



**SHEILA DIXON**  
MAYOR

*100 Holliday Street, Room 250  
Baltimore, Maryland 21202*

February 5, 2009

Mr. David Funk, Chairman  
Charles Street Trolley Corporation  
36 S. Charles Street  
Baltimore, MD 21201

Dear Mr. Funk:

I want to thank you for your leadership and commitment to the Charles Street Trolley project. Your efforts and those of Kristen Speaker, Jim McGill and others, have given the City a strong outline of the possibilities which can be achieved with the Charles Street Trolley. As we move forward in partnership to further explore the Charles Street Trolley, I offer the following for your consideration:

- We are not inclined to support any property tax or special assessment for the Trolley. Baltimore property owners are already burdened by property taxes more than twice as high as surrounding jurisdictions, and all of the property owners in the corridor have already chosen once to place themselves under a special assessment for additional services. To add another layer of special assessment would further jeopardize the economic competitiveness of this corridor; however, I would encourage the boards of the three special assessment districts through which the Trolley would travel to debate the merits of devoting a portion of their revenue from the assessment to support the Trolley's operations.
- We believe that large, not-for-profit institutions in the corridor need to view the Trolley as an investment, as the city does, in the long-term value of their organization and property. I would be very encouraged if these major institutions began to contribute now towards an escrow fund for the Trolley, at the rate they would otherwise contribute if a special assessment were imposed. Such funds could be returned to the institutions if the Trolley were not constructed within a certain number of years.
- Similarly, major developers need to view the Trolley as an investment in the long-term value of their properties. This could be accomplished in any number of ways: agreeing to a uniform traffic mitigation fee applied to the corridor, voluntary contributions, sponsorship contributions, etc.

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- Contingent on the level of support from major institutions and developers as outlined above, the City would be willing to explore the feasibility of using Tax Increment Financing (TIF) to fund design and construction. The TIF district should be restricted to the Charles North Vision Plan study area and tied to the densities envisioned in Plan. By way of this letter, I am requesting the Baltimore Development Corporation (BDC) to begin the TIF analysis for this area.
- The City will consider the use of other financing mechanisms at its disposal, including the County Transportation Bond program; however, the use of other funds would have to be considered within the context of the city transportation priorities at the time and the projected level of State revenues moving forward.
- To support the ongoing operations of the Trolley, the City, in consultation with the City Council, would agree to dedicate those parking tax revenues being used for the Downtown Shuttle's Charles/St. Paul Street route. At present, this is estimated to be approximately \$1,500,000 annually.
- Subject to the development of a viable financing plan and further consultation with the Maryland Department of Transportation and the Congressional Delegation, the City would be willing to sponsor a Small Starts application with the Federal Transit Administration for the Charles Street Trolley. In pursuing this application, we must be sure to not compete financially or politically with the Red Line Transit Project; however, I am reasonably confident that we can advance more than one new rail investment at a time.
- Design and historic preservation issues, particularly in the Mt. Vernon neighborhood, need to be addressed to the satisfaction of the community and the Commission on Historic and Architectural Preservation.

I look forward to continuing our work together on this exciting project. Should you have any questions, please contact Andrew Frank at 410-545-7987.

Sincerely,



Sheila Dixon  
Mayor  
Baltimore City  
SD:AF/fwd

cc: Andrew B. Frank  
Alfred Foxx  
Jamie Kendrick  
Thomas Stosur