


MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Natawna B. Austin, Executive Secretary

FROM: William H. Cole, President and CEO 

DATE: March 6, 2018

SUBJECT: City Council Bill No. 18-0193
Food Desert Incentive Areas – Expenditure Requirements for Tax Credit

The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 18-0193 for the purpose of establishing a new minimum expenditure requirement for substantially renovated supermarkets that is lower than the expenditure requirement for newly constructed supermarkets; and generally relating to the qualifications for tax credit granted to certain supermarkets in Food Desert Incentive Area.

As part of the Baltimore Food Policy Initiative, the BDC works to retain and attract supermarkets to incentive areas, and across the city, to increase access to healthy, affordable food for all City residents. According to the 2018 Food Environment Map and Report, 23.5% of residents live in a healthy food priority area (also known as a food desert).

The Grocery Store Personal Property Tax Credit, passed in late 2015, allows a 10-year, 80 percent credit against personal property tax for new stores locating in or existing stores making significant improvements in incentive areas provided the level of investment is equal to or greater than \$150,000 or \$25 per square foot. For existing supermarkets making substantial renovations, that threshold may be more difficult to reach.

As a supermarket retention strategy, this bill amends the existing tax credit ordinance by reducing the threshold of investment required for existing stores in the incentive area, and meeting all other eligibility requirements, to a tiered requirement based on store size.

BDC has reviewed and supports the proposed legislation and is respectfully requesting that Bill No. 18-0193 be given favorable consideration by the City Council.

cc: Kyron Banks