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|-------------|-----------------------|---|-------------------------------------|---|
| <b>FROM</b> | NAME & TITLE          | GARY W. COLE, ACTING DIRECTOR <i>GWC</i>                                    | CITY of<br>BALTIMORE<br><b>MEMO</b> |  |
|             | AGENCY NAME & ADDRESS | DEPARTMENT OF PLANNING<br>417 E. FAYETTE STREET, 8 <sup>th</sup> FLOOR      |                                     |   |
|             | SUBJECT               | CITY COUNCIL BILL #08-0219-WATERFRONT MANAGEMENT DISTRICT- SUPPLEMENTAL TAX |                                     |   |

**TO** DATE: December 23, 2008

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

At its regular meeting of December 18, 2008 the Planning Commission considered City Council Bill #08-0219, for the purpose of providing that property tax credits applicable to the regular, citywide property tax do not apply to the Supplemental Tax imposed in the Waterfront Management District; and proving for a special effective date.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report which recommended approval of City Council Bill #08-0219 and adopted the following resolution, eight members being present (eight in favor)

RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bill #08-0219 be passed by the City Council.

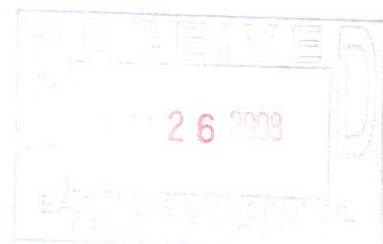
If you have questions, please contact Mr. Wolde Ararsa, Acting Chief of Land Use and Urban Design at 410-396-4488.

GWC/ttl

Attachments

cc:

Mr. Andrew Frank, Deputy Mayor  
Mr. Demuane Milliard, Chief of Staff  
Ms. Angela Gibson, Mayor's Office  
The Honorable Rochelle "Rikki" Spector, Council Rep. for Planning Commission  
Mr. David Tanner, BMZA  
Mr. Geoffrey Veal, Zoning Enforcement, DHCD  
Ms. Nikol Nabors-Jackson, DHCD  
Mr. Larry Greene, Councilmanic Services  
Ms. Deepa Bhattacharyya, Law Department  
Ms. Laurie Schwartz, Waterfront Partnership  
Mr. Colin Tarbert, BDC



# PLANNING COMMISSION

## STAFF REPORT

December 18, 2008

**REQUEST:** City Council Bill #08-0219/Waterfront Management District – Supplemental Tax: For the purpose of providing that certain property tax credits applicable to the regular, citywide property tax do not apply to the Supplemental Tax imposed in the Waterfront Management; and providing for a special effective date.

**RECOMMENDATION:** Approval

**STAFF:** Natasha Becker

**PETITIONER:** The Administration (Baltimore Development Corporation/Waterfront Management District)

**OWNERS:** Various

### SITE/GENERAL AREA

The Waterfront Management District area is bounded roughly by Key Highway to the southwest, Light Street to the west, Pratt Street to the north, President, Fleet, Central, Aliceanna, Caroline and Thames Streets to the east, and the waterfront opposite those boundaries.

### CONFORMITY TO PLANS

The continued operation of the Waterfront Management District is in conformance with Baltimore City's Comprehensive Master Plan, specifically:

- PLAY Goal #1: Enhance the enjoyment, appreciation, and stewardship of Baltimore's historical and cultural resources;
- PLAY Goal #2: Improve nightlife, entertainment, and recreation experiences for residents and visitors; and
- PLAY Goal #3: Increase the health of Baltimore's natural resources and open spaces for recreation and to improve water quality.

### HISTORY

- Ordinance No.07-417, approved by the Mayor and City council on April 24, 2007, established the Waterfront Management District.

### ANALYSIS

A Special District is a mechanism by which property owners within a defined area can agree to impose additional taxes and charges on themselves in order to provide enhanced and supplemental public services. These districts can alternately be known as Community Benefits Districts or Management Districts. City Council Bill #08-0219 concerns one such district: the Waterfront Management District, which was established in April of 2007 for the purpose of managing public spaces within the district. The district is funded by a supplemental tax levied on all commercial properties, which amounts to \$0.17 per \$100 of assessed value.

Earlier this year, the City's Law Department reviewed a bill concerning the applicability of the Homestead Tax Credit to Charles Village Community Benefit District's surcharge and whether it applies the same as it does to the real property tax. The City's administrative practice had been to *not* apply the Homestead Credit – or any other tax credits – to any district surcharge. However, the Law Department's opinion was that the Homestead Credit should be applied to the District surcharge. This established a legal precedent for other benefits and management districts – one which had immediate implications for the Waterfront Management District, since Brownfield and Historic credits have been widely sought for development projects here.

City Council Bill #08-0219 amends the Waterfront Management Authority Ordinance (City Code Article 14, Subtitle 8) to delete the word "credit" from one of its subsections, thereby allowing the district's management arm to apply its surcharge without applying any tax credits. The bill does not affect any residents in the district, since the district surcharge applies only to commercial property owners. It only directly affects those properties that are within an Enterprise Zone and have recently been substantially renovated or newly constructed or properties that are eligible for the Brownfield tax credit or Historic tax credit. The Waterfront Partnership has briefed the two affected property owners, and will testify that they do not object to this amendment.

All commercial property owners in the district have been notified of the proposed legislation.



**Gary W. Cole**  
**Acting Director**