


MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Karen Randle, Executive Secretary

FROM: M. J. Brodie, President 

DATE: May 19, 2010

SUBJECT: City Council Bill No. 10-0505
Minimum Wage – Living Wage for Major Retailer Employees

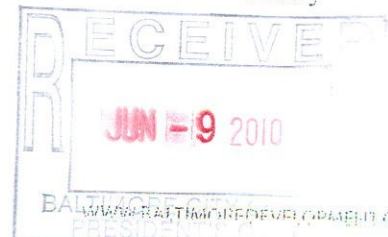
The Baltimore Development Corporation (BDC) has reviewed Council Bill 10-0505 **Minimum Wage – Living Wage for Major Retailer Employees**, a bill designed for the purpose of requiring major retail stores to pay employees a living wage determined by the Board of Estimates.

While most would agree that the goal of increasing the household income of all working families in the City of Baltimore is one that we should aspire to, it is our view that this legislation is not the most prudent means to reach that goal, and it is being introduced at a most inopportune time.

The United States is slowly but surely rebounding from one of the deepest recessions that this nation has ever experienced. This economic downturn has been so severe that most development projects have been scaled back and many have been shelved. Many companies are downsizing and few new jobs are being created.

While the State as a whole has been hit hard by this national crisis, Baltimore City has felt the greatest impact. The City's unemployment rate was reported at 10.6% for the month of March 2010, down nearly a percentage point from the high of 11.4% that was reported for January of this year.

In addition, the City of Baltimore is currently facing a \$121 million budget deficit. The City's Department of Finance is reporting that "without additional revenue, it is very likely that the city will have to face the prospect of closing seven fire companies, laying off sworn police officers, grounding police helicopters, shuttering dozens of recreation centers and swimming pools, slashing street repair and resurfacing, and abolishing 941 positions, 606 of them currently filled."



City Council Bill 10-0505

May 15, 2010

Page 2

Understanding the prevailing economic environment, both the State and City have made efforts to implement incentives to attract businesses and encourage economic development. Particularly at this time, the families of this City need employment opportunities and the City needs to attract companies to increase tax revenues.

BDC has reviewed the proposed bill and respectfully requests that this bill be given unfavorable consideration by the City Council.

cc: Kaliope Parthemos
Angela Gibson

sandra.gladden/cebill10/10-0505