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FROM	NAME & TITLE	Robert Cenname, Chief	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 19-0465 – Port Covington and Port Covington Community Benefits District Management Authority		

DATE:

TO

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

April 20, 2020

**Position: Does Not Oppose**

The Department of Finance is herein reporting on City Council Bill 19-0465, Port Covington and Port Covington Community Benefits District Management Authority, the purpose of which is to establish a Port Covington Community Benefits District and Management Authority.

**Background**

There are several Community Benefits Districts across the city: Waterfront, Midtown, Charles Village, and Downtown. These Community Benefits Districts, and the Management Authorities that preside over them, provide additional services to their residents such as street cleaning, alley maintenance, and safety patrols. These services are funded by a property tax surcharge paid by property owners in the District.

**Fiscal Impact**

Port Covington is still in the early stages of development; therefore, we cannot estimate the number of properties that would be subject to the surcharge. Note that since Port Covington is a TIF district, baseline property taxes will first go to pay the TIF bond debt service.

**Conclusion**

If this legislation passes and is approved by property owners to establish the Port Covington Community Benefits District, it will establish an agreement between the area's property owners and the District, in which property owners pay a supplemental tax rate, on top of the of the City's property tax rate, for additional services. There is no direct cost or revenue impact to the City.

In light of recent events and the economic downturn caused by COVID-19, it is important to note that these additional surcharges add to an already high tax burden on property owners and have the potential to discourage investments. This increased tax burden has the potential to limit the City's flexibility to increase General Fund revenues in the future.

**For the reasons stated above, the Department of Finance does not oppose City Council Bill 19-0465.**

cc: Henry Raymond  
Matthew Stegman  
Nina Themelis