


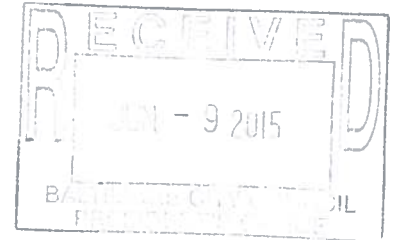
MEMORANDUM

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

FROM: William H. Cole, President and CEO 

DATE: June 8, 2015

SUBJECT: City Council Bill No. 15-0226R
Community – Economic Development in Struggling Neighborhoods



The Baltimore Development Corporation (BDC) has been asked to respond to City Council Bill No. 15-0226R, a resolution concerning Community – Economic Development in Struggling Neighborhoods.

There has never been a greater need for economic development and neighborhood revitalization in Baltimore City than there is now, and the need for positive change throughout all of Baltimore City has been a long-time focus of BDC. Recognizing a need for greater engagement at the neighborhood level, BDC changed its organizational structure in 2013 to create a “Neighborhood Development” team which dedicates staff to provide economic development services to the East, West, Central and South regions of the City (see Attachment 1 – BDC Geographical Team Map). This reorganization allows staff to work more closely and consistently with businesses, developers and community organizations at the neighborhood level.

BDC has long-provided financial and technical assistance to businesses throughout the City, and frequently uses tax credits and other incentives to promote investment and development. Recently, several incentives that had previously only been available in targeted areas have been expanded to benefit the entire City, including the struggling neighborhoods that may need them the most. The High Performance Market Rate Residential Dwelling Tax Credit provides a 10-year property tax credit for the construction of 20 units or more of market-rate rental housing anywhere in the City. This tax credit is intended to stimulate the development of good-quality rental housing available to existing and prospective Baltimore residents. A recent change in State legislation has also made discretionary Payment In Lieu of Taxes (PILOT) incentives available to any eligible project throughout the City. The city-wide application of these two programs is specifically intended to encourage new development in areas of the City where investment would not otherwise be viable.

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City Council Bill 15-0226R

Community – Economic Development in Struggling Neighborhoods

June 8, 2015

Page 2

In addition, some geographically-targeted programs provide added incentive to investing in low-income and under-invested neighborhoods. For example, the Enterprise Zone provides new commercial projects in designated areas with a property tax credit and a state income tax credit for hiring new employees. This credit has been widely used to encourage commercial development throughout the City and continues to be an important incentive to promoting investment in struggling neighborhoods.

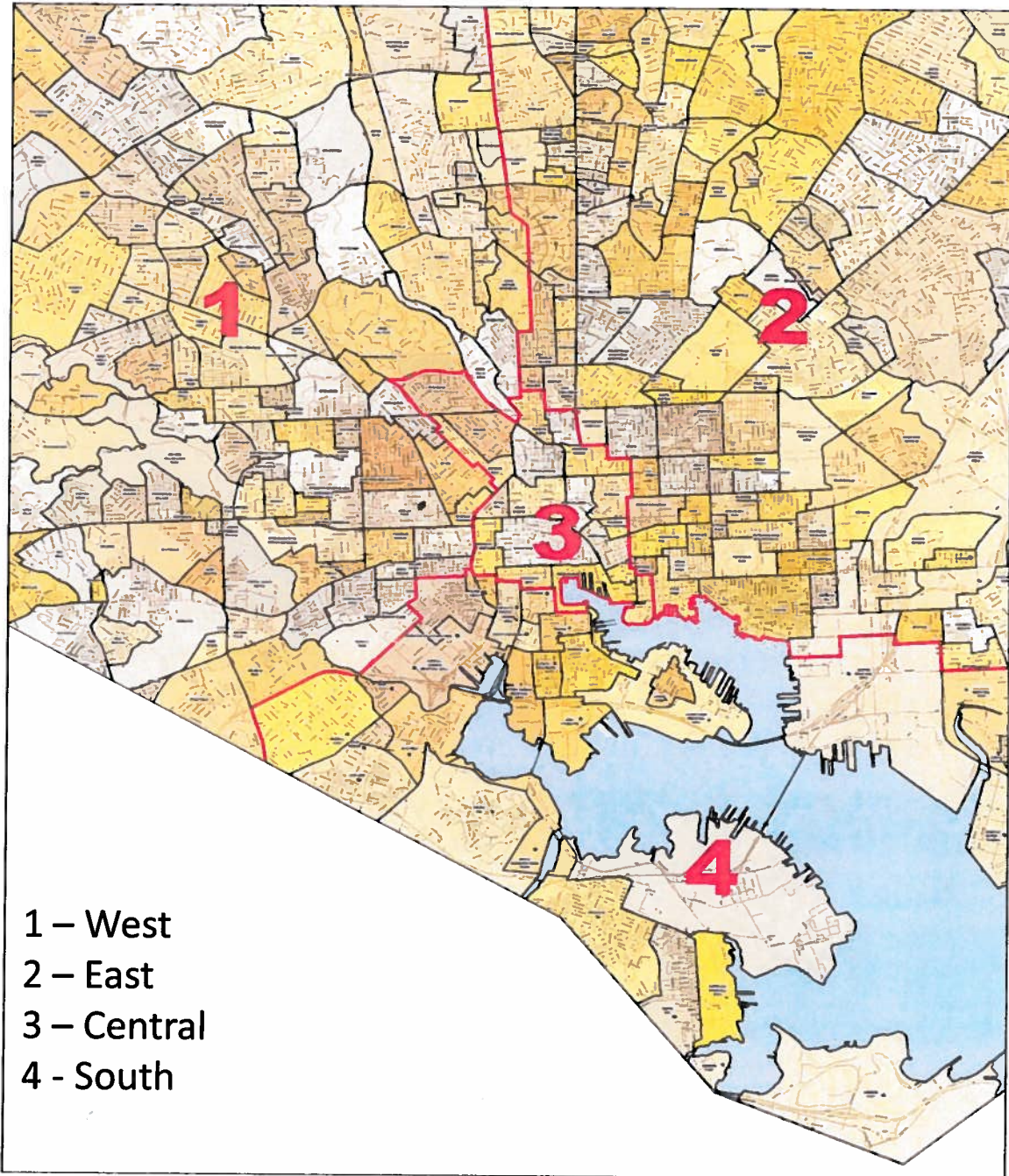
A core tenet of BDC's mission is to promote thriving retail districts in the City. In addition to the financial incentives that are designed to attract residents and investment into Baltimore, BDC plays a critical role in supporting small businesses through the Main Streets program, and in eliminating Food Deserts as a core member of the Baltimore Food Policy Initiative. The Main Streets program supports nine (9) retail districts throughout Baltimore City (see Attachment 2 – Baltimore Main Streets) by providing technical and financial support to small businesses and local Main Street Managers in these areas. BDC also makes Façade Improvement Grants available to businesses in eligible commercial districts, to improve the quality of commercial and retail areas. The Baltimore Food Policy Initiative is expressly designed to eliminate Food Deserts through the attraction of new grocers, and by supporting the proliferation of fresh food options throughout the City by means other than traditional grocery stores. With a staff position dedicated to this effort, BDC is seeking to equalize access to fresh food for residents throughout the City.

Even this is not an exhaustive list of the incentives and assistance that are available to struggling neighborhoods. The City, State and Federal governments have several programs that encourage the improvement of vacant and/or historic properties, the creation of affordable and low-income housing, and homeowner investment in struggling areas. As BDC continues to promote economic development throughout the City, attention must be paid to all neighborhoods. BDC will continue to engage with neighborhood groups, the business community, and public and private partners within Baltimore City to promote public and private investments that address the short- and long-term community needs in Baltimore City neighborhoods.

cc: Colin Tarbert
Angela Gibson

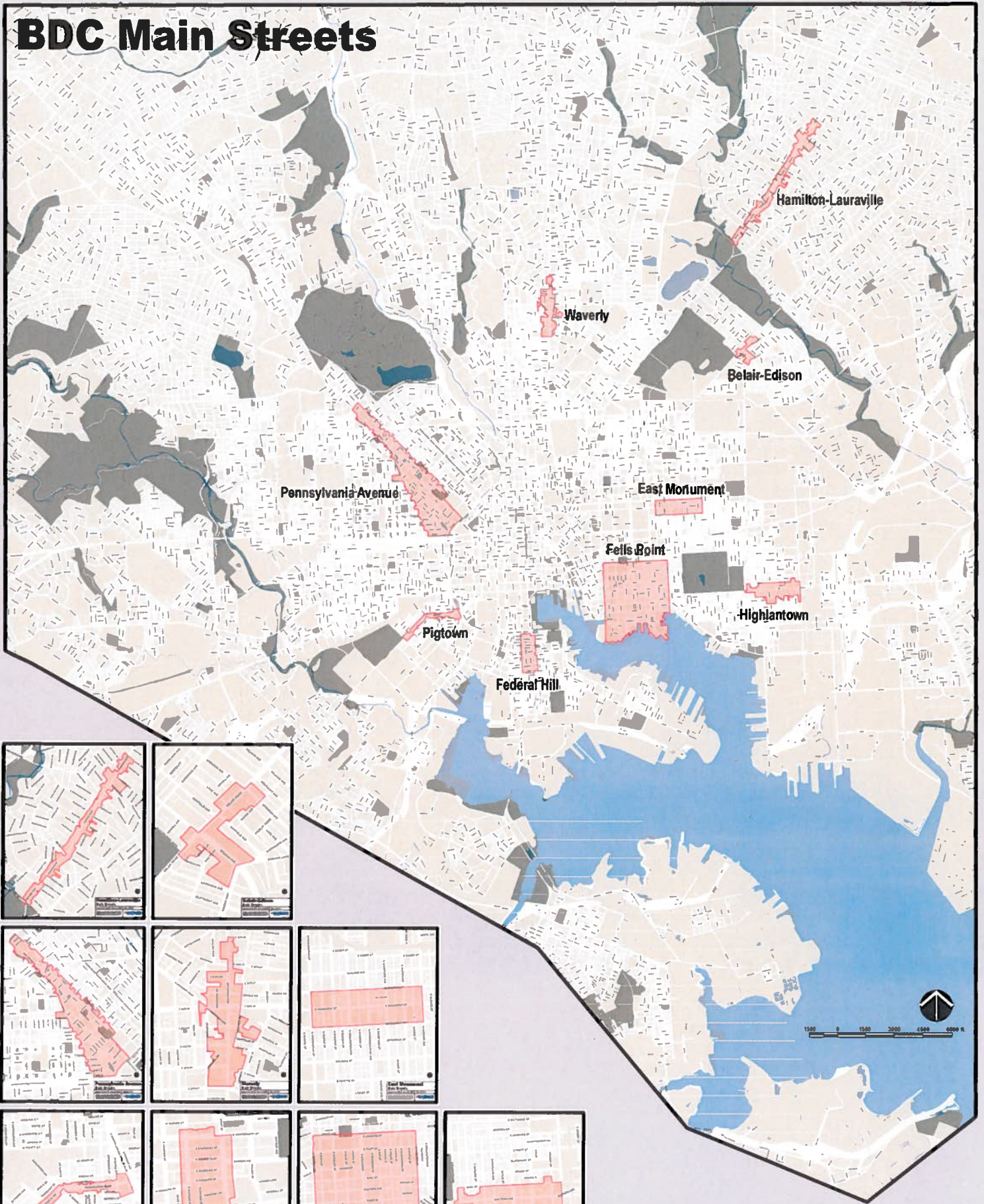
Attachments

Baltimore Development Corporation Geographical Team Map



Attachment 1

BDC Main Streets



Approved by: WLB Drawn by: RAW Date: 06/2013

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