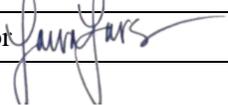




CITY OF BALTIMORE
MAYOR BRANDON M. SCOTT

TO	The Honorable President and Members of the Baltimore City Council
FROM	Laura Larsen, Budget Director 
DATE	February 13 th , 2025
SUBJECT	25-0019 Midtown Community Benefits District and Management Authority

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

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 25-0019 Midtown Community Benefits District and Management Authority, the purpose of which is to establish a Midtown Community Benefits District and Management Authority.

Background

There are several Community Benefits Districts across the city: Waterfront, Port Covington, Charles Village, and Downtown. These Community Benefits Districts, and the Management Authorities that preside over them, provide additional services to their residents such as street cleaning, alley maintenance, and safety patrols. These services are funded by a property tax surcharge paid by property owners in the District.

The Midtown Community Benefits District (“the District”) was established in 1996 and is managed by the Midtown Management Authority and its Board of Directors. The Board of Directors prepares the yearly operating budget and manages funds received from property tax surcharges to provide additional services to the District. This surcharge was approved by the District’s property owners by vote. These services include street cleaning, alley maintenance, public space maintenance, tree planting and safety patrols.

The creation of the District lapsed at the end of calendar year 2024. The process is underway to re-establish the District.

Fiscal Impact

The Midtown Management Authority will be funded primarily by a property tax surcharge imposed upon taxable properties within the District. The District, if established, will have 4,045 total properties, 3,774 of which are taxable and 271 that are tax exempt. Each taxable property is subject to a surcharge of \$0.132 per \$100 of assessed value, which is approved annually by the Board of Estimates. The estimated Fiscal 2025 revenue is \$1.2 million (assuming 8 months of collected revenue). The projected annual revenue from the surcharge is \$1.8 million.

Conclusion

If this legislation passes and is approved by property owners to establish the Midtown Community Benefits District, it will establish an agreement between the area’s property owners and the District, in which property owners pay a supplemental tax rate, on top of the of the City’s property tax rate, for additional

services. There is no direct cost or revenue impact to the City.

It is important to note that 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.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 25- 0019.

cc: Michael Mocksten
Nina Themelis