

SHEILA DIXON
Mayor



GARY W. COLE
Acting Director

MEMO

January 23, 2009

TO: The Honorable President Stephanie Rawlings-Blake
and Members of the Baltimore City Council
City Hall, Room 408
100 N. Holliday Street
Baltimore, Maryland 21202

KSR

FROM: Ms. Kathleen G. Kotarba, Executive Director

RE: Bill No. 09-0263-Tax Credits-Historic Restorations and Rehabilitations

This legislation will extend the period within which applications may be accepted for the Baltimore City tax credit for historic restorations and rehabilitations. The current legislation does not allow acceptance of applications after February 28, 2009. If approved by the Mayor and City Council, applications for the credit could be accepted through February 28, 2014. The Commission for Historical and Architectural Preservation (CHAP) supports this legislation that will allow this valuable Baltimore City economic development incentive to continue for five more years.

Baltimore City's Historic Tax Credit Program was established by ordinance in 1996. The program is administered by the Commission for Historical and Architectural Preservation (CHAP) in coordination with the Department of Finance. Features of the program are as follows:

- Encourages property owners in historic districts to undertake comprehensive rehabilitation projects that significantly contribute to the character and quality of life of the historic districts and their communities in general. (A substantial investment in rehabilitation, being 25 % of the full cash value, is required).
- Approximately \$ 400 million dollars has been invested in City historic properties since 1997. (There are currently 756 restorations underway in many of the 72 historic districts throughout the City; an additional \$ 600 million dollar investment can be expected at the time of project completions).
- Program not only encourages investment in historic districts, but also ensures quality in design and material for such districts. (Work must adhere to CHAP Guidelines).

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- Program is especially important for recently designated districts such as Old West Baltimore, Old East Baltimore, Reservoir Hill and Pigtown, to name a few.
- The 10 year credit is granted on the increased assessment, directly resulting from qualifying rehabilitation work. (Work must be pre-approved).
- Credit is fully transferable to a new owner if property is sold before the ten year life of credit
- Property owners of historic buildings appreciate the fact that their investments in Baltimore's historic districts are rewarded. (This is a selling feature for Baltimore's historic neighborhoods)
- Program ensures the long-term improvement and health of Baltimore's historic neighborhoods

For additional information contact Kathleen Kotarba, Executive Director-CHAP or Brigitte Fessenden, CHAP City Planner and Program Administrator at (410) 396-4866. Your favorable support is requested. Thank you for your consideration.

Cc: Ms. Angela Gibson, Mayor's Legislative Liaison to the City Council
Mr. Tyler Gearhart, Chairman, CHAP
Mr. Gary Cole, Acting Director, Department of Planning
Ms. Brigitte Fessenden, CHAP City Planner