

FROM	NAME & TITLE	Robert Cename, Deputy Director <i>BaltAC</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 432, City Hall		
	SUBJECT	City Council Bill 22-0223 – Downtown Management District and Downtown Management Authority		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

September 19, 2022

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 22-0223, Downtown Management District and Downtown Management Authority, the purpose of which is to renew and continue the Downtown Management District and Downtown Management Authority, subject to certain conditions, for an additional five years.

Background

The Downtown Management District, which includes the Central Business District, Market Center, and Inner Harbor is a special benefits district that is managed by the Downtown Management Authority. This District provides services that include sanitation, security, marketing, and development of abandoned buildings to businesses in the District. Funding for these services is raised through a surcharge paid by members. This legislation aims to renew the Downtown Management District and Authority for a five year period.

Fiscal Impact

The Department of Finance anticipates minimal fiscal impact for the City from this legislation.

The Authority is funded primarily by a property tax surcharge of \$0.2239 per \$100 of assessed value imposed to each taxable property within the District. This surcharge is approved annually by the Board of Estimates. The Fiscal 2023 estimated revenue from this surcharge is \$9,811,168.

Conclusion

The Downtown Management District represents an agreement between the area’s property owners and the District, in which property owners pay a supplemental tax rate, in addition to the City’s property tax rate, for additional services. While there is no direct cost or revenue impact to the City, these additional surcharges add to an already high tax burden on property owners and have the potential to discourage investments. This increased tax burden has the potential to limit the City’s flexibility to increase General Fund revenues in the future. This legislation intends to renew the Downtown Management District and Downtown Management Authority for an additional five years.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 22-0223.

cc: Yoanna Moises
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