

CATHERINE E. PUGH
Mayor



CHRIS RYER
Director

REQUEST: FY 2020-2025 Capital Improvement Program

RECOMMENDATION: Approval

STAFF: Kristen Ahearn / Sara Paraniham

Capital Improvement Program (CIP) Overview

By City Charter, the Planning Commission must submit a recommended six-year Capital Improvement Program (CIP) to the Board of Estimates. The budget year of the CIP becomes the basis for the capital component of the Ordinance of Estimates, adopted by the City Council.

CIP Review Schedule

- September/October: Outreach and trainings
- Early October: Planning sends targets and instructional packets to agencies
- November 2, 2018: Agency questionnaires due
- November 30, 2018: Agency requests due to Planning
- January/February: Planning Staff formulates recommendations
- January 10 & 17, 2019: Select agencies present CIP priorities to Planning Commission
- February 21, 2019: Planning presents recommendations to Planning Commission
- March 7, 2019: Planning Commission votes on CIP
- March 25, 2019: Board of Finance votes on CIP
- May 2019: Board of Estimates reviews CIP
- June: City Council adopts Budget

CIP Request Evaluation Criteria

Projects are reviewed according to the following criteria:

- Necessary to protect public health and safety
- City funding will leverage other fund sources
- Capital investment will result in operating savings
- Fulfills a state or federal mandate
- Necessary to implement a priority housing or economic development project
- Promotes private-public partnerships
- Implements the City's Comprehensive Master Plan, current & future area master plans and/or agency/institution's master plan
- Implements the City's Sustainability Plan
- Agency has prioritized the project
- Promotes equity

CIP Fund Sources

- **General Obligation Bonds (GO Bonds)** – With voter approval, the City borrows money for specific improvements by selling General Obligation Bonds.
- **General Funds** – Revenue received from various payments to the City, such as property taxes and sale of property.
- **General Funds HUR Eligible** – State Highway User Revenues allocated by formula.
- **State Funds** – Includes Program Open Space, Local Impact Aid, Table Game Revenue.
- **Federal Funds** – Includes CDBG, HOME, Federal Highway Funds
- **Revenue Loans** – Funds from future revenues such as water bills, stormwater fees, and HUR revenue (MDOT County Transportation Revenue Bonds)
- **Utility Funds** – Funds from current revenues such as water bills, stormwater fees, and conduit fees
- **County Grants** – County contribution to shared projects, mostly water-related
- **Other** – Sale of city property, private payments, fees, etc.

Outreach

Over the past year, staff focused on increasing transparency and opportunities for residents to interact with the Capital Improvement Program process. Below is a list of events or activities which were conducted to increase outreach and awareness of the Capital Improvement Program and encourage residents to weigh in:

- *Strong City Baltimore Neighborhood Institute (April 14, 2018)*: DoP hosted a workshop at the 2018 Strong City Neighborhood Institute to inform residents about the Capital Improvement Program and other initiatives underway at the Department.
- *Public Information Session (September 24, 2018)*: Together with the Fort Worthington Neighborhood Association, DoP hosted a public information session at the new Ft. Worthington Elementary/Middle School. Attendees were presented with an overview of the CIP and had an opportunity to interact with representatives from agencies that participate in the CIP. Approximately 65 residents from neighborhoods across the City attended.
- *Planning Academy (October 3, 2018)*: DoP presented information on the CIP to the 30 participants in the Planning Academy. In the same session, the Department of Finance presented information on the City's operating budget.
- *Represent Maryland Forum (October 24, 2018)*: DoP presented information on the loan authorization during a forum hosted by Represent Maryland. The event covered all of the ballot questions, including the four loan authorization/bond issue questions. Over 170 individuals were registered for the event, which was also live-streamed on the Represent Maryland Facebook page.

In addition to the events listed, the CIP website was updated monthly to include new reports, dates and times for agency presentations to Planning Commission, and provide more historical reports and resources. As a result of the events and initiatives above, the Planning Commission received more feedback on the Capital Improvement Program from residents than it had for the last several years. Approximately 35 individuals provided comment during agency presentations and 20 residents or stakeholders submitted letters of support for various projects or initiatives.

Planning Recommendation

While preparing the recommendations for the FY20-25 CIP, staff and the Planning Commission focused on several key themes:

Consistency with Plans

This year, the Planning Commission was particularly focused on projects that align with adopted plans, such as INSPIRE plans, the Bike Master Plan (Separated Network Addendum), and the Green Network Plan. The recommendations include several projects that are a priority as a result of these planning processes, including:

- 127-021 INSPIRE Plan Implementation (INSPIRE Plans)
- 127-085 Druid Square Park (Green Network Plan)
- 127-088 Expand Vincent Street Park (Green Network Plan)
- 457-009 Park Heights Library (Local Impact Aid Spending Plan)
- 474-079 FY 20 Bocek Park Athletic Center-Gymnasium (Fort Worthington INSPIRE Plan)
- 474-085 Patterson Park Masterplan Implementation (Patterson Park Master Plan)
- 474-087 North Harford Park Improvements (Recreation and Aquatics Plan)
- 474-105 Greenmount Avenue LINCS (Greenmount Ave LINCS)
- 474-114 CHOICE Neighborhood Recreation Facilities (CHOICE Neighborhoods Plan)
- 474-121 Reedbird Park Improvements (Recreation and Aquatics Plan)
- 474-122 CC Jackson Park Expansion (Local Impact Aid Spending Plan)
- 474-123 Robert C. Marshall Field (Pennsylvania/North LINCS)
- 474-127 Park Building Renovations (York Road Corridor Vision and Action Plan)
- 474-132 Solo Gibbs Master Plan Implementation (Local Impact Aid Spending Plan)
- 508-121 Arlington Avenue Greenway (Bike Master Plan)
- 508-122 Martin Luther King, Jr. Boulevard Sidepath (Bike Master Plan)
- 508-123 Bush Street Bike Facility (Bike Master Plan)
- 508-126 Greenway Middle Branch Phase 2 (Bike Master Plan)
- 508-127 Druid Park Lake Drive Big Jump Conversion (Bike Master Plan)
- 508-128 Eutaw Place Bike Facility (Bike Master Plan)
- 508-131 Wolfe or Washington Street Bike Facility (Bike Master Plan)
- 527-008 Belair Rd-Reconstruction (601-007/508-004) (Belair Road TAP)
- 588-036 Southeast Baltimore Redevelopment/Choice (CHOICE Neighborhoods Plan)
- 588-062 Park Heights Major Redevelopment Area Demolition (Local Impact Aid Spending Plan)
- 588-063 Park Heights Development Support (Local Impact Aid Spending Plan)
- 588-064 Park Heights Renaissance (Local Impact Aid Spending Plan)
- 588-926 Coldstream, Homestead & Montebello (CHM) Acquisition & Demolition (Coldstream Homestead Montebello)
- 601-046 Southwest Plan Implementation (Southwest Partnership Vision Plan)
- 601-052 Inner Harbor - Rash Field (Inner Harbor 2.0)
- 601-053 Inner Harbor - Infrastructure Improvements (Inner Harbor 2.0)

- 601-071 Frederick Avenue Streetscaping (Irvington TAP)
- 601-079 Penn North (Pennsylvania/North LINCS)
- 601-092 Baltimore City Animal Care Facility (Local Impact Aid Spending Plan)

Although many recommendations within the CIP are directly tied to plan implementation, significant funding is within bulk accounts. While these funds can be used to support adopted plans, there is no mechanism to tie these projects to plan implementation. Examples of bulk accounts that would be relevant to many plans include Sector Resurfacing Projects (514-002, 514-214, 514-215, 514-216, and 514-846), MS4 Permit Requirements (520-055), Whole Block Demolition (588-012), Baltimore Homeownership Incentive Program (588-109), and Citywide Façade Improvement Grants (601-013). Moving forward, staff will work with agencies to continue to get more specific locations included in the CIP where possible in order to better align projects with plans.

Asset Management and Addressing Deferred Maintenance

The capital improvement program is the vehicle through which the City makes needed upgrades to its physical, public infrastructure. This includes regular replacement of systems such as HVACs, roofs, and windows in buildings including libraries, community action centers, fire stations, police stations, recreation centers, maintenance facilities, and office buildings that house city employees. It also includes regular rehabilitation of bridges, streets, sidewalks, alleys, and other transportation infrastructure, as well as water, sewer, and stormwater pipes, drains, and facilities such as pumping stations and treatment plants. The CIP is also increasingly being used to fund much-needed upgrades to information technology infrastructure.

Like most cities in the United States, Baltimore faces a hefty price tag on its deferred maintenance for public infrastructure. The City's [most recent ten-year financial plan](#) put this figure at \$1.1 billion above spending levels at the time¹, but information provided by agencies suggests that needs are in fact much greater. Each year, we fall further behind on maintaining our assets. While there is a general understanding that infrastructure investments can help address some of Baltimore's long-standing problems including population loss, health and wealth disparities, and public safety; pressures on the operating budget limit the amount of general funds that are applied to capital projects.

There are some efforts underway to create a more comprehensive citywide asset management approach, to collect and use data on the condition of assets and cost to upgrade. There are several projects in the Capital Improvement Program that will help agencies take a more thoughtful approach to asset management, and will be fundamental to the cross-agency effort described above. While an argument could be made for funding these out of agency operating budgets, staff felt that it was important to ensure that this work moves forward by recommending funding for the following agency requests: Park Facility Assessment and ADA Audit (474-101) and Transportation Asset Management (527-044).

Neighborhood Investment

In addition to upgrading physical assets, the CIP is also the means through which the City implements key community and economic development projects. Mayor Pugh's new community development framework will guide these investments going forward. Some projects have a location specified, such as Southeast Baltimore Redevelopment/Choice (588-036), Southwest Plan Implementation (601-046), and

¹ City of Baltimore Ten-Year Financial Plan, FY2013-2022 Background Report. February 2013.

Penn North (601-079). Others are “bulk accounts” or buckets that agencies will use to fund programs and make smaller grants. Examples of this type of program include Community Catalyst Grant Program (588-044), Baltimore Homeownership Incentive Program (588-019), Housing Repair Assistance Programs (588-986), Citywide Façade Improvements (601-013), and many others within the Department of Housing and Community Development’s and Baltimore Development Corporation’s capital programs. It will be important for agencies to use these programs strategically to support the work of the Neighborhood Subcabinet and to provide greater geographic specificity in the future, where possible.

Equitable Distribution of Funds

Staff continues to work with the Baltimore Neighborhood Indicators Alliance (BNIA) to create a methodology for analyzing whether capital dollars are distributed equitably with regards to race, income, and age of residents. Preliminary analysis suggests that the recommended projects for FY20 are well distributed, with more dollars attributed to neighborhoods with a higher percent of residents who are persons of color, neighborhoods with lower median incomes, and neighborhoods with a greater percentage of young people. The methodology involves categorizing projects as either local (affecting only the immediate vicinity of the project), multi-neighborhood, or citywide, and using those categories to apply the dollar amount of the investment to the appropriate neighborhoods, and then looking at the total investment by neighborhood.

BNIA has also recommended looking at investments by neighborhood in relation to factors other than race, income and age, such as vacancy, crime, year the most recent neighborhood plan was adopted, predominant property type (commercial versus residential), racial diversity index, and life expectancy.

BNIA is preparing a report that will include analysis of FY14-20 CIP allocations and a methodology for repeating the analysis. The Planning Department expects to publish the report later this year, at which point it will be available for public comment.

Summary of the Recommended Capital Improvement Program

Six-Year Program

Agency Requests: \$3,047,799,000
 Planning Recommendation: \$2,863,129,000

Budget Year

Agency Requests: \$617,846,000
 Planning Recommendation: \$634,181,000

Recommended FY 2020 Capital Budget by Agency

Agency	Recommendation*
Baltimore City Information Technology	\$ 15,700
Mayoralty-Related	\$ 4,526
Department of Planning	\$ 200
Department of General Services	\$ 14,200

Baltimore Police Department	\$ 9,800
City School System	\$ 19,000
Pratt Library	\$ 4,000
Department of Recreation and Parks	\$ 33,389
Department of Transportation	\$ 104,535
Department of Public Works	\$ 351,771
Convention Center	\$ 1,600
Dept. of Housing & Community Development	\$ 64,128
Baltimore Development Corporation	\$ 11,332
Total	\$ 634,181

*Amounts in Thousands

Recommended FY 2020 Capital Budget by Fund Source

Fund Source	Recommendation*
City Bond Funds	\$ 80,000
City General Funds	\$ 35,875
General Funds (HUR Eligible)	\$ 14,125
Revenue Loans	\$ 252,761
Utility Funds	\$ 35,121
Federal Funds	\$ 74,008
State Funds	\$ 37,135
County Grants	\$ 54,531
Other	\$ 50,625
Total	\$ 634,181

*Amounts in Thousands

The Department of Planning recommends approval of the FY20-25 Capital Improvement Program.


Chris Ryer
Director