are assumed to be tax-exempt with an interest rate of six and one-quarter percent per year.

Estimated administrative expenses are included in Exhibit D, which represent County costs related to the administration of the District.

Determination of Special Taxes

Special taxes must be levied in a reasonable manner. The reasonable basis for the special taxes levied in the District is based on the following:

- (i) the public improvements to be provided by the District and the related tax increment district provide a special benefit to the property in the District and the special benefit to the property subject to the special taxes exceeds the cost of the special taxes;
- (ii) the amount of special taxes to be levied each year is equal to or less than the amount required to repay the bonds issued to finance the public improvements; and
- (iii) special taxes are allocated to parcels within the District in a manner that reasonably represents the benefit each parcel will receive from the improvements to be provided by the District.

Special Benefit

Property in the District will receive a special benefit from construction of the planned public improvements. The improvements to be funded will provide new roads, upgrade existing roadways, improve water and sewer infrastructure, improve storm water quality and improve key intersections specifically for the property in the District. The public parking garages are required for the high level of density development required by the *Downtown Columbia Plan*. Utilizing structured parking instead of surface parking allows more land to be used for development, increasing the value of the land. The property could not be developed as proposed without these public improvements. As a result, the property in the District subject to the special taxes receives a special benefit from the public improvements to be provided as a result of the special taxes levied on the

property.

The special benefit of the public improvements will be equal to or greater than the cost of the special taxes levied on the property. The value of special benefit is confirmed by two means. First, the owner of the property in the District has requested the County to impose special taxes on the property for the purpose of financing the public improvements. It is reasonable to believe the owner is acting in its interest and making this request because the benefit it receives from the public improvements exceeds the cost of the special taxes.

Second, the special taxes are being levied to provide improvements that are necessary for the highest and best use of the property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The six criteria for highest and best use are (i) reasonably probable, (ii) legally permissible, (iii) physically possible, (iv) appropriately supported, (v) financially feasible, and (vi) maximally productive.

The owner in the District has analyzed various options for the use of the property, taking into consideration the legally permitted uses, the physical constraints of the site, financial parameters and market demand. The owner is understandably interested in maximizing its return on the property. Based on this analysis, the highest and best uses of the property, including any costs required for those uses, are the proposed uses for the property. The proposed uses of the property will require construction of the public improvements provided by the District. Without these improvements, the property could not be put to its highest and best use.

The levy of Special Taxes is necessary to make tax increment bond financing available for the project. Special Taxes also facilitate financing for improvements that benefit multiple uses of the property. The interest on the bonds is expected to be tax exempt, the bonds will be long-term, are not required to be repaid upon transfer of property, and are non-recourse other than through the levy of Special Taxes. As a result of these and other advantageous terms, the financing provided by the District is the most beneficial means of financing the public improvements

In summary, the special taxes result in a special benefit to the property for the following reasons:

1. The public improvements to be funded with the proceeds of the bonds for the benefit of the District are required for the highest and best use of the property;

2. The highest and best use of the property is the use of the property that is most valuable (including any costs associated with the use of the property);
3. The financing provided by the District is the most beneficial means of financing the improvements;
4. As a result, the special benefits to the property from the improvements to be provided by the District will be equal to or greater than the cost of the special taxes that will finance the improvements necessary to achieve the highest and best use of the property.

Special Taxes Required to Repay the Bonds

The Maximum Special Taxes are set each year in the amount required to secure repayment of the annual debt service on all series of bonds supported solely by the Special Tax, which will be issued to fund the public improvements that provide a special benefit to the property subject to the Special Tax. The projected debt service supported by Special Taxes is shown on Exhibit D. The Maximum Special Tax Rate on each class of property is set such that the expected development will produce the revenues required to cover the expenses shown in Exhibit D, including appropriate debt service coverage.

The total amount of the Special Tax that must be levied from all units of developed property, once all of the bonds are issued and all of the units are developed, is \$7,727,599 for fiscal year 2016-2017, as shown in Exhibit D. The Maximum Special Tax is set to equal this amount. Table G demonstrates that the Maximum Special Tax Rates as set on each unit for each property type yields the required Maximum Special Tax.

Table G
Maximum Special Tax by Property Class

Property Class	Projected Development (Units/1,000 BSF/Rooms)	Maximum Special Tax Per Unit/1,000 BSF/Room	Total Maximum Special Tax by Type
	<i>(Units)</i>	<i>(Per Unit)</i>	
Residential Rental A Property	1,649	\$1,634	\$2,694,298
Residential Rental B Property	75	\$1,046	\$78,427
Residential Rental C Property	90	\$245	\$22,058
Residential Rental D Property	77	\$850	\$65,421
	<i>(1,000s of BSF)</i>	<i>(Per 1,000 BSF)</i>	
Office Property	2,304	\$1,716	\$3,953,241
Retail Property	250	\$2,859	\$714,001
	<i>(Rooms)</i>	<i>(Per Room)</i>	
Hotel Property	250	\$801	\$200,153
Total			\$7,727,599

The annual debt service is scheduled to increase by two percent each year. As a result, the Maximum Special Tax must also increase by two percent each year.

The actual debt service on the bonds may be less than estimated herein. The “Rate and Method of Apportionment of Special Taxes” provides for Special Taxes to be reduced based on the actual debt service on the bonds, so that the amount of Special Tax actually collected does not exceed the amount necessary to repay the bonds, replenish the debt service reserve fund on the bonds, and to pay related administrative expenses.

The Maximum Special Taxes on all of the property in the District are set in a manner consistent with the requirements to secure repayment of the debt service on the bonds that will be issued to finance the public improvements planned for the District plus administrative expenses and, therefore, is set in a reasonable manner.

Allocation of Special Taxes to Parcels

Special Taxes are allocated to parcels in the District in a manner to reasonably reflect the benefit property will receive from the improvements to be provided by the District. For purposes of estimating the benefit, taxable property is classified as either developed property or undeveloped property. Developed property is property that is, or is in the process of being, fully developed and, as a result, will be fully utilizing the improvements. Undeveloped property is property that has not been fully developed and, as a result, is not fully utilizing the improvements, but still receives a benefit by having the improvements available.

Developed Property

Developed property is further classified into one of nine property classes, defined as Residential Rental A Property, Residential Rental B Property, Residential Rental C Property, Residential Rental D Property, Residential For Sale A Property, Residential For Sale B Property, Office Property, Retail Property, or Hotel Property. The benefit received by each property is estimated on the basis of the estimated future value of the property. The purpose of the improvements to be provided within the District is to allow for the redevelopment of the property. Estimating the benefit properties will receive from the improvements on the basis of future estimated value is particularly appropriate for improvements intended to provide for the redevelopment of the property. One reason for the redevelopment is to increase the values of the property within the District.

Benefit for each class of property is represented by an equivalent unit factor. These factors are shown in Table H. The equivalent unit factors represent the relative future assessed value of the property within each property class. Exhibit E shows the methodology for estimating the assessed values by class.

Table H
Equivalent Unit Factors

Property Class	Property Description	Assessed Value by Classification	Equivalent Unit Factor	
Residential Rental A Property	MF - Market Rate	\$233,294	1.00	Per Unit
Residential Rental B Property	MF - 80% AMI	\$149,100	0.64	Per Unit
Residential Rental C Property	MF - 60% LIHTC	\$35,121	0.15	Per Unit
Residential Rental D Property	MF - 30% AMI	\$122,354	0.52	Per Unit
Residential For Sale A Property	Condo	\$406,195	1.74	Per Unit
Residential For Sale B Property	Townhomes	\$353,941	1.52	Per Unit
Office Property	Office	\$244,276	1.05	Per 1,000 BSF
Retail Property	Retail/Restaurant	\$408,074	1.75	Per 1,000 BSF
Hotel Property	Hotel	\$114,212	0.49	Per Room

Not all property classes are anticipated to be built during the first phases of development. The estimated total number of equivalent units created by new development in the District is shown by Table I.

Table I
Total Equivalent Units

Property Class	Equivalent Unit Factor	Proposed District Development	Total Equivalent Units
	<i>(Per Unit)</i>	<i>(Units)</i>	
Residential Rental A Property	1.00	1,649	1,649
Residential Rental B Property	0.64	75	48
Residential Rental C Property	0.15	90	14
Residential Rental D Property	0.52	77	40
Residential For Sale A Property	1.74	0	0
Residential For Sale B Property	1.52	0	0
	<i>(Per 1,000 BSF)</i>	<i>(1,000s of BSF)</i>	
Office Property	1.05	2,304.3	2,420
Retail Property	1.75	249.7	437
	<i>(Per Room)</i>	<i>(Rooms)</i>	
Hotel Property	0.49	250	123
Total			4,730

Table J below shows the derivation of the Special Tax per equivalent unit based on the total obligations of the District, as shown in Exhibit D, and the number of equivalent units as shown in Table I.

Table J
Maximum Special Tax
Per Equivalent Unit

Total Special Tax Requirement (2016-2017)	\$7,727,599
Total equivalent units	4,730
Maximum Special Tax per equivalent unit	\$1,634

Table K below shows the Maximum Special Tax for each class based on the special tax per equivalent unit shown in Table K and the equivalent unit factors shown in Table H.

Table K
Maximum Special Tax by Property Class

Property Class	Maximum Special Tax Per EU	Equivalent Unit Factor	Annual Maximum Special Taxes	Total Maximum Special Tax by Type
		<i>(Per Unit)</i>	<i>(Per Unit)</i>	
Residential Rental A Property	\$2,666	1.00	\$1,634	\$2,694,298.09
Residential Rental B Property	\$2,666	0.64	\$1,046	\$78,427.11
Residential Rental C Property	\$2,666	0.15	\$245	\$22,057.63
Residential Rental D Property	\$2,666	0.52	\$850	\$65,421
Residential For Sale A Property	\$2,666	1.74	\$2,843	\$0
Residential For Sale B Property	\$2,666	1.52	\$2,484	\$0
		<i>(Per 1,000 BSF)</i>	<i>(Per 1,000 BSF)</i>	
Office Property	\$2,666	1.05	\$1,716	\$3,953,241
Retail Property	\$2,666	1.75	\$2,859	\$714,001
		<i>(Per Room)</i>	<i>(Per Room)</i>	
Hotel Property	\$2,666	0.49	\$801	\$200,153

Adjusted Maximum Special Tax

Special Taxes may be collected from each parcel in the District only up to the Adjusted Maximum Special Tax for the parcel. The Adjusted Maximum Special Tax for each parcel is the lesser of (but not less than zero) (i) the Maximum Special Tax for such parcel and (ii) the Maximum Special Tax for such parcel less the tax increment revenues related to such parcel available to repay the bonds. The tax increment revenues represent the increase in property taxes that result from the increased assessed value of the property over its original base value as determined by the tax increment financing act. The tax increment revenues will be applied to the repayment of the bonds issued to finance the public improvements to be provided by the District. The tax increment revenues shall not include tax increment revenues set aside for the County pursuant to the Indenture of Trust. To the extent property produces tax increment revenues, and these revenues cover the debt service on the bonds, the property is contributing its share of the cost of the public improvements through these revenues. The Special Tax effectively covers each

property's share of the cost of the public improvements not otherwise covered by the property's tax increment revenues.

Undeveloped Property

The special taxes allocated to undeveloped property are equal to the Maximum Special Tax for the District less the Maximum Special Tax on developed property. As shown by the tables above, Maximum Special Tax Rates are set for developed property on the basis of the total projected development in the District. Accordingly, the Maximum Special Tax on undeveloped property is based on the development expected to occur on the undeveloped property.

That is, the Maximum Special Tax on developed property is based on the development on the parcels of developed property. The balance of the development will occur on the parcels of undeveloped property. The balance of the Maximum Special Tax is also allocated to the parcels of undeveloped property. As a result, Maximum Special Taxes are fairly allocated between developed property and undeveloped property on the basis of the development expected to occur on property within each class.

Special Taxes are allocated to parcels of undeveloped property on the basis of the land area of each tax parcel. The development that may occur on a parcel of undeveloped property may not be known, as the uses can vary both by type and density. As a result, allocating special taxes to undeveloped property on the basis of net land area most fairly allocates the special taxes to parcels of undeveloped property.

Summary of Reasonable Basis of the Special Taxes

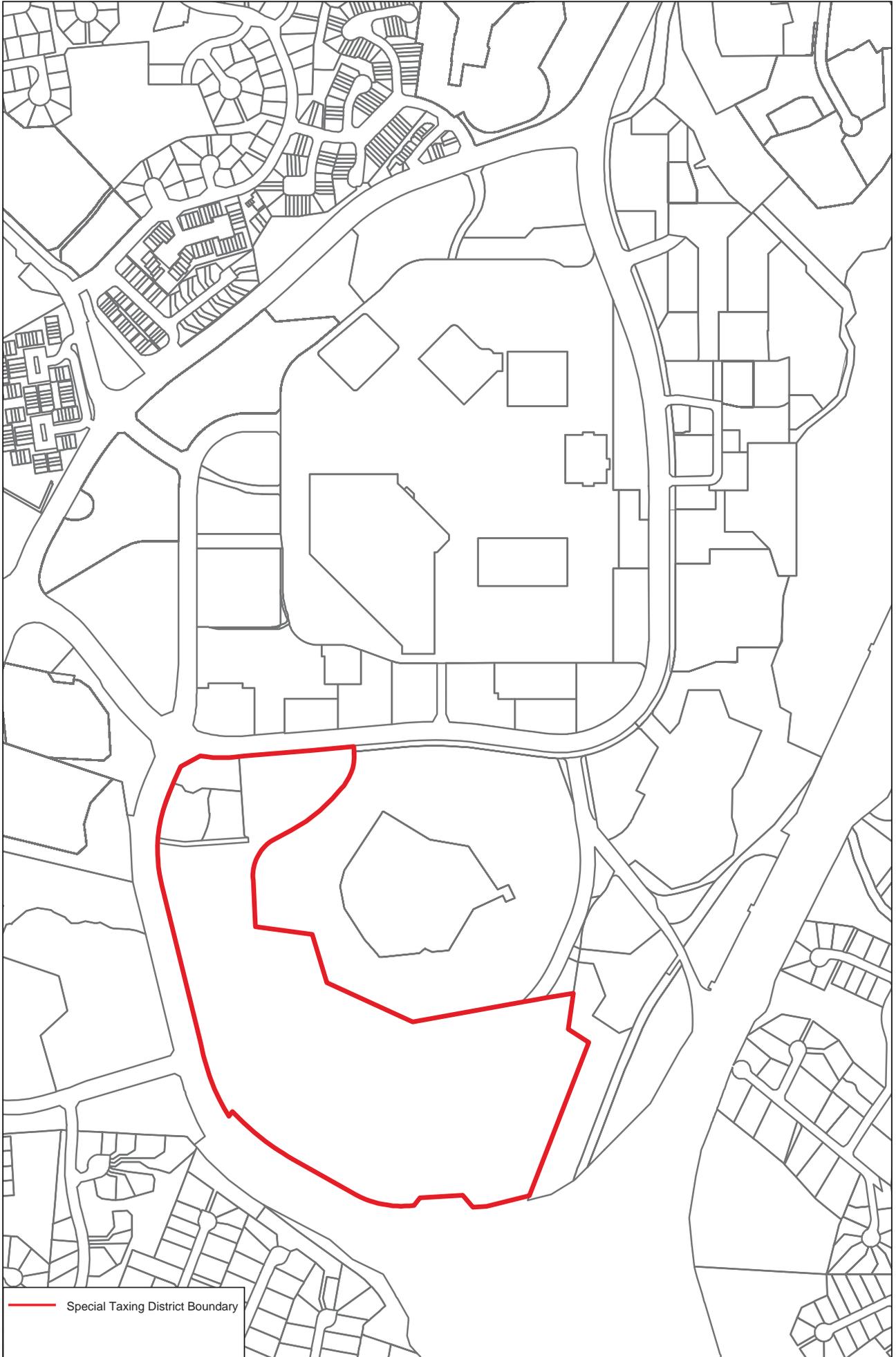
Special taxes are levied on the taxable property in the District according to the provisions of the "Rate and Method of Apportionment of Special Taxes." The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes. The reasonable basis may be summarized as follows:

1. The property within the District will receive a special benefit from the public improvements to be provided as a result of the District, and this special benefit exceeds the levy of the special taxes;
2. Special taxes levied on all of the property in the District each year are equal to the amount required to pay the debt service on the bonds issued to provide the public improvements, after taking into consideration any savings and other revenues available to repay the bonds; and,
3. Special taxes are allocated to each property within the District on the basis of the estimated future value of the property in the District, which reasonably reflects the relative benefit each property will receive from the improvements.

For these reasons, the special taxes are levied on the taxable property in the District in a reasonable manner.

Exhibit A
Crescent Special Tax District
Parcel Map

Crescent Special Taxing District
Parcel Map and District Boundary



— Special Taxing District Boundary

Exhibit B
Development Map



TDS - Special Tax District 1 Phase I Development	
Parcel C-101	
Office	204,000 sf
Retail/Restaurant	9,000 sf
Parcel C-102	
Office	125,000 sf
Retail/Restaurant	5,000 sf
Parcel C-1G	
Privately Financed Garage*	1,127 sp
Parcel C-3R2	
Residential	315 units
Retail/Restaurant	57,800 sf
Privately Financed Garage	473 sp
Publicly Financed Garage	109 sp
Parcel C-3R3	
Residential	436 units
Retail/Restaurant	47,600 sf
Privately Financed Garage	654 sp
Publicly Financed Garage	309 sp
Parcel C-3Park	
Civic/ Recreation	25,000 sf
Retail/Restaurant	6,810 sf
Parcel C-301	
Office	323,000 sf
Retail/Restaurant	24,000 sf
Parcel C-302	
Office	311,000 sf
Retail/Restaurant	12,000 sf
Parcel C-3G	
Retail/Restaurant	4,700 sf
Publicly Financed Garage	2,545 sp
Total Program (sf)	1,948,500 sf

*To be subject to agreement to provide MPP Parking

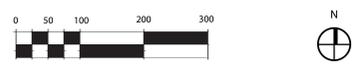
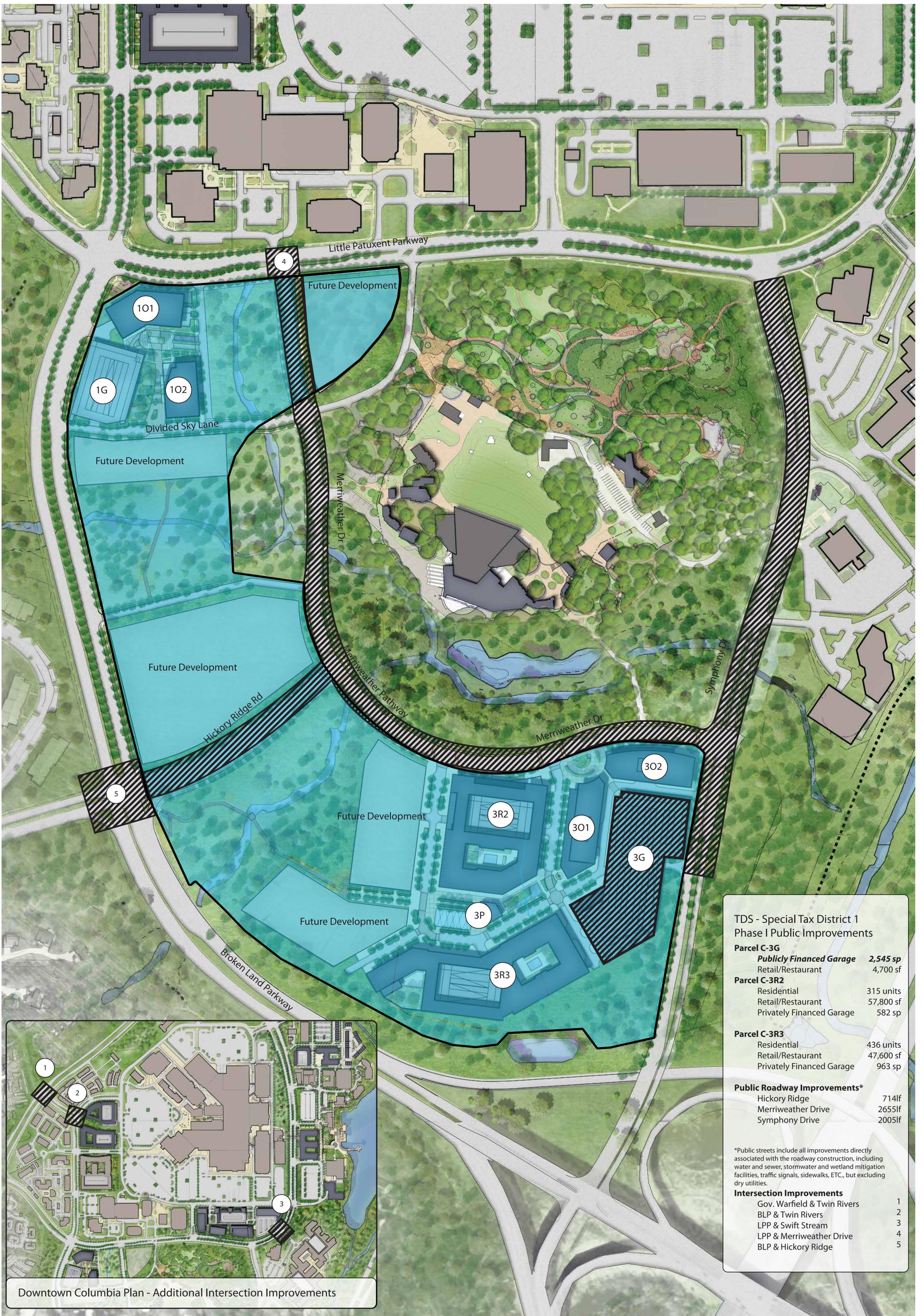


Exhibit C
Public Improvement Map



**TDS - Special Tax District 1
Phase I Public Improvements**

Parcel C-3G		
Publicly Financed Garage	2,545 sp	
Retail/Restaurant	4,700 sf	
Parcel C-3R2		
Residential	315 units	
Retail/Restaurant	57,800 sf	
Privately Financed Garage	582 sp	
Parcel C-3R3		
Residential	436 units	
Retail/Restaurant	47,600 sf	
Privately Financed Garage	963 sp	
Public Roadway Improvements*		
Hickory Ridge	714lf	
Merriweather Drive	2655lf	
Symphony Drive	2005lf	
Intersection Improvements		
Gov. Warfield & Twin Rivers	1	
BLP & Twin Rivers	2	
LPP & Swift Stream	3	
LPP & Merriweather Drive	4	
BLP & Hickory Ridge	5	

*Public streets include all improvements directly associated with the roadway construction, including water and sewer, stormwater and wetland mitigation facilities, traffic signals, sidewalks, ETC., but excluding dry utilities.

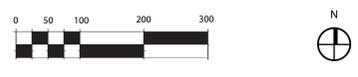
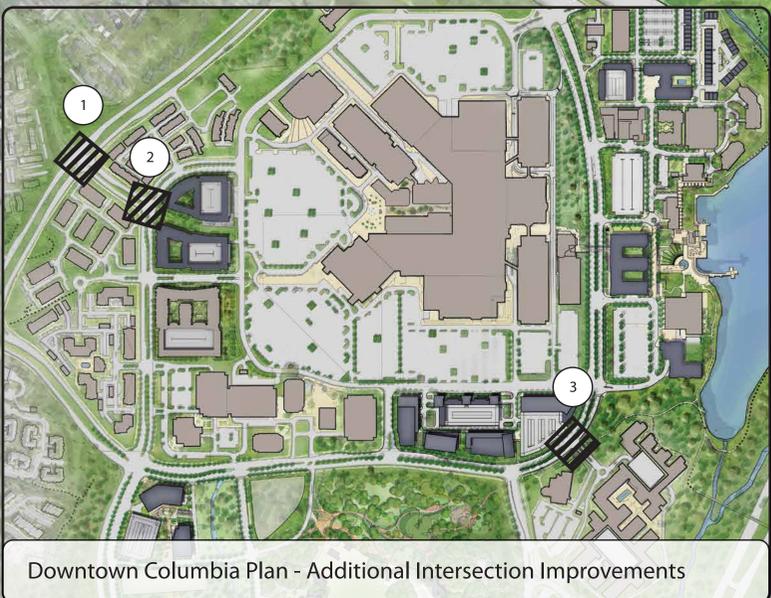


Exhibit D
Special Tax Obligation

Downtown Columbia
Howard County, Maryland

Exhibit D-1: Calculation of Maximum Special Taxes - Total Gross Annual Obligations

Tax Year	Bond Year	ST District #1A			ST District #1B			ST District #1C			Total Gross Obligations		
		Gross Debt Service ¹	District Operations ¹	Sub-Total Gross Annual Obligations	Gross Debt Service ¹	District Operations ¹	Total Gross Annual Obligations	Gross Debt Service ¹	District Operations ¹	Total Gross Annual Obligations	Gross Debt Service ¹	District Operations ¹	Total Gross Annual Obligations
1-Jul-16	15-Feb-17	\$869,188	\$30,000	\$899,188	\$0	\$0	\$0	\$0	\$0	\$0	\$869,188	\$30,000	\$899,188
1-Jul-17	15-Feb-18	\$869,188	\$30,600	\$899,788	\$4,189,375	\$20,000	\$4,209,375	\$0	\$0	\$0	\$5,058,563	\$50,600	\$5,109,163
1-Jul-18	15-Feb-19	\$915,188	\$31,212	\$946,400	\$4,189,375	\$20,400	\$4,209,775	\$0	\$0	\$0	\$5,104,563	\$51,612	\$5,156,175
1-Jul-19	15-Feb-20	\$928,313	\$31,836	\$960,149	\$4,409,375	\$20,808	\$4,430,183	\$2,044,750	\$20,000	\$2,064,750	\$7,382,438	\$72,644	\$7,455,082
1-Jul-20	15-Feb-21	\$942,438	\$32,473	\$974,910	\$4,475,625	\$21,224	\$4,496,849	\$2,044,750	\$20,400	\$2,065,150	\$7,462,813	\$74,097	\$7,536,910
1-Jul-21	15-Feb-22	\$956,438	\$33,122	\$989,560	\$4,541,875	\$21,649	\$4,563,524	\$2,151,750	\$20,808	\$2,172,558	\$7,650,063	\$75,579	\$7,725,642
1-Jul-22	15-Feb-23	\$971,250	\$33,785	\$1,005,035	\$4,610,813	\$22,082	\$4,632,894	\$2,184,063	\$21,224	\$2,205,287	\$7,766,125	\$77,091	\$7,843,216
1-Jul-23	15-Feb-24	\$985,750	\$34,461	\$1,020,211	\$4,679,938	\$22,523	\$4,702,461	\$2,216,938	\$21,649	\$2,238,586	\$7,882,625	\$78,632	\$7,961,257
1-Jul-24	15-Feb-25	\$999,875	\$35,150	\$1,035,025	\$4,749,875	\$22,974	\$4,772,849	\$2,250,188	\$22,082	\$2,272,269	\$7,999,938	\$80,205	\$8,080,143
1-Jul-25	15-Feb-26	\$1,015,563	\$35,853	\$1,051,415	\$4,821,188	\$23,433	\$4,844,621	\$2,283,625	\$22,523	\$2,306,148	\$8,120,375	\$81,809	\$8,202,184
1-Jul-26	15-Feb-27	\$1,030,625	\$36,570	\$1,067,195	\$4,893,375	\$23,902	\$4,917,277	\$2,318,063	\$22,974	\$2,341,036	\$8,242,063	\$83,445	\$8,325,508
1-Jul-27	15-Feb-28	\$1,046,000	\$37,301	\$1,083,301	\$4,966,938	\$24,380	\$4,991,317	\$2,353,250	\$23,433	\$2,376,683	\$8,366,188	\$85,114	\$8,451,302
1-Jul-28	15-Feb-29	\$1,061,563	\$38,047	\$1,099,610	\$5,041,313	\$24,867	\$5,066,180	\$2,388,938	\$23,902	\$2,412,839	\$8,491,813	\$86,817	\$8,578,629
1-Jul-29	15-Feb-30	\$1,077,188	\$38,808	\$1,115,996	\$5,116,938	\$25,365	\$5,142,302	\$2,423,875	\$24,380	\$2,448,255	\$8,618,000	\$88,553	\$8,706,553
1-Jul-30	15-Feb-31	\$1,093,750	\$39,584	\$1,133,334	\$5,193,188	\$25,872	\$5,219,060	\$2,460,875	\$24,867	\$2,485,742	\$8,747,813	\$90,324	\$8,838,136
1-Jul-31	15-Feb-32	\$1,110,063	\$40,376	\$1,150,439	\$5,271,438	\$26,390	\$5,297,827	\$2,497,563	\$25,365	\$2,522,927	\$8,879,063	\$92,130	\$8,971,193
1-Jul-32	15-Feb-33	\$1,127,000	\$41,184	\$1,168,184	\$5,350,938	\$26,917	\$5,377,855	\$2,534,688	\$25,872	\$2,560,560	\$9,012,625	\$93,973	\$9,106,598
1-Jul-33	15-Feb-34	\$1,143,375	\$42,007	\$1,185,382	\$5,430,938	\$27,456	\$5,458,393	\$2,572,938	\$26,390	\$2,599,327	\$9,147,250	\$95,853	\$9,243,103
1-Jul-34	15-Feb-35	\$1,161,063	\$42,847	\$1,203,910	\$5,512,688	\$28,005	\$5,540,692	\$2,611,938	\$26,917	\$2,638,855	\$9,285,688	\$97,770	\$9,383,457
1-Jul-35	15-Feb-36	\$1,177,813	\$43,704	\$1,221,517	\$5,595,313	\$28,565	\$5,623,877	\$2,650,313	\$27,456	\$2,677,768	\$9,423,438	\$99,725	\$9,523,162
1-Jul-36	15-Feb-37	\$1,195,500	\$44,578	\$1,240,078	\$5,678,938	\$29,136	\$5,708,074	\$2,690,750	\$28,005	\$2,718,755	\$9,565,188	\$101,719	\$9,666,907
1-Jul-37	15-Feb-38	\$1,213,875	\$45,470	\$1,259,345	\$5,763,625	\$29,719	\$5,793,344	\$2,730,750	\$28,565	\$2,759,315	\$9,708,250	\$103,754	\$9,812,004
1-Jul-38	15-Feb-39	\$1,231,688	\$46,379	\$1,278,067	\$5,850,375	\$30,313	\$5,880,688	\$2,771,938	\$29,136	\$2,801,074	\$9,854,000	\$105,829	\$9,959,829
1-Jul-39	15-Feb-40	\$1,250,750	\$47,307	\$1,298,057	\$5,938,063	\$30,920	\$5,968,982	\$2,813,813	\$29,719	\$2,843,531	\$10,002,625	\$107,946	\$10,110,571
1-Jul-40	15-Feb-41	\$1,268,750	\$48,253	\$1,317,003	\$6,027,563	\$31,538	\$6,059,100	\$2,855,875	\$30,313	\$2,886,188	\$10,152,188	\$110,104	\$10,262,292
1-Jul-41	15-Feb-42	\$1,288,500	\$49,218	\$1,337,718	\$6,117,625	\$32,169	\$6,149,794	\$2,898,625	\$30,920	\$2,929,545	\$10,304,750	\$112,307	\$10,417,057
1-Jul-42	15-Feb-43	\$1,307,625	\$50,203	\$1,357,828	\$6,209,000	\$32,812	\$6,241,812	\$2,941,500	\$31,538	\$2,973,038	\$10,458,125	\$114,553	\$10,572,678
1-Jul-43	15-Feb-44	\$1,326,875	\$51,207	\$1,378,082	\$6,302,313	\$33,468	\$6,335,781	\$2,985,938	\$32,169	\$3,018,106	\$10,615,125	\$116,844	\$10,731,969
1-Jul-44	15-Feb-45	\$1,346,938	\$52,231	\$1,399,168	\$6,397,063	\$34,138	\$6,431,200	\$3,031,250	\$32,812	\$3,064,062	\$10,775,250	\$119,181	\$10,894,431
1-Jul-45	15-Feb-46	\$1,367,438	\$53,275	\$1,420,713	\$6,492,688	\$34,820	\$6,527,508	\$3,076,750	\$33,468	\$3,110,218	\$10,936,875	\$121,564	\$11,058,439
1-Jul-46	15-Feb-47	\$0	\$0	\$0	\$6,588,563	\$35,517	\$6,624,079	\$3,122,750	\$34,138	\$3,156,888	\$9,711,313	\$69,655	\$9,780,967
1-Jul-47	15-Feb-48	\$0	\$0	\$0	\$0	\$0	\$0	\$3,169,500	\$34,820	\$3,204,320	\$3,169,500	\$34,820	\$3,204,320
1-Jul-48	15-Feb-49	\$0	\$0	\$0	\$0	\$0	\$0	\$3,216,188	\$35,517	\$3,251,704	\$3,216,188	\$35,517	\$3,251,704
Total		\$33,279,563	\$1,217,042	\$34,496,605	\$160,406,313	\$811,362	\$161,217,674	\$78,294,125	\$811,362	\$79,105,487	\$271,980,000	\$2,839,766	\$274,819,766

MuniCap, Inc.

18-Mar-16

Downtown Columbia
Howard County, Maryland

Exhibit D-2: Calculation of Maximum Special Taxes - Gross Debt Service Coverage

Maximum adjusted gross annual debt service	\$7,025,090
Required debt service coverage	110%
Maximum Special Tax A (2016 - 2017)	\$7,727,599

Tax Year Beginning	Bond Year Ending	Total Gross Annual Obligations ¹	Increase Factor	Adjusted Gross Annual Obligation	Maximum Special Tax A	Gross Debt Service Coverage
1-Jul-16	15-Feb-17	\$899,188	1.00	\$899,188	\$7,727,599	859%
1-Jul-17	15-Feb-18	\$5,109,163	1.02	\$5,008,983	\$7,882,151	154%
1-Jul-18	15-Feb-19	\$5,156,175	1.04	\$4,955,954	\$8,039,794	156%
1-Jul-19	15-Feb-20	\$7,455,082	1.06	\$7,025,090	\$8,200,590	110%
1-Jul-20	15-Feb-21	\$7,536,910	1.08	\$6,962,939	\$8,364,602	111%
1-Jul-21	15-Feb-22	\$7,725,642	1.10	\$6,997,352	\$8,531,894	110%
1-Jul-22	15-Feb-23	\$7,843,216	1.13	\$6,964,551	\$8,702,532	111%
1-Jul-23	15-Feb-24	\$7,961,257	1.15	\$6,930,754	\$8,876,582	111%
1-Jul-24	15-Feb-25	\$8,080,143	1.17	\$6,896,324	\$9,054,114	112%
1-Jul-25	15-Feb-26	\$8,202,184	1.20	\$6,863,221	\$9,235,196	113%
1-Jul-26	15-Feb-27	\$8,325,508	1.22	\$6,829,816	\$9,419,900	113%
1-Jul-27	15-Feb-28	\$8,451,302	1.24	\$6,797,070	\$9,608,298	114%
1-Jul-28	15-Feb-29	\$8,578,629	1.27	\$6,764,190	\$9,800,464	114%
1-Jul-29	15-Feb-30	\$8,706,553	1.29	\$6,730,449	\$9,996,473	115%
1-Jul-30	15-Feb-31	\$8,838,136	1.32	\$6,698,203	\$10,196,403	115%
1-Jul-31	15-Feb-32	\$8,971,193	1.35	\$6,665,729	\$10,400,331	116%
1-Jul-32	15-Feb-33	\$9,106,598	1.37	\$6,633,663	\$10,608,337	116%
1-Jul-33	15-Feb-34	\$9,243,103	1.40	\$6,601,078	\$10,820,504	117%
1-Jul-34	15-Feb-35	\$9,383,457	1.43	\$6,569,915	\$11,036,914	118%
1-Jul-35	15-Feb-36	\$9,523,162	1.46	\$6,536,992	\$11,257,653	118%
1-Jul-36	15-Feb-37	\$9,666,907	1.49	\$6,505,551	\$11,482,806	119%
1-Jul-37	15-Feb-38	\$9,812,004	1.52	\$6,473,723	\$11,712,462	119%
1-Jul-38	15-Feb-39	\$9,959,829	1.55	\$6,442,406	\$11,946,711	120%
1-Jul-39	15-Feb-40	\$10,110,571	1.58	\$6,411,678	\$12,185,645	121%
1-Jul-40	15-Feb-41	\$10,262,292	1.61	\$6,380,287	\$12,429,358	121%
1-Jul-41	15-Feb-42	\$10,417,057	1.64	\$6,349,518	\$12,677,945	122%
1-Jul-42	15-Feb-43	\$10,572,678	1.67	\$6,318,013	\$12,931,504	122%
1-Jul-43	15-Feb-44	\$10,731,969	1.71	\$6,287,453	\$13,190,134	123%
1-Jul-44	15-Feb-45	\$10,894,431	1.74	\$6,257,484	\$13,453,937	123%
1-Jul-45	15-Feb-46	\$11,058,439	1.78	\$6,227,143	\$13,723,016	124%
1-Jul-46	15-Feb-47	\$9,780,967	1.81	\$5,399,787	\$13,997,476	143%
1-Jul-47	15-Feb-48	\$3,204,320	1.85	\$1,734,326	\$14,277,426	446%
1-Jul-48	15-Feb-49	\$3,251,704	1.88	\$1,725,463	\$14,562,974	448%
Total		\$274,819,766			\$356,331,725	

MuniCap, Inc.

18-Mar-16

¹See Exhibit D-1.

Exhibit E
Assessed Value Methodology

Exhibit E-1
Projected Future Assessed Value

Property Class	Description	Crescent ST District, Phase I				Assessed Value			Equivalent Unit Factors
		Units	Avg. SF Per Unit	BSF	Rooms	Per Units	Per BSF	Per Room	
<i>Residential Rental Property</i>									<i>(per unit)</i>
Residential Rental A Property	Multi-Family Market Rate	705	1,125	792,958	-	\$233,294	\$207	-	1.000
Residential Rental B Property	Multi-Family 80% AMI	23	1,075	24,722	-	\$149,100	\$139	-	0.640
Residential Rental C Property	Multi-Family 60% LIHTC	0	920	0	-	\$35,121	\$38	-	0.150
Residential Rental D Property	Multi-Family 30% AMI	23	1,048	24,097	-	\$122,354	\$117	-	0.520
<i>For Sale Property</i>									<i>(per unit)</i>
Residential For Sale A Property	Condo	0	1,500	0	-	\$406,195	\$271	-	1.740
Residential For Sale B Property	Townhouse	0	1,500	0	-	\$353,941	\$236	-	1.520
<i>Office Property</i>									<i>(per 1,000 BSF)</i>
	Office	-	-	963,000	-	-	\$244	-	1.050
<i>Retail Property</i>									<i>(per 1,000 BSF)</i>
	Retail/Restaurant	-	-	210,731	-	-	\$408	-	1.750
<i>Hotel Property</i>									<i>(per room)</i>
	Hotel	-	-	-	0	-	\$173.15	\$114,212	0.490

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¹Provided by The Howard Research and Development Company.

²See Exhibits E-2(a) and E-2(b).

Exhibit E-2(a)
Comparison of Valuation Methods - Residential

Property Type	Comparables ²	Income Capitalization ³	Developer Estimated Sales Price ⁴
<u>Residential</u>			
<u>MF Rental - Market Rate</u>			
Per Unit	\$219,956	\$236,328	-
Per SF	<u>\$207.42</u>	\$210.11	-
<u>MF Rental - 80% AMI</u>			
Per Unit	\$149,100	\$151,039	-
Per SF	<u>\$138.72</u>	\$140.52	-
<u>MF Rental - 60% LIHTC</u>			
Per Unit	\$73,585	\$79,062	-
Per SF	\$84.83	\$85.94	-
PILOT Value (45%) ⁵	<u>\$38.18</u>		-
<u>MF Rental - 30% AMI</u>			
Per Unit	\$115,359	\$123,946	-
Per SF	<u>\$116.79</u>	\$118.30	-
<u>Condos</u>			
Market rate			
Per Unit	\$379,706	NA	\$900,000
Per SF	<u>\$270.80</u>	NA	\$600.00
<u>Townhome</u>			
Market rate			
Per Unit	\$438,245	NA	\$750,000
Per SF	<u>\$235.96</u>	NA	\$500.00

MuniCap, Inc.

¹Valuation approach chosen for each type of development is underlined and shown in bold and italics.

²See Exhibit E-3(a).

³See Exhibit E-4(a).

⁴Source: The Howard Research and Development Corporation.

⁵According to the Howard County Housing Commission, units subject to a PILOT pay approximately 45% of their County real estate taxes. PILOT percentage is based on previously executed LIHTC deals within the County.

Exhibit E-2(b)
Comparison of Valuation Methods - Commercial

Property Type	Comparables ²	Income Capitalization ³	Developer Estimated Sales Price ⁴
<u>Commercial</u>			
<u>Office</u>			
Per SF	<u>\$244.28</u>	\$267.30	-
<u>Retail</u>			
Per SF	<u>\$408.07</u>	\$497.44	-
<u>Restaurant</u>			
Per SF	<u>\$408.07</u>	\$497.44	-
<u>Hotel</u>			
Per SF	<u>\$173.15</u>	\$158.11	-
Per Room	<u>\$114,211.72</u>	\$94,865.06	-

MuniCap, Inc.

¹Valuation approach chosen for each type of development is underlined and shown in bold and italics.

²See Exhibit E-3(b).

³See Exhibits E-4(a) and E-4(b).

⁴Source: The Howard Research and Development Corporation.

Exhibit E-3(a)
Projected Assessed Value - Comparables (Residential)

Development Type	Address	City	Year Built	Parcel Number	Assessed Value ¹			Area			Assessed Value Per SF/Unit	
					Land	Building	Total	Gross SF	Units	SF/Unit	Per SF	Per Unit
Apartments												
Residences at Arundel Preserves Flats 170	Milestone Parkway	Hanover	2011	04 90231749	\$5,902,400	\$49,639,900	\$55,542,300	233,546	242	965	\$238	\$229,514
Haven at Odenton Gateway	8305 Telegraph Road	Odenton	2013	04 90062382	\$18,450,000	\$46,550,000	\$65,000,000	385,578	369	1,045	\$169	\$176,152
Crosswinds at Annapolis Town Centre	615 Carlton Otto Lane	Odenton	2012	04 52090233379	\$12,600,000	\$41,667,300	\$54,267,300	311,870	252	1,238	\$174	\$215,346
	1903 Towne Centre Boulevard	Annapolis	2013	02 1090235153	\$10,750,000	\$44,894,200	\$55,644,200	223,239	215	1,038	\$249	\$258,810
Sub-total apartments					\$47,702,400	\$182,751,400	\$230,453,800	1,154,233	1,078	1,071	<u>\$207</u>	\$219,956
Condos												
Condos	1220 Blair Mill Road Unit #504	Silver Spring	2006	13 03553231	\$84,000	\$196,000	\$280,000	-	-	1,020	\$275	\$280,000
Condos	930 Wayne Avenue Unit #510	Silver Spring	2006	13 03579235	\$94,500	\$220,500	\$315,000	-	-	1,227	\$257	\$315,000
Condos	930 Wayne Avenue Unit #509	Silver Spring	2006	13 03579224	\$94,500	\$220,500	\$315,000	-	-	1,271	\$248	\$315,000
Condos	15000 Pennfield Court Unit 406	Silver Spring	2013	13 03732781	\$123,000	\$287,000	\$410,000	-	-	1,319	\$311	\$410,000
Condos	15000 Pennfield Court Unit 204	Silver Spring	2013	13 03732520	\$148,500	\$346,500	\$495,000	-	-	1,574	\$314	\$495,000
Condos	15000 Pennfield Court Unit 401	Silver Spring	2013	13 03732735	\$148,500	\$346,500	\$495,000	-	-	1,563	\$317	\$495,000
Condos	15000 Pennfield Court Unit 301	Silver Spring	2013	13 03732611	\$148,500	\$346,500	\$495,000	-	-	1,563	\$317	\$495,000
Condos	930 Wayne Avenue Unit #809	Silver Spring	2006	13 03579554	\$99,000	\$231,000	\$330,000	-	-	1,271	\$260	\$330,000
Condos	10205 Wincopin Circle	Columbia	2005	15-138017	\$68,000	\$272,000	\$340,000	-	-	1,649	\$206	\$340,000
Condos	930 Wayne Avenue Unit #1109	Silver Spring	2006	13 03579884	\$103,500	\$241,500	\$345,000	-	-	1,271	\$271	\$345,000
Condos	930 Wayne Avenue Unit #1105	Silver Spring	2006	13 03579840	\$103,500	\$241,500	\$345,000	-	-	1,268	\$272	\$345,000
Condos	930 Wayne Avenue Unit #1410	Silver Spring	2006	13 03580223	\$108,000	\$252,000	\$360,000	-	-	1,227	\$293	\$360,000
Condos	930 Wayne Avenue Unit #1405	Silver Spring	2006	13 03580176	\$108,000	\$252,000	\$360,000	-	-	1,268	\$284	\$360,000
Condos	10205 Wincopin Circle	Columbia	2005	15-138149	\$74,000	\$296,000	\$370,000	-	-	1,649	\$224	\$370,000
Condos	1220 Blair Mill Road Unit #1405	Silver Spring	2006	13 03554086	\$120,000	\$280,000	\$400,000	-	-	1,590	\$252	\$400,000
Condos	1220 Blair Mill Road Unit #905	Silver Spring	2006	13 03553685	\$120,000	\$280,000	\$400,000	-	-	1,590	\$252	\$400,000
Condos	1220 Blair Mill Road Unit #505	Silver Spring	2006	13 03553242	\$120,000	\$280,000	\$400,000	-	-	1,590	\$252	\$400,000
Sub-total condos					\$1,865,500	\$4,589,500	\$6,455,000			1,406	<u>\$271</u>	\$379,706
Townhomes												
Townhomes	5959 Charles Crossing	Ellicott City	2013	01-323008	\$142,500	\$317,100	\$459,600	-	-	2,000	\$230	\$459,600
Townhomes	5916 Charles Crossing	Ellicott City	2011	01-318438	\$142,500	\$292,200	\$434,700	-	-	2,036	\$214	\$434,700
Townhomes	5921 Charles Crossing	Ellicott City	2011	01-315463	\$142,500	\$214,500	\$357,000	-	-	1,616	\$221	\$357,000
Townhomes	5975 Charles Crossing	Ellicott City	2014	01-323075	\$142,500	\$314,200	\$456,700	-	-	2,000	\$228	\$456,700
Townhomes	6003 Charles Crossing	Ellicott City	2014	01-323466	\$142,500	\$332,900	\$475,400	-	-	2,000	\$238	\$475,400
Shipley's Grant	5907 Talbot Drive	Ellicott City	2012	01-318780	\$146,200	\$395,500	\$541,700	-	-	2,374	\$228	\$541,700
Shipley's Grant	5912 Talbot Drive	Ellicott City	2012	01-318373	\$142,500	\$259,000	\$401,500	-	-	1,672	\$240	\$401,500
Shipley's Grant	5922 Talbot Drive	Ellicott City	2012	01-318330	\$146,200	\$261,100	\$407,300	-	-	1,672	\$244	\$407,300
Shipley's Grant	5928 Talbot Drive	Ellicott City	2012	01-318314	\$146,200	\$265,400	\$411,600	-	-	1,672	\$246	\$411,600
Shipley's Grant	5910 Talbot Drive	Ellicott City	2012	01-318381	\$146,200	\$265,400	\$411,600	-	-	1,672	\$246	\$411,600
Shipley's Grant	5936 Talbot Drive	Ellicott City	2012	01-318284	\$142,500	\$321,100	\$463,600	-	-	1,776	\$261	\$463,600
Sub-total townhomes					\$1,582,300	\$3,238,400	\$4,820,700			1,863	<u>\$236</u>	\$438,245

¹Assessed values based on information provided by Maryland State Department of Assessments and Taxation. Values used on Exhibit E-2(a) are shown in bold, italics, and underlined.

Exhibit E-3(b)
Projected Assessed Value - Comparables (Commercial)

Development Type	Address	City	Year Built	Parcel Number	Assessed Value ¹			Area		Assessed Value	
					Land	Building	Total	SF	Rooms	Per SF	Per Room
Office											
Johns Hopkins APL	11101 Johns Hopkins Road	Laurel	2012	5371767	\$6,713,500	\$44,035,400	\$50,748,900	211,144	-	\$240	-
Maple Lawn Office	8160 Maple Lawn Boulevard	Fulton	2012	5443016	\$1,221,500	\$20,566,300	\$21,787,800	104,796	-	\$208	-
National Business Park	322 Sentinel Way	Annapolis Jct	2009	04 49990220569	\$7,247,800	\$27,617,200	\$34,865,000	135,000	-	\$258	-
National Business Park	318 Sentinel Way	Annapolis Jct	2007	04 499 90218043	\$4,371,000	\$30,859,400	\$35,230,400	130,200	-	\$271	-
Sub-total					\$19,553,800	\$123,078,300	\$142,632,100	581,140		<u>\$244</u>	
Retail/Restaurant											
Whole Foods ³	11355 Woodglen Drive	Rockville	2011	04 03686318	\$2,763,900	\$19,874,500	\$22,638,400	53,581	-	\$423	-
Wal-Mart/Retail/Office ³	8606 Westwood Center Drive	Vienna	2013	0293 34 0001	\$11,839,170	\$48,896,210	\$60,735,380	177,572	-	\$342	-
Crown Retail	303 Copley Place	Gaithersburg	2013	09 03702341	\$1,074,700	\$2,462,300	\$3,537,000	7,967	-	\$444	-
Crown Retail	323 Copley Place	Gaithersburg	2013	09 03702352	\$8,224,100	\$8,768,600	\$16,992,700	55,818	-	\$304	-
Annapolis Town Center - ground floor retail	1905 Towne Centre Boulevard	Annapolis	2008	02 010 90228913	\$4,728,000	\$18,013,400	\$22,741,400	53,037	-	\$429	-
Annapolis Town Center - ground floor retail	1915 Towne Centre Boulevard	Annapolis	2008	02 010 90227609	\$1,200,000	\$19,725,900	\$20,925,900	48,803	-	\$429	-
Annapolis Town Center - ground floor retail	1910 Towne Centre Boulevard	Annapolis	2009	02 010 90228914	\$7,283,000	\$26,639,100	\$33,922,100	84,175	-	\$403	-
Bertucci's	9081 Snowden River Parkway	Columbia	1993	06539297	\$2,432,400	\$1,135,900	\$3,568,300	7,597	-	\$470	-
Red Lobster	9011 Snowden Square Drive	Columbia	1995	06539343	\$2,236,000	\$827,900	\$3,063,900	8,670	-	\$353	-
Lonestar Steakhouse	8900 Stanford Boulevard	Columbia	1996	16191167	\$1,555,000	\$1,153,600	\$2,708,600	6,830	-	\$397	-
Cheesecake Factory, Unos, Champs, PF Chang ²	Mall at Columbia	Columbia	2001	-	-	-	-	32,753	-	\$444	-
Sub-total					\$43,336,270	\$147,497,410	\$190,833,680	536,803		<u>\$408</u>	
Hotel/Conference Center											
Residence Inn Columbia	4950 Beaver Run	Ellicott City	1998	02-389568	\$1,572,500	\$8,766,800	\$10,339,300	73,800	108	\$140	\$95,734
Hampton Inn & Suites Columbia/South	7045 Minstrel Way	Columbia	2013	16-218324	\$1,156,500	\$8,980,500	\$10,137,000	67,016	124	\$151	\$81,750
Marriott BWI	1743 W Nursery Road	Linthicum	1988	05-000-90046373	\$5,381,600	\$29,895,000	\$35,276,600	221,656	309	\$159	\$114,164
Hilton Garden Inn	8241 SE Snowden River Parkway	Columbia	2003	16-21410	\$1,050,600	\$8,230,900	\$9,281,500	57,968	98	\$160	\$94,709
SpringHill Suites Columbia	7055 Minstrel Way	Columbia	2009	16-218316	\$882,000	\$11,925,300	\$12,807,300	66,228	117	\$193	\$109,464
Hotel at Arundel Preserve	7795 Arundel Mills Boulevard	Hanover	2011	04-000-90231748	\$812,200	\$27,484,200	\$28,296,400	140,000	150	\$202	\$188,643
Westin BWI	1110 Old Elkridge Landing	Linthicum	2007	05-000-900050327	\$7,074,600	\$22,830,100	\$29,904,700	145,226	260	\$206	\$115,018
Sub-total					\$17,930,000	\$118,112,800	\$136,042,800	771,894		<u>\$173</u>	<u>\$114,212</u>

MuniCap, Inc.

¹Assessed values based on information provided by Maryland State Department of Assessments and Taxation. Values used on Exhibit E-2(b) are shown in bold, italics, and underlined.

²Represents the approximate assessed value of four restaurants as provided by Howard County Office of the Maryland State Department of Assessments and Taxation. Restaurants are part of larger mall parcel and values need to be extracted from overall value.

³Excluded from average value per square feet.

Exhibit E-4(a)
Projected Assessed Value - Income Capitalization (Apartments, Office and Retail/Restaurant)

	Multi-Family Rental				Office	Retail/Restaurant
	Market Rate	80% AMI ⁴	60% LIHTC ⁴	30% AMI ⁴		
Monthly rent per square foot	\$2.30	\$2.19	\$1.55	\$1.93		
Annual rent per square foot ¹	\$27.57	\$26.30	\$18.60	\$23.17	\$34.00	\$55.00
Net square feet per unit	877	838	718	817		
Monthly rent per unit ¹	\$2,015	\$1,837	\$1,113	\$1,577		
Annual rent per unit	\$24,175	\$22,040	\$13,356	\$18,929		
Occupancy ¹	90%	90%	90%	90%	95%	95%
Effective rent per square foot	\$24.81	\$23.67	\$16.74	\$20.85	\$32.30	\$52.25
Effective rent per unit	\$21,758	\$19,836	\$12,020	\$17,036		
Expense ratio ¹	23.6%	24.8%	35.0%	28.1%	29%	8%
Expenses	(\$5,139.22)	(\$4,910.68)	(\$4,207.48)	(\$4,787.62)	(\$9.28)	(\$11.50)
Net operating income per square foot	\$18.95	\$17.81	\$10.88	\$14.99	\$23.02	\$40.75
Net operating income per unit	\$16,619	\$14,926	\$7,813	\$12,248		
Capitalization rate ²	5.650%	8.500%	8.500%	8.500%	7.230%	6.810%
Tax rate ³	1.382%	1.382%	1.382%	1.382%	1.382%	1.382%
Fully loaded capitalization rate	7.032%	9.882%	9.882%	9.882%	8.612%	8.192%
Value per net square foot	\$269.47	\$180.24	\$110.11	\$151.71	\$267.30	\$497.44
Value per unit	\$236,328	\$151,039	\$79,062	\$123,946		
Value per gross square foot	\$210.11	\$140.52	\$85.94	\$118.30		

MuniCap, Inc.

¹NOI assumptions based on information provided by The Howard Research and Development Corporation and reviewed with Maryland State Department of Assessments and Taxation.

²Represents the average overall capitalization rate for the national apartment market, retail strip shopping center market, and suburban Maryland office market, as provided in the PwC Real Estate Investor Survey for Third Quarter 2015. Capitalization rates reviewed with Maryland State Department of Assessments and Taxation.

³Includes the fiscal year 2016 Howard County (\$1.014), Maryland State (\$0.112), fire tax (\$0.176) and ad valorem (\$0.08) tax rate.

⁴Subsidized unit rents are based on maximum rents as provided by the Howard County Housing Commission. Rent from 30% AMI units are anticipated to be further subsidized with vouchers. Actual rent after vouchers is anticipated to be lower than 80% and 40-60% AMI rents. Assessor will take into account gross rent before vouchers. As a result, 30% rents are shown as higher than 40-60% rent limits. 80% AMI rents shown represent Howard County AMI. Rents for 40 60% and 30% AMI levels are based on Baltimore MSA.

Exhibit E-4(a), continued
Projected Assessed Value - Income Capitalization (Hotel)

	Limited Service Hotel
<i>Income Capitalization</i>	
Average daily rate per room ¹	\$109.73
Gross annual income	\$20,532.00
Assumed occupancy ¹	67.8%
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Effective gross income per room	\$13,920.70
Assumed expense ratio ²	39%
Less: assumed expenses	(\$5,399.92)
<hr/>	
Net operating income per room	\$8,520.78
Capitalization rate ¹	7.60%
Tax rate ³	1.382%
<hr/>	
Fully loaded capitalization rate	8.98%
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Total estimated value per room	\$94,865.06

MuniCap, Inc.

¹Represents the ADR, occupancy, and average overall capitalization rate for the full service hotel as provided in the *PwC Real Estate Investor Survey for Third Quarter 2015*.

²Represents the room operating expenses as a percentage of per room sales as reported in the *2014 HOST Almanac*, an annual publication of STR Analytics, a division of STR, Inc.

³Includes the fiscal year 2016 Howard County (\$1.014), Maryland State (\$0.112), fire tax (\$0.176) and ad valorem (\$0.08) tax rate.