

Baltimore parking lot owners protest proposed tax hike

by Nicholas Sohr, *Daily Record*, May 6, 2010

Parking lot owners are protesting a proposal to increase Baltimore's parking tax for the second time in 17 months, saying the total increase of 67 percent is too much to bear.

Posters and fliers with red stop sign-shaped images hang in many downtown garages, imploring parkers to sign letters and petitions opposing the increase. But the owners of parking lots and garages, and the people who park in them, appear to have a difficult road ahead in opposing the tax bump.

"We just feel like this industry is being picked on excessively, especially since we just had a huge tax increase a little over a year ago," said Ben Greenwald, president of the Baltimore Parking Association, the group behind the fliers, petitions and accompanying website, stopbaltimoreparkingtax.com

The increase was proposed by Mayor Stephanie Rawlings-Blake as part of a package of initiatives to boost revenues and help bridge a \$121 million budget deficit.

Baltimore City Council members said the parking tax proposal is more attractive than other options -- namely boosting the property tax -- because it captures more revenue from commuters than from city residents.

"When you look at measures that can spread the tax around, it's far more palatable," said Councilwoman Helen Holton, chairwoman of the Taxation, Finance and Economic Development Committee. "There are people that come into the city every day, but they don't sleep in this city. The majority of your tax dollars go to the place where you sleep. We've got to find other measures to spread the burden around."

The taxation committee is scheduled to hold a hearing May 13 on the parking tax and a handful of other budget items, including a bump in fines for parking violations.

Under the mayor's proposal, parking taxes would climb from 16 percent to 20 percent starting July 1.

The city estimates 55 percent of the parking taxes are paid by non-residents. The rate bump would add about \$5 million to the city's coffers on top of the \$23.2 million expected this year, according to the Department of Finance.

Council voted in 2008 to raise the \$15 fee for monthly parkers and 12 percent tax on daily parking to a blanket 16 percent. The additional tax dollars were used to fund the new Charm City Circulator buses.

"What you're looking at is a 17-month period where you would have in essence a 67 percent increase," said Greenwald. "It just has a negative impact on the industry, on our

customers. Really, there's a ripple effect where it has a negative impact on the whole city."

Sandi Casanova, an assistant controller of The Kornblatt Co., which owns and operates the garage at St. Paul and Lexington streets, said the 2008 increase pushed monthly rates from \$185 to \$197.

"We did have a number of people who said, 'You know, I just can't afford it,'" Casanova said.

Greenwald, who owns Arrow Parking with his father, Melvin, said their properties have been hurt, too. One Arrow lot saw 36,401 daily customers in 2009, compared to 70,059 in 2005, he said.

Much of the decline there and in the other 30 parking facilities represented by the association can be attributed to the recession, Greenwald said. But he and other parking lot owners cautioned that piling on more taxes will be a drag on businesses in a downtown that already has an office vacancy rate near 20 percent.

Councilman William V. Cole IV, whose downtown district includes many of the garages to which commuters flock every weekday morning, said the increase sought isn't onerous, given the city's fiscal woes.

"I know it's painful, and increasing it 4 percent is something people would rather us not do," he said. "The fact of the matter is it's just one of those things that will help us get to that minimum budget number so that we don't have to eliminate Foxtrot [the police helicopter] or close firehouses."