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March 8, 2021

The Honorable Eric Costello, Chair  
Ways & Means Committee  
Baltimore City Council  
100 Holiday Street, Suite 400  
Baltimore, Maryland 21202

Via Email: Eric.Costello@baltimorecity.gov

Council Bill 21-0029: Commercial Parking Facilities – Annual License Fee

Dear Chairman Costello:

The membership of the Building Owners and Managers Association of Metropolitan Baltimore (BOMA) includes some of the largest commercial real estate developers, owners and investors of all commercial building types, including office, industrial, and mixed-use in Baltimore City. On behalf of our members, I am writing to respectfully request an unfavorable report on Council Bill 21-0029.

This bill is a follow up to the Bill 20-0559, which was introduced last year and died when there was no action on it before the election of new council members and the closing out of the then current Council. The new bill is very similar but scales up the license fee in \$5 per sq. ft. increments over the current \$5.10 per sq. ft. until it reaches \$25 in May 2024. Additionally, this bill adds an annual CPI adjustment.

This bill presents an approximately 470% increase to the licensing fee at a time when revenues in the parking industry have been dramatically impacted by the COVID-19 pandemic. We join the Downtown Partnership in observing that the financial blow of the proposed bill during this economically stressful period could cause parking facilities to further decrease staffing, which would increase unemployment for primarily City residents that make up the majority of these facilities' work force. Parking facilities are already saddled with a 20% parking tax on gross receipts, which we are told is the highest tax applied to any industry in the City, on top of real property taxes (the highest in Maryland), and in some cases Special Benefit District Surcharges (if the parking facility is located in one of the districts where such levies apply). The proposed increases would pile on that burden in a substantial way.

The proposed disproportionate increases in licensing fees will impact commercial and retail property owners, their tenants, and visitors - rates would eventually have to go

up. Such increases certainly will adversely impact any economic development and ongoing campaigns to support downtown office retention. We need businesses to come to the City and want to stay; this is creating more hurdles.

We ask the Committee to spare our parking facility owners from a license fee increase that negatively impacts the overall financial health of the City at a particularly vulnerable time.

For the reasons stated above, we urge an unfavorable report on Council Bill 21-0029. If you have any questions, please do not hesitate to contact us. Thank you for your support.

Sincerely,



Robert Shovan, CCIM, CPM  
President

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