

Introduced by: Councilmember Pinkett, ^{Coskello} Burnett, ~~Ballak~~, ~~Stokely~~, Henry

Prepared by: Department of Legislative Reference

Date: April 10, 2019

Referred to: TAXATION, FINANCE & ECONOMIC DEVELOPMENT Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

SINGB
Schacter
DOLSEY
Middleton
Clarke
Pessinger

CITY COUNCIL 19-0150R

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**Investigative Hearing – Entities Receiving City Funds:
Are They Holding Up Their End of the Bargain?**

FOR the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events, the Director of the Department of Finance, the Director of the Mayor's Office of Minority and Women-Owned Business Development, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for the development and contracting of diversity in minority small businesses and responsible for the achievement of the City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event industry to appear before the City Council to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

[Handwritten signatures and initials in blue and red ink, including names like Robert Stokely, Leon Funch, and others.]

NO. _____

****The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

Agencies

Department of Public Works	Baltimore City Public School System
Department of Real Estate	Baltimore Development Corporation
Department of Recreation and Parks	City Solicitor
Department of Transportation	Comptroller's Office
Fire Department	Department of Audits
Health Department	Department of Finance
Mayor's Office of Employment Development	Department of General Services
Mayor's Office of Human Services	Department of Housing and Community Development
Mayor's Office of Information Technology	Department of Human Resources
Office of the Mayor	Department of Planning
Police Department	Other: <i>Mayor's office of Minority and Women's Business Development</i>
Other:	Other: <i>Minority Business opportunity office</i>
Other:	Other:
Department of Public Works	Baltimore City Public School System
Department of Real Estate	Baltimore Development Corporation
Department of Recreation and Parks	City Solicitor
Department of Transportation	Comptroller's Office
Fire Department	Department of Audits
Health Department	Department of Finance
Mayor's Office of Employment Development	Department of General Services
Mayor's Office of Human Services	Department of Housing and Community Development
Mayor's Office of Information Technology	Department of Human Resources
Office of the Mayor	Department of Planning
Police Department	Other: <i>Mayor's office of Minority and Women's Business Development</i>
Other:	Other: <i>Minority Business opportunity office</i>
Other:	Other:
Other:	Other:
Other:	Other:
Environmental Control Board	Board of Estimates
Fire & Police Employees' Retirement System	Board of Ethics
Labor Commissioner	Board of Municipal and Zoning Appeals
Parking Authority Board	Comm. for Historical and Architectural Preservation
Planning Commission	Commission on Sustainability
Wage Commission	Employees' Retirement System
Other:	Other:
Other:	Other:
Other:	Other:

Boards and Commissions

**CITY OF BALTIMORE
COUNCIL BILL 19-0150R
(Resolution)**

Introduced by: Councilmembers Pinkett, Burnett, Bullock, Cohen, Stokes, Henry, Sneed,
Schleifer, Dorsey, Ex Officio President Middleton, Councilmembers Clarke, Reisinger,
Costello

Introduced and read first time: April 15, 2019

Assigned to: Taxation, Finance and Economic Development Committee

Committee Report: Favorable

Adopted: October 28, 2019

A COUNCIL RESOLUTION CONCERNING

**Investigative Hearing – Entities Receiving City Funds:
Are They Holding Up Their End of the Bargain?**

1
2
3 FOR the purpose of inviting representatives of certain organizations located within Baltimore that
4 both receive public funds from the City of Baltimore and lease any portion of their venue to
5 the public for catered events, the Director of the Department of Finance, the Director of the
6 Mayor’s Office of Minority and Women-Owned Business Development, the President and
7 CEO of the Baltimore Development Corporation, and other City officials responsible for the
8 development and contracting of diversity in minority small businesses and responsible for the
9 achievement of the City MBE/WBE goals, and representatives of the Baltimore minority
10 hospitality and event industry to appear before the City Council to discuss the capital funding
11 subsidies that the City of Baltimore has provided to certain organizations that lease any
12 portion of their venue to the public for catered events; to discuss why some of these
13 organizations utilize exclusive vendor lists without any minority business representation; to
14 discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what
15 solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE
16 businesses on the exclusive lists.

Recitals

17
18 Baltimore presently supports with public funds many vitally important institutions, such as
19 museums and other cultural attractions. This public support comes in the form of Payment in
20 Lieu of Taxes (PILOT) and Tax Increment Financing (TIF) agreements as well as loans through
21 general obligation bonds.

22 During the hours when they are not open to the public, these institutions are often leased as
23 event venues, providing space for weddings, galas, fundraisers, and other social functions. As
24 part of leasing their event space, these institutions many times require that renters select from an
25 exclusive list of preferred vendors, for such jobs as caterers and DJs. Time after time, these
26 exclusive vendor lists do not include minority or women’s businesses.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter stricken by amendment.

Council Bill 19-0150R

1 The question becomes why Baltimore, a majority-minority city, is providing support in the
2 form of public dollars to institutions that do not, in turn, support our MBE/WBE businesses?
3 The Baltimore City Council has a vested interest in ensuring that those institutions that take
4 public support utilize that support in a fair and equitable manner.

5 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
6 Council invites representatives of certain organizations located within Baltimore that both
7 receive public funds from the City of Baltimore and lease any portion of their venue to the public
8 for catered events, the Director of the Department of Finance, the Director of the Mayor's Office
9 of Minority and Women-Owned Business Development, the President and CEO of the Baltimore
10 Development Corporation, and other City officials responsible for the development and
11 contracting of diversity in minority small businesses and responsible for the achievement of the
12 City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event
13 industry to appear before the City Council to discuss the capital funding subsidies that the City of
14 Baltimore has provided to certain organizations that lease any portion of their venue to the public
15 for catered events; to discuss why some of these organizations utilize exclusive vendor lists
16 without any minority business representation; to discuss the selection criteria, if any, for the
17 creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be
18 implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

19 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Chief of the
20 Minority and Women's Business Opportunity Office, the President and CEO of the Baltimore
21 Development Corporation, the Director of the Baltimore City Department of Finance, the Mayor,
22 and the Mayor's Legislative Liaison to the Baltimore City Council.

BALTIMORE CITY COUNCIL

TAXATION, FINANCE AND ECONOMIC DEVELOPMENT

VOTING RECORD

DATE: October 11, 2019

BILL#: 19-0150R

BILL TITLE: Investigative Hearing – Entities Receiving City Funds: Are They Holding Up their End of the Bargain?

IS THERE A MOTION TO MOVE THE BILL?

MOTION BY: Costello SECONDED BY: McCray

- FAVORABLE FAVORABLE WITH AMENDMENTS
 UNFAVORABLE WITHOUT RECOMMENDATION

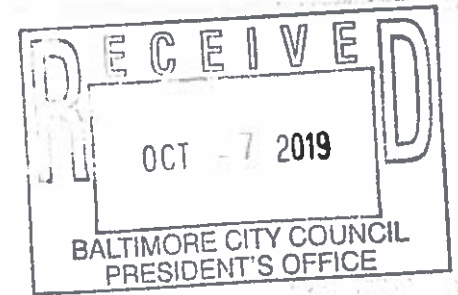
NAME	YEAS	NAYS	ABSENT	ABSTAIN
Middleton, Sharon, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCray, D, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costello, Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reisinger, Edward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stokes, Robert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS				

CHAIRPERSON: Sharon Middleton

COMMITTEE STAFF: Samuel Johnson, Initials: AS



BALTIMORE CITY
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT



MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: Michael Braverman, Housing Commissioner *MEB*

Date: October 4, 2019

Re: **City Council Bill 19-0150R, Investigative Hearing - Entities Receiving City Funds: Are They Holding Up Their End of the Bargain?**

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 19-0150R for the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events. The Director of the Department of Finance, the Director of the Mayor's Office of Minority and Women-Owned Business Development, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for the development and contracting of diversity in minority small businesses and responsible for the achievement of the City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event industry to appear before the City Council to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

Tax Increment Financing (TIF) and PILOT programs have been used in many successful projects around the City of Baltimore to encourage the redevelopment of neighborhoods and commercial zones. Without TIF and PILOT programs, typically underdeveloped districts may never have the opportunity to be redeveloped. Development projects must comply with the City's MBE/WBE laws related to capital construction projects, but such laws are not applicable to the operation of such establishments who lease any portion of their venue to the public for catered events. DHCD has no objection to the discussion of the City's TIF and PILOT programs effectiveness in meeting MBE/WBE goals.

DHCD has reviewed City Council Resolution 19-0150R and has **no objection** to the passage of the Resolution.

*no
objection*

CITY OF BALTIMORE

BERNARD C. "JACK" YOUNG
Mayor



DEPARTMENT OF LAW
ANDRE M. DAVIS, CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

October 8, 2019

The Honorable President and Members
of the Baltimore City Council
Attn: Natawna Austin, Executive Secretary
Rom 409, City Hall
100 N. Holliday Street
Baltimore, MD 21202

Re: City Council Bill 19-0150R Investigative Hearing - Entities Receiving City Funds:
Are They Holding Up Their End of the Bargain

Dear President and City Council Members:

The Minority and Women's Business Opportunity Office (MWBOO) has reviewed City Council Bill 19-0150R. The Bill is a resolution seeking to investigate why certain venues that receive public funding do not include Minority and Women's Business Enterprise's (M/WBE's) on the "preferred caterers lists" when leasing the space for public events.

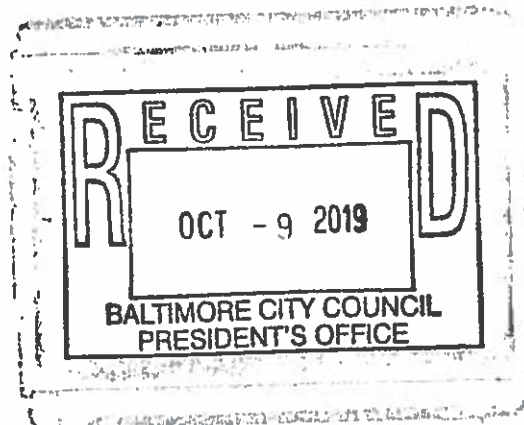
The M/WBE program is applicable to every contract or other agreement between the City of Baltimore and any governmental agency, corporation, developer, or contractor under which the City is providing fiscal assistance. The program is currently not applicable to the events described in this resolution.

The Minority and Women's Business Opportunity Office supports the goal of this resolution which is focused on an open discussion related to diversity, inclusion and equity within a specific market.

Sincerely,

Tamara Brown
Chief -MWBOO


cc: Andre M. Davis, City Solicitor
Dana Moore, Deputy Solicitor
Matthew Stegman, Mayor's Legislative Liaison
Caylin Young, President's Legislative Director
Elena, DiPietro, Chief Solicitor



F

WMA



FROM	NAME & TITLE	Robert Cename, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 19-0150R –Investigative Hearing – Entities Receiving City Funds: Are They Holding up Their End...		

TO

DATE:

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

September 30, 2019

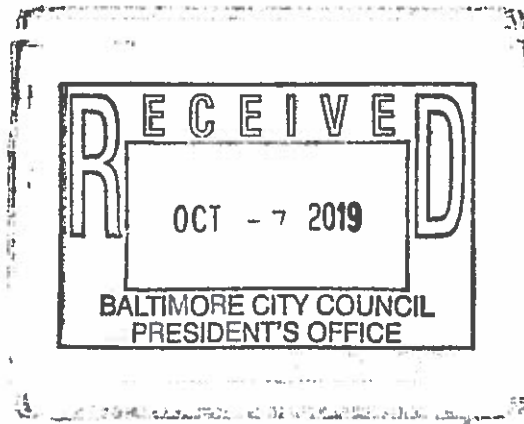
The Department of Finance is herein reporting on City Council Bill 19-0150R—Investigative Hearing—Entities Receiving City Funds: Are They Holding up Their End of the Bargain, the purpose of which is to determine whether cultural institutions that receive City of Baltimore funding are including MBE/WBE vendors in their vendor lists for public events which they host.

The City has provided General Fund support for arts and culture organizations since Fiscal Year 2012, which is detailed in the chart below. While these organizations receive City funds, they are not City agencies. The procurement requirements of City Charter Art. VI Section 11 and Art. VII Section 17 do not apply to these separate legal entities, as they only apply to City agencies.

General Fund Spending on the Arts: FY16-FY20 (in dollars)					
	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Budget
Baltimore Museum of Art General Expenses	2,110,274	2,063,110	2,225,292	2,136,044	2,160,093
Baltimore Symphony Orchestra Association	255,944	259,597	257,922	267,591	500,000
Baltimore Arts and Promotion Office (BOPA)	2,371,841	2,363,677	2,435,737	2,926,992	2,982,537
Maryland Zoo in Baltimore	1,500,831	1,109,199	1,431,530	1,564,787	1,603,582
Walters Art Gallery General Expenses	1,746,844	1,733,159	1,966,724	1,906,160	1,763,075
Total	7,985,734	7,528,742	8,317,205	8,801,574	9,009,287

The Department of Finance will attend the hearing for this Resolution to provide all information relevant to this inquiry.

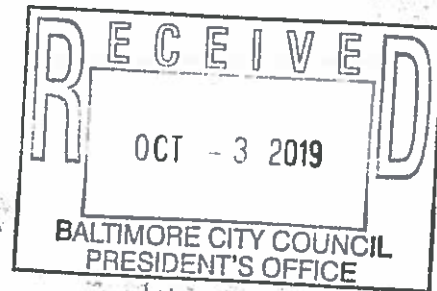
cc: Henry Raymond
Matthew Stegman
Nina Themelis



Comments



3



MEMORANDUM

DATE: August 30, 2019
TO: Taxation, Finance and Economic Development Committee
FROM: Colin Tarbert, President and CEO *Col. Tarbert*
POSITION: Support
SUBJECT: City Council Bill 19-0150R Investigative Hearing -- Entities Receiving City Funds:
Are They Holding Up Their End of the Bargain?

INTRODUCTION

The Baltimore Development Corporation (BDC) is herein reporting on City Council Resolution 19-0150R introduced by Councilmembers Pinkett, Burnett, Bullock, Cohen, Stokes, Henry, Sneed, Schliefer, Dorsey, Ex Officio President Middleton, Councilmembers Clark, Reisinger, and Costello.

PURPOSE

The purpose of Bill 19-0150R is to discuss capital funding subsidies that organizations may receive through PILOTs, TIFs, and/or loans through general obligation bonds. For such organizations that also lease any portion of their venue for catered events, this Bill seeks to investigate why some of these organizations utilize exclusive vendor lists without any MBE representation, to discuss the selection criteria, and to discuss what solutions can be implemented for the inclusion of MBE/WBE businesses.

BRIEF HISTORY

The BDC functions as a "Coordinating Agency" that can recommend to the Mayor and City Council, the use of Tax Increment Financing (TIF) or Payment In Lieu of Taxes (PILOT) incentives for project development. In addition, BDC uses appropriated General Obligation Bond funds to make loans to businesses for the purpose of job creation and economic development, subject to the approval of the Board of Estimates. As part of any PILOT or TIF, the development project must comply with the City's M/WBE law and Local Hiring Law. In addition, as a condition of approval of a PILOT or TIF by the City Council, many projects will enter into other supplemental agreements with the City on matters such as Affordable Housing and Profit Sharing.

To date, organizations that receive both a TIF or PILOT subsidies and lease any portion of their venue to the public for catered events are not subject to any MBE/WBE or local hiring requirements related to the operations of their business. While projects are required to agree to a commitment to comply with MBE/WBE goals and local hiring, those legal requirements are limited solely to the capital construction project. Laws for MBE/WBE participation percentage requirements are not applicable to the operations of such institutions. A notable exception to this is through BDC's Loan Programs, which may specifically require certain hiring requirements on a business as a condition of a loan or loan forgiveness.

City Council Bill 19-0150R - Investigative Hearing - Entities Receiving City Funds

August 30, 2019

Page 2

FISCAL IMPACT

NONE

AGENCY POSITION

The BDC **supports** Council Resolution 19-0510R to further engage in this discussion and suggests that local procurement initiatives such as the Baltimore Integration Partnership and BLocal be engaged.

If you have any questions, please do not hesitate to contact Kim Clark at 410-837-9305 or at kclark@baltimoredevelopment.com.

cc: Nicholas Blendy

[SJH]

CITY OF BALTIMORE

BERNARD C. "JACK" YOUNG,
Mayor



DEPARTMENT OF LAW
ANDRE M. DAVIS, CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

October 2, 2019

The Honorable President and Members
of the Baltimore City Council
Attn: Natawna Austin, Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 19-0150R – Investigative Hearing- Entities Receiving
City Funds: Are They Holding Up Their End of the Bargain

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 19-0150R for form and legal sufficiency. The resolution is for the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events, to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation, the selection criteria, if any, for the creation of the exclusive lists; and what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

In general, a City Council resolution is "an expression of opinion or mind concerning some particular item of business coming within the legislative body's official cognizance." *Inlet Assocs. v. Assateague House Condominium Assoc.*, 545 A.2d 1296, 1303 (Md. 1988) (quoting *McQuillin Mun. Corp.* § 15:2 (3rd Ed.)). Council Bill 19-150R is an appropriate resolution to express the Council's concerns about this particular situation and request that appropriate officials to discuss methods to include more MWBE's on exclusive vendor lists at the facilities in question.

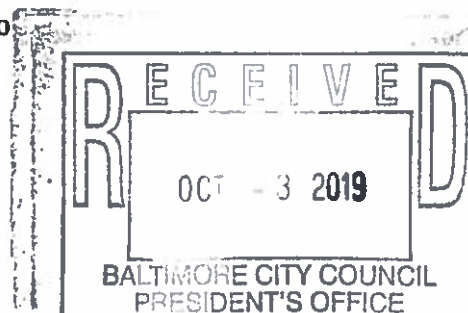
Accordingly, the Law Department approves Council Bill 19-0150R for form and legal sufficiency as it is a valid method of conveying City Council's desires regarding this matter.

Sincerely yours,

Elena R. DiPietro

Elena R. DiPietro
Chief Solicitor

cc: Andre Davis, City Solicitor



Matthew Stegman, Mayor's Legislative Liaison
Caylin Young, President's Legislative Director
Elena DiPietro, Chief Solicitor, Practice Group Chief
Hilary Ruley, Chief Solicitor
Victor Tervalá, Chief Solicitor
Ashlea Brown, Assistant Solicitor
Avery Aisenstark

City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Meeting Minutes - Final

Taxation, Finance and Economic Development Committee

Thursday, October 10, 2019

10:00 AM

Du Burns Council Chamber, 4th floor, City Hall

19-0150R

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

Present 5 - Member Sharon Green Middleton, Member Danielle McCray, Member Eric T. Costello, Member Edward Reisinger, and Member Robert Stokes Sr.

ITEMS SCHEDULED FOR PUBLIC HEARING

19-0150R

Investigative Hearing - Entities Receiving City Funds: Are They Holding Up Their End of the Bargain?

For the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events, the Director of the Department of Finance, the Director of the Mayor's Office of Minority and Women-Owned Business Development, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for the development and contracting of diversity in minority small businesses and responsible for the achievement of the City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event industry to appear before the City Council to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

Sponsors: Leon F. Pinkett, III, Kristerfer Burnett, John T. Bullock, Zeke Cohen, Robert Stokes, Sr., Bill Henry, Shannon Sneed, Isaac "Yitzy" Schleifer, Ryan Dorsey, Sharon Green Middleton, Mary Pat Clarke, Edward Reisinger, Eric T. Costello

A motion was made by Member Costello, seconded by Member McCray, that City Council Resolution 19-0150R be Recommended Favorably. The motion carried by the following vote:

Yes: 5 - Member Middleton, Member McCray, Member Costello, Member Reisinger, and Member Stokes Sr.

ADJOURNMENT



HEARING NOTES

City Council Resolution: 19-0150

**Investigative Hearing – Entities Receiving City Funds:
Are they Holding Up their End of the Bargain**

Committee: Taxation, Finance and Economic Development

Chaired By: Councilmember Sharon Green-Middleton

Hearing Date: October 10, 2019

Time (Beginning): 10:10 a.m.

Time (Ending): 10:30 a.m.

Location: Clarence “Du” Burns Chambers

Total Attendance: Approximately 20 – 30

Committee Members in Attendance:

- Sharon Green Middleton
- Danielle McCray
- Robert Stokes
- Edward Reisinger
- Eric Costello

Bill Synopsis in the file?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Attendance sheet in the file?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Agency reports read?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Hearing televised or audio-digitally recorded?.....	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> N/A
Certification of advertising/posting notices in the file?.....	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Evidence of notification to property owners?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Final vote taken at this hearing?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Motioned by:	Councilmember Costello		
Seconded by:.....	Councilmember McCray		
Final Vote:	5-0		

Major Speakers

(This is not an attendance record.)

- Councilman Leon Pinkett, Bill Sponsor

Major Issues Discussed

1. Councilwoman Middleton read the legislation into the record and introduced committee members.
2. Councilman Pinkett provided opening remarks about why he sponsored the bill.
3. Law Department stood by their report.
4. Department of Finance stood by their report.
5. Department of Housing and Community Development stood by their report.
6. Baltimore Development Corporation stood by their report.
7. Minority and Women’s Business Opportunity Office stood by their report.
 - Chief Tamara Brown stated that the Disparity Study wouldn’t be complete until 2020.
8. Councilman Pinkett requested a list of all of the Arts and Cultural Venues that receive city funding, and the catering companies that do business with them.
9. This resolution passed favorably with no amendments and will be represented on second reader on October 28, 2019.

Further Study

Was further study requested?

Yes No

If yes, describe. N/A

Committee Vote:

S. Middleton: Yea
 D. McCray: Yea
 E. Reisinger: Yea
 M. Clarke: Yea
 E. Costello: Yea

Samuel Johnson , Committee Staff
(410) 396-1091

Date: October 10, 2019

cc: Bill File
OCS Chrono File



CITY OF BALTIMORE CITY COUNCIL HEARING ATTENDANCE RECORD

Committee: Taxation, Finance and Economic Development Chairperson: Sharon Green-Middleton
 Date: October 11, 2019 Time: 10:00 am Place: Clarence "Du" Burns Chambers
 Subject: Investigative Hearing – Entities Receiving City Funds: Are They Holding Up Their End of CC Bill Number: 19-0150R
 the Bargain?

PLEASE PRINT		WHAT IS YOUR POSITION ON THIS BILL?		(*): LOBBYIST : ARE YOU REGISTERED IN THE	
		FOR	AGAINST	YES	NO
IF YOU WANT TO TESTIFY PLEASE CHECK HERE		TESTIFY	✓	✓	✓
FIRST NAME	LAST NAME	ST. #	ADDRESS/ORGANIZATION NAME	ZIP	EMAIL ADDRESS
John	Doe	100	North Charles Street	21202	Johndoenbmore@yahoo.com

(*): NOTE: IF YOU ARE COMPENSATED OR INCUR EXPENSES IN CONNECTION WITH THIS BILL, YOU MAY BE REQUIRED BY LAW TO REGISTER WITH THE CITY ETHICS BOARD. REGISTRATION IS A SIMPLE PROCESS. FOR INFORMATION AND FORMS, CALL OR WRITE: BALTIMORE CITY BOARD OF ETHICS, C/O DEPARTMENT OF LEGISLATIVE REFERENCE, 626 CITY HALL, BALTIMORE, MD 21202. TEL: 410-396-4730; FAX: 410-396-8483.

Page No. _____

City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Meeting Agenda - Final

Taxation, Finance and Economic Development Committee

Thursday, October 10, 2019

10:00 AM

Du Burns Council Chamber, 4th floor, City Hall

19-0150R

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

ITEMS SCHEDULED FOR PUBLIC HEARING

19-0150R

Investigative Hearing - Entities Receiving City Funds: Are They Holding Up Their End of the Bargain?

For the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events, the Director of the Department of Finance, the Director of the Mayor's Office of Minority and Women-Owned Business Development, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for the development and contracting of diversity in minority small businesses and responsible for the achievement of the City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event industry to appear before the City Council to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

Sponsors:

Leon F. Pinkett, III, Kristerfer Burnett, John T. Bullock, Zeke Cohen, Robert Stokes, Sr., Bill Henry, Shannon Sneed, Isaac "Yitzy" Schleifer, Ryan Dorsey, Sharon Green Middleton, Mary Pat Clarke, Edward Reisinger, Eric T. Costello

ADJOURNMENT

THIS MEETING IS OPEN TO THE PUBLIC



BILL SYNOPSIS

Committee: Taxation, Finance and Economic Development

Bill 19-0150R

**Investigative Hearing – Entities Receiving City Funds:
Are they Holding Up their End of the Bargain?**

Sponsor: Councilmember Pinkett

Introduced: April 15, 2019

Purpose:

For the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events... to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

Effective:

Agency Reports

City Solicitor	
Department of Finance	
Department of Housing and Community Development	
Baltimore Development Corporation	
Mayor's Off of Minority Women-Owned Bus. Develop	
Minority and Women's Business Opportunity Office	

Analysis

Background

In 2014, the City of Baltimore commissioned NERA Economic Consulting to conduct a study to evaluate: The State of Minority-and Women-Owned Business Enterprise: Evidence from Baltimore. The studies purpose was to investigate whether business enterprises in the City's market area had a full and fair opportunity to compete for prime and associated subcontracts. Data analysis was conducted in the study and it found evidence consistent with the presence of business discrimination against Minority and Women's Business Enterprises. The report also details an analysis that found the City's own contracting and purchasing process contained documented evidence of business discrimination.

Existing Law

Article 5 Finance, Property, and Procurement
Subtitle 28 – 3: Legislative Findings and Policy

(a) Findings.

(5) A general objective of this subtitle is to provide a narrowly tailored remedy to ongoing effects of past discrimination, an objective that is advanced by:

- i. setting minority and women's business enterprise goals that are flexible and rationally related to the disparity identified in the City's contracting markets;
- ii. instituting race- and gender-neutral remedies, including a Small Local Business Enterprise Program, in conjunction with the narrowly tailored administration of the MBE/WBE Program;
- iii. setting goals on a contract-by-contract basis;
- iv. providing criminal penalties for fraudulent misuse of this subtitle;
- v. requiring regular review of the necessity for this subtitle;
- vi. limiting those minority and women's businesses that qualify for certification under this subtitle to those located in the Baltimore City Market Area;
- vii. requiring regular review of the categories included in the definition of minority-group members; and
- viii. providing for post bid submission of required information about minority and women's business enterprises as well as other subcontractors.

(b) Policy.

It is the policy of the City of Baltimore to promote equal business opportunity in the City's contracting process by encouraging full and equitable participation by minority and women's business enterprises in the provision of goods and services to the City on a contractual basis.

Organizations that receive both TIF or PILOT subsidies and lease any portion of their venue to the public for catered events are not subject to any MBE/WBE or local hiring requirements related to the operations of their business.

Additional Information

Fiscal Note: None

Information Source(s): Agency Reports, NERA Economic Consulting, Baltimore City Code

Analysis by: Samuel Johnson
Analysis Date: October 8, 2019

Direct Inquiries to: (410) 396-1091

**CITY OF BALTIMORE
COUNCIL BILL 19-0150R
(Resolution)**

Introduced by: Councilmembers Pinkett, Burnett, Bullock, Cohen, Stokes, Henry, Sneed,
Schleifer, Dorsey, Ex Officio President Middleton, Councilmembers Clarke, Reisinger,
Costello

Introduced and read first time: April 15, 2019

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Baltimore
Development Corporation, Department of Housing and Community Development, Mayor's
Office of Minority and Women-Owned Business Development, Minority and Women's Business
and Opportunity Office

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Investigative Hearing – Entities Receiving City Funds:**
3 **Are They Holding Up Their End of the Bargain?**

4 FOR the purpose of inviting representatives of certain organizations located within Baltimore that
5 both receive public funds from the City of Baltimore and lease any portion of their venue to
6 the public for catered events, the Director of the Department of Finance, the Director of the
7 Mayor's Office of Minority and Women-Owned Business Development, the President and
8 CEO of the Baltimore Development Corporation, and other City officials responsible for the
9 development and contracting of diversity in minority small businesses and responsible for the
10 achievement of the City MBE/WBE goals, and representatives of the Baltimore minority
11 hospitality and event industry to appear before the City Council to discuss the capital funding
12 subsidies that the City of Baltimore has provided to certain organizations that lease any
13 portion of their venue to the public for catered events; to discuss why some of these
14 organizations utilize exclusive vendor lists without any minority business representation; to
15 discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what
16 solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE
17 businesses on the exclusive lists.

18 **Recitals**

19 Baltimore presently supports with public funds many vitally important institutions, such as
20 museums and other cultural attractions. This public support comes in the form of Payment in
21 Lieu of Taxes (PILOT) and Tax Increment Financing (TIF) agreements as well as loans through
22 general obligation bonds.

23 During the hours when they are not open to the public, these institutions are often leased as
24 event venues, providing space for weddings, galas, fundraisers, and other social functions. As
25 part of leasing their event space, these institutions many times require that renters select from an
26 exclusive list of preferred vendors, for such jobs as caterers and DJs. Time after time, these
27 exclusive vendor lists do not include minority or women's businesses.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strikeout~~ indicates matter deleted by amendment.

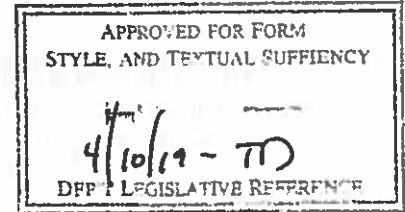
Council Bill 19-0150R

1 The question becomes why Baltimore, a majority-minority city, is providing support in the
2 form of public dollars to institutions that do not, in turn, support our MBE/WBE businesses?
3 The Baltimore City Council has a vested interest in ensuring that those institutions that take
4 public support utilize that support in a fair and equitable manner.

5 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
6 Council invites representatives of certain organizations located within Baltimore that both
7 receive public funds from the City of Baltimore and lease any portion of their venue to the public
8 for catered events, the Director of the Department of Finance, the Director of the Mayor's Office
9 of Minority and Women-Owned Business Development, the President and CEO of the Baltimore
10 Development Corporation, and other City officials responsible for the development and
11 contracting of diversity in minority small businesses and responsible for the achievement of the
12 City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event
13 industry to appear before the City Council to discuss the capital funding subsidies that the City of
14 Baltimore has provided to certain organizations that lease any portion of their venue to the public
15 for catered events; to discuss why some of these organizations utilize exclusive vendor lists
16 without any minority business representation; to discuss the selection criteria, if any, for the
17 creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be
18 implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

19 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Chief of the
20 Minority and Women's Business Opportunity Office, the President and CEO of the Baltimore
21 Development Corporation, the Director of the Baltimore City Department of Finance, the Mayor,
22 and the Mayor's Legislative Liaison to the Baltimore City Council.

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____ R
(Resolution)



Introduced by: Councilmember Pinkett

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

**Investigative Hearing – Entities Receiving City Funds:
Are They Holding Up Their End of the Bargain?**

FOR the purpose of inviting representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events, the Director of the Department of Finance, the Director of the Mayor's Office of Minority and Women-Owned Business Development, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for the development and contracting of diversity in minority small businesses and responsible for the achievement of the City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event industry to appear before the City Council to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

Recitals

Baltimore presently supports with public funds many vitally important institutions, such as museums and other cultural attractions. This public support comes in the form of Payment in Lieu of Taxes (PILOT) and Tax Increment Financing (TIF) agreements as well as loans through general obligation bonds.

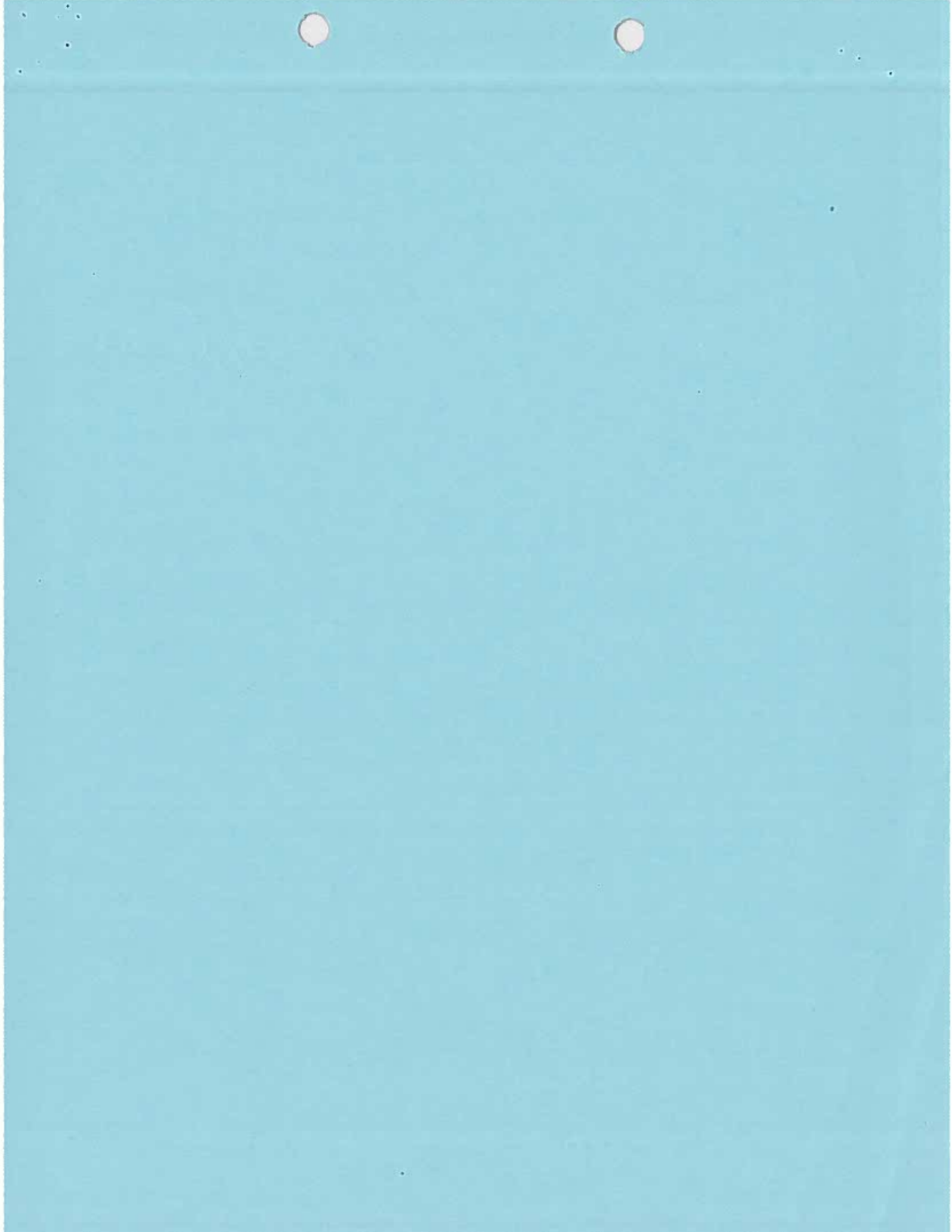
During the hours when they are not open to the public, these institutions are often leased as event venues, providing space for weddings, galas, fundraisers, and other social functions. As part of leasing their event space, these institutions many times require that renters select from an exclusive list of preferred vendors, for such jobs as caterers and DJs. Time after time, these exclusive vendor lists do not include minority or women's businesses.

The question becomes why Baltimore, a majority-minority city, is providing support in the form of public dollars to institutions that do not, in turn, support our MBE/WBE businesses? The Baltimore City Council has a vested interest in ensuring that those institutions that take public support utilize that support in a fair and equitable manner.

* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Council invites representatives of certain organizations located within Baltimore that both receive public funds from the City of Baltimore and lease any portion of their venue to the public for catered events, the Director of the Department of Finance, the Director of the Mayor's Office of Minority and Women-Owned Business Development, the President and CEO of the Baltimore Development Corporation, and other City officials responsible for the development and contracting of diversity in minority small businesses and responsible for the achievement of the City MBE/WBE goals, and representatives of the Baltimore minority hospitality and event industry to appear before the City Council to discuss the capital funding subsidies that the City of Baltimore has provided to certain organizations that lease any portion of their venue to the public for catered events; to discuss why some of these organizations utilize exclusive vendor lists without any minority business representation; to discuss the selection criteria, if any, for the creation of the exclusive lists; and to discuss what solutions, legislative or otherwise, can be implemented for the inclusion of MBE/WBE businesses on the exclusive lists.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Chief of the Minority and Women's Business Opportunity Office, the President and CEO of the Baltimore Development Corporation, the Director of the Baltimore City Department of Finance, the Mayor, and the Mayor's Legislative Liaison to the Baltimore City Council.



ACTION BY THE CITY COUNCIL

FIRST READING (INTRODUCTION) _____

APR 15 2019

PUBLIC HEARING HELD ON _____

October 10

20 *19*

COMMITTEE REPORT AS OF _____

October 10

20 *19*

FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION

[Signature]
Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

OCT 28 2019

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 20 _____

WITHDRAWAL _____ 20 _____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

President

Chief Clerk