

For Internal Use Only



**BALTIMORE CITY COUNCIL
WAYS AND MEANS
COMMITTEE**

Mission Statement

The Committee on Ways and Means (WM) is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello
Chairman**

PUBLIC HEARING

**TUESDAY, AUGUST 01, 2023
10:31 AM**

COUNCIL CHAMBERS

Council Bill #23-0400

**Port Covington Community Benefits District – Amendment -
Boundaries**

CITY COUNCIL COMMITTEES

ECONOMIC AND COMMUNITY DEVELOPMENT

(ECD)

Sharon Green Middleton, Chair
John Bullock – Vice Chair
Mark Conway
Ryan Dorsey
Antonio Glover
Odette Ramos
Robert Stokes

Staff: Matthew Peters

WAYS AND MEANS (W&M)

Eric Costello, Chair
Kristerfer Burnett
Ryan Dorsey
Danielle McCray
Sharon Green Middleton
Isaac “Yitzy” Schleifer
Robert Stokes

Staff: Marguerite Currin

PUBLIC SAFETY AND GOVERNMENT

OPERATIONS (SGO)

Mark Conway – Chair
Kristerfer Burnett
Zeke Cohen
Erick Costello
Antonio Glover
Phylicia Porter
Odette Ramos

Staff: Anthony Leva

EDUCATION, WORKFORCE, AND YOUTH (EWY)

Robert Stokes – Chair
John Bullock
Zeke Cohen
Antonio Glover
Sharon Green Middleton
Phylicia Porter
James Torrence

Staff: Marguerite Currin

HEALTH, ENVIRONMENT, AND TECHNOLOGY

(HET)

Danielle McCray – Chair
John Bullock
Mark Conway
Ryan Dorsey
Phylicia Porter
James Torrence
Isaac “Yitzy” Schleifer

Staff: Deontre Hayes

RULES AND LEGISLATIVE OVERSIGHT

(OVERSIGHT)

Isaac “Yitzy” Schleifer, Chair
Kristerfer Burnett
Mark Conway
Eric Costello
Sharon Green Middleton
Odette Ramos
James Torrence

Staff: Richard Krummerich

LEGISLATIVE INVESTIGATIONS

Eric Costello, Chair
Sharon Green Middleton, Vice Chair
Isaac “Yitzy” Schleifer, Chair
Robert Stokes
Danielle McCray

Staff: Marguerite Currin



BILL SYNOPSIS

Committee: Ways and Means

Bill: 23-0400

Port Covington Community Benefits District – Amendment - Boundaries

Sponsor: Councilmember Costello, et al – at the request of Insulator Drive LLC; Mark C. Sapperstein

Introduced: June 12, 2023

Purpose:

For the purpose of amending the boundaries of the Port Covington Community Benefits District.

Effective: On the 30th day after the date it is enacted.

Agency Reports

Law Department	Favorable
Department of Finance	Does Not Oppose
Planning Commission	Favorable
Department of Housing and Community Development	None as of this writing
Department of Transportation	None as of this writing
Department of Public Works	No Objection
Office of Equity and Civil Rights	Defers to Finance

Analysis

Current Law

Baltimore City Charter – Article II - General Powers – Section 63 – outlines the rules, regulations and mandates for **Community Benefits District Authorities**.

Baltimore City Code – Article 14 – Special Benefits District - Section 10-2 – outlines the rules, regulations and mandates for **Special Benefits Districts**.

Background

Special benefits districts enable residents, property owners and others in communities to pay to maintain roads, increase police protection and clean streets by placing a special tax on themselves.¹

According to public records, Baltimore City's first special benefits district began in 1992 when commercial property owners in the central business district created the Downtown Partnership.²

Port Covington Community Benefits Districts was created in calendar year 2020.

If enacted this bill will change the boundaries of the Port Covington Community Benefits District. The City Council must give approval for the changes and thereafter those changes can only be effective if approved by the majority of voters in that district in an election. *See Law Department's report.*

Additional Information

Fiscal Note: None

Information Source(s): City Code, City Charter, Council Bill 23-0400, see footnotes below, and all agency reports received as of this writing.

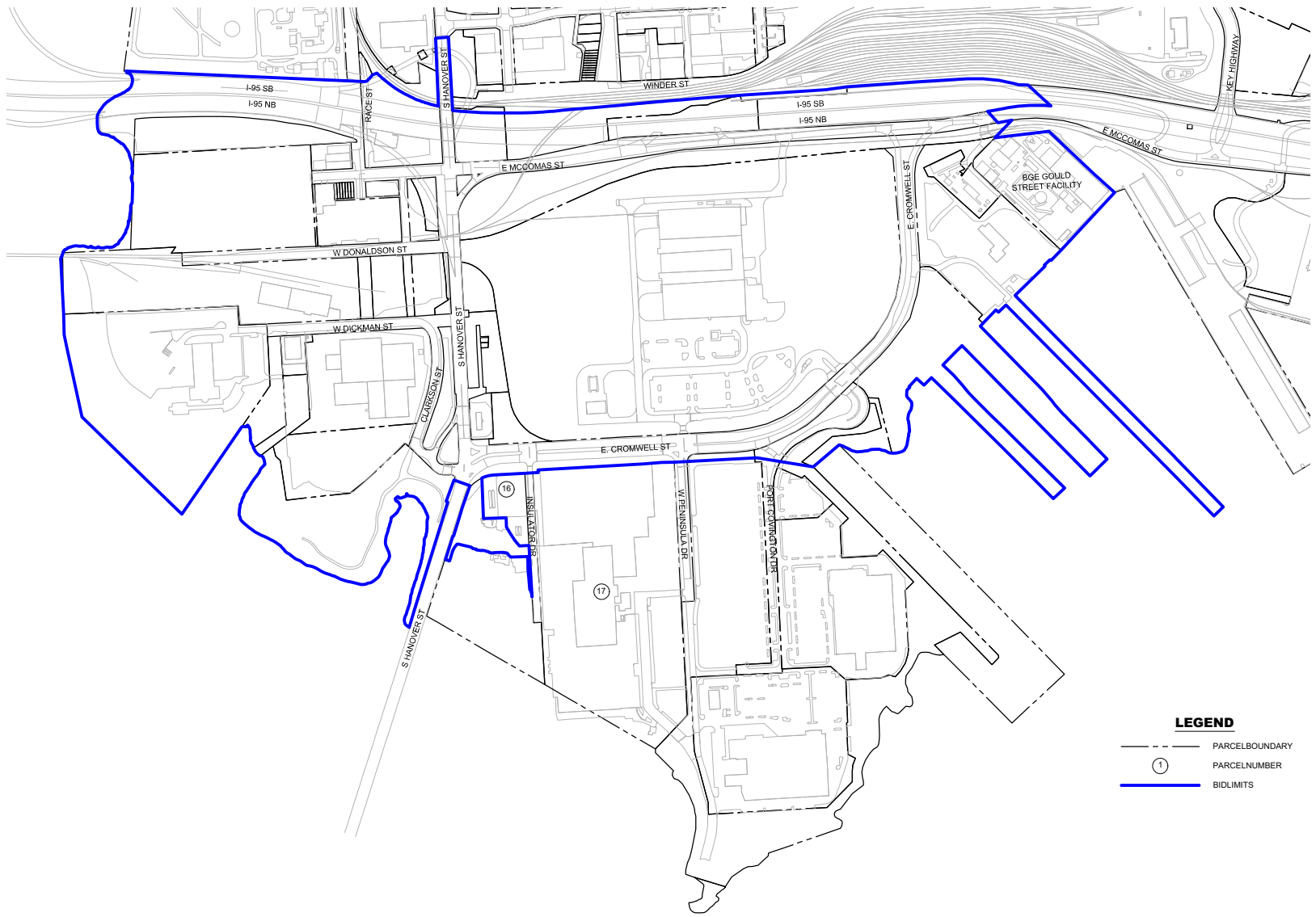
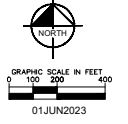
Marguerite M. Currin
Analysis by: Marguerite M. Currin
Analysis Date: July 28, 2023

Direct Inquiries to: (443) 984-3485

¹ Article – The Baltimore Watchdog, dated November 5, 2019, “Entitled “Bill Introduced to Create Community Benefits District for Port Covington.”

² Ibid.

PORT COVINGTON COMMUNITY BENEFITS DISTRICT - DISTRICT BOUNDARIES



LEGEND

- PARCELBOUNDARY
- ① PARCELNUMBER
- BIDLIMITS

Council Bill 23-0400

AGENCY REPORTS

See attached

CITY OF BALTIMORE

BRANDON M. SCOTT
Mayor



DEPARTMENT OF LAW
EBONY M. THOMPSON, ACTING SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

July 12, 2023

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 23-0400 – Port Covington Community Benefits District –
Amendment – Boundaries

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 23-0400 for form and legal sufficiency. The bill would change the boundaries of the Port Covington Community Benefits District.

Section (63) of Article II of the City's Charter is the authority given by the General Assembly to the Mayor and City Council of Baltimore to create by ordinance six supplemental tax areas, called Community Benefit Districts. City Charter, Art. II, § (63). The ordinance enacting the Port Covington Community Benefits District is codified in Subtitle 10 of Article 14 of the City Code. This bill would change Section 10-2(b) of that Article to change the map of the District and thereby change its boundaries.

The same considerations that were present for the creation of the original District's boundaries would apply to any change in those boundaries:

The City Council must:

- (1) give consideration to the views of the property owners, the retail merchants, the property tenants, and the other members of the business and residential communities within the district;
- (2) make a determination that a district created under this section will reflect a diverse mix of business and residential properties; and
- (3) make a determination that a district created under this section will reflect a diverse economic, social, and racial mix.

City Charter, Art. II, § (63)(f).

The changes in the District's boundaries can only be effective if approved by the voters in that district in an election. City Charter, Art. II, § (63)(k). The procedures for the election must be contained in an ordinance. City Charter, Art. II, § (63)(k)(3). Section 10-13 of Article 14 of the City Code is the codified ordinance containing the process for district elections. Assuming that the district election process is followed and 58% of the affected voters approve, then the District boundaries would be changed.

The Law Department can approve the bill for form and legal sufficiency.

Very truly yours,



Hilary Ruley
Chief Solicitor

cc: Ebony M. Thompson, Acting City Solicitor
Nina Themelis, Mayor's Office of Government Relations
Elena DiPietro, Chief Solicitor, General Counsel Division
Ashlea Brown, Chief Solicitor
Jeffery Hochstetler, Chief Solicitor
Teresa Cummings, Assistant Solicitor
Michelle Toth, Special Assistant Solicitor

FROM	NAME & TITLE	Laura Larsen, Budget Director 	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research 4 th Floor, City Hall		
	SUBJECT	City Council Bill 23-0400 - Port Covington Community Benefits District – Amendment - Boundaries		

DATE:

TO

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

July 26, 2023

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council City Council Bill 23-0400, Port Covington Community Benefits District – Amendment - Boundaries, the purpose of which is to amend the boundaries of the Port Covington Community Benefits District (the “District”).

Background

The District was established in 2020 through Ordinance 20-358, and its financial plan went into effect in 2023 after approval from the Board of Estimates. The District is managed by the Authority and its Board of Directors. The Board of Directors prepares the annual operating budget and manages funds received from a property tax surcharge, which is approved by the District’s property owners by vote. These funds are used to provide additional services within the District that are related to sanitation and safety such as street cleaning, graffiti removal, abandoned vehicle removal, crime alerts, and safety patrols.

Fiscal Impact


The Authority is funded primarily by a property tax surcharge of \$0.19 per \$100 of assessed value imposed to each taxable property within the District. This surcharge is approved annually by the Board of Estimates. As of June 2023, the District has 86 total properties, 68 of which are taxable and 18 that are not taxable. Under the proposed amendments to the boundaries of the District, there will be 86 total properties, 66 of which are taxable and 20 that are non-taxable. While there is no direct cost or revenue impact to the City, there is an estimated reduction of \$12,371 to the District’s surcharge revenues for Fiscal 2024 as a result of the proposed amendment to the boundaries.

Conclusion

The Port Covington Community Benefits 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. The 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 23-0400.

cc: Michael Moiseyev
Nina Themelis

FROM	NAME & TITLE	CHRIS RYER, DIRECTOR	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CITY COUNCIL BILL #23-0400/ PORT COVINGTON COMMUNITY BENEFITS DISTRICT – AMENDMENT – BOUNDARIES		

TO

The Honorable President and
 Members of the City Council
 City Hall, Room 400
 100 North Holliday Street

DATE: July 26, 2023

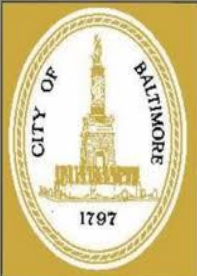
The Department of Planning is in receipt of City Council Bill #23-0400, which is for the purpose of amending the boundaries of the Port Covington Community Benefits District.

The Department of Planning recommends **approval** of City Council Bill #23-0400. The portion of the Benefits District proposed to be removed are the former Locke Insulator properties that are in the process of being redeveloped for residential use. The associated fees from the Benefits District will be a significant financial impediment to the redevelopment project.

If you have any questions, please contact Mr. Eric Tiso, Division Chief, Land Use and Urban Design Division at 410-396-8358.

CR/ewt

- cc: Ms. Nina Themelis, Mayor's Office
 Mr. Ethan Cohen, Mayor's Office
 The Honorable Eric Costello, Council Rep. to Planning Commission
 Mr. Colin Tarbert, BDC
 Ms. Rebecca Witt, BMZA
 Mr. Geoffrey Veale, Zoning Administration
 Ms. Stephanie Murdock, DHCD
 Ms. Elena DiPietro, Law Dept.
 Mr. Francis Burnszynski, PABC
 Mr. Liam Davis, DOT
 Ms. Natawna Austin, Council Services

FROM	NAME & TITLE	Richard J. Luna, Interim Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	City Council Bill 23-0400		

July 24, 2023

TO:

Economic and Community Development Committee

I am herein reporting on City Council Bill 23-0400 introduced by Councilman Costello at the request of Insulator Drive, LLC.

The purpose of the Bill is to amend the boundaries of the Port Covington Community Benefits District as shown on a map on file with the Department of Planning dated June 1, 2023.

Article II of the Baltimore City Charter authorizes the City to establish up to six community benefit district management authorities by ordinance, provided that 58 percent of the voters in the proposed district concur in an election. The purpose of these authorities is to promote and market the district areas, provide supplemental security and maintenance services, and other public amenities. Ordinance 20-358 added a sixth benefit district known as the Port Covington District and Port Covington Community Benefits District Management Authority. City Council Bill 23-0400, if approved, would expand the boundaries of the benefit district.

The Department of Public Works is an active partner with the existing six Districts and Authorities and provides specified baseline services through individual baseline services agreements. The Department of Public Works has no objection to the passage of City Council Bill 23-0400, provided the requisite minimum of 58 percent of the voters within the newly defined (and expanded) area concur in an election, as required by law.



Richard J. Luna
Interim Director

RJL/MMC

Brandon M. Scott
Mayor, City of Baltimore



Dana Petersen Moore
Director
Chief Equity Officer

June 29, 2023

The Honorable President and Members
of the Baltimore City Council
Attn: Natawna Auston
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

**Re: City Council Bill 23-0400 Port Covington Community Benefits District – Amendment -
Boundaries**

Dear President and City Council Members:

The Office of Equity and Civil Rights (OECR) has reviewed City Council Bill 23-0400 and is deferring its recommendation on the legislation to that of the report and recommendation of the Department of Finance.

Sincerely,

Dana Petersen Moore
Director
Office of Equity and Civil Rights

Please direct inquiries related to this matter to OECR's Legislative Liaison:

Ty'lor Schnella at (443) 401-8460 or (Tylor.schnella@baltimorecity.gov)

**CITY OF BALTIMORE
COUNCIL BILL 23-0400
(First Reader)**

Introduced by: Councilmember Costello
At the request of: Insulator Drive LLC; Mark C. Sapperstein
Address: c/o Caroline L. Hecker, Esq.
Rosenberg Martin Greenberg, LLP
25 S. Charles Street, Suite 21st Floor, Baltimore, MD 21201
Telephone: (410) 727-6600

Introduced and read first time: June 12, 2023

Assigned to: Economic and Community Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Planning Commission, Department of Housing and Community Development, Department of Transportation, Department of Public Works, Office of Equity and Civil Rights

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Port Covington Community Benefits District – Amendment - Boundaries**

3 FOR the purpose of amending the boundaries of the Port Covington Community Benefits District.

4 BY authority of

5 Article II - General Powers
6 Section (63)
7 Baltimore City Charter
8 (1996 Edition)

9 BY repealing and re-ordaining, with amendments

10 Article 14 - Special Benefits District
11 Section 10-2
12 Baltimore City Code
13 (Edition 2000)

14 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
15 Laws of Baltimore City read as follows:

16 **Baltimore City Code**

17 **Article 14. Special Benefits Districts**

18 **Subtitle 10. Port Covington Community Benefits District**

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 23-0400

1 **§ 10-2. District established.**

2 (a) *In general.*

3 There is a community benefits district, to be known as the Port Covington Community
4 Benefits District.

5 (b) *Boundaries.*

6 The boundaries of the District are AS shown on the [following] map[appended to this
7 bill,] titled “[Exhibit A] PORT COVINGTON COMMUNITY BENEFITS DISTRICT - District
8 Boundaries”, DATED JUNE 1, 2023 AND ON FILE WITH THE DEPARTMENT OF PLANNING.

9 **SECTION 2. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30th day
10 after the date it is enacted.