


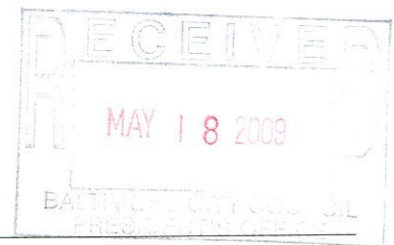
MEMORANDUM

TO: Honorable President and Members of the City Council
Attention: Karen Randle, Executive Secretary

FROM: M. J. Brodie, President 

DATE: May 13, 2009

SUBJECT: City Council Bill No. 09-0330
Zoning – Video Lottery Facilities



The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 09-0330, an ordinance for the purpose of allowing a video lottery facility as a permitted use in certain districts.

BDC has reviewed the proposed Bill and supports the proposed ordinance. This Bill along with Bill 09-0329 will allow for a video lottery terminal facility. The Baltimore facility will account for 1,862 direct and indirect construction jobs and \$99 million of wages and benefits. Once operational, the facility will contain 700 full-time jobs, 452 part-time jobs (totaling 1,152 job), with average wages per Full Time Equivalent (“FTE”) of \$41,000, and total on-site operational wages and benefits of \$38 million annually.

The City will also receive a ground rent payment from the owners of the facility as State law requires that the facility be built on City owned land. The ground rent payment will be computed as 2.99% of Gross Gaming Revenue (money wagered by players less jackpots) and will include a guaranteed minimum payment to the City. Based on vetted projections, in Year 1, the VLT facility would generate an estimated \$20.8 million. By year 5, the VLT facility would generate an estimated \$25.4 million and the ground rent payment will continue through the life of the facility.

In addition to the City’s direct benefit calculation and the benefits received as a result of this facility, the City will receive additional funds for education, local impact grants which will be used to improve infrastructure in the area and to provide services to the communities in immediate proximity to the facility, and funds for the redevelopment of the Park Heights area. In fiscal year 2012, the Baltimore City facility will help to provide \$250 million to the Maryland Education Trust Fund, of which Baltimore City Public Schools will receive approximately \$44 million annually. In addition, local impact grants are estimated at \$23.5 million and could grow

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to \$28 million within five years and stabilize at this amount each year for the life of the facility. Finally, the Park Heights redevelopment initiative will receive funding for 15 years estimated at \$12 million in FY 2012 and growing by about \$1 million each year for 5 years, stabilizing at approximately \$18-19 million annually. The BDC respectfully recommends a favorable consideration of this Bill.

cc: Andrew Frank
Angela Gibson

sandra.gladden/ccbill09/09-0330