

FROM	NAME & TITLE	Laura Larsen, Budget Director 	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall		
	SUBJECT	Fiscal 2023 Capital Supplementary Appropriations		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

February 17, 2023

Position: Support

The Department of Finance is herein reporting on the following City Council Bills 23-0330, 23-0331, 23-0332, 23-0333, 23-0334, 23-0335, 23-0336, 23-0337, 23-0338, 23-0339, 23-0340, 23-0341, and 23-0342, the purpose of which is to increase the Fiscal 2023 capital appropriation of General Funds by \$57.5 million. These supplemental appropriations will provide additional capital funds for the Baltimore City Office of Information and Technology, Convention Center Complex, Department of General Services, and Department of Housing and Community Development, as well as capital funds for the redevelopment of Walbrook and Edmondson Village Shopping Centers.

Background

Baltimore City experienced a strong economic rebound in Fiscal Year 2022 as a result of unanticipated revenue increases from income tax and transfer and recordation taxes. The City ended the Fiscal Year with a surplus of \$113.9 million. The majority of these funds were allocated to balance the budgets of various agencies to ensure the City ended the Fiscal Year in balance. The remaining funds are proposed to be used for various capital projects, including funding for City building improvements, information and technology projects, Convention Center improvements, and funding to support development projects across the City.

The Baltimore City Charter authorizes agency spending based on the amount enacted in the Ordinance of Estimates. The Department of Finance recommends appropriation transfers and supplementary appropriations when an agency receives unanticipated revenue, such as grants, or implements new programs that could not have been anticipated at the time the budget was developed. These supplemental appropriations are required to meet the Charter requirements to provide funding for these new capital projects.

Fiscal Impact

Specific projects funded are detailed below by agency.

Baltimore City Office of Information and Technology

Requested Supplemental Amount: \$5,000,000

Funding Source: Income Tax

The supplemental appropriations proposed provide \$5.0 million in funding to the Baltimore City Office of Information and Technology (BCIT) to support various IT upgrades and replacements, including cybersecurity upgrades across City systems' camera replacements for the CitiWatch program; upgrades to infrastructure platforms; IT infrastructure for the City, including hardware, software, and network resources; and upgrades to application integration and infrastructure, which will improve user experience.

Convention Center Complex**Requested Supplemental Amount: \$8,840,000****Funding Source: Transfer and Income Tax**

The supplemental appropriations proposed providing \$8.84 million in funding to the Convention Center to complete building improvement projects, specifically the repair and replacement of two elevators and one escalator.

Department of General Services**Requested Supplemental Amount: \$17,100,000****Funding Source: Income Tax**

The supplemental appropriations proposed providing \$17.1 million in funding to Department of General Service (DGS) to support heating, ventilation, and air conditioning (HVAC) replacements in City Hall and Abel Wolman, as well as fire protection system in Abel Wolman.

Department of Housing and Community Development**Requested Supplemental Amount: \$17,600,000****Funding Source: Transfer and Income Tax**

The supplemental appropriations proposed providing \$17.6 million in funding to the Department of Housing and Community Development (DHCD) to support various initiatives to address vacant buildings in Baltimore and the Perkins-Somerset-Oldtown (PSO) Transformation Plan.

Funding for vacant building initiatives will support DHCD's Framework for Community Development, which focuses on Impact Investment Areas that DHCD identified as areas that struggle with disinvestment, but are adjacent to areas of strength and poised for new growth. DHCD's initiatives include vacant property demolition, acquisition, and stabilization, as well as developer and homeowner incentives.

The PSO Transformation Plan calls for the demolition and redevelopment of Perkins Homes into a mixed income community with public housing, low-income tax credit and market rate housing, a 21st Century school, and new community amenities, improvements, and supports for residents.

Walbrook and Edmondson Village Shopping Centers**Requested Supplemental Amount: \$9,000,000****Funding Source: Income Tax**

This supplemental appropriation proposes providing \$9 million to the Baltimore Development Corporation (BDC) to support the purchase and redevelopment of the Edmondson Village and Walbrook Junction Shopping Centers. BDC and the Department of Housing and Community Development have helped identify and negotiate the sale of these shopping centers with the intent that both will be redeveloped with community participation.

Conclusion

These supplemental appropriations are required to meet the Charter mandate to authorizing spending on new capital projects. These appropriations will be funded from Income Tax and Transfer Tax revenue surplus from Fiscal 2022.

For the reasons stated above, the Department of Finance supports City Council Bills 23-0330, 23-0331, 23-0332, 23-0333, 23-0334, 23-0335, 23-0336, 23-0337, 23-0338, 23-0339, 23-0340, 23-0341, and 23-0342.

cc: Michael Moiseyev

Nina Themelis