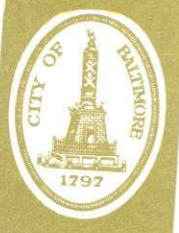


Andrew Klein

| | | |
|-------------|-----------------------|---|
| FROM | NAME & TITLE | Andrew W. Kleine, Chief |
| | AGENCY NAME & ADDRESS | Bureau of the Budget and Management Research Room 432, City Hall (396-4941) |
| | SUBJECT | City Council Bill No. 14-0320 – Acquisition of Property – Baltimore Red Line Transit Project Potential Fiscal Impact |

CITY of
BALTIMORE
MEMO



TO

Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

DATE:
April 24, 2014

CCB 14-0320 authorizes the City to acquire properties situated in areas needed for the construction of the Baltimore Red Line Transit. It is understood that all sources for easement and acquisition costs would be carried by the Maryland Transportation Authority (MTA) and federal funding.

Analysis

The bill details a list of about 500 targeted properties that are to be impacted by the construction of the Red Line. Of these 500 properties, 15 are exempt and thus have no bearing on the fiscal impact.

The properties listed may be subject to either full or partial acquisition. The following table lists the number of properties for each type of acquisition and their corresponding tax liability.

| Type of Interest | # of Properties | Current City Taxes |
|--|-----------------|--------------------|
| Partial Acquisition, Subterranean Easement, Temporary and Perpetual Easement | 132 | \$1,344,954 |
| Perpetual Easement | 2 | \$32,250 |
| Subterranean Easement | 147 | \$3,652,124 |
| Temporary Construction | 200 | \$1,040,907 |
| Total Property Acquisition | 10 | \$96,776 |
| Unidentified | 9 | \$0 |
| Total = | 500 | \$6,167,012 |

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Fiscal Impact

The fiscal impact of the Red Line is determined by the following components:

- There are ten properties that are to be fully acquire representing a \$96,776 loss in City property taxes.
- Through a pro rata analysis of the square footage of lands acquired and the corresponding assessed land value, it was determined that another 132 properties that are partially acquired, would result in about a \$4,900 tax loss to the City. Twelve of these properties are currently exempt from taxation.
- There is also a potential loss in tax revenue from properties that have temporary construction easements, perpetual easements or subterranean easements. These easements may result in lower property values and therefore lower tax revenues. Until post-easement assessments are performed on these property it is not possible to estimate the impact on property values and the resultant tax loss.

Finance Department Position

The Finance Department supports Council Bill 14-0320.

cc: Harry E. Black
Angela Gibson
William Voorhees