


Jana Jars

FROM	NAME & TITLE	Laura Larsen, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall		
	SUBJECT	City Council Bill 22-0268 Sale of Property – 800 Poplar Grove St		

DATE:

TO

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

January 27, 2023

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 22-0268, Sale of Property – 800 Poplar Grove St, the purpose of which is to authorize the sale of 800 Poplar Grove Street.

Background

800 Poplar Grove Street is a surplus City property, which formerly operated as Alexander Hamilton Elementary School. This building, located in the Franklintown Road neighborhood, was built in 1981 and designated as surplus in 2022.

Fiscal Impact

The Department of Finance anticipates minimal fiscal impact for the City from this legislation. The Department of General Services (DGS) is charged with maintaining all City properties, including surplus school facilities. The Fiscal 2023 budget includes \$2.3 million for the management and maintenance of surplus schools. The estimated maintenance cost for 800 Poplar Grove Street is estimated at \$111,150, not including capital maintenance costs. Funding in DGS's budget for surplus school maintenance is adjusted annually based on the number of surplus schools in DGS's portfolio. Savings realized by the sale of this building will be reflected in the Fiscal 2024 budget.

In terms of debt, this property has outstanding State debt of \$122,642.64 and outstanding City debt in Fiscal 2023 totals \$205,576.85. If the property is sold, any outstanding State debt will continue to be paid by the City. An agreement with the State requires approval by the Interagency Commission on School Construction for any sale as well as a pro-rata share of consideration received for the property less specified deductions. Depending on the purchaser, the sale of this property may be a net benefit to the City's General Fund from future property tax receipts.

Conclusion

This legislation enables the sale of 800 Poplar Grove Street, which will be a net benefit for the City through reduced General Fund expenditures and possible future property tax receipts.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 22-0268.

cc: Michael Moiseyev
Nina Themelis