

March 16, 2021

Councilman Eric Costello, Chair
Baltimore City Council – Ways and Means Committee
100 Holliday Street
Room 509
Baltimore, MD 21202

**Re: City Council Bill 21-0029
Commercial Parking Facilities – Annual License fee**

Dear Councilman Costello:

As an office building and garage owner, I am writing to express my opposition to City Council Bill 21-0029 due to the negative impact it will have on the city's already challenging business environment. The vacancy rate for buildings north of Lombard Street is 20%. This is almost twice the vacancy rate of the rest of the city. Tenants have left the Central Business District (CBD) for the surrounding counties because of safety and security issues but also for free surface parking. Current parking expenses in the city can add between 20%-30% to a tenant's occupancy cost compared to county locations.

The pandemic has not helped matters. The utilization rate for our buildings is between 10% and 20% daily which has left the CBD largely absent of people and cut parking revenues by 30%. The lack of activity has also decimated street level retail. By some accounts, 50% of restaurants have closed and are not expected to reopen. The goal coming out of the pandemic should be to rapidly repopulate the city by continuing to focus on safety and security and making access easy and inexpensive. City Council Bill 21-0029 will add one more item to a growing list of reasons not to come downtown and slow or halt the repopulation of the city post pandemic.

Additionally, this type of tax is regressive as it will disproportionately impact consumers and create barriers to access for lower income residents and visitors. Large companies, or at least the ones that choose to remain in the city, an ever-shrinking group, may be able to bear this expense for their employees, but residents, small business owners and employees that pay for parking themselves will not. We are in competition with Towson, Hunt Valley, Owings Mills, White Marsh and Columbia. These areas have all made their experience more inclusive and accessible to attract businesses and customers. This tax will make Baltimore City less competitive

by reducing inclusivity and accessibility thereby further eroding the already shrinking tax base and widening the divide between city residents and the business community.

My understanding is that this bill is less about revenue generation and more focused on environmental and traffic concerns. A more productive way to address these legitimate concerns would be in partnership with property owners and residents to create an incentive-based program rather than a punitive one. I believe the goal of all stakeholders; property owners, residents, business owners and elected officials is to get more people downtown. This bill will accomplish the opposite and force more businesses and residents to leave the city. It will not support the reactivation of retail, the growth of residents or the desire for businesses to remain in the city. It will certainly reduce traffic congestion but with catastrophic second and third order effects that will negatively impact an already struggling downtown.

I respectfully ask that you vote **NO** to City Council Bill 21-0029.

Respectfully yours,

A handwritten signature in blue ink, appearing to read 'Louis J Kousouris III', with a long, sweeping horizontal stroke extending to the right.

Louis J Kousouris III
Executive Vice President