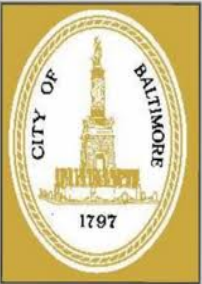


<b>FROM</b>	NAME & TITLE	Matthew W. Garbark, Acting Director	CITY of BALTIMORE  <i>MEMO</i>	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	City Council Bill 20-0587		

September 17, 2020

**TO:**

Taxation, Finance and Economic Development Committee

**INTRODUCTION**

I am herein reporting on City Council Bill 20-0587 introduced by Council President Scott on behalf of the Administration (Department of Housing and Community Development).

**PURPOSE**

The purpose of the Bill is to, among other things, designate a development district to be known as the “Perkins Somerset Oldtown Development District” and create a special tax increment fund for its development; allocate certain property taxes to that fund; make certain findings and determinations; provide for a special effective date; and generally provide for matters that relate to the deisignation and operation of the development district, the establishment and use of the special tax increment fund that will pay or reimburse the City for debt service on any special obligation bonds or notes issued by the City, authorization of a pledge of the City of tax increment revenues pursuant to a Contribution Agreement, the replenishment of any reserve fund for any bonds or State Obligations issued, and the payment of certain expenses and administrative costs related to the operation of the development district..

**BRIEF HISTORY**

The Perkins Somerset Oldtown (PSO) area is located in East Baltimore, just east of the Downtown area, and includes a mix of residential, retail, office, schools, parks, and some manufacturing uses. The PSO Transformation Zone encompasses a 244 acre area that impacts Oldtown, Dunbar-Broadway, Washington Hill, Fells Point, and Little Italy neighborhoods. The Zone also includes the Perkins and Douglass Homes public housing developments, the former Somerset Homes development (demolished in 2008/2009 and currently vacant), as well as the former LaFayette Gardens, which was redeveloped under a HOPE VI project and is now Pleasant View Gardens. Portions of the Oldtown pedestrian market were razed in 2002, but the Local Historic District portion of the mall was retained. City Council Bill 20-0587 and companion bills 20-0588 and 20-0589, will establish a Tax Icrement Financing (TIF) structure that will fund the planned school, parks, and core infrastructure to rebuild Perkins, Somerset, and Oldtown, and will support additional proposed projects within the broader Transformation Zone.

### **FISCAL IMPACT**

City Council Bill 20-0587 designates the boundaries of the PSO development district, and it is this 65 acre geographic area where the tax increment can be collected and the proceeds of any TIF bonds may be spent. The Bill also allows for establishing a special tax increment fund for the district, would allocate certain property taxes to the fund, and would allow for the use of the fund to pay or reimburse the City for any incurred debt service. In addition, the legislation describes the types of infrastructure improvements that may be funded through the TIF fund including: streets, roads, pedestrian and bike paths, lighting, and related appurtenances; the design, construction or renovation of utilities such as water, sewer, and stormwater facilities (bio-retention, protection of wetlands, drains and gardens), conduits, electrical service; and appurtenances; the design, construction or reconstruction of parks, green and open spaces, site work and recreational facilities, pools, and other public amenities; the purchase or leasing or otherwise acquiring land or other property necessary for the district development or for rights-of-way or other access; site preparation, demolition, earthwork, or any necessary environmental remediation; construction or rehabilitation of buildings devoted to governmental use or purpose, or that will provide units of affordable housing; surveys and plans, specifications, and estimates of cost and of revenues; relocation of businesses or residents; and any other related infrastructure or improvements permitted and necessary for the intended public purposes.

### **AGENCY/DEPARTMENT POSITION**

The Department of Public Works supports the intent of this legislation and companion bills to provide new opportunities for safe and affordable housing and reinvigorate public amenities, and therefore, supports passage of City Council Bill 20-0587.



Matthew W. Garbark  
Acting Director

MWG:MMC