

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Prepared by: Department of Legislative Reference

Date: September 19, 2017

Referred to: TAXATION, FINANCE & ECONOMIC DEVELOPMENT Committee

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

CITY COUNCIL 17-0048R

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**Approving the Submission of an Application to the State of Maryland
for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

FOR the purpose of approving the submission of an application to the State of Maryland to
redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

****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

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

Boards and Commissions

**CITY OF BALTIMORE
COUNCIL BILL 17-0048R
(Resolution)**

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: September 25, 2017
Assigned to: Taxation, Finance and Economic Development Committee
Committee Report: Favorable
Adopted: October 30, 2017

A COUNCIL RESOLUTION CONCERNING

**1 Approving the Submission of an Application to the State of Maryland
2 for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

3 FOR the purpose of approving the submission of an application to the State of Maryland to
4 redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

5 WHEREAS, The General Assembly of the State of Maryland established an Enterprise Zone
6 Program to focus State and local resources on the encouragement of economic growth in
7 economically distressed areas and employment opportunities for the unemployed; and

8 WHEREAS, The City Council recognizes that there is a significant need to stimulate the
9 creation of jobs by establishing Focus Areas, and, that by doing so, opportunities will increase for
10 revitalization, property rehabilitation, and job creation (See the attached Exhibit A, "Proposed
11 City Focus Area Redesignation/Renewal", for a map of the area affected by approval of this
12 Resolution); and

13 WHEREAS, The Jones Falls Focus Area (Exhibit B), Carroll Camden Industrial Focus Area,
14 (Exhibit C), and Oldtown Focus Area (Exhibit D) expired on June 30, 2017, and must be
15 redesignated as Enterprise Zone Focus Areas by the State of Maryland; and

16 WHEREAS, The Orangeville/Holabird Industrial Focus Area (Exhibit E) is scheduled to
17 expire on December 14, 2019, and the Central West Baltimore Focus Area (Exhibit F) is
18 scheduled to expire on December 14, 2021, and may be renewed as Enterprise Zone Focus Areas
19 by the State of Maryland; and

20 WHEREAS, The City of Baltimore wishes to pursue an application for redesignation and
21 renewal of all aforementioned Focus Areas, so that the expiration of all Focus Areas will occur
22 simultaneously with the expiration of the Enterprise Zone; and

23 WHEREAS, The Focus Areas will follow the provisions of the Maryland Annotated Code
24 Economic Development Article § 5-706 and will expire on June 14, 2022, the date of expiration
25 for the Enterprise Zone; and

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



Council Bill 17-0048R

1 **WHEREAS**, The City of Baltimore, through the Baltimore Development Corporation (BDC),
2 has prepared an application for the redesignation and renewal of the Focus Areas, to include
3 these aforementioned areas; and

4 **WHEREAS**, The regulations of the Enterprise Zone Focus Area Program require the written
5 expression of the sentiment of the Baltimore City Council.

6 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the City
7 Council of Baltimore:

8 1. Hereby endorses this October 2017 application of the City for the redesignation of
9 the Oldtown Focus Area, Carroll Camden Industrial Focus Area, and Jones Falls
10 Focus Area and for the renewal of the Orangeville/Holabird Industrial Focus Area
11 and the Central West Baltimore Focus Area.

12 2. Resolves that copies of this Resolution be sent to the Secretary of the Maryland
13 Department of Commerce, State of Maryland; the Honorable Mayor of the City of
14 Baltimore, and the President of the Baltimore Development Corporation (BDC).

**BALTIMORE CITY COUNCIL
TAXATION, FINANCE AND ECONOMIC DEVELOPMENT
VOTING RECORD**

DATE: 10/19/17

BILL#: 17-0048R

BILL TITLE: Ordinance - Approving the Submission of an Application to the State of Maryland for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

MOTION BY: Pinkett SECONDED BY: Costello

- FAVORABLE FAVORABLE WITH AMENDMENTS
 UNFAVORABLE WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Middleton, Sharon, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pinkett, Leon, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costello, Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reisinger, Edward	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stokes, Robert	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TOTALS	3		2	

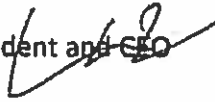
CHAIRPERSON: Sharon Middleton

COMMITTEE STAFF: Jennifer L. Coates, Initials: JLC



MEMORANDUM

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

FROM: William H. Cole, President and CEO 

DATE: October 4, 2017

SUBJECT: City Council Bill No. 17-0048R
Approving the Submission of an Application to the State of Maryland for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

The Baltimore Development Corporation (BDC) has reviewed City Council Resolution 17-0048R, for the purpose of submitting an application to the State of Maryland for the redesignation/renewal of Baltimore City's Enterprise Zone Focus Areas.

The Enterprise Zone and its Focus Areas is one of the most highly recognized, important, and utilized economic development incentives within Baltimore City. This program is a critical tool for the attraction, retention, and expansion of businesses within Baltimore City.

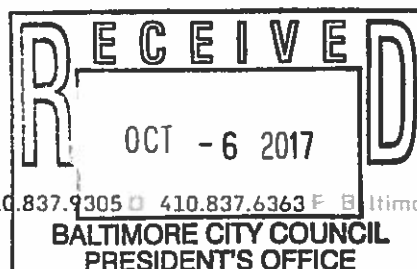
The program directly helps improve neighborhoods through the attraction of new businesses and the retention of existing businesses. New firms seek to fill gaps in the market by providing new goods and services to City residents, businesses, and the regional economy and also provide employment opportunities.

Existing businesses benefit from the program and help to provide needed goods, services, and employment for City residents. Existing businesses use the program to assist in expanding and improving their current operations.

The Enterprise Zone and Focus Areas foster new business creation by local entrepreneurs. These small businesses are vital to expanding the economic base of the City and are opportunities for employment growth. Firms seeking to build on the economic vitality and growth in the region recognize the importance of the program in helping to mitigate costs associated with the necessary investment in developing a property.

The BDC requests the City Council to favorably approve and support City Council Resolution 17-0048R.

cc: Kyron Banks 



The cost to Baltimore City of awarding the EZ Tax credit (including Focus Area credits) averages \$15 million annually. The table below displays the annual cost of the credit over the last five fiscal years.

Baltimore City Annual Lost Property Tax Revenue from EZ Credit

	Fiscal 2014 Actual	Fiscal 2015 Actual	Fiscal 2016 Actual	Fiscal 2017 Preliminary	Fiscal 2018 Budget
Enterprise Zone Tax Credit	(12,253,774)	(16,517,996)	(14,920,059)	(17,731,717)	(14,218,000)

Analysis

The average pre-improvement assessment of a single property in an Enterprise Zone is \$2.1 million in Fiscal 2018, with a post-improvement assessment of \$25.3 million. Based on this data, the table below displays the projected annual credit, for both traditional EZ credits and Focus Area credits, over the ten year period for a project that is certified in Fiscal 2019.

Average Annual EZ and Focus Area Credits for a Single Property Owner

	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
EZ Credit	\$435,835	\$451,931	\$473,494	\$495,200	\$518,112	\$468,549	\$414,090	\$354,955	\$292,075	\$223,999
Focus Area	\$435,835	\$451,931	\$473,494	\$495,200	\$518,112	\$535,485	\$552,928	\$567,928	\$584,149	\$597,332
Difference	-	-	-	-	-	(\$66,936)	(\$138,030)	(\$212,973)	(\$292,075)	(\$373,332)

Resolution 17-0048R would begin impacting the City budget in Fiscal 2024, as the three Focus Areas that had lapsed beginning in Fiscal 2018 would now be active. For all projects certified beginning in Fiscal 2019 within the Resolution’s proposed redesignated Focus Areas, the credit for years six through ten would remain at 80 percent, rather than declining annually from 70 to 30 percent. In other words, the increased cost to the City is the difference between the EZ credit rate and the Focus Area rate in years six through ten, multiplied by the number of Focus Area applicants who would have otherwise not received the increased credit.

During Fiscal 2016 and 2017, roughly 20 percent of all final certified applications were in Focus Areas (out of approximately 25 annually), including the three areas that expired at the close of Fiscal 2017. If we assume five new certifications every year in redesignated or renewed Focus Areas that would not have been subject to the increased credit without this Resolution, the total increased loss of Property Tax revenue is \$2,543,280 through Fiscal 2028.

The state reimburses the City for half of the cost of administering the Enterprise Zone credit; therefore, **Resolution 17-0048R would reduce the City’s Property Tax revenue by \$1,271,640 from Fiscal 2019 through Fiscal 2028.**

Despite the increased costs associated with redesignating and renewing Focus Areas, the Department of Finance has no objection to Resolution 17-0048R.

cc: Henry Raymond
Kyron Banks



MEMORANDUM

TO: Honorable Members of Taxation and Finance Committee

FROM: William H. Cole, President & CEO

DATE: October 19, 2017

SUBJECT: Resolution Approving the Submission of an Application to the State of Maryland for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

The Baltimore Development Corporation (BDC) requests that the Administration introduce the enclosed Resolution for the approval to amend Baltimore City's existing Consolidated Enterprise Zone to renew the Focus Areas known as Central West Baltimore and Holabird/Orangeville Industrial, and redesignate the Focus Areas known as Jones Falls, Carroll Camden Industrial, and Oldtown. The regulations of the Enterprise Zone Program, as set by the State of Maryland, require the written expression of the sentiment of the Baltimore City Council endorsing the Enterprise Zone Focus Area application to the Maryland Department of Commerce. The amendments to the Enterprise Zone are as follows:

- The renewal of the Central West Baltimore and Holabird/Orangeville Industrial Focus Areas, so that their expiration is concurrent with the expiration of the Enterprise Zone
- The redesignation of the Jones Falls, Carroll Camden Industrial, and Oldtown Focus Areas, which expired on June 30, 2017.
- The boundaries of the Focus Areas will be identical to the Focus Area boundaries as of June 30, 2017 and have not changed from what had previously been approved by the Baltimore City Council and the State of Maryland. (Exhibits A-E)

The renewal and redesignation of these Focus Areas will increase opportunities for revitalization, property rehabilitation, and job creation in underutilized commercial areas in Baltimore City. The objective of the amendment is to ensure the continued availability of Focus Area benefits to businesses in affected areas, and to align the expiration of all Focus Areas with the June 14, 2022 expiration of the Enterprise Zone.

Attachments

cc: Kyron Banks

received
10-19-17 *ffc*



hoyt

Exhibit A – Proposed City Focus Area Redesignation/Renewal

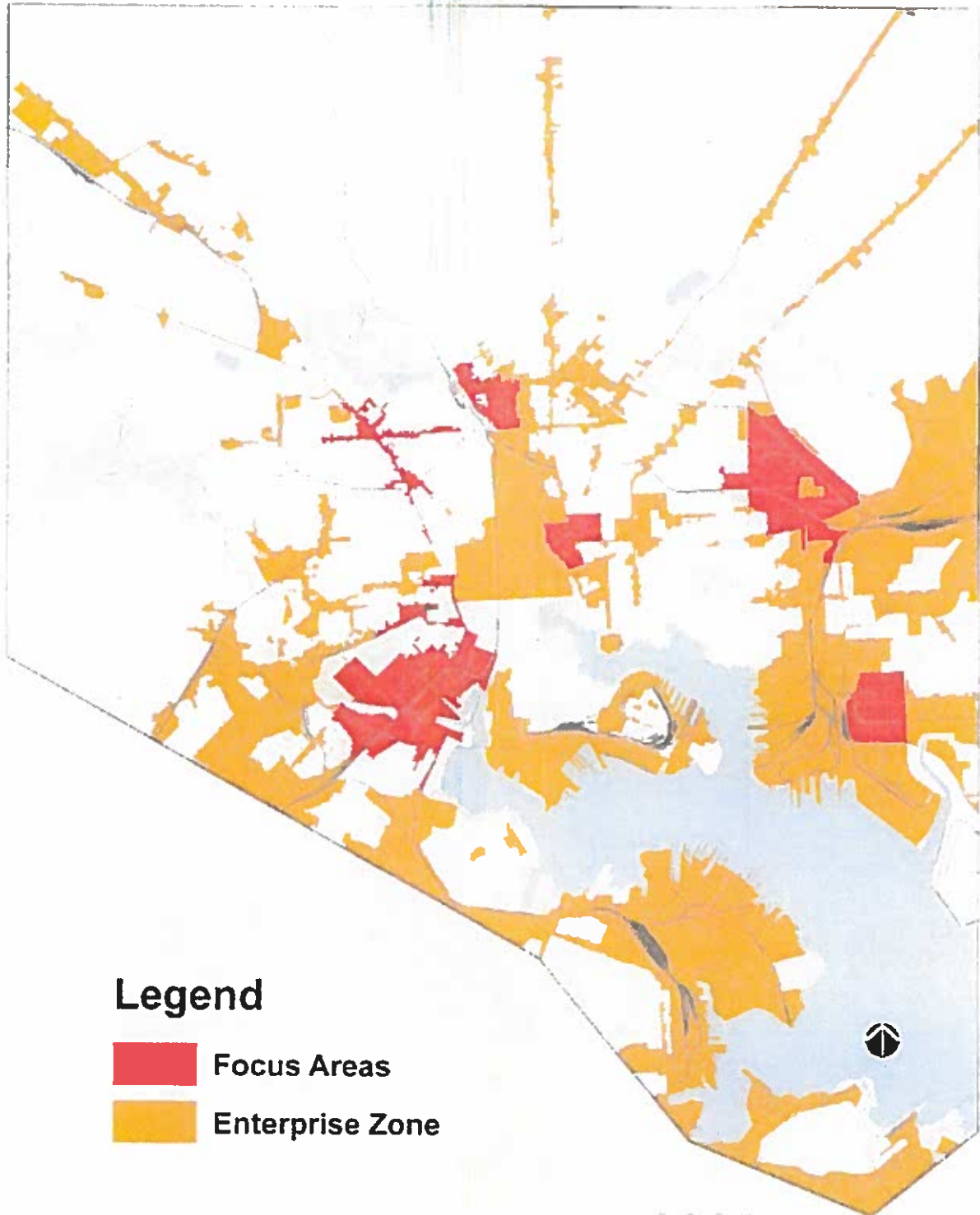


Exhibit B – Jones Falls Focus Area

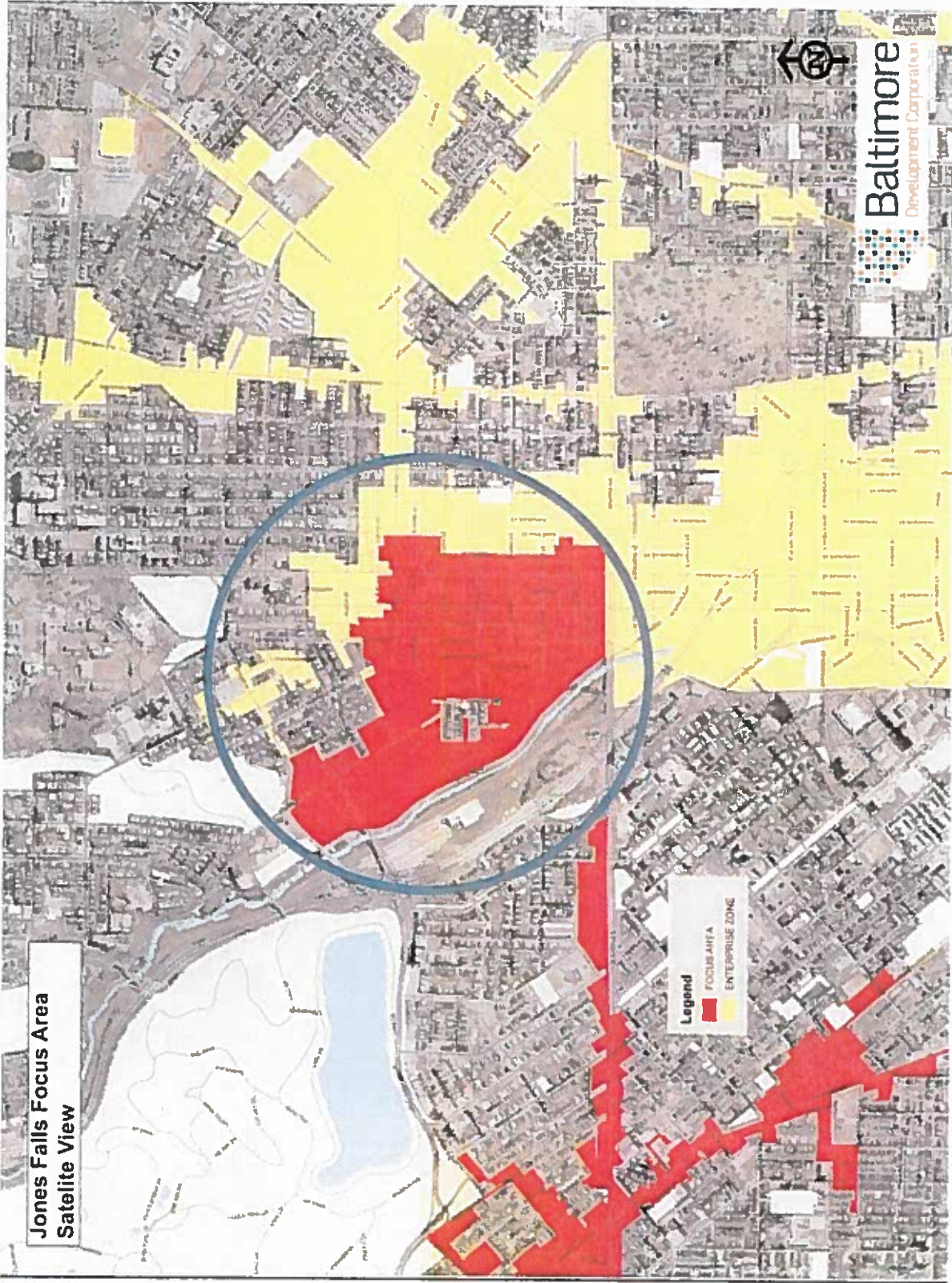
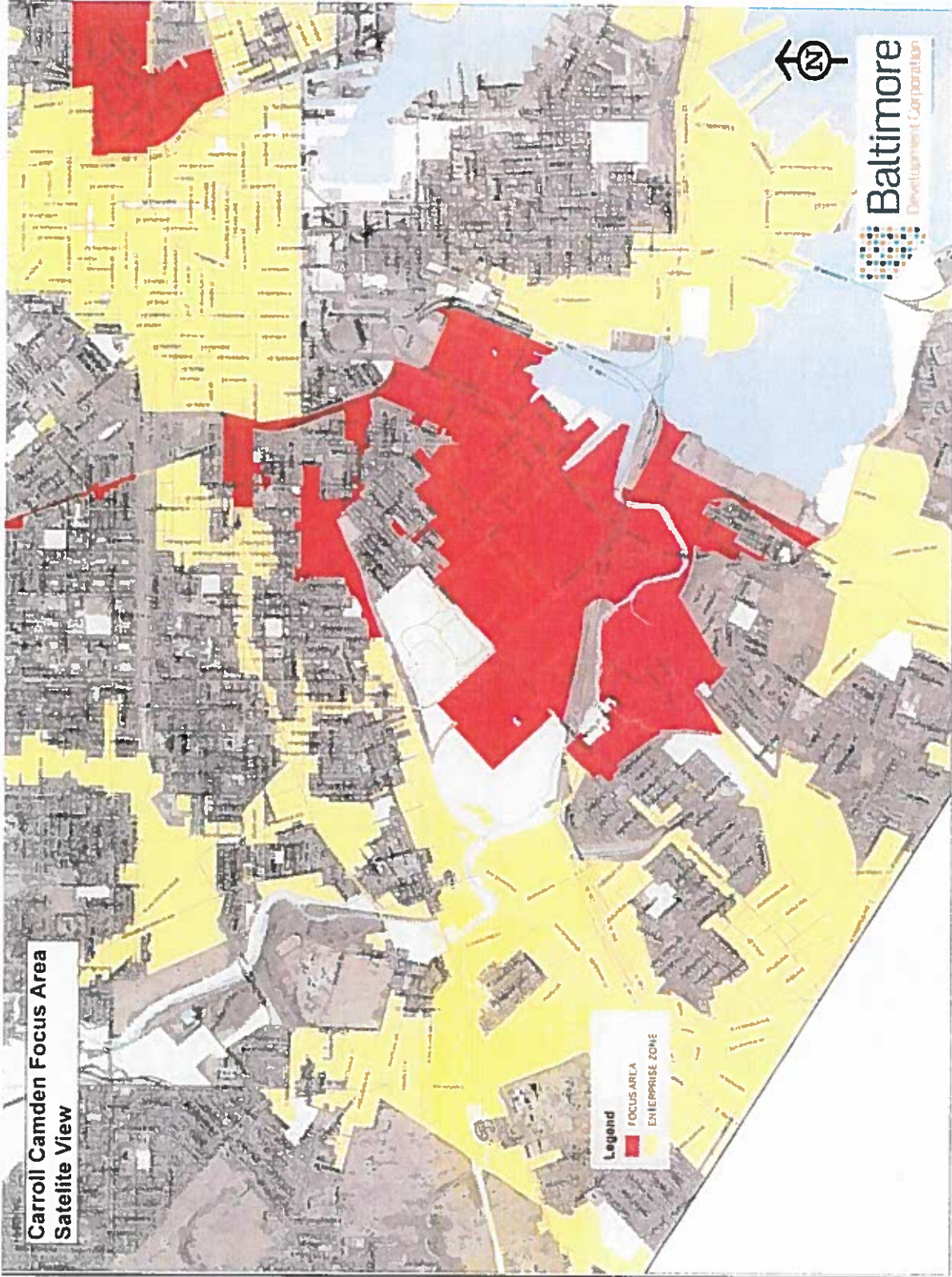


Exhibit C – Carroll Camden Industrial Focus Area



**Carroll Camden Focus Area
Satellite View**

Exhibit D – Oldtown Focus Area

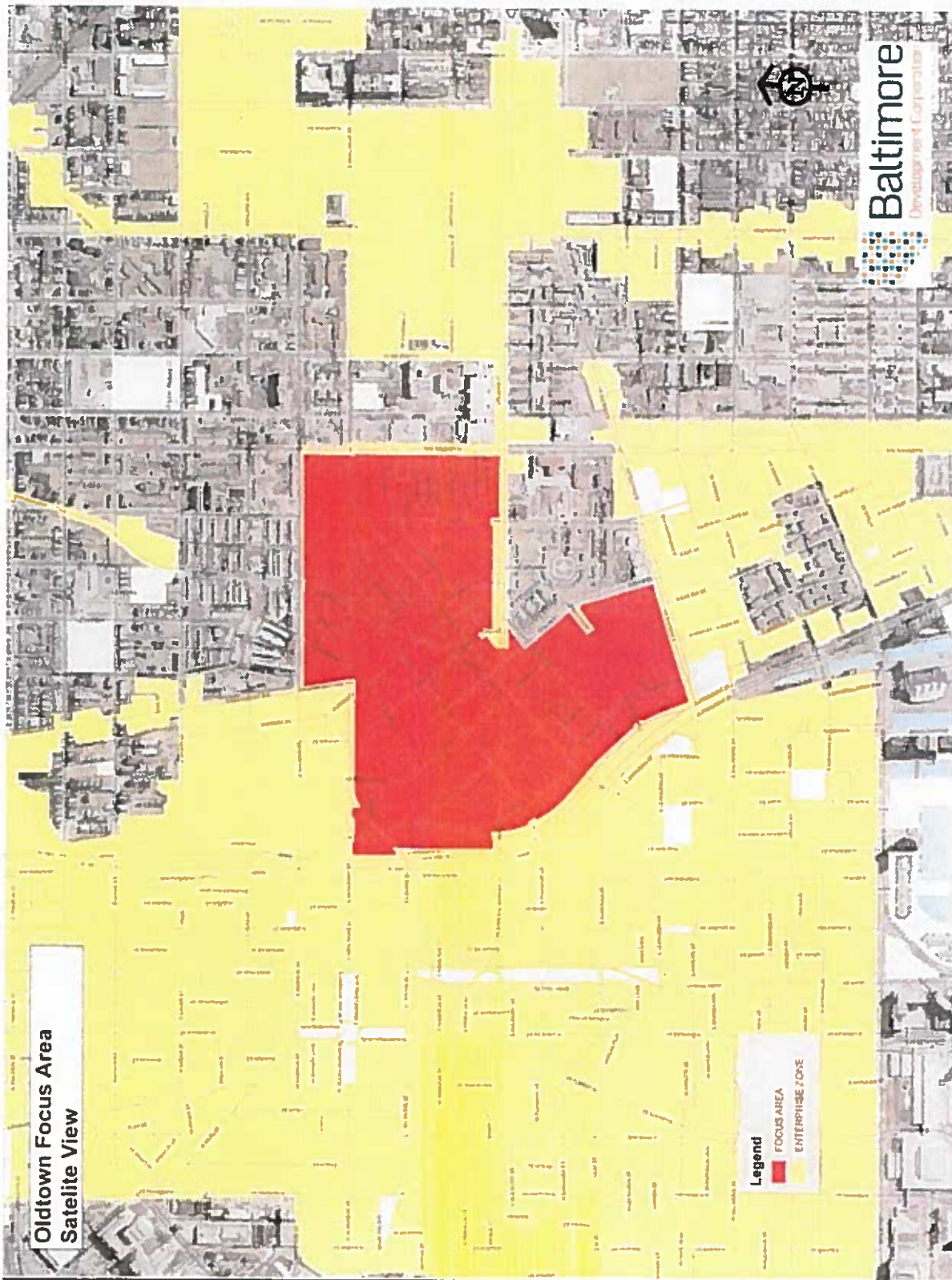
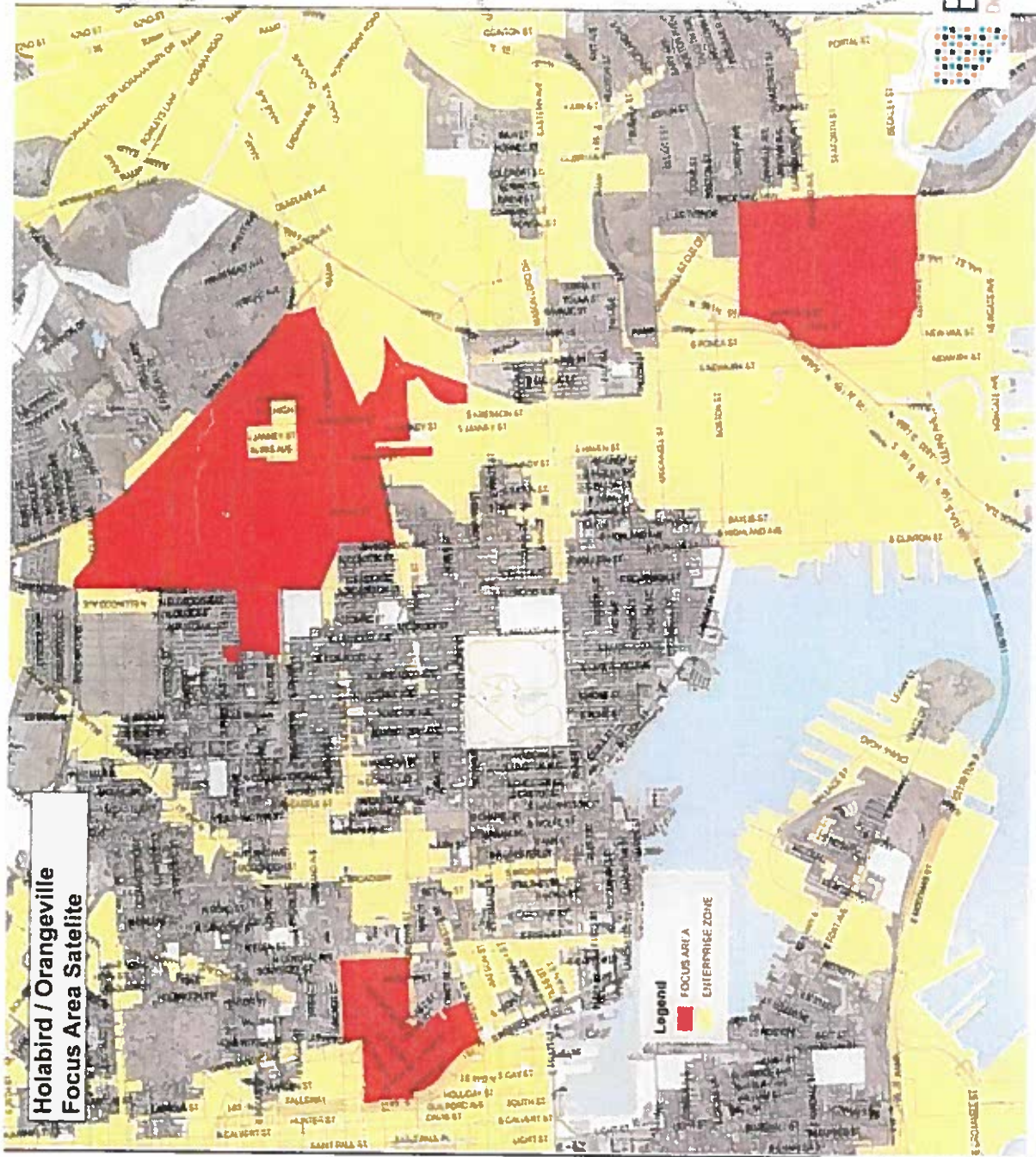


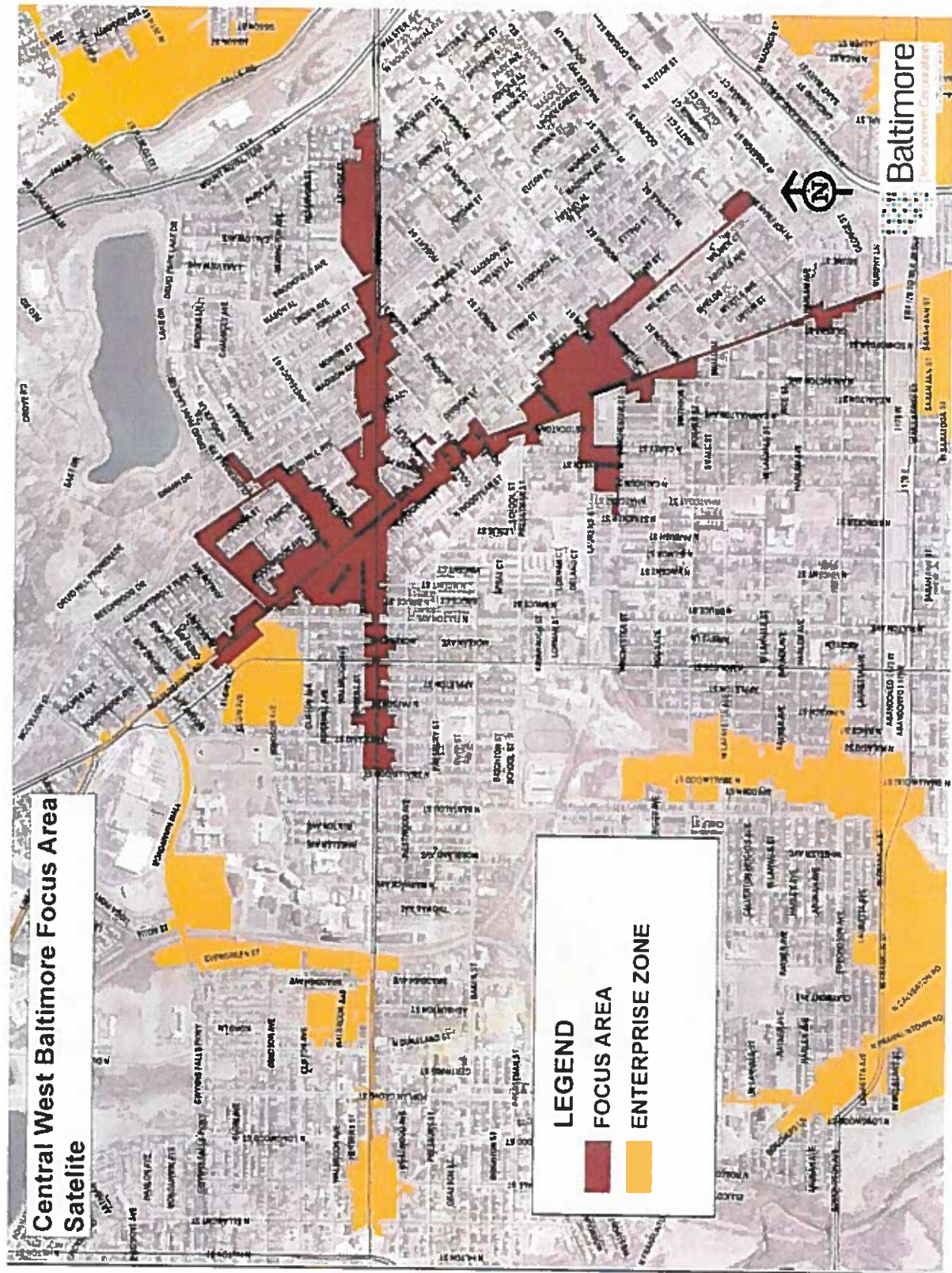
Exhibit E – Holabird/Orangeville Industrial Focus Area



**Holabird / Orangeville
Focus Area Satellite**

Legend
FOCUS AREA
ENTERPRISE ZONE

Exhibit F – Central West Baltimore Focus Area



City Council Bill 17-0048R

Projects within the Enterprise Zone

	Base Year Assessment	Post Improvement Assessment	Assessment After Credit Termination	Current Assessment (FY 2018)
Number of Projects	650	650	650	650
Taxable Value	\$941,276,324	\$3,638,658,453	\$4,081,861,463	\$4,249,299,695
Assessment Increase	\$0	\$2,697,382,129	\$3,140,585,139	\$3,308,023,371
% Assessment Increase		286.6%	333.7%	351.4%
Assessment Subject to Credit	\$0	\$2,887,040,900	\$0	\$0
Gross Taxes	\$21,159,892	\$81,797,042	\$91,760,246	\$95,524,257
Tax Credit Amount	\$0	\$64,900,679	\$0	\$0
Net Taxes	\$21,159,892	\$16,896,363	\$91,760,246	\$95,524,257

Selected Projects within the Enterprise Zone - Focus Area

	Base Year Assessment	Post Improvement Assessment	Assessment After Credit Termination	Current Assessment (FY 2018)
Number of Projects	25	25	25	25
Taxable Value	\$29,857,328	\$85,329,706	\$163,647,367	\$157,474,650
Assessment Increase	\$0	\$55,472,378	\$133,790,039	\$127,617,322
% Assessment Increase		185.8%	448.1%	427.4%
Assessment Subject to Credit	\$0	\$44,377,902	\$0	\$0
Gross Taxes	\$671,193	\$1,918,212	\$3,678,793	\$3,540,030
Tax Credit Amount	\$0	\$997,615	\$0	\$0
Net Taxes	\$671,193	\$920,597	\$3,678,793	\$3,540,030

*Department of Finance
Pedro Aporte*

received
10-19-17 *flc*



10/10/2020

City Council Bill 17-0048R

Selected Projects within the Enterprise Zone - Focus Area

Block-Lot	Base Year Assessment	Post Impro. Assessment	Assessment after Credit Termination	Current Assessment
0203-001B	\$0	\$5,199,330	\$53,663,600	\$53,663,600
0837-028	\$14,530	\$15,366	\$15,700	\$15,700
0599-032	\$23,600	\$28,033	\$404,600	\$208,033
3601-021	\$48,900	\$186,766	\$355,800	\$1,244,820
0601-005B	\$71,900	\$86,833	\$94,000	\$109,133
0601-005C	\$111,500	\$134,066	\$179,200	\$179,200
7445-106	\$118,900	\$168,800	\$561,534	\$292,700
2022A-006	\$130,800	\$169,933	\$248,200	\$248,200
0799-001	\$145,100	\$229,433	\$398,533	\$399,600
0601-005A	\$176,200	\$210,666	\$269,000	\$274,300
0773-001E	\$193,500	\$1,704,000	\$1,828,600	\$1,828,600
0837-019	\$306,100	\$343,566	\$192,900	\$1,819,800
3800-002	\$358,200	\$10,666,400	\$10,759,867	\$10,759,867
0812-003	\$394,200	\$405,666	\$827,000	\$827,000
7841G-004	\$579,900	\$676,167	\$868,700	\$868,700
0839-002	\$751,000	\$822,866	\$1,052,400	\$1,124,200
0825-001	\$854,932	\$1,231,800	\$1,482,200	\$1,482,200
0985-001	\$1,001,000	\$1,002,933	\$1,064,700	\$1,064,700
7872A-015A	\$1,007,800	\$1,035,500	\$1,115,100	\$1,618,400
1442-007	\$1,030,400	\$20,281,030	\$21,729,700	\$21,729,700
6874A-005	\$1,270,900	\$1,651,800	\$27,092,400	\$27,092,400
0601-005	\$1,740,200	\$3,450,760	\$3,546,833	\$3,648,567
0811-060	\$3,600,500	\$4,382,660	\$4,600,000	\$4,600,000
6871C-001	\$5,258,800	\$20,404,600	\$20,283,800	\$20,283,800
Total Value	\$29,857,328	\$85,329,706	\$163,647,367	\$157,474,650



**BALTIMORE CITY COUNCIL
TAXATION, FINANCE AND ECONOMIC DEVELOPMENT
COMMITTEE**

Mission Statement

On behalf of the Citizens of Baltimore City, the mission of the Taxation, Finance and Economic Development Committee of the Baltimore City Council is to legislate policy that will deter unnecessary tax burdens while seeking and supporting projects and initiatives that will generate and increase our tax base. Reviewing and considering financing tools that impact the retention and sustainability of our economic base is essential. Introducing and enhancing legislation that perpetuates equal access to economic development for African Americans/Minorities/Women and other members of our community that will result in an improved quality of life for all citizens of Baltimore is a critical component of Baltimore's success.

**The Honorable Sharon Green Middleton
Chairwoman**

PUBLIC HEARING

Thursday, October 19, 2017

10:10 AM

CLARENCE "DU" BURNS COUNCIL CHAMBERS

Bill 17-0048R

**Approving the Submission of an Application to the State of Maryland for the
Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

CITY COUNCIL COMMITTEES

BUDGET AND APPROPRIATIONS

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Leon Pinkett – Vice Chair
Bill Henry
Sharon Green Middleton
Brandon M. Scott
Isaac “Yitzy” Schleifer
Shannon Sneed
Staff: Marguerite Currin

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Mary Pat Clarke – Vice Chair
John Bullock
Kristerfer Burnett
Ryan Dorsey
Staff: D’Paul Nibber

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Kristerfer Burnett – Vice Chair
Mary Pat Clarke
Zeke Cohen
Isaac “Yitzy” Schleifer
Staff: Marguerite Currin

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Kristerfer Burnett
Bill Henry
Shannon Sneed
Zeke Cohen
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Staff: Richard Krummerich

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Leon Pinkett
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Brandon Scott
Robert Stokes
Staff: D’Paul Nibber

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Bill Henry
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Mary Pat Clarke
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Leon Pinkett
Robert Stokes
Staff: Jennifer Coates

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Zeke Cohen
Leon Pinkett
Isaac “Yitzy” Schleifer
Staff: Richard Krummerich

TAXATION, FINANCE AND ECONOMIC DEVELOPMENT

Sharon Green Middleton – Chair
Leon Pinkett – Vice Chair
Eric Costello
Edward Reisinger
Robert Stokes
Staff: Jennifer Coates
- Larry Greene (pension only)

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

BILL SYNOPSIS

Committee: Taxation, Finance and Economic Development

Bill 17-0048R

**Approving the Submission of an Application to the State of Maryland for the
Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

Sponsor: President Young (Administration) * Baltimore Development Corporation
Introduced: September 25, 2017

Purpose:

For the purpose of approving the submission of an application to the State of Maryland to redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

Effective: Upon Approval

Hearing Date/Time/Location: October 19, 2017 /10:10 AM / Clarence "Du" Burns Chambers

Agency Reports

Baltimore Development Corporation
Department of Finance

Favorable
*

ANALYSIS

Current Law

Maryland Annotated Code Economic Development Article, § 5-706; Enterprise Zone Focus Area Program

Background

If enacted, Bill 17-0048R would grant approval for the submission of an application to the State of Maryland to re-designate and renew Baltimore City's Enterprise Zone Focus Areas.

Under Maryland State law, Baltimore City may apply for designation of an area within its corporate or political boundaries as an Enterprise Zone. The application must include a consent document from the City Council. If approved, Bill 17-0048R would serve as the consent document.

Enterprise Zone Focus Areas – Expiration Dates

➤ On **June 30, 2017**, the following Enterprise Zone Focus Areas **expired**:

- Jones Falls Focus Area – Exhibit B
- Carroll Camden Industrial Focus Area – Exhibit C
- Oldtown Focus Area – Exhibit D

These areas **must be re-designated** as Enterprise Zone Focus Areas by the State of Maryland.

➤ On **December 14, 2019**, the following Industrial Focus Area is **due to expire**:

- Orangeville/Holabird Industrial Focus Area – Exhibit E

This area **may be renewed** as an Enterprise Zone focus Area by the State of Maryland.

➤ On **December 14, 2021**, the following Focus Area is **due to expire**:

- Central West Baltimore Focus Area = Exhibit F

This area **may be renewed** as an Enterprise Zone Focus Area by the State of Maryland.

Baltimore City is pursuing an application for re-designation and renewal of the above-mentioned Focus Areas so that the expiration date of all Focus Areas will occur simultaneously with the expiration for the Enterprise Zone on June 14, 2022.

Enterprise Zone Focus Area tax credits are available to commercial, retail and industrial projects which expand or locate within specific boundaries of an Enterprise Zone. Companies in the Focus Area become eligible for income and real estate tax credits based on the number of jobs created or investment in capital improvements. The tax credits are used to spur development.

	Enterprise Zone	Enterprise Zone - Focus Area
Real Property Tax Credits	<p>10-year credit against local real property taxes on the value of a portion of real property improvements.</p> <p>80% for the years 1- 5, 10% annual decline thereafter until 30% in the 10th and final year.</p>	<p>10-year, 80% credit against local real property taxes on a portion of real property improvements. (Credit does not decline in a focus area)</p>
Personal Property Tax Credits	<p>Not Available</p>	<p>10-year, 80% credit against local personal property taxes on new investment in personal property within a focus area.</p>
Income Tax Credits	<p>One or three year credit for wages paid to eligible new employees. The general credit is a one-time <u>\$1,000</u> credit per new worker.</p> <p>For economically disadvantaged employees, the credit increases to a total of <u>\$6,000</u> per worker distributed over three years.</p>	<p>One or three year credit for wages paid to new employees. The general credit is a one-time <u>\$1,500</u> credit for each new qualified position.</p> <p>For economically disadvantaged employees, the credit increases to a total of <u>\$9,000</u> per worker distributed over three years.</p>

Additional Information

Fiscal Note: Not Available

Information Source(s): Baltimore Development Corporation

Analysis by: Jennifer L. Coates

Analysis Date: October 12, 2017



Direct Inquiries to: (410) 396-1260

**CITY OF BALTIMORE
COUNCIL BILL 17-0048R
(Resolution)**

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Introduced and read first time: September 25, 2017

Assigned to: Taxation, Finance and Economic Development Committee

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

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Approving the Submission of an Application to the State of Maryland**
3 **for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

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8 economically distressed areas and employment opportunities for the unemployed; and

9 **WHEREAS**, The City Council recognizes that there is a significant need to stimulate the
10 creation of jobs by establishing Focus Areas, and, that by doing so, opportunities will increase for
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12 City Focus Area Redesignation/Renewal", for a map of the area affected by approval of this
13 Resolution); and

14 **WHEREAS**, The Jones Falls Focus Area (Exhibit B), Carroll Camden Industrial Focus Area,
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21 **WHEREAS**, The City of Baltimore wishes to pursue an application for redesignation and
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23 simultaneously with the expiration of the Enterprise Zone; and

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25 Economic Development Article § 5-706 and will expire on June 14, 2022, the date of expiration
26 for the Enterprise Zone; and

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

Council Bill 17-0048R

1 **WHEREAS, The City of Baltimore, through the Baltimore Development Corporation (BDC),**
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5 **expression of the sentiment of the Baltimore City Council.**

6 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the City**
7 **Council of Baltimore:**

- 8 1. **Hereby endorses this October 2017 application of the City for the redesignation of the**
9 **Oldtown Focus Area, Carroll Camden Industrial Focus Area, and Jones Falls Focus**
10 **Area and for the renewal of the Orangeville/Holabird Industrial Focus Area and the**
11 **Central West Baltimore Focus Area.**
- 12 2. **Resolves that copies of this Resolution be sent to the Secretary of the Maryland**
13 **Department of Commerce, State of Maryland; the Honorable Mayor of the City of**
14 **Baltimore, and the President of the Baltimore Development Corporation (BDC).**

Exhibit A – Proposed City Focus Area Redesignation/Renewal

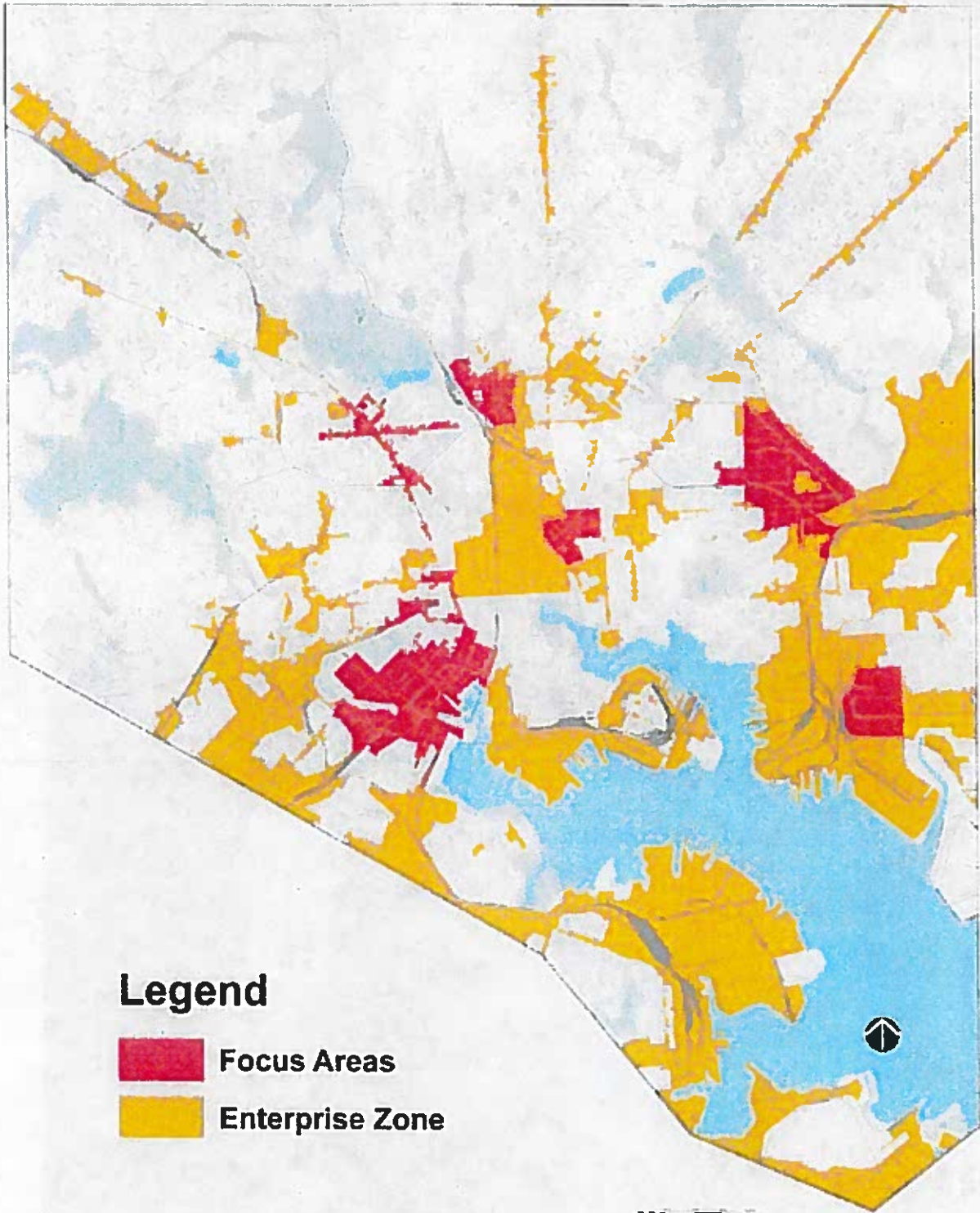


Exhibit B – Jones Falls Focus Area

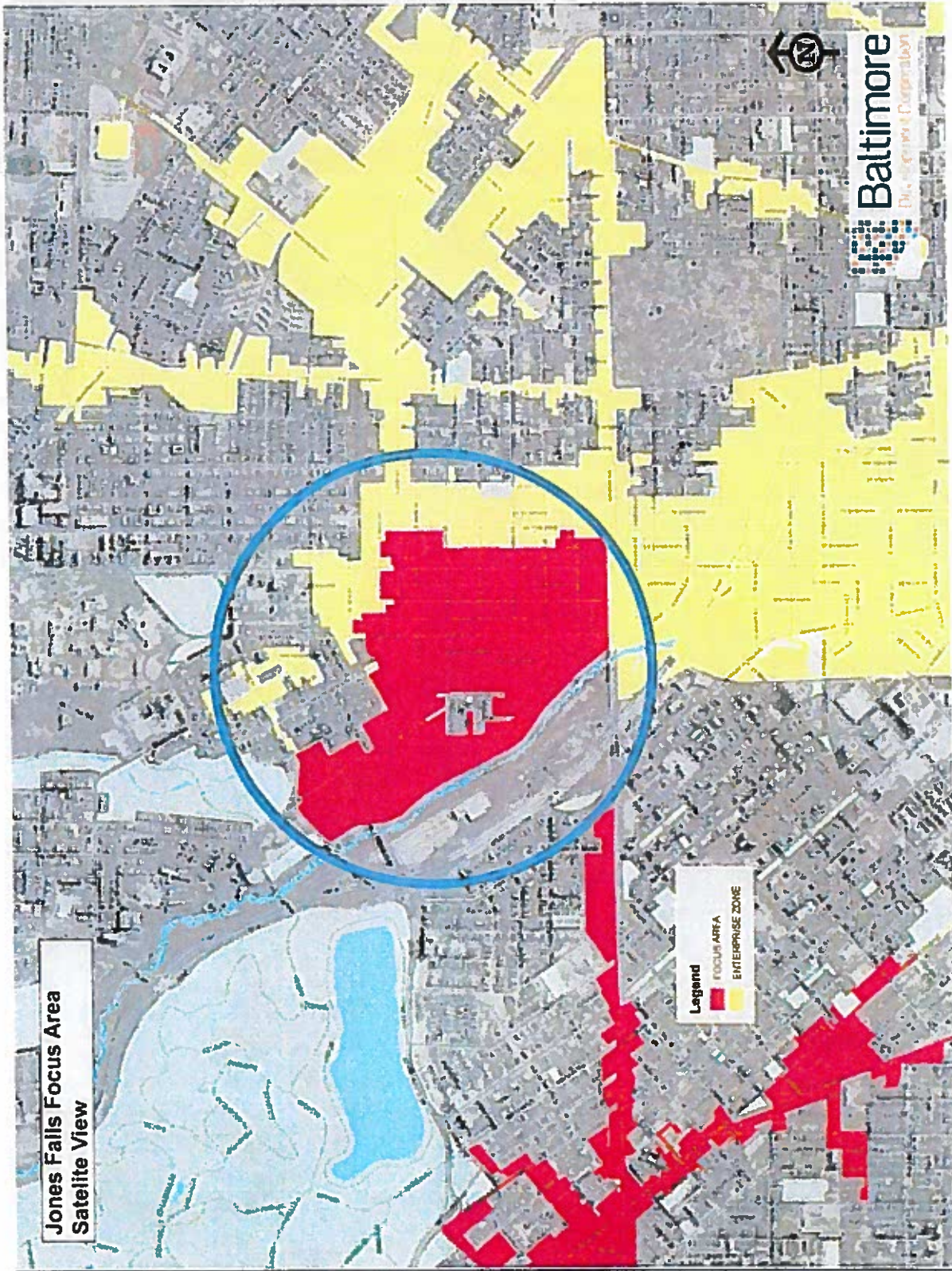


Exhibit C – Carroll Camden Industrial Focus Area

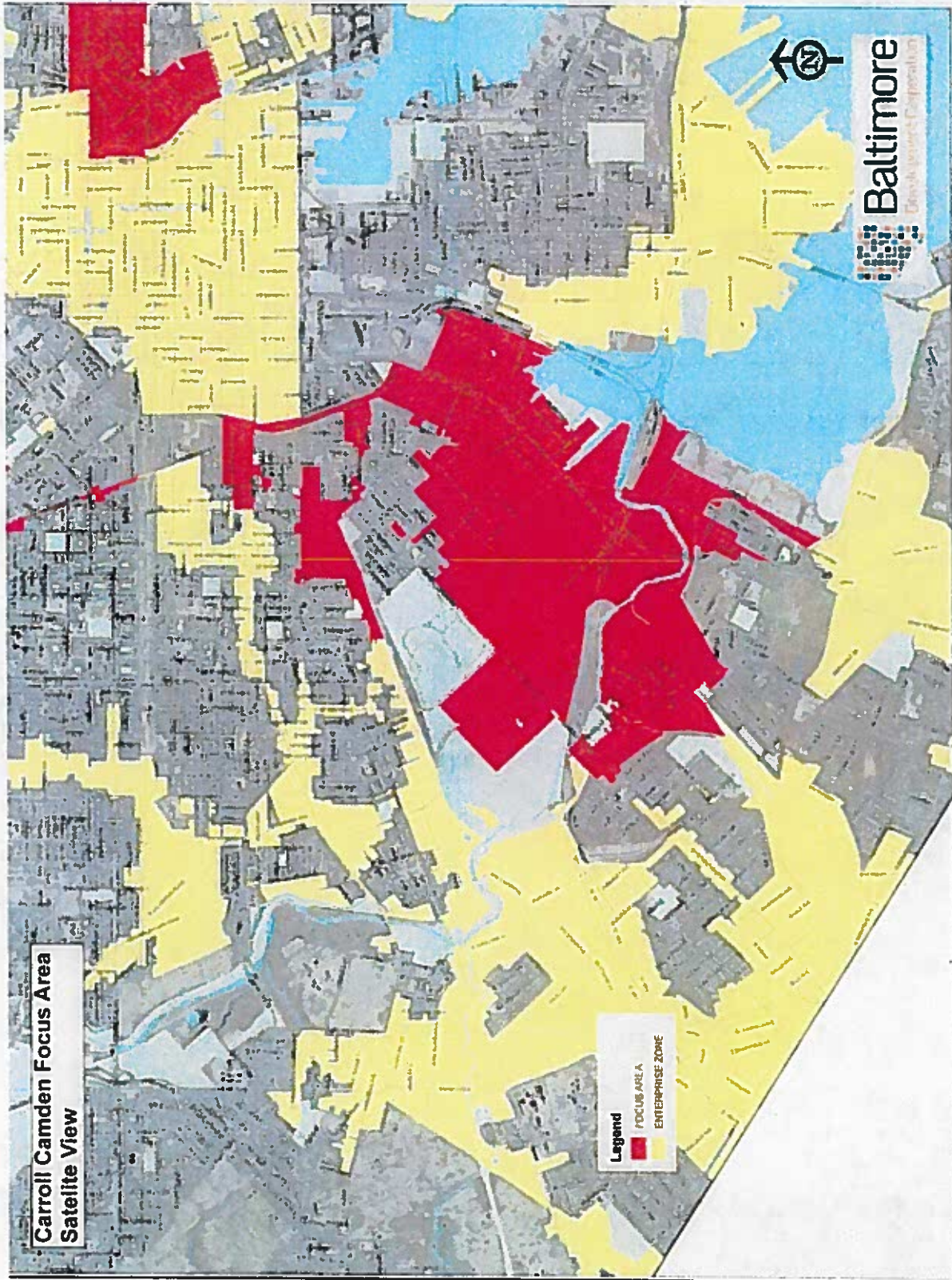


Exhibit D – Oldtown Focus Area

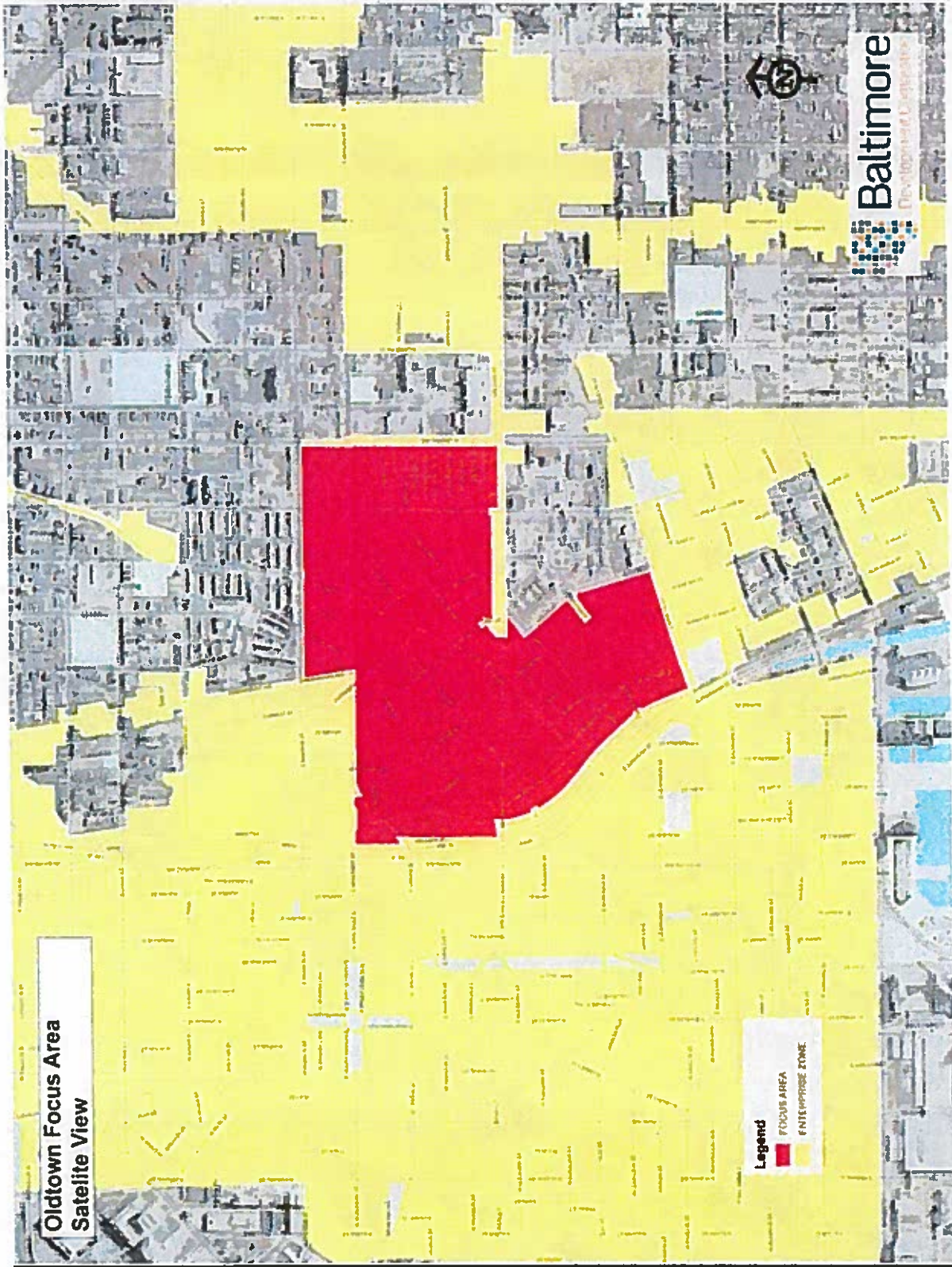
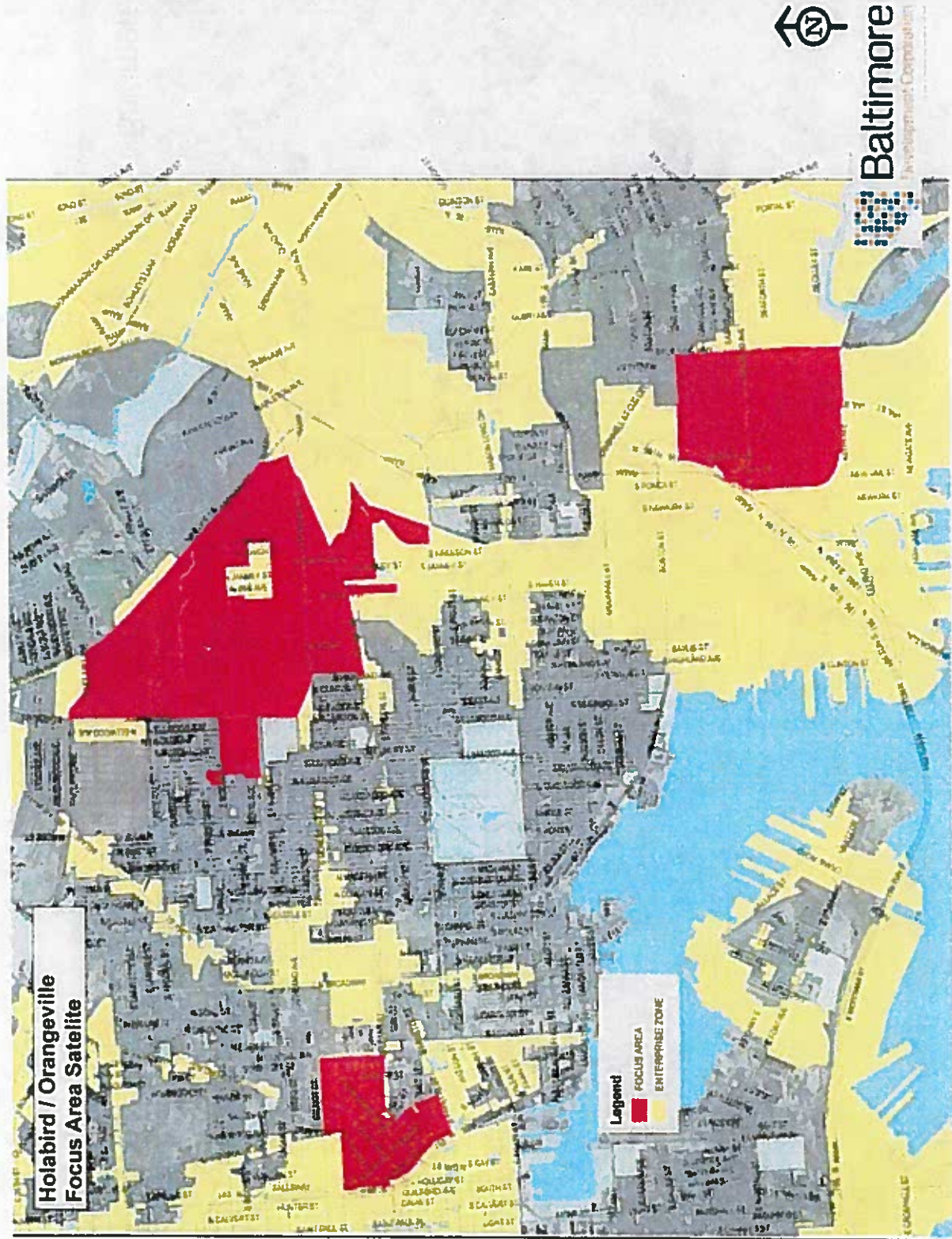
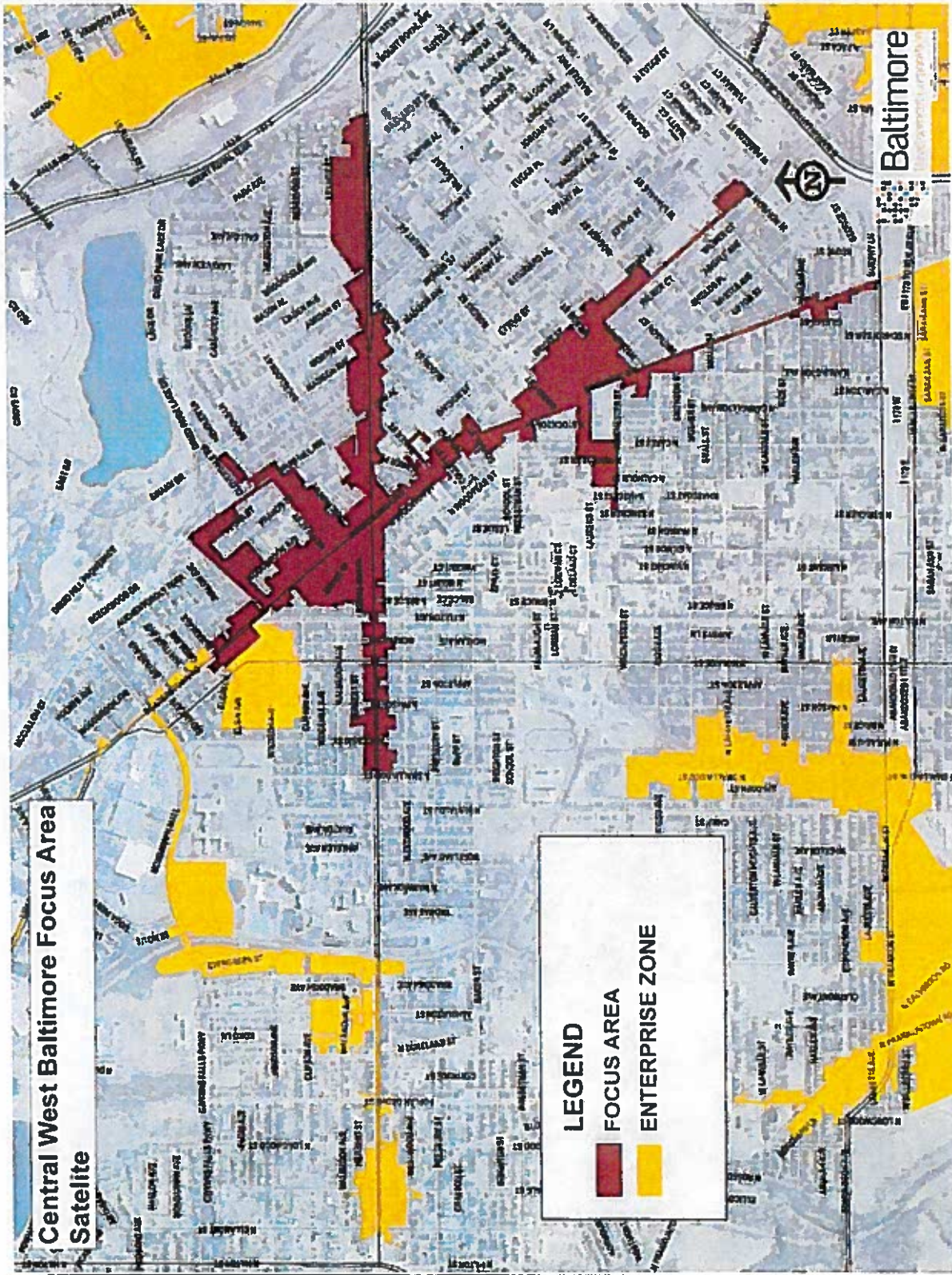


Exhibit E – Holabird/Orangeville Industrial Focus Area



Baltimore
Development Corporation

Exhibit F – Central West Baltimore Focus Area




TAXATION, FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

AGENCY REPORTS



MEMORANDUM

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

FROM: William H. Cole, President and CEO 

DATE: October 4, 2017

SUBJECT: City Council Bill No. 17-0048R
Approving the Submission of an Application to the State of Maryland for the
Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

The Baltimore Development Corporation (BDC) has reviewed City Council Resolution 17-0048R, for the purpose of submitting an application to the State of Maryland for the redesignation/renewal of Baltimore City's Enterprise Zone Focus Areas.

The Enterprise Zone and its Focus Areas is one of the most highly recognized, important, and utilized economic development incentives within Baltimore City. This program is a critical tool for the attraction, retention, and expansion of businesses within Baltimore City.

The program directly helps improve neighborhoods through the attraction of new businesses and the retention of existing businesses. New firms seek to fill gaps in the market by providing new goods and services to City residents, businesses, and the regional economy and also provide employment opportunities.

Existing businesses benefit from the program and help to provide needed goods, services, and employment for City residents. Existing businesses use the program to assist in expanding and improving their current operations.

The Enterprise Zone and Focus Areas foster new business creation by local entrepreneurs. These small businesses are vital to expanding the economic base of the City and are opportunities for employment growth. Firms seeking to build on the economic vitality and growth in the region recognize the importance of the program in helping to mitigate costs associated with the necessary investment in developing a property.

The BDC requests the City Council to favorably approve and support City Council Resolution 17-0048R.

cc: Kyron Banks

CITY OF BALTIMORE

CATHERINE E. PUGIL, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

HEARING NOTES

Bill: 17-0048R

Approving the Submission of an Application to the State of Maryland for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

Committee: Taxation, Finance and Economic Development

Chaired By: Councilmember Sharon Green Middleton

Hearing Date: October 19, 2017
Time (Beginning): 10:50 AM
Time (Ending): 11:20 AM
Location: Clarence "Du" Burns Chamber
Total Attendance: ~15
Committee Members in Attendance:
Sharon Green Middleton, Chair
Leon Pinkett, III, Vice Chair
Eric Costello

Form with checkboxes for Bill Synopsis, Attendance sheet, Agency reports, Hearing televised, Certification of advertising/posting notices, Evidence of notification to property owners, Final vote taken, Motioned by, Seconded by, and Final Vote.

Major Speakers
(This is not an attendance record.)

- Ms. Hilary Ruley, Department of Law
Mr. Pedro Aponte, Department of Finance

- Ms. Kim Clark, Baltimore Development Corporation

Major Issues Discussed

1. Councilwoman Middleton read the bill and agency reports into the record.
2. Agency representatives provided comment about their respective agency reports.
3. Mr. Pedro Aponte presented the Department of Finance's report and fiscal analysis.
4. Ms. Kim Clark presented a report from Baltimore Development Corporation.
5. The committee discussed use of tax credits for economic development within the Enterprise Zones and Focus Areas.

Further Study

Was further study requested?

Yes No

If yes, describe.

Committee Vote:

S. Middleton: Yea
L. Pinkett, III: Yea
E. Costello: Yea
E. Reisinger: Absent
R. Stokes: Absent

Jennifer L. Coates, Committee Staff



Date: October 19, 2017

cc: Bill File
OCS Chrono File

OF BALTIMORE RING ATTENDANCE RECORD

Chairperson: Sharon Middleton

1 Place: Clarence "Du" Burns Chambers
 n to the State of Maryland for the
 is Areas

CC Bill Number: 17-0048R

PRINT

P L E A S E C H E C K H E R E



TESTIFY

ORGANIZATION NAME	ZIP	EMAIL ADDRESS	WHAT IS YOUR POSITION ON THIS BILL?		LOBBYIST: ARE YOU REGISTERED IN THE CITY	
			FOR	AGAINST	YES	NO
street	21202	Johndoenbmore@yahoo.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
25 St	21201	kclark@baltimoredevelopment.com				



11
12
13



**CITY OF BALTIMORE
COUNCIL BILL 17-0048R
(Resolution)**

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Introduced and read first time: September 25, 2017

Assigned to: Taxation, Finance and Economic Development Committee

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

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Approving the Submission of an Application to the State of Maryland**
3 **for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

4 FOR the purpose of approving the submission of an application to the State of Maryland to
5 redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

6 **WHEREAS**, The General Assembly of the State of Maryland established an Enterprise Zone
7 Program to focus State and local resources on the encouragement of economic growth in
8 economically distressed areas and employment opportunities for the unemployed; and

9 **WHEREAS**, The City Council recognizes that there is a significant need to stimulate the
10 creation of jobs by establishing Focus Areas, and, that by doing so, opportunities will increase for
11 revitalization, property rehabilitation, and job creation (See the attached Exhibit A, "Proposed
12 City Focus Area Redesignation/Renewal", for a map of the area affected by approval of this
13 Resolution); and

14 **WHEREAS**, The Jones Falls Focus Area (Exhibit B), Carroll Camden Industrial Focus Area,
15 (Exhibit C), and Oldtown Focus Area (Exhibit D) expired on June 30, 2017, and must be
16 redesignated as Enterprise Zone Focus Areas by the State of Maryland; and

17 **WHEREAS**, The Orangeville/Holabird Industrial Focus Area (Exhibit E) is scheduled to
18 expire on December 14, 2019, and the Central West Baltimore Focus Area (Exhibit F) is
19 scheduled to expire on December 14, 2021, and may be renewed as Enterprise Zone Focus Areas
20 by the State of Maryland; and

21 **WHEREAS**, The City of Baltimore wishes to pursue an application for redesignation and
22 renewal of all aforementioned Focus Areas, so that the expiration of all Focus Areas will occur
23 simultaneously with the expiration of the Enterprise Zone; and

24 **WHEREAS**, The Focus Areas will follow the provisions of the Maryland Annotated Code
25 Economic Development Article § 5-706 and will expire on June 14, 2022, the date of expiration
26 for the Enterprise Zone; and

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

Council Bill 17-0048R

1 **WHEREAS**, The City of Baltimore, through the Baltimore Development Corporation (BDC),
2 has prepared an application for the redesignation and renewal of the Focus Areas, to include
3 these aforementioned areas; and

4 **WHEREAS**, The regulations of the Enterprise Zone Focus Area Program require the written
5 expression of the sentiment of the Baltimore City Council.

6 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the City
7 Council of Baltimore:

- 8 1. Hereby endorses this October 2017 application of the City for the redesignation of the
9 Oldtown Focus Area, Carroll Camden Industrial Focus Area, and Jones Falls Focus
10 Area and for the renewal of the Orangeville/Holabird Industrial Focus Area and the
11 Central West Baltimore Focus Area.
- 12 2. Resolves that copies of this Resolution be sent to the Secretary of the Maryland
13 Department of Commerce, State of Maryland; the Honorable Mayor of the City of
14 Baltimore, and the President of the Baltimore Development Corporation (BDC).

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL ____R
(Resolution)

APPROVED FOR FORM STYLE AND TEXTUAL SUFFICIENCY
9-19-17
DEPT LEGISLATIVE REFERENCE

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**Approving the Submission of an Application to the State of Maryland
for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

FOR the purpose of approving the submission of an application to the State of Maryland to redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

WHEREAS, The General Assembly of the State of Maryland established an Enterprise Zone Program to focus State and local resources on the encouragement of economic growth in economically distressed areas and employment opportunities for the unemployed; and

WHEREAS, The City Council recognizes that there is a significant need to stimulate the creation of jobs by establishing Focus Areas, and, that by doing so, opportunities will increase for revitalization, property rehabilitation, and job creation (See the attached Exhibit A, "Proposed City Focus Area Redesignation/Renewal", for a map of the area affected by approval of this Resolution); and

WHEREAS, The Jones Falls Focus Area (Exhibit B), Carroll Camden Industrial Focus Area, (Exhibit C), and Oldtown Focus Area (Exhibit D) expired on June 30, 2017, and must be redesignated as Enterprise Zone Focus Areas by the State of Maryland; and

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WHEREAS, The City of Baltimore wishes to pursue an application for redesignation and renewal of all aforementioned Focus Areas, so that the expiration of all Focus Areas will occur simultaneously with the expiration of the Enterprise Zone; and

WHEREAS, The Focus Areas will follow the provisions of the Maryland Annotated Code Economic Development Article § 5-706 and will expire on June 14, 2022, the date of expiration for the Enterprise Zone; and

WHEREAS, The City of Baltimore, through the Baltimore Development Corporation (BDC), has prepared an application for the redesignation and renewal of the Focus Areas, to include these aforementioned areas; and

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

WHEREAS, The regulations of the Enterprise Zone Focus Area Program require the written expression of the sentiment of the Baltimore City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the City Council of Baltimore:

1. Hereby endorses this October 2017 application of the City for the redesignation of the Oldtown Focus Area, Carroll Camden Industrial Focus Area, and Jones Falls Focus Area and for the renewal of the Orangeville/Holabird Industrial Focus Area and the Central West Baltimore Focus Area.
2. Resolves that copies of this Resolution be sent to the Secretary of the Maryland Department of Commerce, State of Maryland; the Honorable Mayor of the City of Baltimore, and the President of the Baltimore Development Corporation (BDC).

Exhibit A – Proposed City Focus Area Redesignation/Renewal

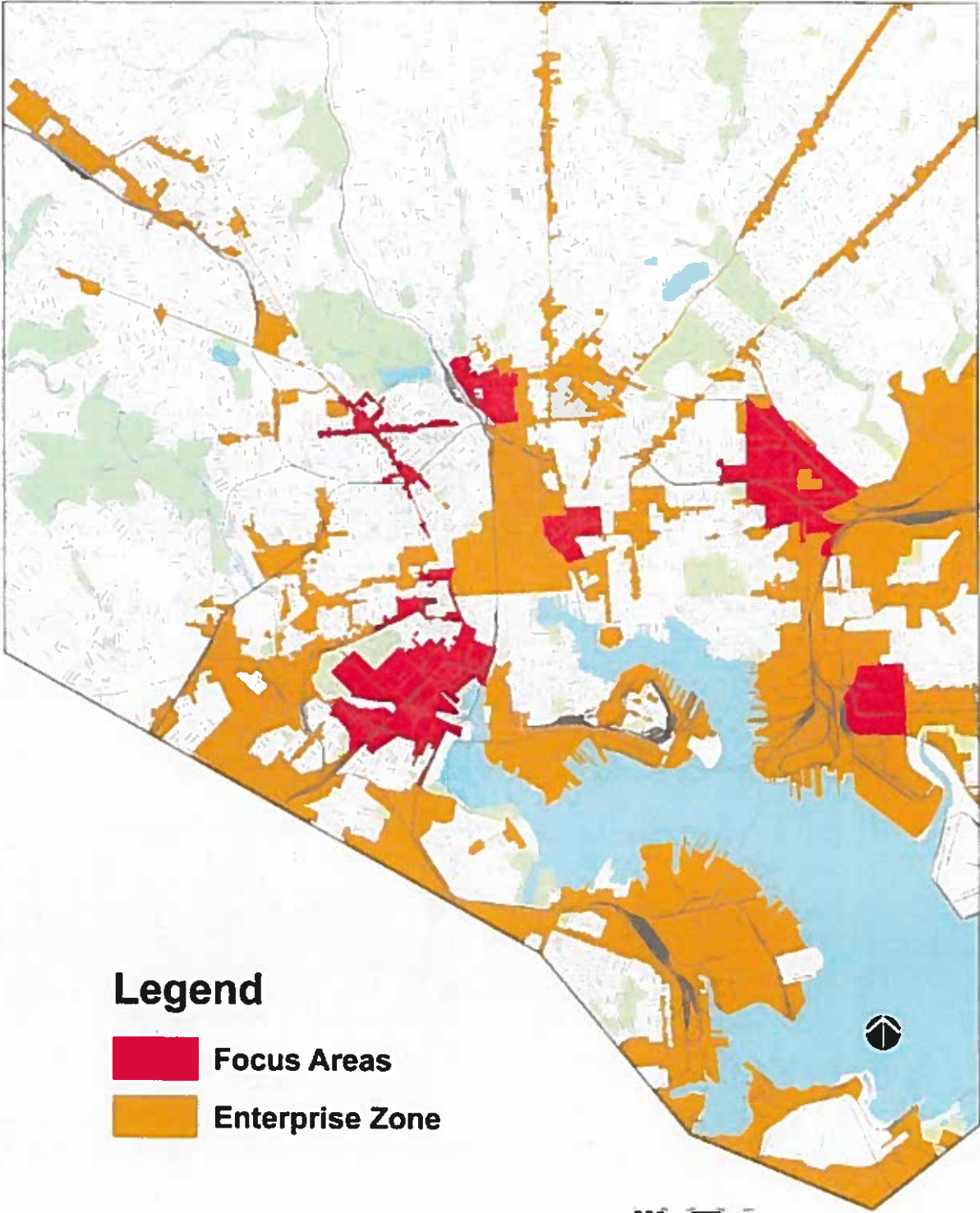


Exhibit B – Jones Falls Focus Area

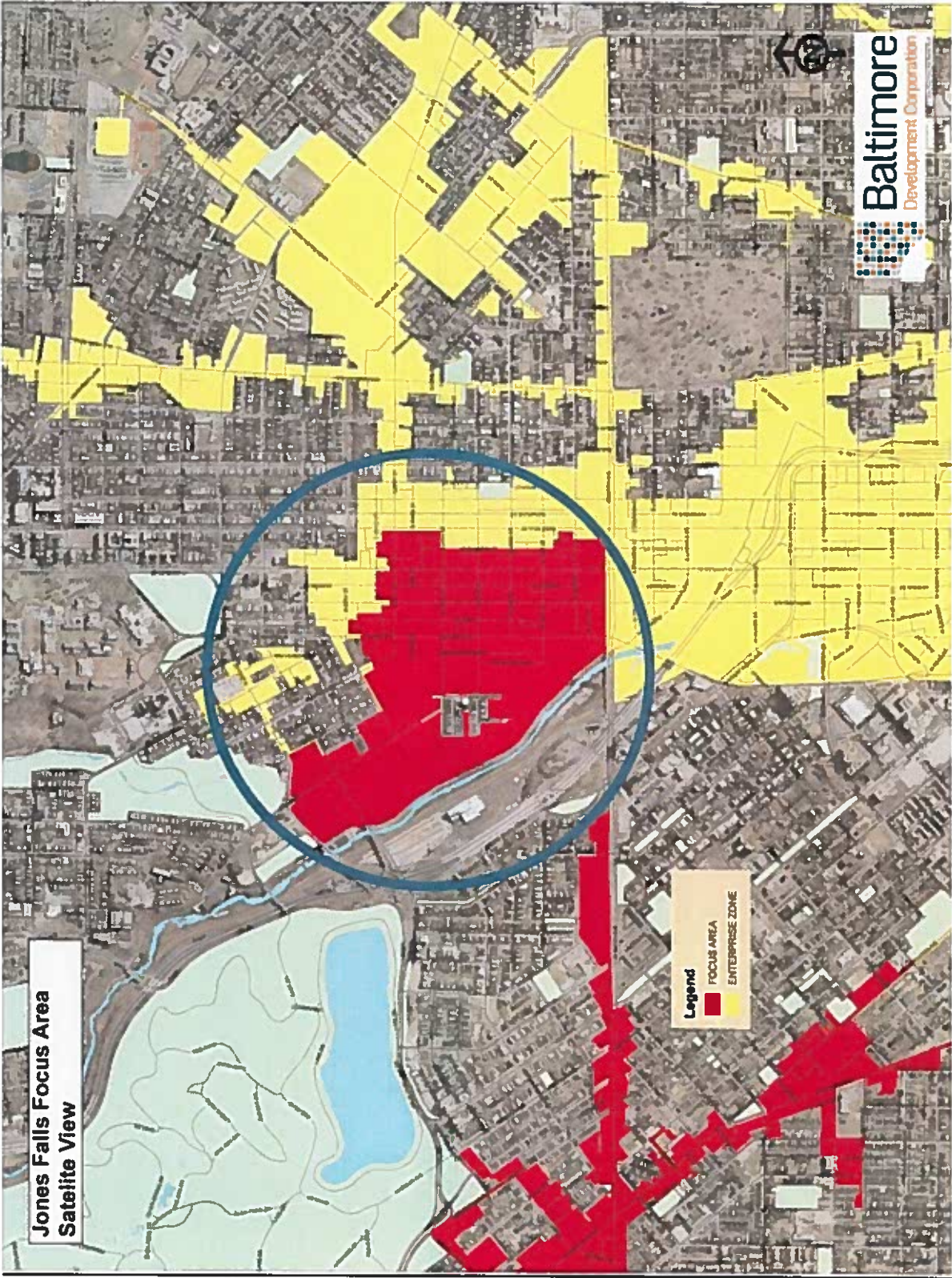
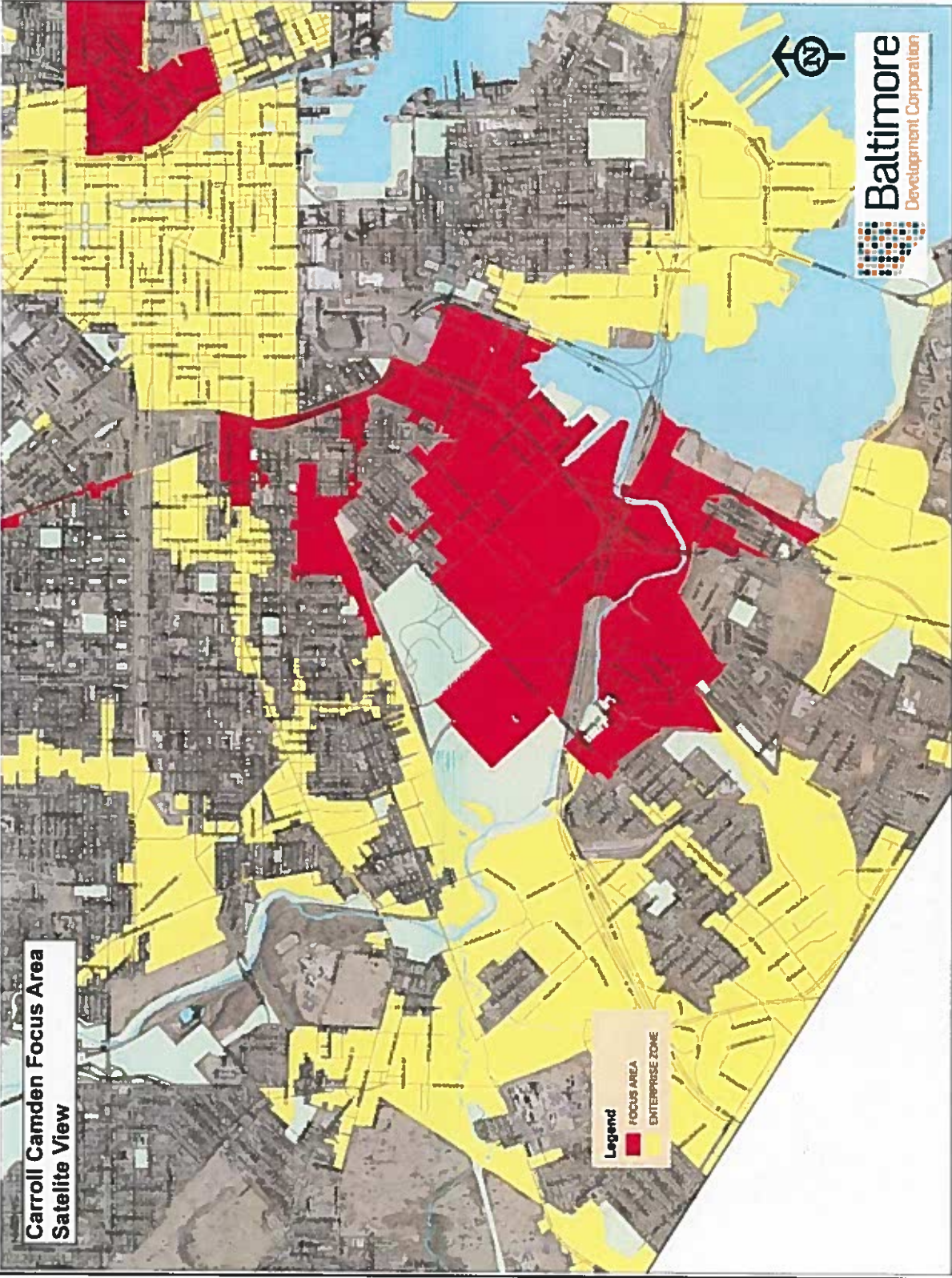


Exhibit C – Carroll Camden Industrial Focus Area



**Carroll Camden Focus Area
Satellite View**

Exhibit D – Oldtown Focus Area

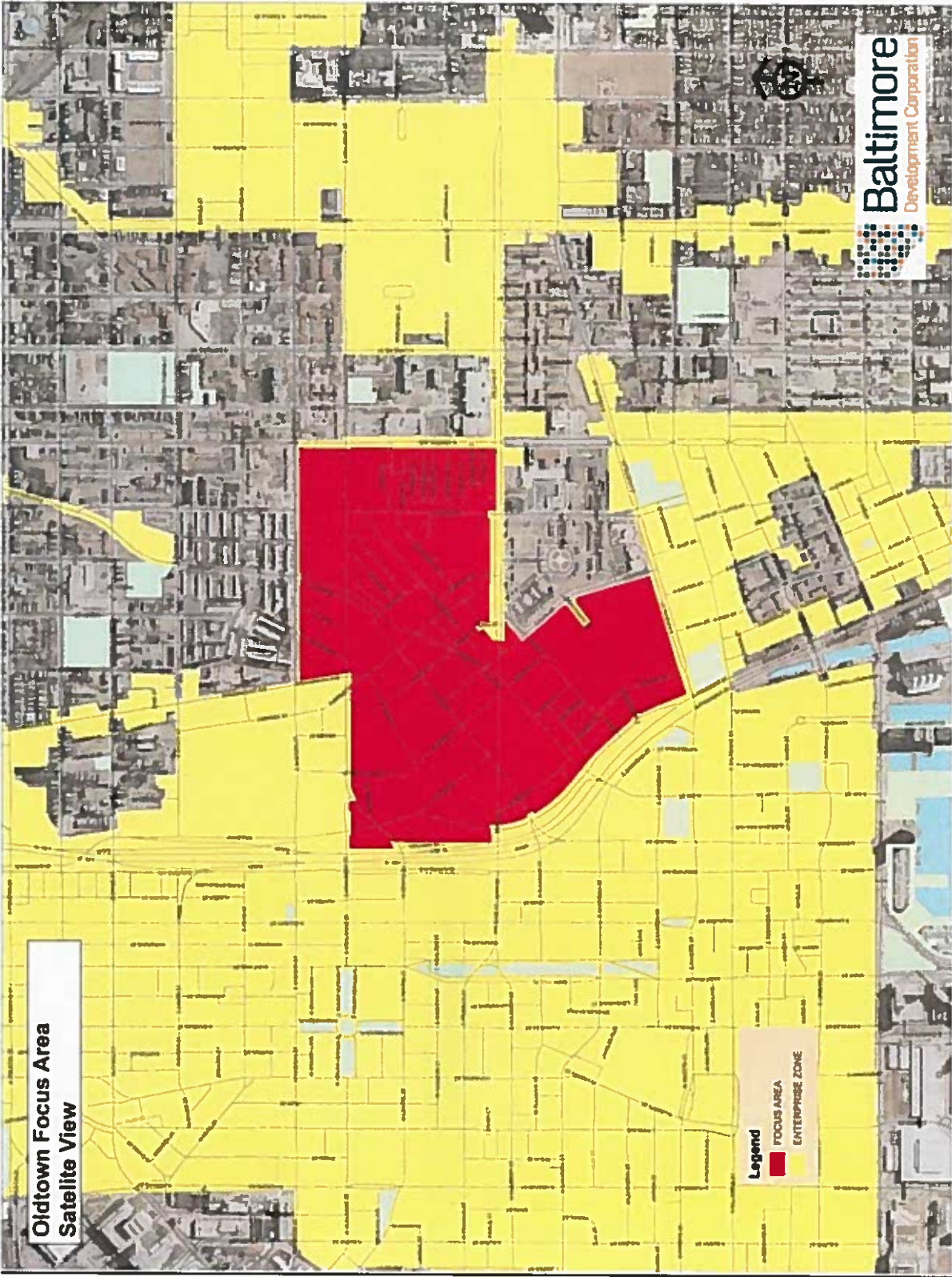
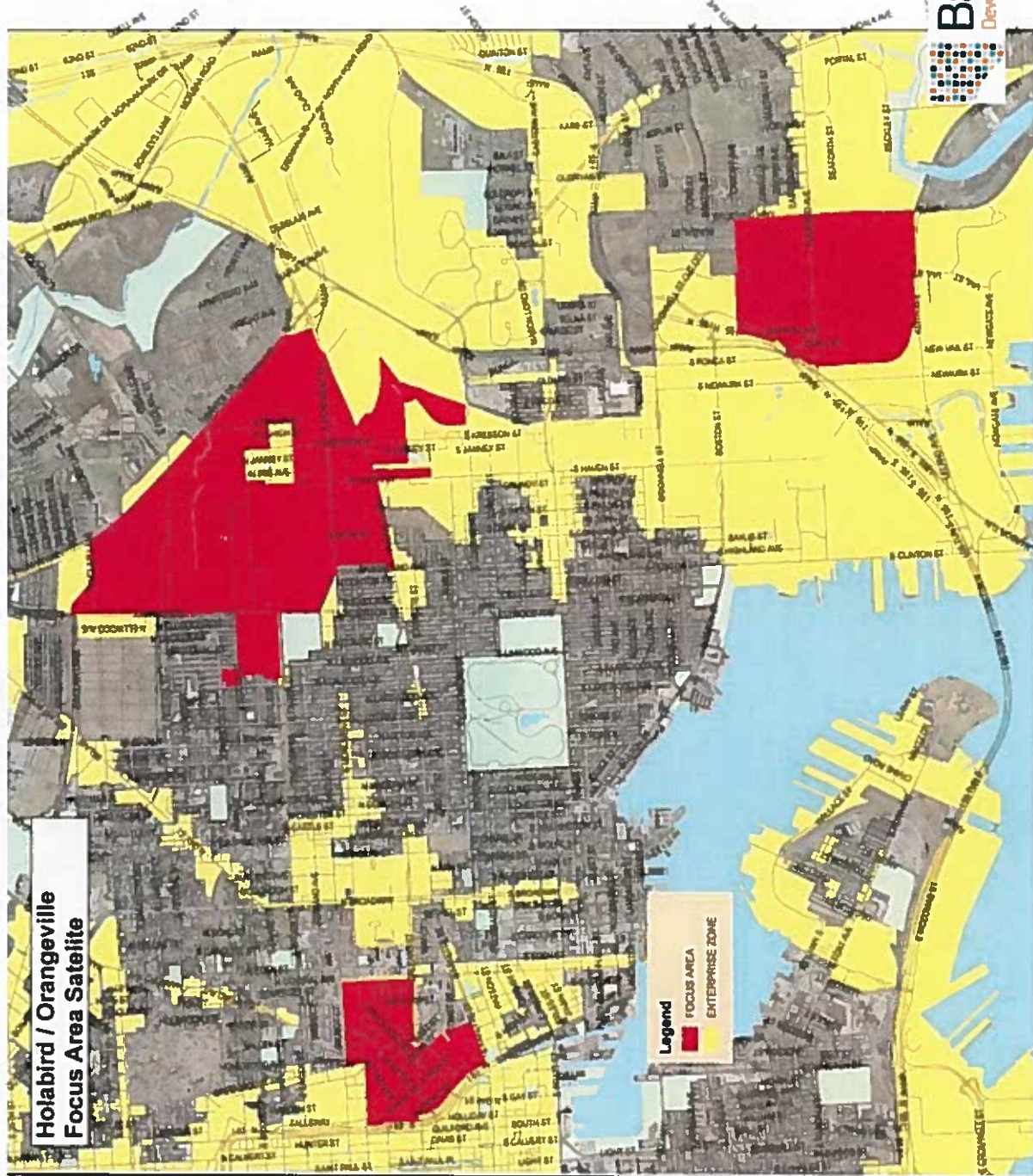


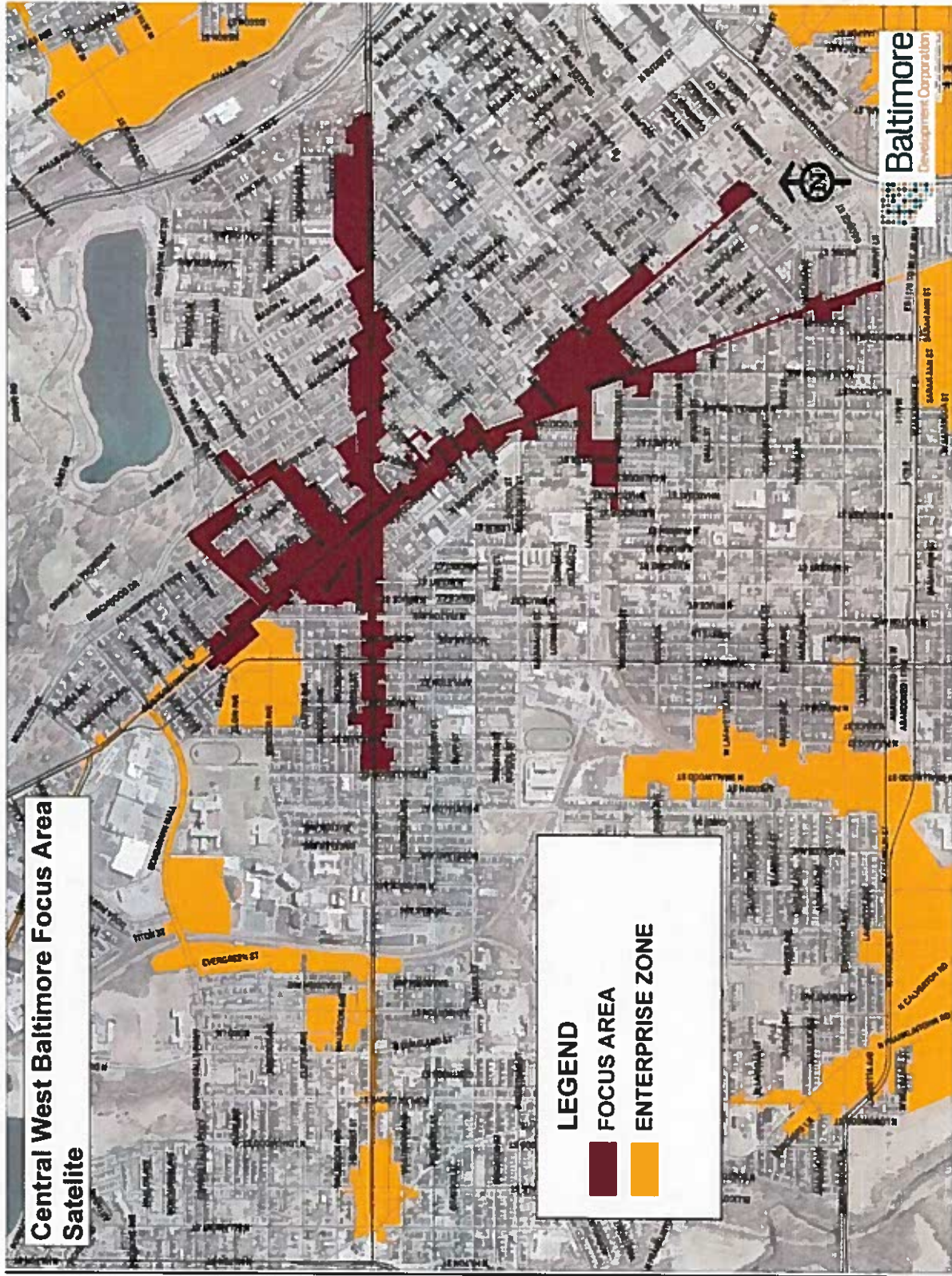
Exhibit E – Holabird/Orangeville Industrial Focus Area

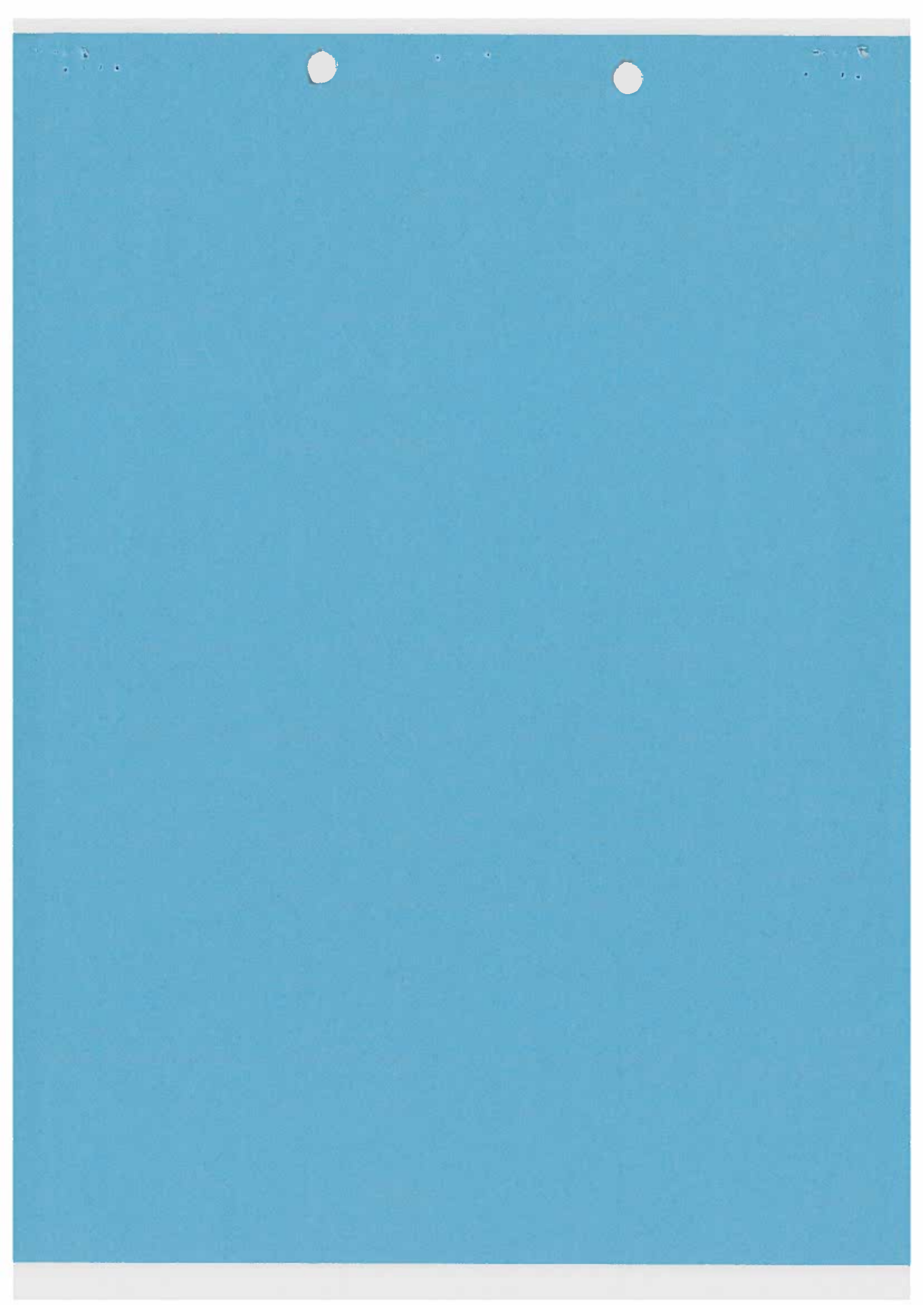


Baltimore
Development Corporation



Exhibit F – Central West Baltimore Focus Area





ACTION BY THE CITY COUNCIL

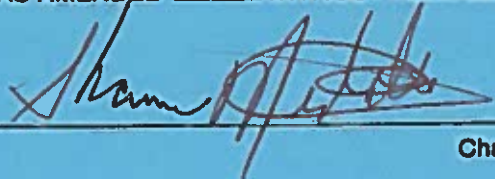
SEP 25 2017

FIRST READING (INTRODUCTION) _____ 20 _____

PUBLIC HEARING HELD ON October 19, _____ 20 17

COMMITTEE REPORT AS OF October 30, _____ 20 17

FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION


Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

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

OCT 30 2017

_____ 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

**CITY OF BALTIMORE
COUNCIL BILL 17-0048R
(Resolution)**

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)
Introduced and read first time: September 25, 2017
Assigned to: Taxation, Finance and Economic Development Committee

Committee Report: Favorable
Adopted: October 30, 2017

A COUNCIL RESOLUTION CONCERNING

1 **Approving the Submission of an Application to the State of Maryland**
2 **for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

3 FOR the purpose of approving the submission of an application to the State of Maryland to
4 redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

5 **WHEREAS**, The General Assembly of the State of Maryland established an Enterprise Zone
6 Program to focus State and local resources on the encouragement of economic growth in
7 economically distressed areas and employment opportunities for the unemployed; and

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Council Bill 17-0048R


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10 Focus Area and for the renewal of the Orangeville/Holabird Industrial Focus Area
11 and the Central West Baltimore Focus Area.
- 12 2. Resolves that copies of this Resolution be sent to the Secretary of the Maryland
13 Department of Commerce, State of Maryland; the Honorable Mayor of the City of
14 Baltimore, and the President of the Baltimore Development Corporation (BDC).

Andrew Kleine

FROM	NAME & TITLE	Andrew Kleine, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT	City Council Bill 17-0048R – Approving Application for the Redesignation/Renewal of Enterprise Zone Focus Areas		

DATE:

TO

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

October 10, 2017

Attention: Natawna Austin

We are herein reporting on City Council Resolution 17-0048R, the purpose of which is to approve the submission of an application to the State of Maryland to redesignate or renew five Enterprise Zone Focus Areas. The Resolution would redesignate three Focus Areas that had lapsed as of June 30th, 2017 and renew two others so that all five Focus Areas expire simultaneously with the expiration of the Enterprise Zone designation on June 14, 2022.

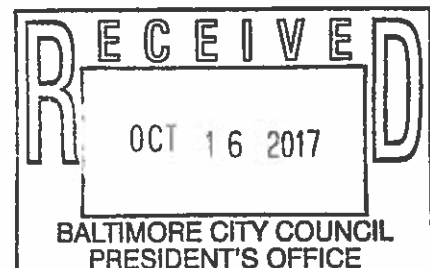
Background

The State of Maryland's Enterprise Zone program allows Baltimore City to grant ten year Real Property Tax credits to property owners who invest in designated Enterprise Zones. The credit is granted on the incremental increase in property taxes resulting from improvements. For years one through six, the credit is an 80 percent reduction to the increase in property taxes, with the benefit decreasing by 10 percent annually for years six through ten. The state reimburses the City for half of the annual Real Property Tax credit cost. Baltimore City has the most Enterprise Zone acres in the state.

Within the Enterprise Zones are designated Focus Areas that offer increased benefits because they encompass distressed areas with high commercial vacancy rates, unemployment, and poverty levels. The largest added benefit to Focus Areas is that the Real Property Tax credit remains at a flat 80 percent for all ten years, rather than declining in years six through ten. The table below summarizes the difference in traditional Enterprise Zone and Focus Area Tax credits.

Year	EZ Credit	Focus Area Credit
1 – 5	80%	80%
6	70%	80%
7	60%	80%
8	50%	80%
9	40%	80%
10	30%	80%

no obj



The cost to Baltimore City of awarding the EZ Tax credit (including Focus Area credits) averages \$15 million annually. The table below displays the annual cost of the credit over the last five fiscal years.

Baltimore City Annual Lost Property Tax Revenue from EZ Credit

	Fiscal 2014 Actual	Fiscal 2015 Actual	Fiscal 2016 Actual	Fiscal 2017 Preliminary	Fiscal 2018 Budget
Enterprise Zone Tax Credit	(12,253,774)	(16,517,996)	(14,920,059)	(17,731,717)	(14,218,000)

Analysis

The average pre-improvement assessment of a single property in an Enterprise Zone is \$2.1 million in Fiscal 2018, with a post-improvement assessment of \$25.3 million. Based on this data, the table below displays the projected annual credit, for both traditional EZ credits and Focus Area credits, over the ten year period for a project that is certified in Fiscal 2019.

Average Annual EZ and Focus Area Credits for a Single Property Owner

	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
EZ Credit	\$435,835	\$451,931	\$473,494	\$495,200	\$518,112	\$468,549	\$414,090	\$354,955	\$292,075	\$223,999
Focus Area	\$435,835	\$451,931	\$473,494	\$495,200	\$518,112	\$535,485	\$552,928	\$567,928	\$584,149	\$597,332
Difference	-	-	-	-	-	(\$66,936)	(\$138,030)	(\$212,973)	(\$292,075)	(\$373,332)

Resolution 17-0048R would begin impacting the City budget in Fiscal 2024, as the three Focus Areas that had lapsed beginning in Fiscal 2018 would now be active. For all projects certified beginning in Fiscal 2019 within the Resolution’s proposed redesignated Focus Areas, the credit for years six through ten would remain at 80 percent, rather than declining annually from 70 to 30 percent. In other words, the increased cost to the City is the difference between the EZ credit rate and the Focus Area rate in years six through ten, multiplied by the number of Focus Area applicants who would have otherwise not received the increased credit.

During Fiscal 2016 and 2017, roughly 20 percent of all final certified applications were in Focus Areas (out of approximately 25 annually), including the three areas that expired at the close of Fiscal 2017. If we assume five new certifications every year in redesignated or renewed Focus Areas that would not have been subject to the increased credit without this Resolution, the total increased loss of Property Tax revenue is \$2,543,280 through Fiscal 2028.

The state reimburses the City for half of the cost of administering the Enterprise Zone credit; therefore, **Resolution 17-0048R would reduce the City’s Property Tax revenue by \$1,271,640 from Fiscal 2019 through Fiscal 2028.**

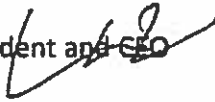
Despite the increased costs associated with redesignating and renewing Focus Areas, the Department of Finance has no objection to Resolution 17-0048R.

cc: Henry Raymond
Kyron Banks



MEMORANDUM

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

FROM: William H. Cole, President and CEO 

DATE: October 4, 2017

SUBJECT: City Council Bill No. 17-0048R
Approving the Submission of an Application to the State of Maryland for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

The Baltimore Development Corporation (BDC) has reviewed City Council Resolution 17-0048R, for the purpose of submitting an application to the State of Maryland for the redesignation/renewal of Baltimore City's Enterprise Zone Focus Areas.

The Enterprise Zone and its Focus Areas is one of the most highly recognized, important, and utilized economic development incentives within Baltimore City. This program is a critical tool for the attraction, retention, and expansion of businesses within Baltimore City.

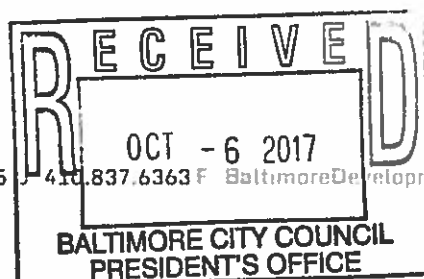
The program directly helps improve neighborhoods through the attraction of new businesses and the retention of existing businesses. New firms seek to fill gaps in the market by providing new goods and services to City residents, businesses, and the regional economy and also provide employment opportunities.

Existing businesses benefit from the program and help to provide needed goods, services, and employment for City residents. Existing businesses use the program to assist in expanding and improving their current operations.

The Enterprise Zone and Focus Areas foster new business creation by local entrepreneurs. These small businesses are vital to expanding the economic base of the City and are opportunities for employment growth. Firms seeking to build on the economic vitality and growth in the region recognize the importance of the program in helping to mitigate costs associated with the necessary investment in developing a property.

The BDC requests the City Council to favorably approve and support City Council Resolution 17-0048R.

cc: Kyron Banks 



City Council Bill 17-0048R

Projects within the Enterprise Zone

	Base Year Assessment	Post Improvement Assessment	Assessment After Credit Termination	Current Assessment (FY 2018)
Number of Projects	650	650	650	650
Taxable Value	\$941,276,324	\$3,638,658,453	\$4,081,861,463	\$4,249,299,695
Assessment Increase	\$0	\$2,697,382,129	\$3,140,585,139	\$3,308,023,371
% Assessment Increase		286.6%	333.7%	351.4%
Assessment Subject to Credit	\$0	\$2,887,040,900	\$0	\$0
Gross Taxes	\$21,159,892	\$81,797,042	\$91,760,246	\$95,524,257
Tax Credit Amount	\$0	\$64,900,679	\$0	\$0
Net Taxes	\$21,159,892	\$16,896,363	\$91,760,246	\$95,524,257

Selected Projects within the Enterprise Zone - Focus Area

	Base Year Assessment	Post Improvement Assessment	Assessment After Credit Termination	Current Assessment (FY 2018)
Number of Projects	25	25	25	25
Taxable Value	\$29,857,328	\$85,329,706	\$163,647,367	\$157,474,650
Assessment Increase	\$0	\$55,472,378	\$133,790,039	\$127,617,322
% Assessment Increase		185.8%	448.1%	427.4%
Assessment Subject to Credit	\$0	\$44,377,902	\$0	\$0
Gross Taxes	\$671,193	\$1,918,212	\$3,678,793	\$3,540,030
Tax Credit Amount	\$0	\$997,615	\$0	\$0
Net Taxes	\$671,193	\$920,597	\$3,678,793	\$3,540,030

*Dept. of Finance
Pedro Aponle*

received
10-19-17 JRC

City Council Bill 17-0048R

Selected Projects within the Enterprise Zone - Focus Area

Block-Lot	Base Year Assessment	Post Impro. Assessment	Assessment after Credit Termination	Current Assessment
0203-001B	\$0	\$5,199,330	\$53,663,600	\$53,663,600
0837-028	\$14,530	\$15,366	\$15,700	\$15,700
0599-032	\$23,600	\$28,033	\$404,600	\$208,033
3601-021	\$48,900	\$186,766	\$355,800	\$1,244,820
0601-005B	\$71,900	\$86,833	\$94,000	\$109,133
0601-005C	\$111,500	\$134,066	\$179,200	\$179,200
7445-106	\$118,900	\$168,800	\$561,534	\$292,700
2022A-006	\$130,800	\$169,933	\$248,200	\$248,200
0799-001	\$145,100	\$229,433	\$398,533	\$399,600
0601-005A	\$176,200	\$210,666	\$269,000	\$274,300
0773-001E	\$193,500	\$1,704,000	\$1,828,600	\$1,828,600
0837-019	\$306,100	\$343,566	\$192,900	\$1,819,800
3800-002	\$358,200	\$10,666,400	\$10,759,867	\$10,759,867
0812-003	\$394,200	\$405,666	\$827,000	\$827,000
7841G-004	\$579,900	\$676,167	\$868,700	\$868,700
0839-002	\$751,000	\$822,866	\$1,052,400	\$1,124,200
0825-001	\$854,932	\$1,231,800	\$1,482,200	\$1,482,200
0985-001	\$1,001,000	\$1,002,933	\$1,064,700	\$1,064,700
7872A-015A	\$1,007,800	\$1,035,500	\$1,115,100	\$1,618,400
1442-007	\$1,030,400	\$20,281,030	\$21,729,700	\$21,729,700
6874A-005	\$1,270,900	\$1,651,800	\$27,092,400	\$27,092,400
0601-005	\$1,740,200	\$3,450,760	\$3,546,833	\$3,648,567
0811-060	\$3,600,500	\$4,382,660	\$4,600,000	\$4,600,000
6871C-001	\$5,258,800	\$20,404,600	\$20,283,800	\$20,283,800
Total Value	\$29,857,328	\$85,329,706	\$163,647,367	\$157,474,650

MEMORANDUM

TO: Honorable Members of Taxation and Finance Committee

FROM: William H. Cole, President & CEO

DATE: October 19, 2017

SUBJECT: Resolution Approving the Submission of an Application to the State of Maryland for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

The Baltimore Development Corporation (BDC) requests that the Administration introduce the enclosed Resolution for the approval to amend Baltimore City's existing Consolidated Enterprise Zone to renew the Focus Areas known as Central West Baltimore and Holabird/Orangeville Industrial, and redesignate the Focus Areas known as Jones Falls, Carroll Camden Industrial, and Oldtown. The regulations of the Enterprise Zone Program, as set by the State of Maryland, require the written expression of the sentiment of the Baltimore City Council endorsing the Enterprise Zone Focus Area application to the Maryland Department of Commerce. The amendments to the Enterprise Zone are as follows:

- The renewal of the Central West Baltimore and Holabird/Orangeville Industrial Focus Areas, so that their expiration is concurrent with the expiration of the Enterprise Zone
- The redesignation of the Jones Falls, Carroll Camden Industrial, and Oldtown Focus Areas, which expired on June 30, 2017.
- The boundaries of the Focus Areas will be identical to the Focus Area boundaries as of June 30, 2017 and have not changed from what had previously been approved by the Baltimore City Council and the State of Maryland. (Exhibits A-E)

The renewal and redesignation of these Focus Areas will increase opportunities for revitalization, property rehabilitation, and job creation in underutilized commercial areas in Baltimore City. The objective of the amendment is to ensure the continued availability of Focus Area benefits to businesses in affected areas, and to align the expiration of all Focus Areas with the June 14, 2022 expiration of the Enterprise Zone.

Attachments

cc: Kyron Banks

received
10-19-17 JHC

Exhibit A – Proposed City Focus Area Redesignation/Renewal

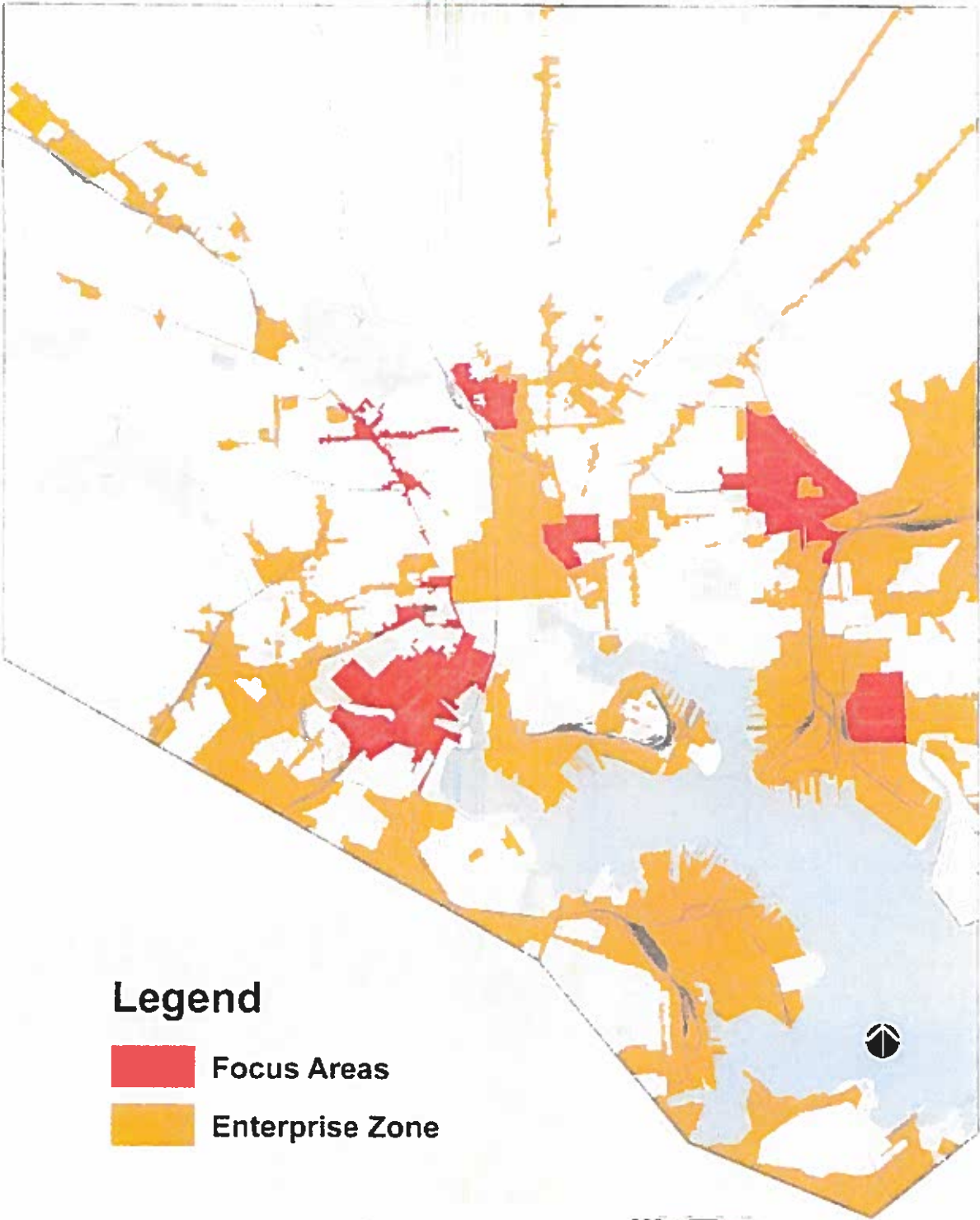


Exhibit B – Jones Falls Focus Area

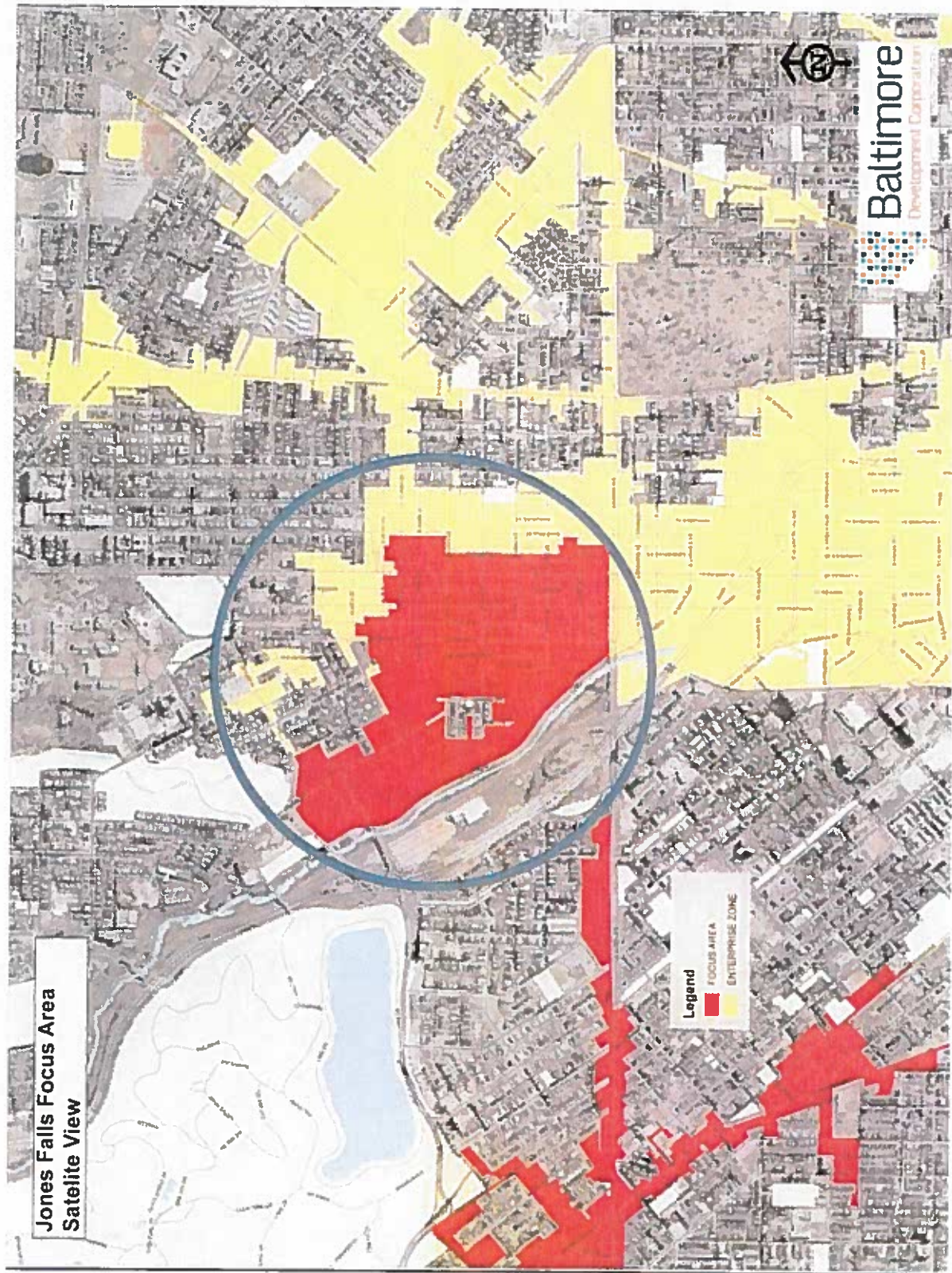


Exhibit C – Carroll Camden Industrial Focus Area

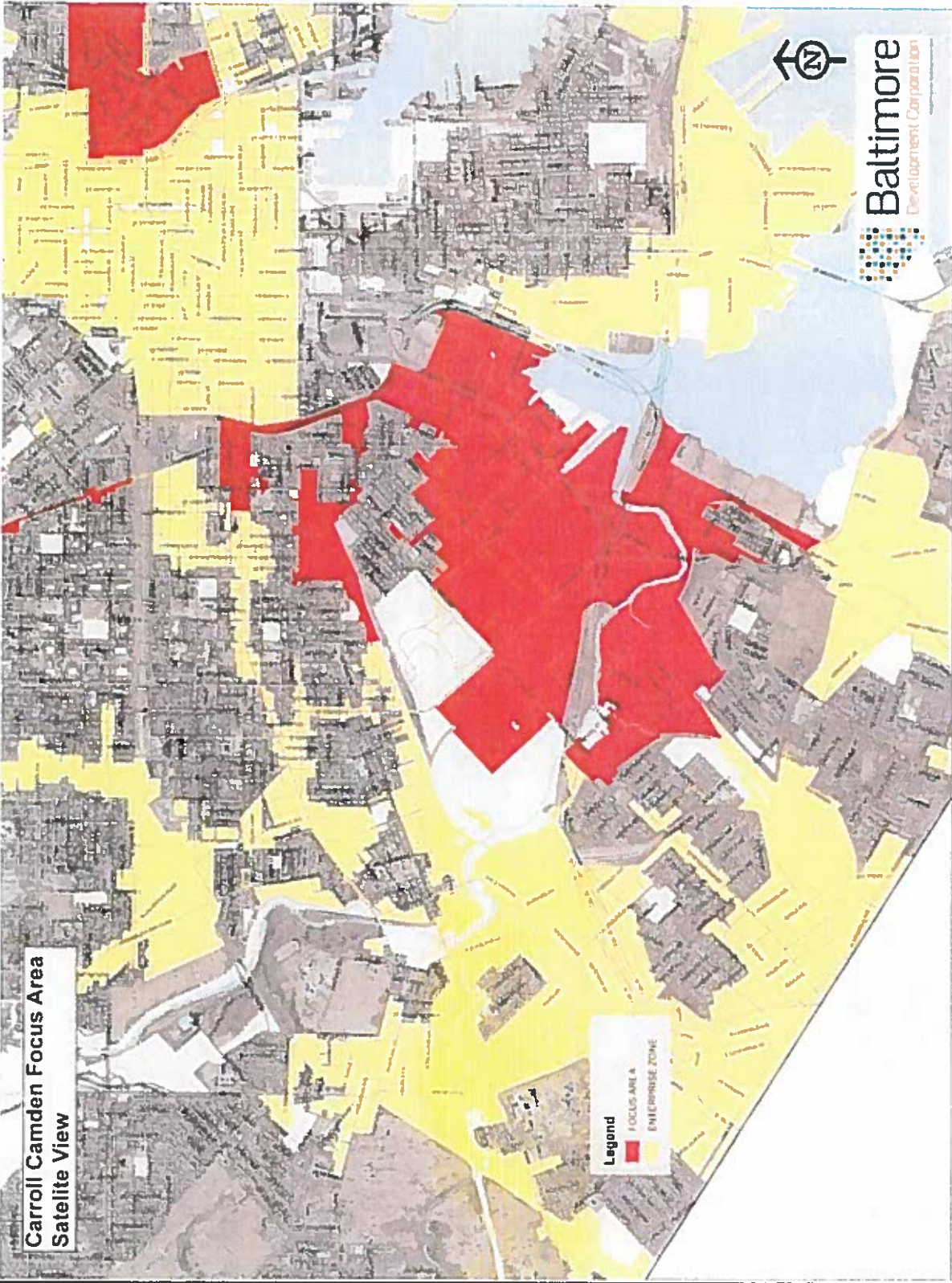


Exhibit D – Oldtown Focus Area

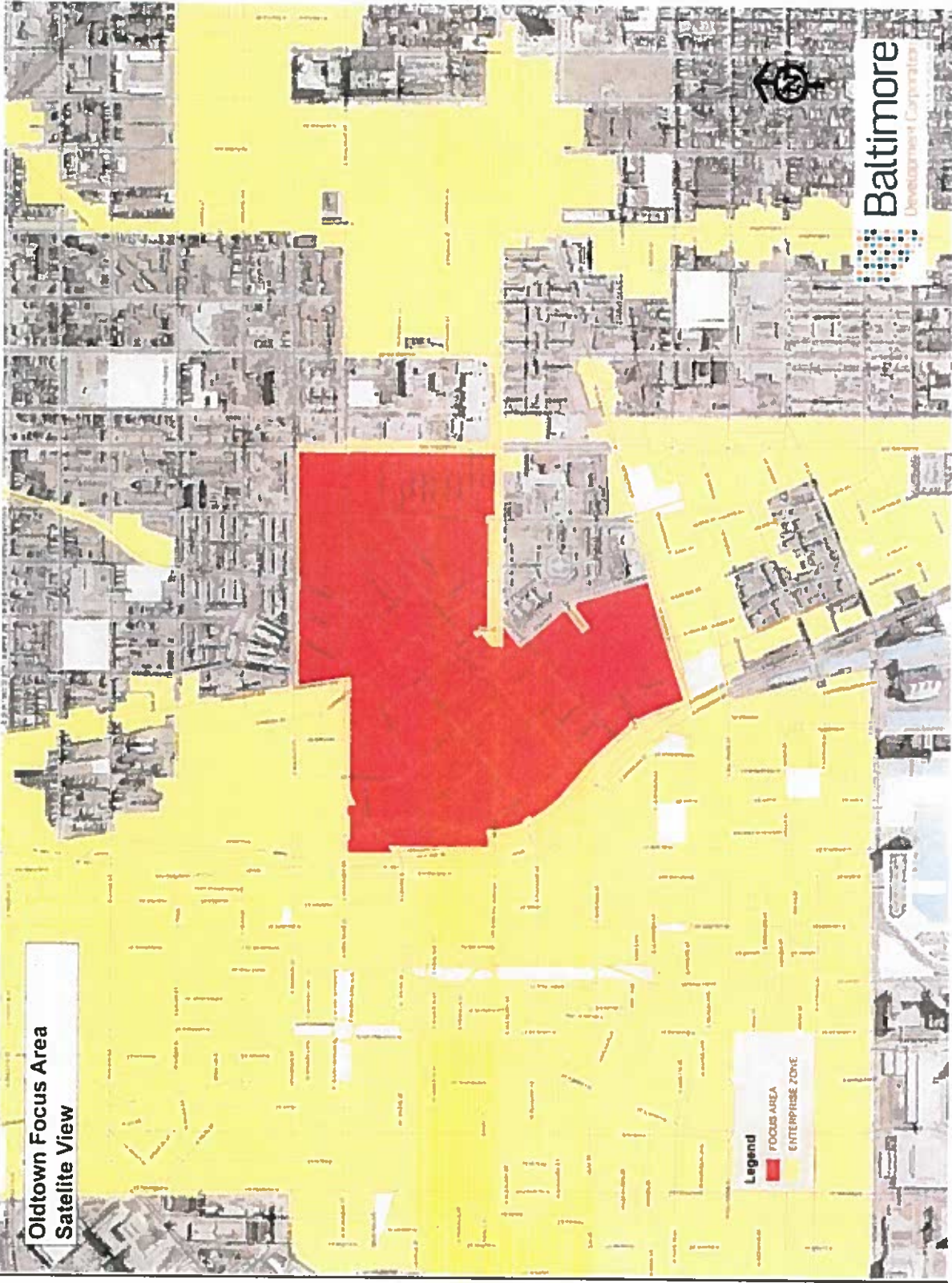


Exhibit E – Holabird/Orangeville Industrial Focus Area

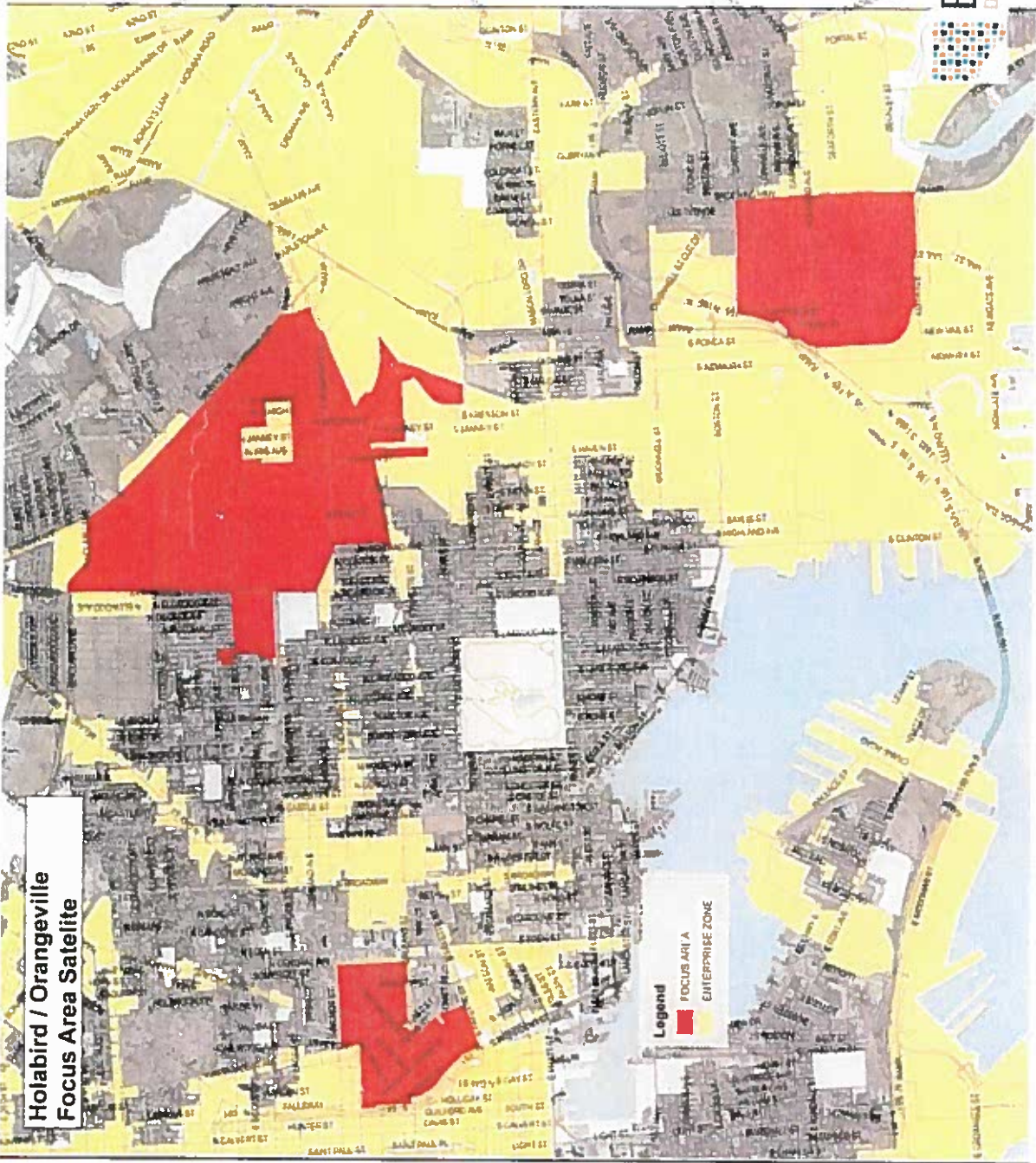
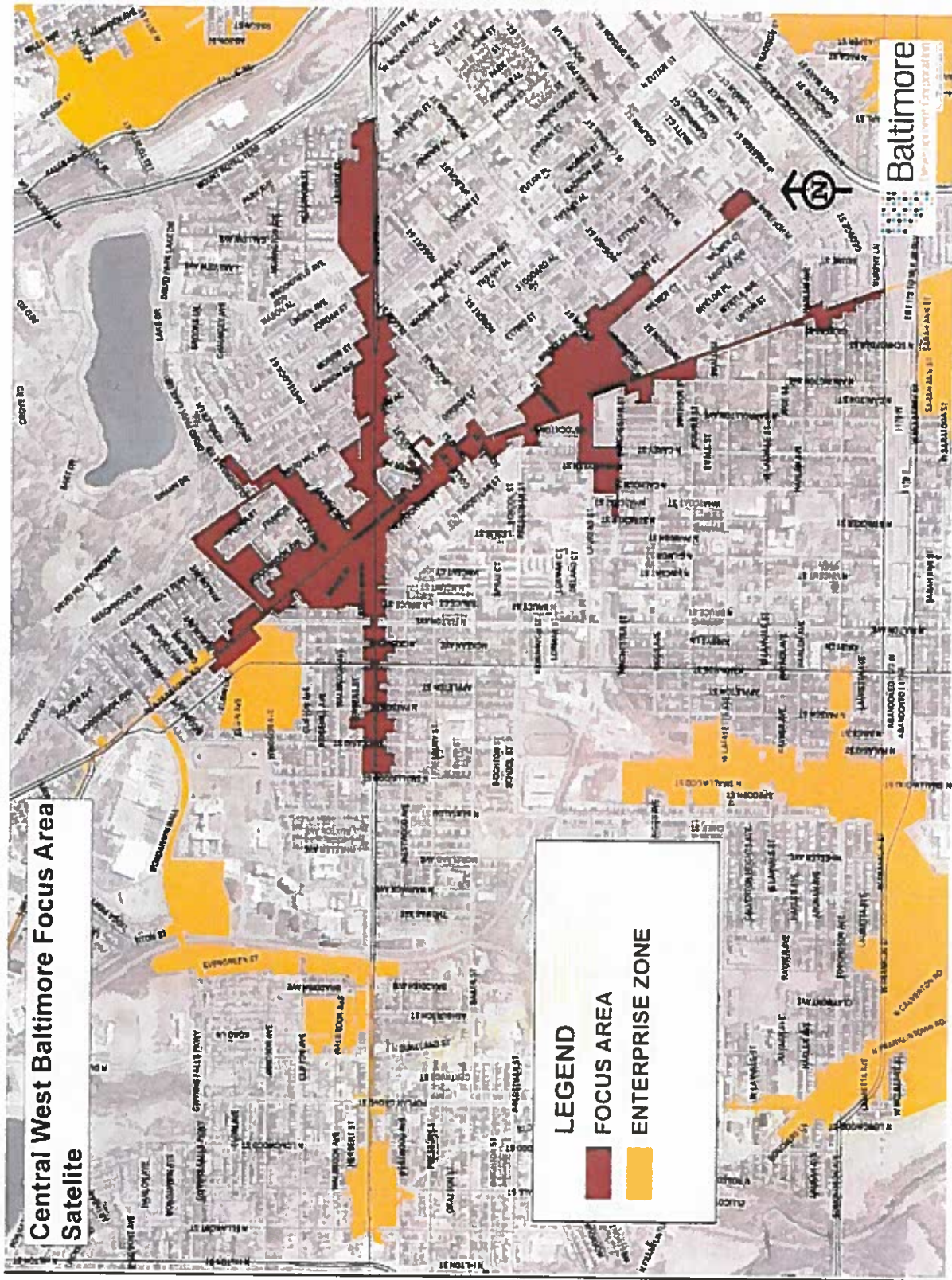


Exhibit F – Central West Baltimore Focus Area



**CITY OF BALTIMORE
COUNCIL BILL 17-0048R
(Resolution)**

Introduced by: The Council President

At the request of: The Administration (Baltimore Development Corporation)

Introduced and read first time: September 25, 2017

Assigned to: Taxation, Finance and Economic Development Committee

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

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Approving the Submission of an Application to the State of Maryland**
3 **for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas**

4 FOR the purpose of approving the submission of an application to the State of Maryland to
5 redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

6 **WHEREAS**, The General Assembly of the State of Maryland established an Enterprise Zone
7 Program to focus State and local resources on the encouragement of economic growth in
8 economically distressed areas and employment opportunities for the unemployed; and

9 **WHEREAS**, The City Council recognizes that there is a significant need to stimulate the
10 creation of jobs by establishing Focus Areas, and, that by doing so, opportunities will increase for
11 revitalization, property rehabilitation, and job creation (See the attached Exhibit A, "Proposed
12 City Focus Area Redesignation/Renewal", for a map of the area affected by approval of this
13 Resolution); and

14 **WHEREAS**, The Jones Falls Focus Area (Exhibit B), Carroll Camden Industrial Focus Area,
15 (Exhibit C), and Oldtown Focus Area (Exhibit D) expired on June 30, 2017, and must be
16 redesignated as Enterprise Zone Focus Areas by the State of Maryland; and

17 **WHEREAS**, The Orangeville/Holabird Industrial Focus Area (Exhibit E) is scheduled to
18 expire on December 14, 2019, and the Central West Baltimore Focus Area (Exhibit F) is
19 scheduled to expire on December 14, 2021, and may be renewed as Enterprise Zone Focus Areas
20 by the State of Maryland; and

21 **WHEREAS**, The City of Baltimore wishes to pursue an application for redesignation and
22 renewal of all aforementioned Focus Areas, so that the expiration of all Focus Areas will occur
23 simultaneously with the expiration of the Enterprise Zone; and

24 **WHEREAS**, The Focus Areas will follow the provisions of the Maryland Annotated Code
25 Economic Development Article § 5-706 and will expire on June 14, 2022, the date of expiration
26 for the Enterprise Zone; and

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

Council Bill 17-0048R

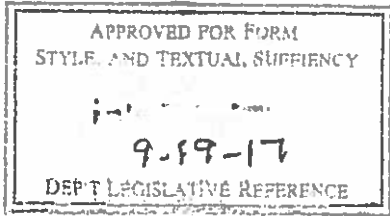
1 **WHEREAS**, The City of Baltimore, through the Baltimore Development Corporation (BDC),
2 has prepared an application for the redesignation and renewal of the Focus Areas, to include
3 these aforementioned areas; and

4 **WHEREAS**, The regulations of the Enterprise Zone Focus Area Program require the written
5 expression of the sentiment of the Baltimore City Council.

6 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the City
7 Council of Baltimore:

- 8 1. Hereby endorses this October 2017 application of the City for the redesignation of the
9 Oldtown Focus Area, Carroll Camden Industrial Focus Area, and Jones Falls Focus
10 Area and for the renewal of the Orangeville/Holabird Industrial Focus Area and the
11 Central West Baltimore Focus Area.
- 12 2. Resolves that copies of this Resolution be sent to the Secretary of the Maryland
13 Department of Commerce, State of Maryland; the Honorable Mayor of the City of
14 Baltimore, and the President of the Baltimore Development Corporation (BDC).

INTRODUCTORY*



CITY OF BALTIMORE
COUNCIL BILL ___R
(Resolution) 17-0048R

Introduced by: The Council President
At the request of: The Administration (Baltimore Development Corporation)

A RESOLUTION ENTITLED

TFED
BDC
Finance

A COUNCIL RESOLUTION concerning

Approving the Submission of an Application to the State of Maryland
for the Redesignation/Renewal of Baltimore City's Enterprise Zone Focus Areas

FOR the purpose of approving the submission of an application to the State of Maryland to redesignate and renew Baltimore City's Enterprise Zone Focus Areas.

WHEREAS, The General Assembly of the State of Maryland established an Enterprise Zone Program to focus State and local resources on the encouragement of economic growth in economically distressed areas and employment opportunities for the unemployed; and

WHEREAS, The City Council recognizes that there is a significant need to stimulate the creation of jobs by establishing Focus Areas, and, that by doing so, opportunities will increase for revitalization, property rehabilitation, and job creation (See the attached Exhibit A, "Proposed City Focus Area Redesignation/Renewal", for a map of the area affected by approval of this Resolution); and

WHEREAS, The Jones Falls Focus Area (Exhibit B), Carroll Camden Industrial Focus Area, (Exhibit C), and Oldtown Focus Area (Exhibit D) expired on June 30, 2017, and must be redesignated as Enterprise Zone Focus Areas by the State of Maryland; and

WHEREAS, The Orangeville/Holabird Industrial Focus Area (Exhibit E) is scheduled to expire on December 14, 2019, and the Central West Baltimore Focus Area (Exhibit F) is scheduled to expire on December 14, 2021, and may be renewed as Enterprise Zone Focus Areas by the State of Maryland; and

WHEREAS, The City of Baltimore wishes to pursue an application for redesignation and renewal of all aforementioned Focus Areas, so that the expiration of all Focus Areas will occur simultaneously with the expiration of the Enterprise Zone; and

WHEREAS, The Focus Areas will follow the provisions of the Maryland Annotated Code Economic Development Article § 5-706 and will expire on June 14, 2022, the date of expiration for the Enterprise Zone; and

WHEREAS, The City of Baltimore, through the Baltimore Development Corporation (BDC), has prepared an application for the redesignation and renewal of the Focus Areas, to include these aforementioned areas; and

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

WHEREAS, The regulations of the Enterprise Zone Focus Area Program require the written expression of the sentiment of the Baltimore City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the City Council of Baltimore:

1. Hereby endorses this October 2017 application of the City for the redesignation of the Oldtown Focus Area, Carroll Camden Industrial Focus Area, and Jones Falls Focus Area and for the renewal of the Orangeville/Holabird Industrial Focus Area and the Central West Baltimore Focus Area.
2. Resolves that copies of this Resolution be sent to the Secretary of the Maryland Department of Commerce, State of Maryland; the Honorable Mayor of the City of Baltimore, and the President of the Baltimore Development Corporation (BDC).