




FROM	NAME & TITLE	Laura Larsen, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall		
	SUBJECT	City Council Bill 22-0270 Sale of Property – 5545 Kennison Ave		

DATE:

TO

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

January 27, 2023

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 22-0270, Sale of Property – 5545 Kennison Ave, the purpose of which is to authorize the sale of 5545 Kennison Avenue.

Background

5545 Kennison Avenue is a surplus City property, which formerly operated as Grove Park Elementary School. This building, located in the Grove Park neighborhood, was built in 1958 and designated as surplus in 2020.

Fiscal Impact

The Department of Finance anticipates minimal fiscal impact for the City from this legislation. The Department of General Services provides building maintenance for City-owned properties, including surplus properties. The Department of General Services' budget for maintenance of these facilities is adjusted annually during the budget process and is updated to reflect the existing inventory of buildings. The Fiscal 2023 General Fund budget for surplus school management is \$2.3 million. Annual facility costs for 5545 Kennison Avenue are estimated at \$115,050, based on average costs and square footage. This estimate does not include any capital maintenance costs.

In terms of debt, this property has outstanding State debt of \$2,844,159.99 and outstanding City debt in Fiscal 2023 totals \$575,159.99. If the property is sold, any outstanding State debt will continue to be paid by the City. An agreement with the State requires approval by the Interagency Commission on School Construction for any sale as well as a pro-rata share of consideration received for the property less specified deductions. Depending on the purchaser, the sale of this property may be a net benefit to the City's General Fund from future property tax receipts.

Conclusion

This legislation enables the sale of 5545 Kennison Avenue, which will be a net benefit for the City through reduced General Fund expenditures and possible future property tax receipts.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 22-0270.

cc: Michael Moiseyev
Nina Themelis

