


FROM	NAME & TITLE	Robert Cename, Budget Director	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 22-0246 York Corridor Business Improvement District		

DATE:

TO

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

September 9, 2022

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 22-0246, York Corridor Business Improvement District, the purpose of which is to define the authority, power, duties as well as the operational details for the District.

Background

The York Road business corridor connects affluent and modest neighborhoods with lower home values and household incomes, serving residents from all surrounding neighborhoods as an economic hub and informal meeting area. The proposed District plans to coordinate management of real property along the corridor and develop long-term strategies for economic success, including working with existing businesses to expand, market themselves, and identify real estate development opportunities.

This legislation represents the second attempt for establishing the York Corridor Business Improvement District. In Fiscal 2019, Ordinance 19-249 was enacted and the creation of the District was subject to vote of eligible property owners within the District. That attempt failed as the number of votes supporting its establishment did not reach the required minimum of 58%. This legislation proposes a different Board composition, adding two commercial property owners or tenant merchants of the northern, central, and southern segments of the York Road Corridor.

To date the City has designated five special benefits districts: The Charles Village Community Benefits District, Downtown Management District (managed by Downtown Partnership), Midtown Community Benefits District, Waterfront Management District (managed by Waterfront Partnership) and the Port Covington Community Benefit District. Each district has the authority – granted by the Board of Estimates – to levy a surcharge tax rate on eligible property within their respective catchment areas and to generate revenue from other sources including grants and service fees.

Charles Village District

Created in 1995, the Charles Village Community Benefits District (CVCBD) encompasses the neighborhoods of Abell, Charles Village, Hardwood, Old Goucher, as well as parts of Remington and Barclay. A surcharge rate of \$0.125 per \$100 of assessed value is applied to properties in the catchment area, with an estimated Fiscal 2023 revenue of \$874,829. CVCBD supports safety patrols; the Local Safety Advisory Council; victim assistance programs; street and sidewalk sweeping as well as gutter cleaning in

residential and business areas; trash receptacles and bulk trash removal; rat abatement and pest control contracts; and public outreach, including crime alerts, sanitation alerts, and annual financial reports

Downtown District

Created in 1992, the Downtown Management District, which is managed by Downtown Partnership, encompasses the neighborhoods of Preston Gardens, Charles Center, Bromo Arts, Inner Harbor, as well as parts of Otterbein, Ridgely's Delight, Mount Vernon, and the University of Maryland. A surcharge rate of \$0.2239 per \$100 of assessed value is applied on properties in the catchment area, with an estimated Fiscal 2023 revenue of \$9,811,168. Downtown Partnership supports a team of Ambassadors who pick up litter and maintain public parks and green spaces; various events including Baltimore Restaurant Week and the Mt. Vernon Monument Lighting; a visitor center for tourists and residents; the Peace Ambassador program around the Inner Harbor that facilitates relationships between teenagers, Baltimore Police Department, and area businesses; and Youth Works, which connects young people to summer jobs.

Midtown District

Created in 1996, the Midtown Community Benefits District encompasses the neighborhoods of Mount Vernon, Charles North and Station North, Bolton Hill, and Madison Park. A surcharge rate of \$0.132 per \$100 of assessed value is applied on properties in the catchment area, with an estimated Fiscal 2023 revenue of \$1,562,205. Midtown supports a team to maintain public walkways and gutters; maintaining and emptying trash receptacles; seasonal maintenance such as leaf removal, weed trimming and composting; disposal of bulk trash and illegally dumped items; public parks and green spaces; plant and water trees; and safety patrols performed by off-duty officers.

Waterfront District

Created in 2007, the Waterfront Management District, which is managed by Waterfront Partnership, encompasses the neighborhoods of Harbor East, Harbor Point, Inner Harbor, and part of Fells Point. A surcharge rate of \$0.17 per \$100 of assessed value is applied on properties in the catchment area, with an estimated Fiscal 2023 revenue of \$3,228,242. Waterfront Partnership supports a team to maintain the waterfront, monitor public parks and green spaces, power wash sidewalks, remove graffiti, plant trees and gardens, vacuum litter and maintain trashcans; visitor services at the Inner Harbor; events and attractions at the waterfront; restoring the harbor; and providing transportation solutions along the water, to and from waterfront neighborhoods.

Port Covington

Created in 2019, the Port Covington Community Benefit District encompasses certain properties within the Port Covington neighborhood. This District is still being established, so no surcharge has been determined and no services are provided yet.

In addition to these five special benefit districts, the City created the Citywide Tourism Improvement District (TID) in 2019 to provide additional funding for marketing efforts promoting the City's tourism industry. Currently, the TID surcharge is 2% on gross short-term room rental revenue and is anticipated to generate \$4 million in revenues in Fiscal 2023.

Fiscal Analysis

The Department of Finance anticipates minimal fiscal impact for the City from this legislation; however, there will be a fiscal impact for certain property owners.

The legislation proposes the adoption of an Annual Financial Plan, which would detail the cost of services to be provided in the District. Additionally, it proposes to set a supplemental tax rate able to generate sufficient revenues to support the cost of this Plan. Given that the cost of the services to be provided within the District is unknown at this time, the following table summarizes the taxable base as well as the estimated revenue at two different surcharge rates according to the proposed catchment area.

CC Bill 22-0246 - Estimated Surcharge				
Property Type	# of Properties	Assessment Value	Gross Surcharge at \$0.01/\$100	Gross Surcharge at \$0.2239/\$100
Commercial	175	\$75,456,600	\$7,546	\$168,947
Exempt	40	\$0	\$0	\$0
Residential	145	\$17,422,069	\$1,742	\$39,008
Total	360	\$92,878,669	\$9,288	\$207,955

Based on data used for analysis of Ordinance 19-249, it is estimated that based on 320 taxable properties the District would be able to generate \$9,289 at a rate of \$0.01 per \$100 or \$207,955 at rate of \$0.2239 per \$100 of Fiscal 2023 assessment value, which is the rate of Downtown Partnership.

Conclusion

This legislation is a reintroduction of prior legislation to establish the York Road Special Benefits District with modifications to the Board membership, which failed as the majority of the property owners within the District voted against its creation. If this legislation passes and more than 58% of eligible property owners vote in favor of its establishment, the District will be authorized to be created and impose a surcharge on all businesses within this area, obligating up to 42% of taxpayers to shoulder an additional tax burden.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 22-0246.

cc: Yoanna Moises
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