
CITY OF BALTIMORE

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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 21-0051 – Rezoning – 4900 Boston Street

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 21-0051 for form and legal sufficiency. The bill would change the zoning for 4900 Boston Street from the I-2 Zoning District to the IMU-2 Zoning District.

Even if the Mayor and City Council believes now that the 2017 selection of the I-2 Zoning District for this parcel was wrong, second guessing is not allowed in piecemeal rezoning. While any number of zoning designations are open for properties in a comprehensive rezoning, there is not the same flexibility in piecemeal rezoning. *Mayor and City Council of Rockville v. Rylins Enterprises*, 372 Md. 514, 535 (2002).

Although “the impact of this presumption often has been felt to be unduly harsh to the landowner who finds that planned uses of a property are no longer allowed under the zoning classification into which the land has been placed,” Maryland’s highest Court has explained that the greater good to the landowner and society at large is the reason for the rigidity in zoning. *Id.* at 536. The “requirement of uniformity serves to protect the landowner from favoritism towards certain landowners within a zone by the grant of less onerous restrictions than are applied to others within the same zone elsewhere in the district, and also serves to prevent the use of zoning as a form of leverage by the local government seeking land concession, transfers, or other consideration in return for more favorable zoning treatment.” *Id.*

Therefore, the Mayor and City Council may permit a piecemeal rezoning ***only if*** it finds facts sufficient to show either a mistake in the existing zoning classification or a substantial change in the character of the neighborhood. Md. Code, Land Use, § 10-304(b)(2); Baltimore City Code, Art. 32, §§ 5-508(a) and (b)(1).

The “change-mistake” rule is a rule of the either /or type. The “change” half of the “change-mistake” rule requires that, in order for a piecemeal Euclidean zoning change to be approved, there must be a satisfactory showing that there has been significant and

unanticipated change in a relatively well-defined area (the “neighborhood”) surrounding the property in question since its original or last comprehensive rezoning, whichever occurred most recently. The “mistake” option of the rule requires a showing that the underlying assumptions or premises relied upon by the legislative body during the immediately preceding original or comprehensive rezoning were incorrect. In other words, there must be a showing of a mistake of fact. Mistake in this context does not refer to a mistake in judgment.

Rylins Enterprises, 372 Md. at 483.

It is critical to understand that in “Maryland, the change-mistake rule applies to all piecemeal zoning applications involving Euclidian zones, including those involving conditional zoning. The change-mistake rule does not apply, in any event, to changes in zoning made in a comprehensive rezoning, or the piecemeal grant of a floating zone.” *Id.* This is why a change or a mistake must be found for rezoning and conditional use bills and NOT for comprehensive map changes or Planned Unit Developments, which is a type of floating zone.

Legal Standard for Change in the Character of the Neighborhood

“It is unquestioned that the City Council has the power to amend its City Zoning Ordinance whenever there has been **such a change in the character and use of a district** since the original enactment that the **public health, safety, morals, or general welfare would be promoted** by a change in the regulations.” *Cassel v. Mayor and City Council of Baltimore*, 195 Md. 348, 354 (1950) (emphasis added). The Mayor and City Council must find facts of a substantial change in the character and the use of the district since the comprehensive rezoning of the property on June 5, 2017 and that the rezoning will promote the “public health, safety, morals, or general welfare” and not merely advantage the property owner. *Id.* at 358.

As to the substantial change, courts in Maryland want to see facts of a “significant and unanticipated change in a relatively well-defined area.” *Rylins Enterprises*, 372 Md. at 483. The “‘neighborhood’ must be the immediate neighborhood of the subject property, not some area miles away; and the changes must occur in that immediate neighborhood of such a nature as to have affected its character.” *Clayman v. Prince George’s County*, 266 Md. 409, 418 (1972). The changes are required to be physical. *Anne Arundel County v. Bell*, 442 Md. 539, 555 (2015) (citing *Montgomery County v. Woodward & Lothrop*, 280 Md. 686, 712–13 (1977)). However, those physical changes cannot be infrastructure such as sewer or water extension or road widening. *Clayman*, 266 Md. at 419. And the physical changes have to be shown to be unforeseen at the time of the last rezoning. *County Council of Prince George’s County v. Zimmer Development Co.*, 444 Md. 490 (2015). Contemplated growth and density is not sufficient. *Clayman*, 266 Md. at 419.

As to whether the change benefits solely the property owner, Courts look, in part, to see if a similar use is nearby such that the community could easily take advantage of the use elsewhere. *Cassel*, 195 Md. at 358 (three other similar uses only a few blocks away lead to conclusion that zoning change was only for private owner’s gain).

Legal Standard for Mistake

To sustain a piecemeal change on the basis of a mistake in the last comprehensive rezoning, there must be substantial evidence that “the Council failed to take into account then existing facts ... so that the Council’s action was premised on a misapprehension.” *White v. Spring*, 109 Md. App. 692, 698 (1996) (citation omitted). In other words, “[a] conclusion based upon a factual predicate that is incomplete or inaccurate may be deemed in zoning law, a mistake or error; an allegedly aberrant conclusion based on full and accurate information, by contrast, is simply a case of bad judgment, which is immunized from second- guessing.” *Id.*

“Error can be established by showing that at the time of the comprehensive zoning the Council failed to take into account then existing facts, or projects or trends which were reasonably foreseeable of fruition in the future, so that the Council’s action was premised initially on a misapprehension[,]” [and] “by showing that events occurring subsequent to the comprehensive zoning have proven that the Council’s initial premises were incorrect.” *Boyce v. Sembly*, 25 Md. App. 43, 51 (1975) (citations omitted). “Thus, unless there is probative evidence to show that there were then existing facts which the Council, in fact, failed to take into account, or subsequently occurring events which the Council could not have taken into account, the presumption of validity accorded to comprehensive zoning is not overcome and the question of error is not ‘fairly debatable.’” *Id.* at 52.

A court has NOT considered it enough to merely show that the new zoning would make more logical sense. *Greenblatt v. Toney Schloss Properties Corp.*, 235 Md. 9, 13-14 (1964). Nor are courts persuaded that a more profitable use of the property could be made if rezoned is evidence of a mistake in its current zoning. *Shadynook Imp. Ass’n v. Molloy*, 232 Md. 265, 272 (1963). Courts have also been skeptical of finding a mistake when there is evidence of careful consideration of the area during the past comprehensive rezoning. *Stratakis v. Beauchamp*, 268 Md. 643, 653-54 (1973).

A finding of mistake, however, absent a regulatory taking, merely permits the further consideration of rezoning, it does not mandate a rezoning. *White*, 109 Md. App. at 708, *cert. denied*, 343 Md. 680 (1996). Rather, a second inquiry “regarding whether, and if so, how, the property is reclassified,” is required. *Id.* at 709. This second conclusion is due great deference. *Id.* (after a prior mistake has been established and accepted as fact by a legislative zoning entity, that entity’s decision as to whether to rezone, and if so, how to reclassify, is due the same deference the prior comprehensive rezoning was due).

Findings of Fact

In determining whether to rezone based on mistake or change in the character of the neighborhood, the City Council is required to make findings of fact on the following matters:

- (i) population change;
- (ii) the availability of public facilities;
- (iii) the present and future transportation patterns;
- (iv) compatibility with existing and proposed development;

- (v) the recommendations of the Planning Commission and the Board of Municipal and Zoning Appeals; and
- (vi) the relationship of the proposed amendment to the City's plan.

Md. Code, Land Use, § 10-304(b)(1); Baltimore City Code, Art. 32, § 5-508(b)(2) (citing same factors with (v) being “the recommendations of the City agencies and officials,” and (iv) being “the proposed amendment’s consistency with the City’s Comprehensive Master Plan.”).

Article 32 of the City Code also requires Council to consider:

- (i) existing uses of property within the general area of the property in question;
- (ii) the zoning classification of other property within the general area of the property in question;
- (iii) the suitability of the property in question for the uses permitted under its existing zoning classification; and
- (iv) the trend of development, if any, in the general area of the property in question, including changes, if any, that have taken place since the property in question was placed in its present zoning classification.

Baltimore City Code, Art. 32, § 5-508(b)(3).

The Mayor and City Council’s decision regarding a piecemeal rezoning is reviewed under the substantial evidence test and should be upheld “if reasoning minds could reasonably reach the conclusion from facts in the record.” *City Council of Prince George’s Cty. v. Zimmer Dev. Co.*, 444 Md. 490, 510 (2015) (quoting *Cremins v. Cnty. Comm’rs of Washington Cnty.*, 164 Md. App. 426, 438 (2005)); see also *White v. Spring*, 109 Md. App. 692, 699, cert. denied, 343 Md. 680 (1996) (“the courts may not substitute their judgment for that of the legislative agency if the issue is rendered fairly debatable”); accord *Floyd v. County Council of Prince George’s County*, 55 Md. App. 246, 258 (1983) (“‘substantial evidence’ means a little more than a ‘scintilla of evidence.’”).

Spot Zoning

The City must find sufficient facts for a change or mistake because “Zoning is permissible only as an exercise of the police power of the State. When this power is exercised by a city, it is confined by the limitations fixed in the grant by the State and to the accomplishment of the purposes for which the State authorized the city to zone.” *Cassel*, 195 Md. at 353.

In piecemeal rezoning bills, like this one, if there is not a factual basis to support the change or the mistake, then rezoning is considered illegal spot zoning. *Id.* at 355. Spot Zoning “has appeared in many cities in America as the result of pressure put upon councilmen to pass amendments to zoning ordinances solely for the benefit of private interests.” *Id.* It is the “arbitrary and unreasonable devotion of a small area within a zoning district to a use which is inconsistent with the use to which the rest of the district is restricted.” *Id.* It is “therefore, universally held that a ‘spot zoning’ ordinance, which singles out a parcel of land within the limits of a use district and marks it off into a separate district for the benefit of the owner, thereby permitting a use of that

parcel inconsistent with the use permitted in the rest of the district, is invalid if it is not in accordance with the comprehensive zoning plan and is merely for private gain.” *Id.*

However, “a use permitted in a small area, which is not inconsistent with the use to which the larger surrounding area is restricted, although it may be different from that use, is not ‘spot zoning’ when it does not conflict with the comprehensive plan but is in harmony with an orderly growth of a new use for property in the locality.” *Id.* The example given was “small districts within a residential district for use of grocery stores, drug stores and barber shops, and even gasoline filling stations, for the accommodation and convenience of the residents of the residential district.” *Id.* at 355-356.

Thus, to avoiding spot zoning, the Mayor and City Council must show how the contemplated use is consistent with the industrial character of the neighborhood. *See, e.g., Tennison v. Shomette*, 38 Md. App. 1, 8 (1977) (cited with approval in *Rylyns*, 372 Md. at 546-47; *accord Mayor and City Council of Baltimore v. Byrd*, 191 Md. 632, 640 (1948)). In this case, a Court may look for evidence supporting why the general prohibition against drive-thru restaurants in this area is not in the public interest.

Planning Commission Recommendation

The Planning Department Report (“Report”) points out the fact that the entire area is zoned I-2 and there has not been any substantial change to the character of the neighborhood since the 1970s when the last of the residential uses were removed in favor of all heavy industrial. Moreover, the I-2 zoning district can have other commercial uses. Nevertheless, the Planning Commission claims that it relied on testimony from the applicant as the factual basis required to support a zoning change. Yet, the Planning Commission does not provide any of those facts on which it claimed to rely. While the Planning Commission took “notice of the relatively small size of the subject parcel, various commercial land uses in the immediate vicinity, and a nearby Planned Unit Development (PUD) that allowed a drive-through restaurant,” it is unclear how these facts support either a change in the character of the neighborhood since June 5, 2017 or a mistake in the rezoning. Certainly, the fact that there are other commercial uses in the area is not a sign of a change in the character of the neighborhood because I-2 can have other commercial uses. The fact that a nearby PUD allowed a drive-thru would be likely be seen by a Court as a reason why another is not needed. *See, e.g., Cassel*, 195 Md. at 358, *supra*. The PUD can allow such uses a floating zone without needing to show a change in the character of the neighborhood or a mistake. *Rylyns Enterprises*, 372 Md. at 483.

Process

The City Council is required to hold a quasi-judicial public hearing with regard to the bill wherein it will hear and weigh the evidence as presented in: (1) the Planning Report and other agency reports; (2) testimony from the Planning Department and other City agency representatives; and (3) testimony from members of the public and interested persons. After weighing the evidence presented and submitted into the record before it, the Council is required to make findings of fact for each property about the factors in Sections 10-304 and 10-305 of the Land Use Article of the Maryland code and Section 5-508 of Article 32 of the Baltimore City

Code. If, after its investigation of the facts, the Committee makes findings which support: (1) a mistake in the comprehensive zoning; and (2) a new zoning classification for the properties, it may adopt these findings and the legal requirements for granting the rezoning would be met.

Additionally, certain procedural requirements apply to this bill beyond those discussed above because a change in the zoning classification of a property is deemed a “legislative authorization.” Baltimore City Code, Art. 32, § 5-501(2)(iii). Specifically, notice of the City Council hearing must be given by publication in a newspaper of general circulation in the City, by posting in a conspicuous place on the property and by first-class mail, on forms provided by the Zoning Administrator, to each person who appears on the tax records of the City as an owner of the property to be rezoned. Baltimore City Code, Art. 32, § 5-601(b). The notice of the City Council hearing must include the date, time, place and purpose of the hearing, as well as the address or description of the property and the name of the applicant. Baltimore City Code, Art. 32, § 5-601(c). The posted notices must be at least 3 feet by 4 feet in size, placed at a prominent location near the sidewalk or right-of-way for pedestrians to view, and at least one sign must be visible from each of the property’s street frontages. City Code, Art., § 5-601(d). The published and mailed notices must be given at least 15 days before the hearing; the posted notice must be at least 30 days before the public hearing. Baltimore City Code, Art. 32, § 5-601(e), (f).

The bill is the appropriate method for the City Council to review the facts and make the determination as to whether the legal standard for rezoning has been met. Assuming the required findings are made at the hearing and that all procedural requirements are satisfied, the Law Department can approve the bill for form and legal sufficiency.

Very truly yours,



Hilary Ruley
Chief Solicitor

cc: James L. Shea, City Solicitor
Matthew Stegman, Mayor’s Office of Government Relations
Elena DiPietro, Chief Solicitor, General Counsel Division
Victor Tervalo, Chief Solicitor
Ashlea Brown, Assistant Solicitor