

Introduced by: Councilmembers Bullock and Henry

*Henry* **DORSEY** *Castello*  
*Pennett*

Prepared by: Department of Legislative Reference

Date: April 17, 2018 *Scale*

Referred to: **HOUSING AND URBAN AFFAIRS**

Committee  
*Cohen*  
*Middleton*  
*Scott*  
*Stokes*  
*Sneed*  
*Clarke*  
*Risinger*  
*Burwell*

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL *18-0079R*

**WITHDRAWN**

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**Informational Hearing – New Federal Opportunity Zone Program**

*Ball*

FOR the purpose of supporting the City's proportionate proposal for designating Opportunity Zones in Baltimore, and calling on representatives from the Baltimore Development Corporation and the Department of Finance to appear before the City Council to discuss the City's plans to coordinate with communities to attract truly impactful investment to Baltimore's new Opportunity Zones once the program goes into effect.

*e.s. co*  
*John Bullock*  
*Henry*  
*Edward*  
*Robert Stokes*  
*Margaret Lake*  
*Shawn*  
*DORSEY*  
*Le...*

No. \_\_\_\_\_


**\*\*The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

**Agencies**

_____	Baltimore City Public School System
_____	Baltimore Development Corporation
_____	City Solicitor
_____	Comptroller's Office
_____	Department of Audits
_____	Department of Finance
_____	Department of General Services
_____	Department of Housing and Community Development
_____	Department of Human Resources
_____	Department of Planning
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Department of Public Works
_____	Department of Real Estate
_____	Department of Recreation and Parks
_____	Department of Transportation
_____	Fire Department
_____	Health Department
_____	Mayor's Office of Employment Development
_____	Mayor's Office of Human Services
_____	Mayor's Office of Information Technology
_____	Office of the Mayor
_____	Police Department
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Environmental Control Board
_____	Fire & Police Employees' Retirement System
_____	Labor Commissioner
_____	Parking Authority Board
_____	Planning Commission
_____	Wage Commission
_____	Other: _____
_____	Other: _____
_____	Other: _____
_____	Board of Estimates
_____	Board of Ethics
_____	Board of Municipal and Zoning Appeals
_____	Comm. for Historical and Architectural Preservation
_____	Commission on Sustainability
_____	Employees' Retirement System
_____	Other: _____
_____	Other: _____
_____	Other: _____

**Boards and Commissions**

*Robert Cennamo*

<b>FROM</b>	NAME & TITLE	Robert Cennamo, Chief	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT	City Council Bill #18-0079R		

DATE:

**TO**

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

June 6, 2018

City Council Bill 18-0079R has been introduced for the purpose of supporting the City's proposal for designating Opportunity Zones in Baltimore. Changes to federal tax laws allow state governors to designate low-income census tracts as "Opportunity Zones" in which investments from the private sector receive favorable federal tax treatment.

Baltimore City has 168 such zones that appear eligible and the City submitted 41 of these to the Governor to be considered. The goal of the program is to encourage investment in low-income communities by providing a tax incentive for investors to re-invest their unrealized capital gains in distressed communities, thereby reducing inequalities in access to capital in Baltimore's underserved neighborhoods.

Bill 18-0079R calls upon the Department of Finance to appear before the City Council to discuss the City's plans to coordinate with communities to attract impactful investment to Baltimore's new Opportunity Zones once the program goes into effect. The City will play a role in connecting potential investors with impactful projects, and the Bill language indicates it would be advantageous to coordinate with the Baltimore Development Corporation in this effort.

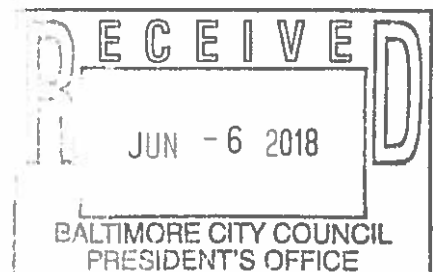
The Finance Department supports this resolution regarding the Federal Opportunity Zone program, and looks forward to collaborating with City Council and the Baltimore Development Corporation in this matter. The Finance Department already works with the Baltimore Development Corporation on a regular basis in the implementation of similar programs, such as the Brownfield and Enterprise Zone tax credits.

Note that many eligible Opportunity Zones overlap the certified Enterprise Zone areas within the City. Therefore, it is anticipated that the availability of this federal tax program may incent development subject to the Enterprise Zone tax credit in which the City absorbs 50% of the cost.

In summary, the Department of Finance has reviewed this Bill and has no objection.

cc: Henry Raymond  
Kyron Banks

*No objection*





**MEMORANDUM**

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

**FROM:** William H. Cole, President and CEO

**DATE:** April 27, 2018

**SUBJECT:** City Council Resolution No. 18-0079R  
Informational Hearing – New Federal Opportunity Zone Program

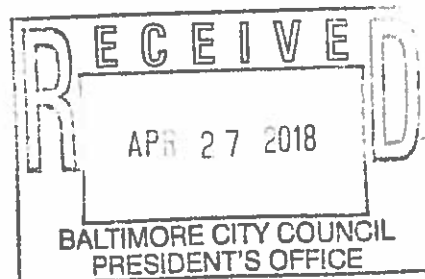
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The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 18-0079R, a resolution concerning the planning and coordinating of City agencies with local communities to attract investment to Baltimore's Opportunity Zones.

The purpose of the resolution is to call on BDC and Department of Finance representatives to appear before City Council to discuss the City's plans to coordinate with communities to attract investment to the designated Opportunity Zone areas once the program goes into effect.

The Opportunity Zone program has the potential to assist designated communities in attracting and marketing investment opportunities and creating significant local economic development impacts. BDC supports the resolution regarding the Opportunity Zone program and respectfully requests that Resolution No. 18-0079R be given favorable consideration by the City Council.

cc: Kyron Banks



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**CITY OF BALTIMORE  
COUNCIL BILL 18-0079R  
(Resolution)**

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Introduced by: Councilmembers Bullock, Henry, President Young, Councilmembers Dorsey, Costello, Pinkett, Schleifer, Cohen, Middleton, Scott, Stokes, Sneed, Clarke, Reisinger, Burnett

Introduced and read first time: April 23, 2018

Assigned to: Housing and Urban Affairs Committee

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REFERRED TO THE FOLLOWING AGENCIES: Baltimore Development Corporation, Department of Finance

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A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – New Federal Opportunity Zone Program**

3 FOR the purpose of supporting the City’s proportionate proposal for designating Opportunity  
4 Zones in Baltimore, and calling on representatives from the Baltimore Development  
5 Corporation and the Department of Finance to appear before the City Council to discuss the  
6 City’s plans to coordinate with communities to attract truly impactful investment to  
7 Baltimore’s new Opportunity Zones once the program goes into effect.

8 **Recitals**

9 Recent changes to federal tax laws included the introduction of a new program allowing state  
10 governors to designate low-income census-tracts in their states as “Opportunity Zones” in which  
11 investments from the private sector receive favorable federal tax treatment. The goal of the  
12 program is to encourage long-term investments in low-income urban and rural communities  
13 nationwide by providing a tax incentive for investors to re-invest their unrealized capital gains in  
14 distressed communities, thereby reducing inequalities in access to capital and spurring growth in  
15 underserved areas.

16 In each state, the governor may designate up to 25% of the census-tracts that meet the income  
17 and economic distress criteria for the program as Opportunity Zones. This approach is intended  
18 to both help ensure local needs and opportunities are being addressed and encourage  
19 concentration of capital in targeted, geographically contiguous areas where it can be most  
20 impactful.

21 Baltimore contains 168 census-tracts that appear to be eligible for the program, roughly 28%  
22 of all eligible tracts in Maryland. The City submitted 41 census-tracts, just under 28% of the  
23 total than can be designated for the program in Maryland, as potential Opportunity Zones to the  
24 Governor for his consideration.

25 These new Opportunity Zones have the potential to attract significant private investment.  
26 According to a recent analysis, the pot of potential capital eligible for reinvestment in  
27 Opportunity Zones is at least \$6.1 trillion. If even 1% of that money were in fact to be reinvested

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike-out~~ indicates matter deleted by amendment.

**Council Bill 18-0079R**

1 in Opportunity Zones that would equate to more than \$7 million in new investments for each  
2 designated census-tract, a truly transformational amount for such a relatively small area.

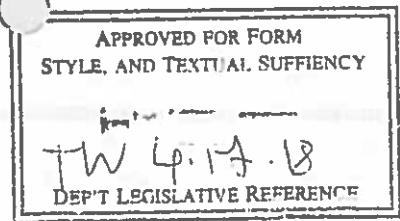
3 However, mere designation as an Opportunity Zone does not guarantee that any additional  
4 money will follow. Communities must learn how to market investment opportunities that could  
5 benefit both neighborhoods and investors to the new funds set up to take advantage of the tax  
6 benefits of investments in Opportunity Zones; and the City will have to play a role connecting  
7 potential investors with impactful projects.

8 In order to ensure that Baltimore doesn't miss out on the opportunity provided by these new  
9 zones, planning and coordination between City and community stakeholders will be essential.  
10 This coordination needs to begin immediately and grow into an effective effort to capture as  
11 much Opportunity Zone investment as possible for Baltimore.

12 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the  
13 Council supports the City's proportionate proposal for designating Opportunity Zones in  
14 Baltimore and calls on representatives from the Baltimore Development Corporation and the  
15 Department of Finance to appear before it to discuss the City's plans to coordinate with  
16 communities to attract truly impactful investment to Baltimore's new Opportunity Zones once  
17 the program goes into effect.

18 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the  
19 President & CEO of the Baltimore Development Corporation, the Director of Finance, and the  
20 Mayor's Legislative Liaison to the City Council.

**INTRODUCTORY\***  
**CITY OF BALTIMORE**  
**COUNCIL BILL \_\_\_\_\_ R**  
**(Resolution)**



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Introduced by: Councilmembers Bullock and Henry

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A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**Informational Hearing – New Federal Opportunity Zone Program**

FOR the purpose of supporting the City’s proportionate proposal for designating Opportunity Zones in Baltimore, and calling on representatives from the Baltimore Development Corporation and the Department of Finance to appear before the City Council to discuss the City’s plans to coordinate with communities to attract truly impactful investment to Baltimore’s new Opportunity Zones once the program goes into effect.

**Recitals**

Recent changes to federal tax laws included the introduction of a new program allowing state governors to designate low-income census-tracts in their states as “Opportunity Zones” in which investments from the private sector receive favorable federal tax treatment. The goal of the program is to encourage long-term investments in low-income urban and rural communities nationwide by providing a tax incentive for investors to re-invest their unrealized capital gains in distressed communities, thereby reducing inequalities in access to capital and spurring growth in underserved areas.

In each state, the governor may designate up to 25% of the census-tracts that meet the income and economic distress criteria for the program as Opportunity Zones. This approach is intended to both help ensure local needs and opportunities are being addressed and encourage concentration of capital in targeted, geographically contiguous areas where it can be most impactful.

Baltimore contains 168 census-tracts that appear to be eligible for the program, roughly 28% of all eligible tracts in Maryland. The City submitted 41 census-tracts, just under 28% of the total than can be designated for the program in Maryland, as potential Opportunity Zones to the Governor for his consideration.

These new Opportunity Zones have the potential to attract significant private investment. According to a recent analysis, the pot of potential capital eligible for reinvestment in Opportunity Zones is at least \$6.1 trillion. If even 1% of that money were in fact to be reinvested in Opportunity Zones that would equate to more than \$7 million in new investments for each designated census-tract, a truly transformational amount for such a relatively small area.

\* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.  
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

However, mere designation as an Opportunity Zone does not guarantee that any additional money will follow. Communities must learn how to market investment opportunities that could benefit both neighborhoods and investors to the new funds set up to take advantage of the tax benefits of investments in Opportunity Zones; and the City will have to play a role connecting potential investors with impactful projects.

In order to ensure that Baltimore doesn't miss out on the opportunity provided by these new zones, planning and coordination between City and community stakeholders will be essential. This coordination needs to begin immediately and grow into an effective effort to capture as much Opportunity Zone investment as possible for Baltimore.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the Council supports the City's proportionate proposal for designating Opportunity Zones in Baltimore and calls on representatives from the Baltimore Development Corporation and the Department of Finance to appear before it to discuss the City's plans to coordinate with communities to attract truly impactful investment to Baltimore's new Opportunity Zones once the program goes into effect.

**AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the President & CEO of the Baltimore Development Corporation, the Director of Finance, and the Mayor's Legislative Liaison to the City Council.



**ACTION BY THE CITY COUNCIL**

APR 23 2018

FIRST READING (INTRODUCTION) \_\_\_\_\_ 20 \_\_\_\_\_

PUBLIC HEARING HELD ON \_\_\_\_\_ 20 \_\_\_\_\_

COMMITTEE REPORT AS OF \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_ FAVORABLE \_\_\_\_\_ UNFAVORABLE \_\_\_\_\_ FAVORABLE AS AMENDED \_\_\_\_\_ WITHOUT RECOMMENDATION

\_\_\_\_\_  
Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

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\_\_\_\_\_  
\_\_\_\_\_

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\_\_\_\_\_

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

\_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) \_\_\_\_\_ 20 \_\_\_\_\_

WITHDRAWAL \_\_\_\_\_ 20 \_\_\_\_\_

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

\_\_\_\_\_  
President

\_\_\_\_\_  
Chief Clerk