



# POSITION STATEMENT

February 27, 2026

The Honorable Guy Guzzone  
Chair, Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: *Letter of Support – Senate Bill 756 – Baltimore City - Economic Development Project in Downtown RISE District - Payment in Lieu of Taxes***

Dear Chair Guzzone and Committee Members:

The Greater Baltimore Committee supports Senate Bill 756, authorizing a property tax exemption (Payment in Lieu of Taxes, or PILOT) for pivotal downtown Baltimore economic development projects.

As the leading voice for the private sector, GBC represents more than 300 partners working to advance a dynamic and inclusive regional economy. A thriving, investable downtown is essential to fulfilling that mission.

But downtown is at an inflection point—facing real fiscal risk and the potential for irreparable decline. Across 17 marquee downtown properties, the City has already experienced \$647.6 million in property value losses, resulting in \$11.8 million in annual property tax revenue reductions and nearly 1.7 million square feet of vacant or at-risk office space. The market continues to show signs of distress: foreclosures and auctions have become commonplace and, anecdotally, major institutional owners are signaling they may return properties to lenders rather than reinvest. Without intervention, Baltimore is projected to lose an additional \$5–10 million annually in property tax revenue over the next three years.

The economic significance of Downtown Baltimore is difficult to overstate. As of 2025, downtown accounts for one out of every 12 jobs in the city. Only one census tract in the entire Baltimore region surpasses the 33,665-job density of the downtown corridor, where approximately 50 percent of the workforce is concentrated in knowledge-economy sectors.

Even amid broader economic headwinds, downtown remains a vibrant, diverse place where people choose to live. But that demand, too, will falter without investment. Office-to-residential and mixed-use conversions are among the most complex and capital-intensive redevelopment efforts; high construction costs, financing constraints, and elevated risk profiles often require tools like PILOTs to achieve financial feasibility. And projects like the revitalization of Harborplace, critical to attracting residents and visitors and to generating economic activity downtown, can't advance without this and other public financing tools. We know this approach can succeed: In Harbor East, properties now contribute more than \$4 million annually in property taxes following the expiration of their PILOT agreements.

This program includes rigorous safeguards. PILOTs are time-limited, and the Baltimore Development Corporation must conduct comprehensive economic and fiscal impact analyses for each project.

Transparency is ensured through annual reporting to both the City Council and the General Assembly. Eligibility is strictly defined by clear criteria, ensuring the process is structured and not open-ended. To provide the necessary legal clarity and durability, the State needs to enable this authority.

As we navigate a shifting federal landscape and broader economic challenges, Maryland must prioritize growth-oriented policies that position the Baltimore region for sustained success. Accordingly, the Greater Baltimore Committee respectfully requests a favorable report on Senate Bill 756.

We appreciate your continued leadership and remain committed to strengthening Maryland's economic resilience and global competitiveness.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer S. Vey". The signature is fluid and cursive, with the first name "Jennifer" and the last name "Vey" being more prominent than the middle initial "S.".

Jennifer Vey  
Chief Strategy Officer, EVP  
Greater Baltimore Committee