

BaltAC

FROM	NAME & TITLE	Robert Cename, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 20-0563—Charter Amendment- Disposition of City-Owned Real Property		

TO

DATE:

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

September 23, 2020

Position: Oppose

The Department of Finance is herein reporting on City Council Bill 20-0563, Charter Amendment-
Disposition of City-Owned Real Property, the purpose of which is to have qualified City voters vote on
whether to repeal the City’s authority to dispose of City-owned real property at private sale.

Background

The City owns a variety of properties and parcels, including public buildings, surplus schools, vacant
buildings and lots, and roads and sidewalks. The City owns approximately 10,797 properties. Sales of
property, public or private, go before the Board of Estimates and City Council for approval. City Council
sale of property legislation includes the following standard language: “...in accordance with Article V, §
5(b) of the City Charter, the City Comptroller may sell, at either public or private sale, all the interest of the
Mayor and City Council of Baltimore...”

Public sales of property use a Request For Proposal (RFP) process, which enables the public to apply to
purchase the property. Private sales of property do not entail this level of public engagement. Sales of
property are conducted as part of larger private development projects, as well as selling properties, such
as surplus schools, that the City currently manages and leases to private owners, reducing the burden on
agencies to maintain properties. Agencies across the City, including Baltimore Development Corporation
(BDC), Department of General Services (DGS), Department of Housing and Community Development
(DHCD), Department of Real Estate, and Department of Transportation (DOT), are engaged in property
management and sales of property.

Fiscal Impact

The Department of Finance does not anticipate this legislation having a fiscal cost for the City. However,
it does limit the City’s ability to efficiently sell properties to community organizations, businesses, or
developers.

Other Considerations

This legislation presents several issues when thinking about the complicated processes connected to sales
of property and development, which BDC, DGS, DHCD, Real Estate, and DOT can better explain. However,
it is important to note that there are times when specific lots or parcels are identified for sale that having
a public sale could drastically impact projects already underway. For example, if a developer has
purchased a set of lots through an RFP and upon starting the work identifies that they need to acquire

another lot or parcel to complete the project, it would be detrimental to open the sale of that property to the public rather than privately sell the property to the developer on the project.

Conclusion

While the Department of Finance recognizes the intent of this legislation is to increase transparency around sales of City-owned property, it is important for the City Council to consider the unintended consequences implementation of this legislation would result in.

For the reasons stated above, the Department of Finance opposes City Council Bill 20-0563.

cc: Henry Raymond
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