

Tax Credit Workgroup

Meeting Minutes

Date: Thursday, December 12, 2024

Agenda:

1. Director Robert Cenname presented a detailed slide deck with the following agenda.
 - a. Director Cenname discussed the background, legislative history, and historical trends of the Enterprise Zone (EZ) Tax Credit.
 - b. An extensive discussion regarding the development tax credit policy options followed.
- I. Reactions to slide decks
 - a. Deep Dive
 - i. Director Cenname invited Baltimore Development Corporation (BDC) folks to discuss the Enterprise Zone (EZ) application process with the state. The individuals provided key background information including mapping information and state requirements. Some members were shocked to hear that census tracts that are zoned residential do not qualify for this tax credit.
 - b. Policy Discussion
 - i. One member expressed his support for permanent tax credit programs instead of pilot programs. He argued that the tax credit programs provide predictability, increase development, and stability.
 - ii. The tax credit workgroup members discussed running “but for” tests for certain past projects to determine whether the project could have proceeded without a city subsidy. One member hypothesized that all projects would “fail” and thus show that subsidies/ tax credits are needed for projects to succeed in Baltimore.
 - iii. A tax credit workgroup member mentioned that a project may need up to \$500,000 in investment before you get to the point of determining its true feasibility. Another member agreed that development needs predictability on the front end due to the extensive investment required. Additionally, he mentioned that developers will not put in the initial investment if they believe the project has substantial risk.
 - iv. Workgroup members highlighted some “costless” changes that would streamline the tax credit process and establish Baltimore as a city where it is easy to do business.
- II. Next Meeting
 - a. Tuesday, January 28, 2025

