



Catherine E. Pugh
Mayor

MEMORANDUM

To: Baltimore Casino Local Development Council

From: Ethan P. Cohen, Senior Project Coordinator

Date: November 28, 2017; **REVISED DECEMBER 18, 2017**

Re: Casino Local Impact Grant FY'19 Draft Spending Plan

Cc: Peter Hammen, Chief of Operations
James T. Smith, Chief of Strategic Alliances
Colin Tarbert, Deputy Chief of Strategic Alliances
Brad Rogers, Executive Director, South Baltimore Gateway Partnership
Brenton Flickinger, Southern District Planner, Department of Planning

I am pleased submit the Draft Spending Plan (“the Plan”) for Fiscal Year 2019 (“FY’19”) Local Impact Grant (“LIG”) funds in the City of Baltimore’s Casino Impact Area (“CIA”), also known as the “South Baltimore Gateway.” The Plan represents the Administration’s budget and program for LIG funds, submitted for review by the Baltimore Casino Local Development Council (“LDC”) pursuant to State Law. (See State Gov. Art. Sec. 9-1A-31(b)(i).)

As in previous years, the Law affords 45 days for the LDC to review the plan and submit comments. The Plan will be presented at a meeting of the LDC on Thursday, November 30, 2017, from 6:30 to 8:00 PM at the offices of the Baltimore City Department of Planning (417 E. Fayette Street, Baltimore, Maryland 21202, 8th Floor). The next meeting of the LDC is scheduled for Wednesday, December 20, 2016. Please advise if the LDC would like to have any briefings by this office, City agencies or other partners at that time. The LDC’s response to the draft Plan is requested by Monday, January 15, 2018.

LIG funds accrue to the City of Baltimore from proceeds of video lottery terminals (VLT’s) at the Horseshoe Casino and Maryland’s other major casinos. The amount of LIG funds accruing to the City of Baltimore for use in the CIA equals 5.5% of VLT proceeds minus 18% reserved for

initiatives in the Greater Pimlico Area of Northwest Baltimore. LIG funds are collected by the Maryland Racing Commission and disbursed to the City of Baltimore on a monthly basis.

By law, LIG funds must be used “for improvements in the communities in immediate proximity of the video lottery facilities and may be used for the following purposes:

- 1) Infrastructure improvements;
- 2) Facilities;
- 3) Public safety;
- 4) Sanitation
- 5) Economic and community development, including housing; and
- 6) Other public services and improvements.”

Background: FY’15-17 Spending Plans and Changes for FY’18

The following is a summary of appropriations, revenues and expenditures of LIG funds to date.

After the opening of the Horseshoe Casino in August 2014, the City of Baltimore received \$5.94 million in LIG funds for use in the CIA during just over ten months in FY’15. This amount included approximately \$900,000 remaining as “encumbered” but unspent funds at year-end, available as “carry-forward” for projects and initiatives continuing into FY’16. Additional LIG funds received in FY’16 totaled \$7.59 million, with \$3.16 million remaining as carry-forward for use in FY’17.

For FY’17 the City budgeted \$11.35 million in new appropriations, excluding carry-forward. The increase was due to the provision in State Law requiring that LIG funds from the three major casinos be pooled and distributed equally among the three host jurisdictions of Baltimore City, Anne Arundel County and Prince George’s County, following the opening of the MGM Grand Casino at National Harbor in December 2016 -- with the provision that no jurisdiction may receive less than it had received in FY’16. The FY’17 budget was based on estimates provided by Maryland’s Board of Revenue Estimates (“BRE”) available in the fall of 2015. The actual amount of LIG revenue received for FY’17 was \$10,348,234, a reduction of just over \$1 million, or 8.8%, resulting in the need to cut expenditures in FY’17 and reduce carry-forward funds available for FY’18.

Among the City’s initiatives of FY’17 was the launch of the South Baltimore Gateway Community Impact District Management Authority, operating under the name of “South Baltimore Gateway Partnership.” As required by State and City Ordinance, this public authority began receiving half (50%) of LIG funds on July 1, 2017. This change reduced the share of LIG funds for South Baltimore under direct management by the City starting in FY’18. Accordingly the City budgeted \$7.5 million in FY’18 appropriations, or half of the \$15 million projected by the BRE.

Due to the reduced amount of LIG revenue as compared to the BRE estimate, the City is now working with a revised budget for FY'18 of \$6.3 million. In planning for FY'19, the City continues to use a figure of \$6.3 million in annual LIG revenue.

Since its adoption by the City Planning Commission in October 2015, the City has used the South Baltimore Gateway Master Plan as a guide for proposing new initiatives and organizing the LIG budget to follow the "Goals, Strategies and Recommendations" that make up the Master Plan. The Master Plan continues to inform the City's planning for LIG spending in FY'19.

FY'19 Spending Plan

Similar to prior years, the FY'19 Spending Plan organizes the new appropriations (excluding carry forward funds) into the following categories, with some changes from past years:

A. City Baseline Operations and Coordination:

- \$114,000 is appropriated for coordination and planning within the Mayor's Office of Strategic Alliances.

B. Strategic Community Development Initiatives (Referencing the Goals of the Master Plan):

- \$3,670,000 is appropriated for initiatives across the nine goals of the Master Plan.

C. Infrastructure Reimbursements and Public Facilities:

- \$2,500,000 is appropriated in a capital reserve for public facilities and infrastructure, roughly at the same amount of the prior years' allocations for infrastructure projects related to the opening of the casino.

The REVISED table below shows new appropriations for FY'19 AGAINST THE TOTAL FUNDING AVAILABLE IN FY'18, INCLUDING APPROPRIATIONS AND CARRY FORWARD; the detailed budget table attached shows multi-year appropriations and carry-forward funding from FY'17 to FY'19.

In closing, I look forward to our meeting on November 30, 2017, during which time I would be glad to provide more detail on any of these initiatives. Following the LDC's review of the FY'19 Spending Plan, the Administration welcomes further discussion and feedback on these strategies and other ways to leverage LIG funds to realize the community's long-term goals.

Activity	Agency	FY'18 Revised incl. Carry Fwd	FY'19 Proposed	Change FY18- FY19 (Incl. Carry Fwd)	Increase / Decrease FY19 from FY18 (%)	Carry Fwd estimate
A City Baseline Operations & Coordination						
0.0 Master Plan Printing and Updates	Dept. of Planning	\$8,894	\$0	(\$8,894)	-100%	\$8,000
0.1 Project Coordination & Planning	Mayor's Office	\$111,567	\$114,000	\$2,433	2%	\$0
SUB-TOTAL BASELINE OPERATIONS		\$120,461	\$114,000	-\$6,461	-5%	\$8,000

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	Activity	Agency	FY'18 Revised incl. Carry Fwd	FY'19 Proposed	Change FY18- FY19 (Incl. Carry Fwd)	Increase / Decrease FY19 from FY18 (%)	Carry Fwd estimate
B	<i>Strategic Community Development Initiatives (Ref. Goals of the Master Plan)</i>						
1.0	Goal I. Transportation Connectivity		\$566,441	\$10,000	(\$556,441)	-98%	
1.1	Complete Streets Planning (I.A.1-Complete Streets Plan for ea. Neighborhood)	DOT Planning	\$46,347	\$0	(\$46,347)	-100%	\$0
1.2	Enhanced Traffic Enforcement at Casino (I.D.1-Improve Traffic Operations)	DOT Safety	\$8,000	\$10,000	\$2,000	25%	\$0
1.3	South Baltimore Peninsula Parking Study (I.D.2-Conduct Parking Studies)	DOT Planning, Parking Auth.	\$31,250	\$0	(\$31,250)	-100%	
1.4	Complete Streets Plan Implementation (I.A-Improve pedestrian/bicycle network)	DOT Planning, TEC Division	\$480,844	\$0	(\$480,844)	-100%	\$250,000
2.0	Goal II. Environmental Sustainability		\$1,329,510	\$400,000	(\$929,510)	-70%	
2.1	Parks Upgrades & Maintenance (II.A.3-Improve and Upgrade Parks)	BCRP	\$283,318	\$0	(\$283,318)	-100%	\$150,000
2.2	Engineer/Stabilize Federal Hill Park E. Slope (II.A.3-Improve/Upgrade Parks)	BCRP-Capital & Planning	\$150,000	\$0	(\$150,000)	-100%	\$0
2.3	Tree Planting & Maintenance (II.A.6-Increase Urban Tree Canopy)	BCRP	\$30,000	\$0	(\$30,000)	-100%	\$0
2.4	Middle Branch Waterfront Planning (II.C.1-Undertake Comprehensive Plan)	BCRP Capital & Planning	\$200,000	\$0	(\$200,000)	-100%	\$200,000
2.5	Addl Solid Waste Services (II.D.2-Deploy Crews to Clean Up Communities)	DPW-Bureau of Solid Waste	\$226,192	\$250,000	\$23,808	11%	\$0
2.7	Middle Branch Shoreline Cleaning (II.D.2-Deploy Crews to Clean Up MB)	DPW-Bureau of Solid Waste	\$140,000	\$150,000	\$10,000	7%	\$0
2.6	Smart Can Capital Purchase (II.D.3- Launch Pilot Solid Waste Programs)	DPW-Bureau of Solid Waste	\$300,000	\$0	(\$300,000)	-100%	\$0
3.0	Goal III. Safety		\$2,426,176	\$1,790,000	(\$636,176)	-26%	
3.1	Criminal Justice Coordinator (III.A.1-Support Community-Police Partnerships)	MOCJ	\$50,000	\$65,000	\$15,000	30%	\$0
3.2	Increase Coverage by Citiwatch Cameras (III.A.2-Install & Upgrade Cameras)	MOCJ	\$21,910	\$100,000	\$78,090	356%	\$0
3.3	Maint./Replacement Reserve for CitiWatch Cameras (III.A.2-Install Cameras)	MOCJ	\$31,266	\$30,000	(\$1,266)	-4%	\$0
3.3	Police Casino-Entertainment Sub-District (CESD) Personnel (III.A.4-Increase Police and Fire/EMS Presence Near Casino)	BPD	\$1,460,000	\$1,300,000	(\$160,000)	-11%	\$0
3.4	Police CESD Office Space Rental (III.A.4-Police Presence Near Casino)	BPD	\$5,000	\$5,000	\$0	0%	\$0
3.5	Police Supplemental Neighborhood Patrols Under Supervision of CESD	BPD	\$0	\$0	\$0	0%	\$0
3.6	Increased Medic Services (III.A.4-Fire/EMS Presence Near Casino)	BCFD Medic	\$290,000	\$290,000	\$0	0%	\$0
3.7	Fire/EMS Stations 6 & 26 Renovations (III.B.1-Fund Fire Station Upgrades)	BCFD, DGS	\$568,000	\$0	(\$568,000)	-100%	\$200,000
4.0	Goal IV. Community Development & Revitalization		\$413,660	\$140,000	(\$273,660)	-66%	
4.1	Community Impact District Administration (IV.A.1-Create a Community Benefits District)	Dept. of Planning	\$0	\$0	\$0	0%	\$0
4.2	Community Enhancement Projects (IV.A.1-Grants to Neighborhood Groups & Initiatives)	Dept. of Planning	\$293,660	\$0	(\$293,660)	-100%	\$150,000
4.3	Housing/Development Study for Westport (IV.C.2-Create redevelopment strategies)	Dept. of Planning	\$50,000	\$0	(\$50,000)	-100%	\$0
4.4	Homeownership Counseling & Incentives (IV.B-Create Incentives to Stabilize Neighborhoods)	DHCD	\$70,000	\$140,000	\$70,000	100%	\$0
5.0	Goal V. Economic Growth		\$1,257,638	\$1,010,000	(\$247,638)	-20%	
5.1	Employment Connection Center (V.A-Provide Job Training & Assistance to Residents)	MOED	\$575,000	\$500,000	(\$75,000)	0%	\$0
5.2	Targeted Job Training & Adult Ed (V.A.-Provide Job Training & Assistance to Residents)	MOED	\$100,000	\$60,000	(\$40,000)	-40%	\$0
5.3	Summer Youth Jobs through YouthWorks (V.A.3-Expand Youth Jobs Programs)	MOED	\$450,000	\$450,000	\$0	0%	\$0
5.4	Analysis & Support services for Carroll-Camden and other industrial areas (V.B.1-Conduct Assessment & Marketing Plan for Carroll-Camden Industrial	BDC	\$50,000	\$0	(\$50,000)	-100%	\$0
5.5	Industrial Area Façade Grants (V.C.-Support businesses to reduce investment costs)	BDC	\$82,638	\$0	(\$82,638)	-100%	\$0

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6.0	Goal VI. Education		\$232,983	\$100,000	(\$132,983)	-57%	
6.1	Expand Summer Head Start Programming & Other Education Support Programs (VI.A-Support Initiatives That Improve Student Performance)	MOHS	\$100,000	\$100,000	\$0	0%	\$0
6.2	Support Weinberg Foundation "Libraries Project" Schools (IV.A.-Support Initiatives that Improve Student Performance)	MOHS	\$0	\$0	\$0	0%	\$0
6.3	UMB/SWCOS: Place "Public Allies" from Communities in Schools (VI.A.1-Expand Programs that Improve Attendance)	MOHS	\$53,500	\$0	(\$53,500)	-100%	\$0
6.4	Expand Reading Partners Programs (VI.A.3-Ensure Reading Proficiency by 3rd Grade)	MOHS	\$0	\$0	\$0	0%	\$0
6.5	Support K-12 "Green Schools" Program (VI.A.4-Strengthen Environmental Education)	Office of Sustainability	\$35,000	\$0	(\$35,000)	-100%	\$0
6.6	Lakeland STEAM Center upgrades (VI.B.4-Expand STEM Education through Schools, Libraries and Community-Based Programs)	BCRP Capital	\$44,483	\$0	(\$44,483)	0%	\$0
7.0	Goal VII. Health & Wellness		\$101,976	\$100,000	(\$1,976)	-2%	
7.1	Food Access Strategies (VII.A.3-Implement the City's Food Desert Retail Strategy and VII.A.4-Establish Partnerships with Local Food & Nutrition)	Health	\$31,976	\$0	(\$31,976)	-100%	\$0
7.2	Implement Anti-Homelessness Plans (VII.C.2-Provide Shelter & Homes for the Homeless)	MOHS	\$70,000	\$100,000	\$30,000	43%	\$0
8.0	Goal VIII. Quality of Life		\$85,804	\$20,000	(\$65,804)	-77%	
8.1	Support Canoe/Kayak Program in MB Park (VIII.A.1-Expand Boating Access/Programs)	BCRP	\$18,000	\$20,000	\$2,000	11%	\$0
8.2	Expand Programming in Parks (VIII.B-Expand Recreation Programs for All Ages)	BCRP	\$14,932	\$0	(\$14,932)	-100%	\$0
8.3	Increase Support for Community Events (VIII.B.1-Increase the Number of Community Events, esp. in Middle Branch Park & Carroll Park)	BOPA	\$4,659	\$0	(\$4,659)	-100%	\$0
8.4	Increase Support for Public Art Projects (VIII.C-Incorporate Public Into the Community)	BOPA	\$24,375	\$0	(\$24,375)	-100%	\$0
8.5	Build Capacity in Arts & Culture Planning and Programming (VIII.E-Coordinate Cultural, Arts & Historical Activities)	BOPA	\$23,838	\$0	(\$23,838)	-100%	\$0
9.0	Goal IX. Infrastructure		\$277,845	\$100,000	(\$177,845)	-64%	
9.1	Expand City Fiberoptic Broadband Network (IX.A.2-Expand Digital Technology Access)	MOIT	\$277,845	\$100,000	(\$177,845)	-64%	\$0
SUB-TOTAL STRATEGIC INITIATIVES			\$6,692,033	\$3,670,000	(\$3,022,033)	-45%	
C	<i>Infrastructure Reimbursements & Public Facilities</i>						
1.0	Infrastructure Upgrades in Public Right of Way (\$6M total or \$1.5M/year FY'15-FY'18)	DOT	\$2,000,000	\$0	(\$2,000,000)	-100%	\$0
2.0	Steam Line Relocation (\$2.434M total in FY'16-FY'17)	BDC	\$0	\$0	\$0	0%	\$0
3.0	Reserve for Public Infrastructure & Facilities	BDC	\$1,000,000	\$2,500,000	\$1,500,000	150%	\$1,000,000
SUB-TOTAL INFRASTRUCTURE & FACILITIES			\$3,000,000	\$2,500,000	(\$500,000)	-17%	
TOTAL			\$9,812,494	\$6,284,000	(\$3,528,494)	0%	
Budgeted Funds (FY'17 and FY'18 Spending Plans)			\$9,819,927	\$6,300,000	(\$3,519,927)	-36%	
SURPLUS/DEFICIT			\$7,433	\$16,000			

FY19 Projected LIG Income (Est. as of November 2017) \$ 12,600,000

City Share (50%) \$ 6,300,000

Surplus/Deficit from Budgeted Funds Available (Est.) \$ 16,000

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