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<b>FROM</b>	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 <sup>TH</sup> FLOOR, 417 EAST FAYETTE STREET		
	SUBJECT	CITY COUNCIL BILL #14-0420/ PROPERTY TAX CREDITS - URBAN AGRICULTURE		

TO

DATE:

The Honorable President and  
 Members of the City Council  
 City Hall, Room 400  
 100 North Holliday Street

October 3, 2014

The Department of Planning is in receipt of City Council Bill #14-0420, which is for the purpose of establishing a property tax credit for urban agricultural property; providing for the amount, duration, and possible early termination of the credit; imposing certain limitations, conditions, and qualifications; providing for the administration of the credit; requiring that the credit be repaid under certain circumstances; defining certain terms; and generally relating to the a property tax credit for urban agricultural property.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended approval of City Council Bill #14-0420 and adopted the following resolution; eight members being present (eight in favor).

RESOLVED, That the Planning Commission concurs with the recommendation of its departmental staff, and recommends that City Council Bill #14-0420 be passed by the City Council.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.

TJS/WA

- cc: Ms. Kaliopé Parthemos, Chief of Staff  
 Mr. Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development  
 Mr. Leon Pinkett, Assistant Deputy Mayor for Economic and Neighborhood Development  
 Ms. Angela Gibson, Mayor's Office  
 The Honorable Rochelle "Rikki" Spector, Council Rep. to Planning Commission  
 Mr. David Tanner, BMZA  
 Mr. Geoffrey Veale, Zoning Administration  
 Ms. Sharon Daboin, DHCD  
 Ms. Barbara Zektick, DOT  
 Ms. Elena DiPietro, Law Dept.  
 Ms. Melissa Krafchik, PABC  
 Ms. Natawna Austin, Council Services



*Stephanie Rawlings-Blake*  
Mayor

## PLANNING COMMISSION

*Wilbur E. "Bill" Cunningham, Chairman*

### STAFF REPORT



*Thomas J. Stosur*  
Director

**October 2, 2014**

**REQUEST:** City Council Bill 14-0420 Property Tax Credits – Urban Agriculture

For the purpose of establishing a property tax credit for urban agricultural property; providing for the amount, duration, and possible early termination of the credit; imposing certain limitations, conditions, and qualifications; providing for the administration of the credit; requiring that the credit be repaid under certain circumstances; defining certain terms; and generally relating to the a property tax credit for urban agricultural property.

**RECOMMENDATION:** Approval

**STAFF:** Abby Cocke

**PETITIONER(S):** Councilman Welch (9<sup>th</sup> District)

**SITE/GENERAL AREA**

Site Conditions/General Area: city-wide

**HISTORY**

There are no previous legislative or Planning Commission actions regarding this bill.

**BACKGROUND & ANALYSIS**

Profit margins for farming, especially on small plots of land, are very slim. While the benefits of local farming can be significant for the communities in which farms are located, farmers themselves often struggle to stay solvent. In recognition of this, the State Tax Code has an Agricultural Tax Assessment provision, which allows land used for farming to be assessed at just \$500 an acre. However, this credit has never been used in Baltimore City. The main reason for this is that the Agricultural Tax Assessment can only be applied to parcels of land that are three acres or larger in size. Most urban farms are on an acre or two of land at most, and therefore can't take advantage of this form of tax relief.

In order to address this gap, in 2012, Baltimore City farmers worked with Delegate Sandy Rosenberg to craft enabling legislation at the State level that would allow for Baltimore City to have a city-specific agriculture tax credit. On May 26, 2013, Governor O'Malley signed into law House Bill 1030, which updated Section 9-253 of the Annotated Code of Maryland to define and allow for local municipalities to enact urban agriculture tax credits.

In November 2013, the Planning Commission adopted "Homegrown Baltimore: Grow Local, an Urban Agriculture Plan for Baltimore City." The plan makes twenty-five recommendations

for how to promote and sustain the urban farming movement. Recommendation 1G is to “Support financial relief for commercial farms on privately-owned vacant land by adopting provisions of Maryland Tax Code Section 9-253 ‘Urban Agricultural Property’.”

City Council Bill 14-0420 follows up on this recommendation and sets terms for such a credit in Baltimore City, with the purpose of supporting small farms in Baltimore City.

Urban agriculture can help address a wide range of issues by productively reusing blighted vacant land; providing a source of fresh, healthy, local food; and providing opportunities for education, income generation, and recreation. Initiated by Mayor Stephanie Rawlings Blake and led by the Baltimore Office of Sustainability, “Homegrown Baltimore: Grow Local, Buy Local, Eat Local” is an initiative to increase the production, distribution, sales, and consumption of locally grown food within Baltimore. CCB 14-0420 is an important piece of this initiative.

CCB 14-0420 will support the formation of new farms on three types of land:

- Privately-owned land held by individuals or by for-profit companies in areas of the city that currently lack potential for other types of development. If this bill is passed, these land owners will have an incentive to let their land be used by urban farmers, rather than letting it sit vacant.
- Land owned by non-profits, such as hospitals or churches, that normally wouldn’t be charged property taxes, but that could be hit with a tax burden by the State if they let a for-profit farm use their land. If this bill is passed, these land owners can lend some of their land for this particular type of for-profit use, and only have to handle a small tax bill as a result, one that can be handed down to the farmer without ruining the financial viability of the farm business.
- Land owned by farmers themselves, purchased for the purpose of farming. Currently, it makes more financial sense for urban farmers to lease city-owned land, where they don’t have to worry about a tax burden. If this bill is passed, farmers can feel more confident buying land on which to start their businesses.

CCB 14-0420 sets the following terms to ensure that the tax credit is used as intended:

- Farms must show that they’re producing at least \$5,000 worth of food per year.
- Land may not be used for any other for-profit purpose aside from agriculture.
- Farms must stay in production for at least five years, or the credit retroactively goes away.

**Conformity to Plans:** This City Council Bill is consistent with the City of Baltimore’s Comprehensive Master Plan, specifically: LIVE Goal 1: Build Human and Social Capital by Strengthening Neighborhoods by strategically redeveloping vacant properties throughout the city and maintaining and creating safe, clean, and healthy neighborhoods; PLAY Goal 3: Increase the Health of Baltimore’s Natural Resources and Open Spaces for Recreation and to Improve Water Quality and to Improve Neighborhood Social, Economic, and Environmental Well-Being; and LEARN Goal 3: Encourage a Culture of Learning by Enhancing Educational and Vocational Opportunities for all Baltimoreans.

The bill is also consistent with the Baltimore Sustainability Plan’s Greening Goal #2, Strategy A: “Increase the percentage of land under cultivation for urban agriculture”, and Green Economy Goal #2, “Make Baltimore a center for green business.”

The bill is also consistent with Homegrown Baltimore: Grow Local’s Recommendation 1G, “Support financial relief for commercial farms on privately-owned vacant land by adopting provisions of Maryland Tax Code Section 9-253 ‘Urban Agricultural Property’.”

Community Input: Stakeholders, including farmers, non-profit representatives, and other city agency representatives, met in mid-August to review the bill and suggest potential changes, which were shared with Councilman Welch.

Notification: Over 100 contacts in the local urban agriculture movement were notified of the bill, and of the upcoming City Council and Planning Commission reviews, in mid September.



**Thomas J. Stosur**  
**Director**