

Introduced by: The Council President
At the request of: The Administration (Department of Finance)

Prepared by: Department of Legislative Reference

Date: November 28, 2017

Referred to: BUDGET AND APPROPRIATIONS Committee

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

CITY COUNCIL 17-0167

A BILL ENTITLED

AN ORDINANCE concerning

**Supplementary Casino Special Fund Operating Appropriation –
Department of Planning – \$6,200,000**

FOR the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

BY authority of
Article VI - Board of Estimates
Section 8(b)(3) and (c)
Baltimore City Charter
(1996 Edition)

****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

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

Boards and Commissions

<input type="checkbox"/> Board of Estimates	<input type="checkbox"/> Environmental Control Board
<input type="checkbox"/> Board of Ethics	<input type="checkbox"/> Fire & Police Employees' Retirement System
<input type="checkbox"/> Board of Municipal and Zoning Appeals	<input type="checkbox"/> Labor Commissioner
<input type="checkbox"/> Comm. for Historical and Architectural Preservation	<input type="checkbox"/> Parking Authority Board
<input type="checkbox"/> Commission on Sustainability	<input type="checkbox"/> Planning Commission
<input type="checkbox"/> Employees' Retirement System	<input type="checkbox"/> Wage Commission
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____

CITY OF BALTIMORE
ORDINANCE **17-075**
Council Bill 17-0167

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: December 4, 2017
Assigned to: Budget and Appropriations Committee

Committee Report: Favorable
Council action: Adopted
Read second time: December 7, 2017

AN ORDINANCE CONCERNING

1 **Supplementary Casino Special Fund Operating Appropriation –**
2 **Department of Planning – \$6,200,000**

3 FOR the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in
4 the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive
5 Planning and Resource Management), to provide funding for the South Baltimore Gateway
6 Community Impact District Management Authority; and providing for a special effective
7 date.

8 BY authority of
9 Article VI - Board of Estimates
10 Section 8(b)(3) and (c)
11 Baltimore City Charter
12 (1996 Edition)

13 **Recitals**

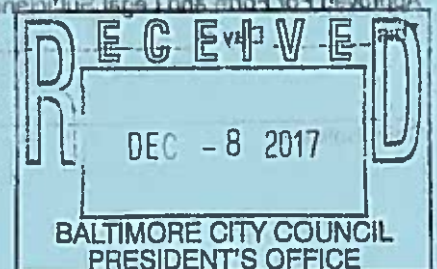
14 The revenue appropriated by this Ordinance represents the portion of Casino local impact
15 grant funds designated for the South Baltimore Gateway Community Impact District
16 Management Authority in excess of the revenue relied on by the Board of Estimates in
17 determining the tax levy required to balance the budget for Fiscal Year 2018.

18 This additional revenue could not have been reasonably anticipated when the Ordinance of
19 Estimates for Fiscal Year 2018 was formulated.

20 This appropriation is made necessary by a material change in circumstances since the
21 Ordinance of Estimates for Fiscal Year 2018 was formulated or is for a new program that could
22 not have been reasonably anticipated when that Ordinance of Estimates was formulated.

23 On November 22, 2017, the Board of Estimates recommended this appropriation to the City
24 Council.

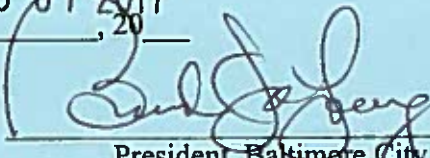
EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.




Council Bill 17-0167

1 SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That
2 \$6,200,000 shall be made available to the Department of Planning – Service 763
3 (Comprehensive Planning and Resource Management) as a Supplementary Casino Special Fund
4 Operating Appropriation for Fiscal Year 2018, to provide funding for the South Baltimore
5 Gateway Community Impact District Management Authority. The source of revenue for this
6 appropriation is the portion of Casino local impact grant funds designated for the South
7 Baltimore Gateway Community Impact District Management Authority in excess of the amount
8 from this source that was relied on by the Board of Estimates in determining the tax levy required
9 to balance the budget for Fiscal Year 2018.


10 SECTION 2. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is
11 enacted.

Certified as duly passed this _____ day of DEC 07 2017,


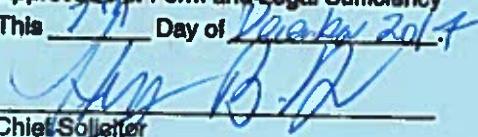
President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,
this _____ day of DEC 07, 2017


Chief Clerk

Approved this 8 day of December, 2017


Mayor, Baltimore City

Approved For Form and Legal Sufficiency
This 7th Day of January 2018


Chief Solicitor

BALTIMORE CITY COUNCIL BUDGET AND APPROPRIATIONS COMMITTEE VOTING RECORD

DATE: Dec. 4, 2017

BILL #: 17-0167

BILL TITLE: Supplementary Casino Special Fund Operating Appropriation - Department of Planning - \$6,200,000

MOTION BY: Scott SECONDED BY: Henry

- FAVORABLE FAVORABLE WITH AMENDMENTS
 UNFAVORABLE WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Costello, Eric - Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pinkett, Leon - Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry, Bill	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Middleton, Sharon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott, Brandon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schleifer, Isaac	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sneed, Shannon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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TOTALS	<u>7</u>	<u>—</u>	<u>—</u>	<u>—</u>

CHAIRPERSON: C. J. Erb

COMMITTEE STAFF: Marguerite M. Currin Initials: M.M.C.

FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET
	SUBJECT	CITY COUNCIL BILL #17-0167/ SUPPLEMENTARY CASINO SPECIAL FUND OPERATING APPROPRIATION – DEPARTMENT OF PLANNING – \$6,200,000

CITY of
BALTIMORE
MEMO



DATE:

December 4, 2017

TO The Honorable President and
Members of the City Council
City Hall, Room 400
100 North Holliday Street

The Department of Planning is in receipt of City Council Bill #17-0167, which would provide a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority (the “Authority”).

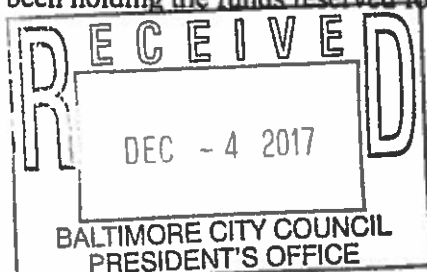
The appropriation would be effective immediately and retroactively for all funds allocated by the Maryland Racing Commission as the portion of Casino Local Impact Grant (“LIG”) funding dedicated for the use and benefit of the Authority beginning in Fiscal Year 2018 (“FY’18”) as of July 1, 2017. The funding that the Authority is eligible to receive represents one half or 50% of the LIG funds that accrue to the State for the benefit and use of the South Baltimore Casino Impact Area, comprised of approximately 15 neighborhoods in the vicinity of the Horseshoe Casino Baltimore, an area also known as the “South Baltimore Gateway.” It is estimated that the amount of these funds that will be received in FY’18 is \$6.2 million.

The Department of Planning recommends approval of City Council Bill #17-0167, because this action is consistent with the intent of State Law, as well as the City Ordinance, that created the Authority, which states “at least 50% of the local impact grants provided under subsection (a)(3)(i) of this section shall be distributed to the South Baltimore Gateway Community Impact District Management Authority...” See State Gov. Art. Sec. 9-1A-31(b)(3)(i).

The Baltimore City Charter refers to the Authority under Subtitle 19: South Baltimore Gateway Community Impact District. The Baltimore City Code states in Art. 14, Section 19-4(c)(2): “Beginning in Fiscal Year 2018, the City shall fund the Authority with not less than 50% of the local impact grants that are distributed to the City under State Government Article Section 9-1A-31(a)(1)(i).”

The proposed supplementary budget appropriation is needed because, at the time the FY’18 City budget was drafted, both the City and the Authority believed that these funds would be distributed directly from the State Comptroller to the Authority.

However, in August of 2017 the Counsel to the Comptroller informed the City of its interpretation that the law required the funds to be distributed to the City first, with the City then disbursing them to the Authority. Since this advice was not received until well after the FY’18 budget was created, the allocation of funds for the Authority was not included in the City’s budget. The Maryland Racing Commission, which collects and distributes LIG funds, has been holding the funds reserved for the Authority awaiting further guidance.



Fav w/ comments

The City Law Department has concluded that the funds can be appropriated to the Authority through a supplementary appropriation pursuant to Art. VI, Sec. 8(b)(3), which states, "Additional appropriations shall be permitted during the fiscal year ... for programs included in the Ordinance of Estimates made necessary by a material change in circumstances, or additional appropriations for new programs which could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates." All involved have concluded that the current situation represents a material change in circumstances.

The Department of Planning helped lead the creation of the Casino Local Development Council that advises the City regarding the use of LIG funds, the multi-year spending plan for the appropriation of LIG funds, and the South Baltimore Gateway Master Plan that guides the use of these funds. The Department of Planning will receive the supplemental appropriation in a dedicated account and will disburse the funds in accordance with State and City statutes.

TJS/lrf

cc: Mr. Pete Hammen, Chief Operating Officer
Mr. Jim Smith, Chief of Strategic Alliances
Ms. Karen Stokes, Mayor's Office
Mr. Colin Tarbert, Mayor's Office
Mr. Ethan Cohen, Mayor's Office
Mr. Kyron Banks, Mayor's Office
The Honorable Edward Reisinger, Council Rep. to Planning Commission
The Honorable Eric Costello
Ms. Elena DiPietro, Law Dept.
Ms. Natawna Austin, Council Services
Mr. Brad Rogers, South Baltimore Gateway Partnership

CITY OF BALTIMORE

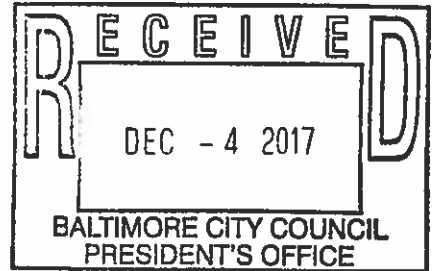
**CATHERINE E. PUGH,
Mayor**



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

December 4, 2017

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



**Re:City Council Bill 17- 0167 - Supplementary Casino Special Fund Operating
Appropriation – Department of Planning – \$6,200,000**

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 17-0167 for form and legal sufficiency. The bill provides a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority. It also provides for a special effective date.

The City Charter establishes the circumstances that permit supplementary appropriations. Article VI, § 8(b)(3) provides for supplemental appropriations made necessary by a material change in circumstances, or by new programs which could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates. This Charter provision permits such an ordinance to be passed only if the Board of Estimates recommends its adoption and the City Council passes the bill by three-fourths of its members and approved by the Mayor. City Charter Article VI, § 8(c) further requires that supplemental appropriations be embodied in a separate ordinance limited to a single purpose, program or activity. Section 8(c) also requires the bill to name the source of the revenue necessary to pay the appropriation, other than the property tax or taxes collected pursuant to Article II of the City Charter.

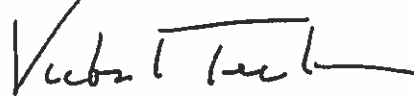
In compliance with the above requirements, the Law Department notes the Recitals of Council Bill 17-0167 state that the bill was made necessary by a material change in circumstances that could not reasonably be anticipated at the time of the formulation of FY 2018 budget. The Recitals also state that the revenue appropriated by this bill represents funds from specific revenue sources in excess of revenues relied upon in determining the tax levy and which do not include property tax revenue or any tax revenue collected pursuant to Article II of the City

Favorable comments

Charter. Finally, the Law Department is informed that that the Board of Estimates recommended this appropriation to the City Council on November 22, 2017.


Given the above facts and discussion, the Law Department will approve the bill if the City Council passes the bill by three-fourths of its members and the Mayor approves it.

Sincerely,

A handwritten signature in black ink, appearing to read "Victor K. Tervala", with a horizontal line extending to the right.

Victor K. Tervala
Chief Solicitor

cc: Andre M. Davis, City Solicitor
Karen Stokes, Director, Mayor's Office of Government Relations
Kyron Banks, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor, General Counsel Division
Hilary Ruley, Chief Solicitor
Jennifer Landis, Assistant Solicitor

FROM	NAME & TITLE	Andrew Kleine, Chief <i>AK</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT	City Council Bill 17-0167 – Supplementary Casino Special Fund Operating Appropriation - Dept. of Planning - \$6.2M		

DATE:

TO

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

December 1, 2017

City Council Bill #17-0167 was created for the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

This supplemental appropriation would allow a portion of Casino Local Impact Grant funding from the State of Maryland to pass through the City and go to the South Baltimore Gateway Community Impact District Management Authority (“the Authority”), as required by Baltimore City Charter Article 14, Section 19-3(c) and State Government Article Section 9-1A-31. Casino Local Impact Grant funding comes from casino revenue, and is used by communities near casinos for economic development, infrastructure, public safety, and other improvements.

The State Comptroller’s office, with advice from the Attorney General’s office, determined that legislative language requires funds designated for the Authority to pass through the City until further review. Due to the timing of the Comptroller’s determination, these funds were not included in the City’s FY18 Budget, thus a supplemental appropriation is required. The Board of Estimates recommended this appropriation on November 22, 2017.

The Department of Finance supports this proposal.

cc: Henry Raymond
Kyron Banks

City of Baltimore

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

Meeting Minutes - Final

Budget and Appropriations Committee

Monday, December 4, 2017

5:45 PM

Reeves Room, 4th floor, City Hall

17-0167

(This hearing will immediately follow the Council Meeting)

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

Present 7 - Member Eric T. Costello, Member Leon F. Pinkett III, Member Bill Henry, Member Sharon Green Middleton, Member Brandon M. Scott, Member Isaac "Yitzy" Schleifer, and Member Shannon Sneed

ITEM SCHEDULED FOR PUBLIC HEARING

17-0167

Supplementary Casino Special Fund Operating Appropriation - Department of Planning - \$6,200,000

For the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning - Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

Sponsors: City Council President (Administration)

A motion was made by Member Scott, seconded by Member Henry, that this Ordinance be recommended favorably. The motion carried by the following vote:

Yes: 7 - Member Costello, Member Pinkett III, Member Henry, Member Middleton, Member Scott, Member "Yitzy" Schleifer, and Member Sneed

BRIEFING

ADJOURNMENT

THIS HEARING IS OPEN TO THE PUBLIC

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

HEARING NOTES

Bill: 17-0167

Supplementary Casino Special Fund Operating Appropriation – Department of Planning
- \$6,200,000

Committee: Budget and Appropriations
Chaired By: Councilmember Eric Costello

Hearing Date: Monday, December 04, 2017
Time (Beginning): 5:50 PM
Time (Ending): 6:00 PM
Location: Reeves Conference Room
Total Attendance: Approximately 15

Committee Members in Attendance:

Eric Costello Sharon Green Middleton
Brandon Scott Bill Henry
Leon Pinkett Isaac "Yitzy" Schleifer
Sharon Sneed

Bill Synopsis in the file? yes no n/a
Attendance sheet in the file? yes no n/a
Agency reports read? yes no n/a
Hearing televised or audio-digitally recorded? yes no n/a
Certification of advertising/posting notices in the file?..... yes no n/a
Evidence of notification to property owners? yes no n/a
Final vote taken at this hearing? yes no n/a
Motioned by: Councilmember Scott
Seconded by: Councilmember Henry
Final Vote: Favorable

Major Speakers
(This is not an attendance record.)

- Carolyn Sturgis, Department of Finance

Major Issues Discussed

- 1. The representative from the Department of Finance briefly talked about the purpose and/or background of the legislation.
-

Further Study

Was further study requested?

Yes No

If yes, describe.

Committee Vote:

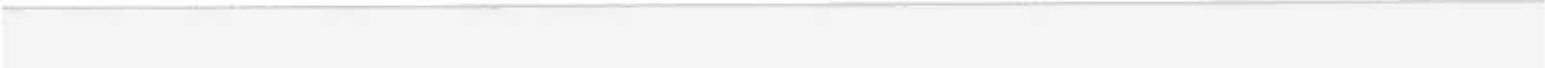
E. Costello: Yea
L. Pinkett: Yea
S. Middleton: Yea
I. Schleifer: Yea
S. Sneed: Yea
B. Scott: Yea
B. Henry: Yea

Marguerite M. Currin

Marguerite M. Currin, Committee Staff

Date: December 5, 2017

cc: Bill File
OCS Chrono File





CITY OF BALTIMORE CITY COUNCIL HEARING ATTEN

Committee: Budget and Appropriations

Date: Monday, December 4, 2017

Time: 5:45 PM

Place:

Subject: Ordinance - Supplementary Casino Special Fund Operating Appropriation -]

PLEASE PRINT

IF YOU WANT TO TESTIFY PLEASE

FIRST NAME	LAST NAME	ST. #	ADDRESS/ORGANIZATION NAME
John	Doe	100	North Charles Street
BEAN	Roscoe		SRGP
Foehri	Deal		
Brenton	Flickinger		Dept of Planning
Carline	Surgess		B35mR

(*) NOTE: IF YOU ARE COMPENSATED OR INCUR EXPENSES IN CONNECTION WITH THIS BILL, Y BOARD. REGISTRATION IS A SIMPLE PROCESS. FOR INFORMATION AND FORMS, CALL OR WRI LEGISLATIVE REFERENCE, 626 CITY HALL, BALTIMORE, MD 21202. TEL: 410-396-4730: FAX: 410-

City of Baltimore

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

Meeting Agenda - Final

Budget and Appropriations Committee

Monday, December 4, 2017

5:45 PM

Reeves Room, 4th floor, City Hall

17-0167

(To be announced on 12/4/17 during the Council Meeting. This hearing will immediately follow the Council Meeting)

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

ITEM SCHEDULED FOR PUBLIC HEARING

17-0167

Supplementary Casino Special Fund Operating Appropriation -
Department of Planning - \$6,200,000

For the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning - Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

Sponsors:

City Council President (Administration)

BRIEFING

ADJOURNMENT

THIS HEARING IS OPEN TO THE PUBLIC



BALTIMORE CITY COUNCIL BUDGET AND APPROPRIATIONS COMMITTEE

Mission Statement

On behalf of the Citizens of Baltimore City, the mission of the Budget and Appropriations Committee is to analyze and oversee the continuing operations, efficiency, and functions of Baltimore City government.

The Committee provides regular oversight of the funding and spending practices of City agencies, periodically analyzes the budget reports and activities of those agencies, and maintains a high level of fiscal accountability in City government.

As a result of its analysis and oversight, the Committee will recommend reforms to improve the operations of any of these agencies; through legislative, administrative, and/or budgetary improvements.

**The Honorable Eric T. Costello
Chairman**

PUBLIC HEARING

**MONDAY, DECEMBER 4, 2017
5:45 PM**

REEVES CONFERENCE ROOM

Council Bill #17-0167

**Supplementary Casino Special Fund Operating Appropriation -
Department of Planning - \$6,200,000**

CITY COUNCIL COMMITTEES

BUDGET AND APPROPRIATIONS

Eric Costello – Chair
Leon Pinkett – Vice Chair
Bill Henry
Sharon Green Middleton
Brandon M. Scott
Isaac “Yitzy” Schleifer
Shannon Sneed
Staff: Marguerite Currin

EDUCATION AND YOUTH

Zeke Cohen – Chair
Mary Pat Clarke – Vice Chair
John Bullock
Kristerfer Burnett
Ryan Dorsey
Staff: D’Paul Nibber

EXECUTIVE APPOINTMENTS

Robert Stokes – Chair
Kristerfer Burnett – Vice Chair
Mary Pat Clarke
Zeke Cohen
Isaac “Yitzy” Schleifer
Staff: Marguerite Currin

HOUSING AND URBAN AFFAIRS

John Bullock – Chair
Isaac “Yitzy” Schleifer – Vice Chair
Kristerfer Burnett
Bill Henry
Shannon Sneed
Zeke Cohen
Ryan Dorsey
Staff: Richard Krummerich

JUDICIARY AND LEGISLATIVE INVESTIGATIONS

Eric Costello – Chair
Mary Pat Clarke – Vice Chair
John Bullock
Leon Pinkett
Edward Reisinger
Brandon Scott
Robert Stokes
Staff: D’Paul Nibber

LABOR

Shannon Sneed – Chair
Robert Stokes – Vice Chair
Eric Costello
Bill Henry
Mary Pat Clarke
Staff: Marguerite Currin

LAND USE AND TRANSPORTATION

Edward Reisinger - Chair
Sharon Green Middleton – Vice Chair
Mary Pat Clarke
Eric Costello
Ryan Dorsey
Leon Pinkett
Robert Stokes
Staff: Jennifer Coates

PUBLIC SAFETY

Brandon Scott – Chair
Ryan Dorsey – Vice Chair
Kristerfer Burnett
Shannon Sneed
Zeke Cohen
Leon Pinkett
Isaac “Yitzy” Schleifer
Staff: Richard Krummerich

TAXATION, FINANCE AND ECONOMIC DEVELOPMENT

Sharon Green Middleton – Chair
Leon Pinkett – Vice Chair
Eric Costello
Edward Reisinger
Robert Stokes
Staff: Jennifer Coates
- Larry Greene (pension only)

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

BILL SYNOPSIS

Committee: Budget and Appropriations

Bill 17-0167

Supplementary Casino Special Fund Operating Appropriation – Department of Planning - \$6,200,000

Sponsor: *President Young at the request of the Department of Finance*

Introduced: *December 4, 2017*

Purpose:

For the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

Effective: On the date it is enacted.

Hearing Date/Time/Location: Monday, December 4, 2017/5:45 PM/Reeves Conference Room

Agency Reports

Department of Law
Planning Department
Department of Finance
Board of Estimates

Favorable/Comments
Favorable/Comments
Favorable
Approved

Analysis

Current Law

I. City Charter – Article VI - § 8. Deficiencies; Supplementary appropriations – 8(b)(3) and (c)

(b) Supplementary appropriations — when authorized.

Except as provided herein, the Ordinance of Estimates shall include all the moneys to be appropriated by the City for all purposes for the fiscal year for which the ordinance is applicable. Additional appropriations shall be permitted during the fiscal year only in the following circumstances and under the following conditions:

(3) Material changes; New Programs. Further appropriations for programs included in the proposed Ordinance of Estimates made necessary by a material change in circumstances, or additional appropriations for new programs which could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates may be made available to the appropriate municipal agency for expenditure by a supplementary appropriation ordinance recommended to the City Council by the Board of Estimates, duly passed by the City Council by a vote of three-fourths of its members and approved by the Mayor.

(c) Supplementary appropriations – Requisites of ordinance. Every such further or additional appropriation shall be embodied in a separate ordinance limited to a single program, purpose, activity or project therein stated, and each such supplementary appropriation ordinance shall also, anything contained in the Charter to the contrary notwithstanding, provide the revenue necessary to pay the appropriation by a source, other than the full rate property tax, imposed under the authority of Article II. The revenue shall be levied and collected as directed in the ordinance. The estimate of the revenues to be derived from any source proposed in a supplementary appropriation ordinance shall be made by the Board of Estimates.

II. City Charter – Article 14 – Special Benefit Districts

§ 19. South Baltimore Gateway Community Impact District – 19-3(c)

§ 19-3. Authority established.

(a) In general. There is a South Baltimore Gateway Community Impact District Management Authority (the “Authority”). 09/12/16 -105- ART. 14, § 19-4 BALTIMORE CITY CODE

(b) Purpose. The purpose of the Authority is to:

- (1) provide the District with supplemental security, maintenance, sanitation, and other public services above and beyond those already provided by City government (the “enhanced services”);
- (2) disperse grants to local community and nonprofit organizations within the District (the “community grants”);
- (3) undertake transformational community development and economic development projects, designed to improve the quality of life and economic conditions within the District (the “transformational projects”);**
- (4) implement the recommendations outlined in the South Baltimore Gateway Master Plan adopted by the Planning Commission in 2015, as that Plan may be modified or superseded from time to time by the Planning Commission; and
- (5) provide other services and functions determined by the Board to be in the best interests of the District.

(c) Funding.

(1) In Fiscal Year 2017, the City shall fund the Authority at the amount appropriated in the Ordinance of Estimates for Fiscal Year 2017.

(2) Beginning in Fiscal Year 2018, the City shall fund the Authority with not less than 50% of the local impact grants that are distributed to the City under State Government Article § 9-1A-31(a)(1)(i). (Ord. 16-509.)

III. State Government Article Section 9-1A-31

Background

Council Bill 17-0167, upon the approval of the City Council and Mayor will complete the process necessary to allow these funds to be allocated to the South Baltimore Gateway Community Impact District. *See above law and the attached note pertaining to House Bill 1636.*

Additional Information

Fiscal Note: The funding comes from:

- *Casino Local Impact Grant from the State of Maryland*

Information Source(s): City Charter, Council Bill 17-0167, House Bill 1636 and all agency reports received as of this writing.

Marguerite M. Currin

Analysis by: Marguerite M. Currin
Analysis Date: December 4, 2017

Direct Inquiries to: 443-984-3485

HB 1636

**Department of Legislative Services
Maryland General Assembly
2016 Session**

FISCAL AND POLICY NOTE

Third Reader - Revised

(Delegate Clippinger)

House Bill 1636

Ways and Means

Budget and Taxation

**Baltimore City - South Baltimore Gateway Community Impact District and
Distribution of Local Impact Grants**

This bill authorizes Baltimore City to establish, by ordinance, the South Baltimore Gateway Community Impact District and a corresponding management authority. The bill requires the ordinance establishing the South Baltimore Gateway Community Impact District to contain specified provisions, including the boundaries of the district, which may not be outside specified lines and must include specified neighborhoods. Beginning in fiscal 2018, at least 50% of local impact grants from video lottery terminal (VLT) proceeds distributed to Baltimore City must be distributed to the South Baltimore Gateway Community Impact District Management Authority.

The bill takes effect June 1, 2016.

Fiscal Summary

State Effect: None. The bill only affects local government operations.

Local Effect: At least \$7.3 million of Baltimore City local impact grants in FY 2018 and \$7.7 million in FY 2021 are distributed to the South Baltimore Gateway Community Impact District Management Authority instead of the local development council, but the VLT proceeds must still be used for improvements in the communities surrounding the Baltimore City video lottery facility. Under the bill, the authority may have the power to borrow funds and own property.

Small Business Effect: Minimal. Small businesses in the South Baltimore Gateway Community Impact District may benefit.

Analysis

Bill Summary: The ordinance establishing the South Baltimore Gateway Community Impact District Management Authority must (1) specify the powers and functions that may be exercised and conducted by the district authority; (2) fund the authority with at least 50% of the local impact grants from video lottery proceeds distributed to Baltimore City; (3) specify the duration of the authority and define the boundaries of the district; (4) provide for the disbursement of the revenue from local impact grants to the authority; and (5) determine the organization and method of initial appointment of officers and board members of the authority.

The ordinance establishing the South Baltimore Gateway Community Impact District Management Authority may authorize the authority to (1) be a special impact district and conduct the functions that are assigned to it by the city; (2) acquire, hold, and use property necessary to achieve its purposes; (3) make contracts; (4) sue and be sued; (5) borrow and accept grants for purposes consistent with the purposes of the district authority; (6) employ and discharge personnel; (7) propose in its annual budget the allocation of local impact grants distributed to the authority; (8) adopt, amend, and modify bylaws, which must be approved by the Baltimore City Board of Estimates; (9) establish and elect officers and provide for their terms and duties; (10) contract for and purchase goods and services; and (11) do all things necessary or convenient to carry out its powers.

The authority's financial plan, including its annual budget, must be approved by the Baltimore City Board of Estimates. The South Baltimore Gateway Community Impact District Management Authority must hold a public hearing before adopting its proposed budget, and the authority must publish notice of the hearing as specified by the bill. The bill specifies members of the board.

The South Baltimore Gateway Community Impact District Management Authority may *not* (1) exercise any police or general powers other than those authorized by the State and the city; (2) pledge the full faith or credit of the city; (3) impose any taxes or charges; (4) exercise the power of eminent domain; (5) extend its life without the approval of the city council; (6) engage in competition with the private sector; (7) revert local impact grants to the city's general fund; (8) be an agency of the Baltimore City Mayor and City Council or the State; (9) employ individuals who reside outside of Baltimore City; and (10) incur debt. An officer or employee of the authority may not act as an agent or employee of the Baltimore City Mayor and City Council or the State.

In adopting an ordinance, the Baltimore City Council must consider the views of specified individuals and businesses within the South Baltimore Gateway Community Impact District and make a determination that the district will reflect a diverse mix of business and residential properties and a diverse economic, social, and racial mix. The Baltimore City

Mayor and City Council must review the effectiveness and desirability of continuing the existence of the South Baltimore Gateway Community Impact District every four years. If the continuing existence of the district is not approved, the district must cease to exist as specified by the bill. The Baltimore City Mayor and City Council may not permit a reduction in the services provided by the city in the district due to establishing the South Baltimore Gateway Community Impact District Management Authority. In the event of a dissolution of the district, any unspent funds must revert back to Baltimore City's general fund.

Current Law: Baltimore City is authorized to establish up to six community benefits district management authorities, including the Charles Village Community Benefits District and the Midtown Community Benefits District, within the city to provide services to the business interests and residents of the proposed district. In adopting an ordinance, the city council must (1) give consideration to the views of the property owners, the retail merchants, the property tenants, and the other members of the business and residential communities within the district; (2) make a determination that a district will reflect a diverse mix of business and residential properties; and (3) make a determination that a district created will reflect a diverse economic, social, and racial mix.

From the VLT proceeds at each video lottery facility, generally 5.5% are distributed as local impact grants to local governments in which a video lottery facility is operating. Generally, 82% of the local impact aid must go to the local jurisdictions with video lottery facilities to be used for infrastructure improvements; facilities; public safety; sanitation; economic and community development, including housing; and other public services and improvements in the communities in immediate proximity to the video lottery facilities.

A local development council (LDC) must be established in each area where a VLT facility is located. Prior to spending local impact grant funds, a county or municipality must develop, in consultation with the LDC, a multi-year plan for services and improvements to be used with local impact grant funds. A county or municipality must submit the plan to the LDC for review and comment before adopting the plan or spending grant funds.

The LDC must advise the county or municipality on the impact of the facility on the communities and the needs and priorities of the communities in immediate proximity to the facility. An LDC has 45 days to review, comment, and make recommendations on the plan. At the request of an LDC, the county or municipality must hold a public hearing on the plan, and Baltimore City must hold a public hearing on the plan for specified local impact grant funds. A county or municipality must make best efforts to accommodate the recommendations of the LDC and any testimony presented at the hearing before adopting the plan.

The South Baltimore Gateway Master Plan identifies key potential redevelopment sites and makes a range of recommendations related to connectivity and quality of life of residents. One of its recommendations included establishing a community impact district.

Baltimore City advises that the boundaries for the proposed community impact district include the communities that are in immediate proximity to the VLT facility in Baltimore City.

Background: Appendix – Maryland Gaming provides detailed background on gaming in Maryland.

Local Fiscal Effect: Beginning in fiscal 2018, at least 50% of specified local impact grants from VLT proceeds distributed to Baltimore City must be distributed to the South Baltimore Gateway Community Impact District Management Authority. **Exhibit 1** shows the estimated local impact grants to be distributed from VLT proceeds to Baltimore City assuming 50% is distributed to the authority. The remaining 50% will still be distributed to the city to be allocated in accordance with the multi-year plan developed in consultation with the LDC.

Exhibit 1
Baltimore City Local Impact Grants from VLT Proceeds
Fiscal 2017-2021

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
South Baltimore Gateway Community	\$0	\$7,328,795	\$7,433,195	\$7,545,923	\$7,660,341
Local Development Council	10,826,451	7,328,795	7,433,195	7,545,923	7,660,341
Total	\$10,826,451	\$14,657,591	\$14,866,389	\$15,091,845	\$15,320,683

Source: Board of Revenue Estimates; Department of Legislative Services

Additional Information

Prior Introductions: None.

Cross File: SB 1164 (Senator Ferguson) - Budget and Taxation.

Information Source(s): Baltimore City, Comptroller's Office, Maryland State Lottery and Gaming Control Agency, Department of Legislative Services

Fiscal Note History: First Reader - March 24, 2016
kb/rhh Revised - House Third Reader - April 8, 2016

Analysis by: Heather N. Ruby

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

Appendix – Maryland Gaming

The State of Maryland has authorized and awarded six video lottery operation licenses in Baltimore City and Allegany, Anne Arundel, Cecil, Prince George's, and Worcester counties with a maximum number of 16,500 video lottery terminals (VLTs) allotted in the State. Five casinos are currently operating in Maryland, with the sixth casino, MGM National Harbor, LLC, expected to open in fiscal 2017. The opening date and the number of VLTs and table games for each facility as of January 2016 are shown in Exhibit 1.

Exhibit 1
Number of VLTs and Table Games in Maryland

<u>Casino</u>	<u>County</u>	<u>Opening Date</u>	<u>VLTs</u>	<u>Table Games</u>
Hollywood Casino	Cecil	September 2010	850	22
Ocean Downs	Worcester	January 2011	800	-
Maryland Live!	Anne Arundel	June 2012	3,994	206
Rocky Gap Casino	Allegany	May 2013	631	18
Horseshoe Casino	Baltimore City	August 2014	2,202	178
MGM National Harbor	Prince George's	January 2017*	3,600*	140*

*Projected

Source: Department of Legislative Services; State Lottery and Gaming Control Agency

VLT and Table Game Revenues

The estimated revenues from VLTs and table games in fiscal 2017 through 2021 are shown in Exhibit 2. In total, \$1.38 billion in gross gaming revenues is projected in fiscal 2017, including \$458.8 million to be distributed to the Education Trust Fund (ETF).

Exhibit 2
Distribution of Estimated VLT and Table Game Revenues in Maryland
Current Law
(\$ in Millions)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
VLTs Distribution					
Education Trust Fund	\$382.8	\$453.9	\$460.1	\$467.0	\$474.0
Lottery Operations	9.7	11.9	12.0	12.2	12.4
Purse Dedication Account	58.0	67.4	68.3	69.3	70.4
Racetrack Renewal Account	8.9	11.1	11.2	11.4	11.6
Local Impact Grants	50.2	61.9	62.8	63.7	64.7
Business Investment	13.7	16.9	17.1	17.4	17.6
Licensees	408.4	523.1	530.0	537.9	546.0
Total VLTs	\$931.6	\$1,146.1	\$1,161.5	\$1,178.9	\$1,196.6
Table Games Distribution					
Education Trust Fund	\$76.0	\$79.7	\$80.7	\$81.9	\$83.1
Local Impact Grants	12.7	26.6	26.9	27.3	27.7
Licensee	355.0	424.9	430.3	436.8	443.3
Total Table Games	\$443.7	\$531.1	\$537.9	\$545.9	\$554.1
Total VLT and Table Games	\$1,375.4	\$1,677.3	\$1,699.4	\$1,724.9	\$1,750.7
Total Education Trust Fund	\$458.8	\$533.6	\$540.8	\$548.9	\$557.1

Source: Department of Legislative Services; Board of Revenue Estimates; Department of Budget and Management

**CITY OF BALTIMORE
COUNCIL BILL 17-0167
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Department of Finance)

Introduced and read first time: December 4, 2017

Assigned to: Budget and Appropriations Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Department of Planning

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Supplementary Casino Special Fund Operating Appropriation –**
3 **Department of Planning – \$6,200,000**

4 FOR the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in
5 the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive
6 Planning and Resource Management), to provide funding for the South Baltimore Gateway
7 Community Impact District Management Authority; and providing for a special effective
8 date.

9 BY authority of

10 Article VI - Board of Estimates
11 Section 8(b)(3) and (c)
12 Baltimore City Charter
13 (1996 Edition)

14 **Recitals**

15 The revenue appropriated by this Ordinance represents the portion of Casino local impact
16 grant funds designated for the South Baltimore Gateway Community Impact District
17 Management Authority in excess of the revenue relied on by the Board of Estimates in
18 determining the tax levy required to balance the budget for Fiscal Year 2018.

19 This additional revenue could not have been reasonably anticipated when the Ordinance of
20 Estimates for Fiscal Year 2018 was formulated.

21 This appropriation is made necessary by a material change in circumstances since the
22 Ordinance of Estimates for Fiscal Year 2018 was formulated or is for a new program that could
23 not have been reasonably anticipated when that Ordinance of Estimates was formulated.

24 On November 22, 2017, the Board of Estimates recommended this appropriation to the City
25 Council.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 17-0167

1 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That**
2 **\$6,200,000 shall be made available to the Department of Planning – Service 763**
3 **(Comprehensive Planning and Resource Management) as a Supplementary Casino Special Fund**
4 **Operating Appropriation for Fiscal Year 2018, to provide funding for the South Baltimore**
5 **Gateway Community Impact District Management Authority. The source of revenue for this**
6 **appropriation is the portion of Casino local impact grant funds designated for the South**
7 **Baltimore Gateway Community Impact District Management Authority in excess of the amount**
8 **from this source that was relied on by the Board of Estimates in determining the tax levy required**
9 **to balance the budget for Fiscal Year 2018.**

10 **SECTION 2. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is**
11 **enacted.**

RMAC, Deputy, for:

FROM	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941
	SUBJECT	AAO #31: Casino Special Fund supplemental appropriation of \$6.2 million

CITY OF
BALTIMORE
MEMO



DATE

TO

The Honorable President and Members
of the Board of Estimates

November 9, 2017

Dear President and Members:

ACTION REQUESTED OF B/E:

The Board of Estimates is requested to approve a Casino Special Fund appropriation supplemental in the amount of \$6.2 million to the Planning Department, Service 763: Comprehensive Planning and Resource Management.

AMOUNT OF MONEY AND SOURCE OF FUNDS:

The source of funds for this appropriation (\$6.2 million) will come from Casino Local Impact Grant funding from the State of Maryland, which is casino revenue distributed by the state to local areas as required by State Government Article Section 9-1A-31(a)(1)(i). The city will receive funding from the state in Casino Special Fund account 2026-000000-1873-732900-400999.

BACKGROUND AND EXPLANATION:

This appropriation would allow a portion of Casino Local Impact Grant funding to pass through the City and go to the South Baltimore Gateway Community Impact District Management Authority ("the Authority"). This funding is designated for the Authority by Baltimore City Charter Article 14, Section 19-3(c) and State Government Article Section 9-1A-31. It was not included in the City's FY18 Budget, and therefore a supplemental appropriation is requested.

In 2016, both the State and City passed legislation establishing the Authority. The General Assembly passed HB 1636, which mandated that the Maryland Racing Commission give the Authority at least 50 percent of the City's share of Local Impact Grants. State Senator Bill Ferguson, who co-sponsored the bill, has conveyed his intent for the funds to flow directly to the Authority. However, the State Comptroller's office, with advice from the Attorney General's office, has determined that the legislative language requires funds to pass through the City until further review.

Due to the timing of the Comptroller's determination, these funds were not included in the City's FY18 Budget, so the City cannot accept this Local Impact Grant funding from the State (and subsequently disburse it to the Authority from account 2026-000000-1873-732900-607001) without a supplemental appropriation. The State is currently holding the Authority's share of Casino Local Impact Grant funding. As noted in the attached memo from the City's Law Department, the Board of Estimates may permit movement of this funding to the City (for later disbursement to the Authority) by approving a supplemental appropriation due to a material change in circumstances.

APPROVED BY THE BOARD OF ESTIMATES:

Jessie N. Taylor
Date Clerk

NOV 22 2017

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____

APPROVED FOR FORM STYLING AND TEXTUAL IMPROVEMENTS 11-28-17 CITY OF BALTIMORE DEPT. OF LEGISLATIVE OPERATIONS

Introduced by: The Council President
At the request of: The Administration (Department of Finance)

A BILL ENTITLED

AN ORDINANCE concerning

**Supplementary Casino Special Fund Operating Appropriation –
Department of Planning – \$6,200,000**

FOR the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

BY authority of

Article VI - Board of Estimates
Section 8(b)(3) and (c)
Baltimore City Charter
(1996 Edition)

Recitals

The revenue appropriated by this Ordinance represents the portion of Casino local impact grant funds designated for the South Baltimore Gateway Community Impact District Management Authority in excess of the revenue relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2018.

This additional revenue could not have been reasonably anticipated when the Ordinance of Estimates for Fiscal Year 2018 was formulated.

This appropriation is made necessary by a material change in circumstances since the Ordinance of Estimates for Fiscal Year 2018 was formulated or is for a new program that could not have been reasonably anticipated when that Ordinance of Estimates was formulated.

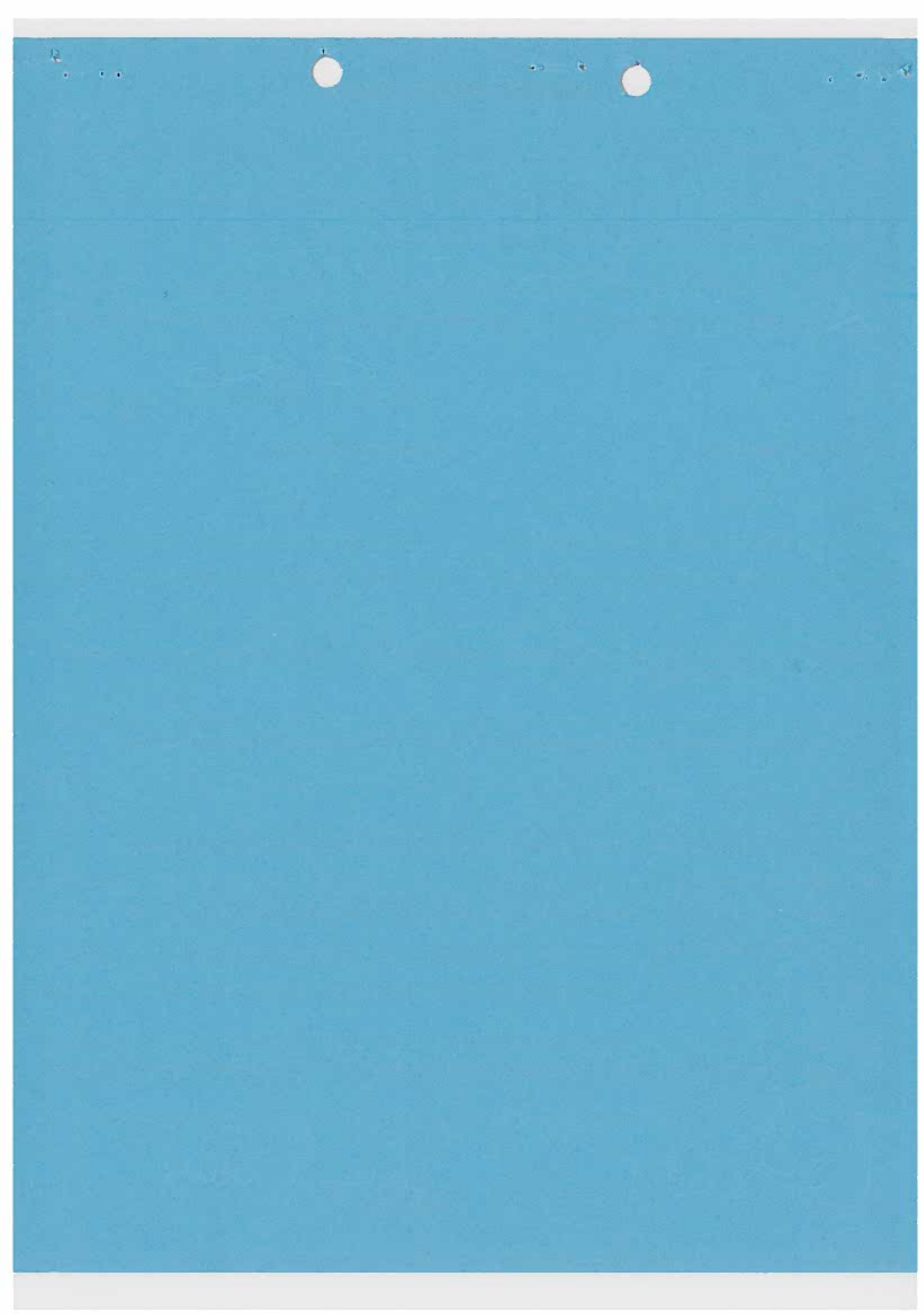
On November 22, 2017, the Board of Estimates recommended this appropriation to the City Council.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That \$6,200,000 shall be made available to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management) as a Supplementary Casino Special Fund Operating Appropriation for Fiscal Year 2018, to provide funding for the South Baltimore Gateway Community Impact District Management Authority. The source of revenue for this

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

appropriation is the portion of Casino local impact grant funds designated for the South Baltimore Gateway Community Impact District Management Authority in excess of the amount from this source that was relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2018.

SECTION 2. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is enacted.



ACTION BY THE CITY COUNCIL

DEC 04 2017

FIRST READING (INTRODUCTION) _____ 20 _____

PUBLIC HEARING HELD ON December 4, 2017 _____ 20 _____

COMMITTEE REPORT AS OF December 7, 2017 _____ 20 _____

FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION _____

[Handwritten 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:

DEC 07 2017

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

THIRD READING _____ DEC 07 2017

_____ 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.

[Handwritten Signature]

President

[Handwritten Signature]

Chief Clerk

CITY OF BALTIMORE

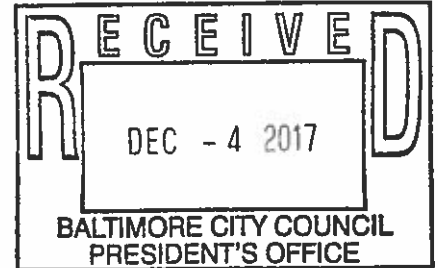
**CATHERINE E. PUGH,
Mayor**



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

December 4, 2017

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



**Re:City Council Bill 17- 0167 - Supplementary Casino Special Fund Operating
Appropriation – Department of Planning – \$6,200,000**

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 17-0167 for form and legal sufficiency. The bill provides a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority. It also provides for a special effective date.

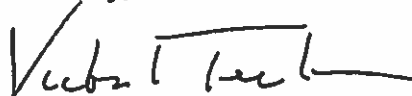
The City Charter establishes the circumstances that permit supplementary appropriations. Article VI, § 8(b)(3) provides for supplemental appropriations made necessary by a material change in circumstances, or by new programs which could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates. This Charter provision permits such an ordinance to be passed only if the Board of Estimates recommends its adoption and the City Council passes the bill by three-fourths of its members and approved by the Mayor. City Charter Article VI, § 8(c) further requires that supplemental appropriations be embodied in a separate ordinance limited to a single purpose, program or activity. Section 8(c) also requires the bill to name the source of the revenue necessary to pay the appropriation, other than the property tax or taxes collected pursuant to Article II of the City Charter.

In compliance with the above requirements, the Law Department notes the Recitals of Council Bill 17-0167 state that the bill was made necessary by a material change in circumstances that could not reasonably be anticipated at the time of the formulation of FY 2018 budget. The Recitals also state that the revenue appropriated by this bill represents funds from specific revenue sources in excess of revenues relied upon in determining the tax levy and which do not include property tax revenue or any tax revenue collected pursuant to Article II of the City

Charter. Finally, the Law Department is informed that that the Board of Estimates recommended this appropriation to the City Council on November 22, 2017.


Given the above facts and discussion, the Law Department will approve the bill if the City Council passes the bill by three-fourths of its members and the Mayor approves it.

Sincerely,

A handwritten signature in black ink, appearing to read "Victor K. Tervala", with a long horizontal flourish extending to the right.

Victor K. Tervala
Chief Solicitor

cc: Andre M. Davis, City Solicitor
Karen Stokes, Director, Mayor's Office of Government Relations
Kyron Banks, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor, General Counsel Division
Hilary Ruley, Chief Solicitor
Jennifer Landis, Assistant Solicitor

FROM	NAME & TITLE	Andrew Kleine, Chief <i>AK</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT	City Council Bill 17-0167 – Supplementary Casino Special Fund Operating Appropriation - Dept. of Planning - \$6.2M		

DATE:

TO

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

December 1, 2017

City Council Bill #17-0167 was created for the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

This supplemental appropriation would allow a portion of Casino Local Impact Grant funding from the State of Maryland to pass through the City and go to the South Baltimore Gateway Community Impact District Management Authority (“the Authority”), as required by Baltimore City Charter Article 14, Section 19-3(c) and State Government Article Section 9-1A-31. Casino Local Impact Grant funding comes from casino revenue, and is used by communities near casinos for economic development, infrastructure, public safety, and other improvements.

The State Comptroller’s office, with advice from the Attorney General’s office, determined that legislative language requires funds designated for the Authority to pass through the City until further review. Due to the timing of the Comptroller’s determination, these funds were not included in the City’s FY18 Budget, thus a supplemental appropriation is required. The Board of Estimates recommended this appropriation on November 22, 2017.

The Department of Finance supports this proposal.

cc: Henry Raymond
Kyron Banks

**CITY OF BALTIMORE
COUNCIL BILL 17-0167
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Department of Finance)

Introduced and read first time: December 4, 2017

Assigned to: Budget and Appropriations Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Department of Planning

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Supplementary Casino Special Fund Operating Appropriation –**
3 **Department of Planning – \$6,200,000**

4 FOR the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in
5 the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive
6 Planning and Resource Management), to provide funding for the South Baltimore Gateway
7 Community Impact District Management Authority; and providing for a special effective
8 date.

9 BY authority of

10 Article VI - Board of Estimates
11 Section 8(b)(3) and (c)
12 Baltimore City Charter
13 (1996 Edition)

14 **Recitals**

15 The revenue appropriated by this Ordinance represents the portion of Casino local impact
16 grant funds designated for the South Baltimore Gateway Community Impact District
17 Management Authority in excess of the revenue relied on by the Board of Estimates in
18 determining the tax levy required to balance the budget for Fiscal Year 2018.

19 This additional revenue could not have been reasonably anticipated when the Ordinance of
20 Estimates for Fiscal Year 2018 was formulated.

21 This appropriation is made necessary by a material change in circumstances since the
22 Ordinance of Estimates for Fiscal Year 2018 was formulated or is for a new program that could
23 not have been reasonably anticipated when that Ordinance of Estimates was formulated.

24 On November 22, 2017, the Board of Estimates recommended this appropriation to the City
25 Council.

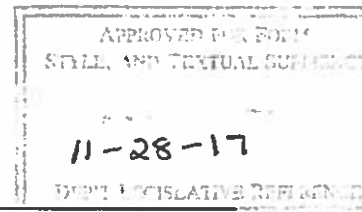
EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 17-0167

1 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That**
2 **\$6,200,000 shall be made available to the Department of Planning – Service 763**
3 **(Comprehensive Planning and Resource Management) as a Supplementary Casino Special Fund**
4 **Operating Appropriation for Fiscal Year 2018, to provide funding for the South Baltimore**
5 **Gateway Community Impact District Management Authority. The source of revenue for this**
6 **appropriation is the portion of Casino local impact grant funds designated for the South**
7 **Baltimore Gateway Community Impact District Management Authority in excess of the amount**
8 **from this source that was relied on by the Board of Estimates in determining the tax levy required**
9 **to balance the budget for Fiscal Year 2018.**

10 **SECTION 2. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is**
11 **enacted.**

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL 17-0167



Introduced by: The Council President
At the request of: The Administration (Department of Finance)

A BILL ENTITLED

AN ORDINANCE concerning

**Supplementary Casino Special Fund Operating Appropriation –
Department of Planning – \$6,200,000**

Budget
Law
Finance
Planning Def

FOR the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

BY authority of

Article VI - Board of Estimates
Section 8(b)(3) and (c)
Baltimore City Charter
(1996 Edition)

Recitals

The revenue appropriated by this Ordinance represents the portion of Casino local impact grant funds designated for the South Baltimore Gateway Community Impact District Management Authority in excess of the revenue relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2018.

This additional revenue could not have been reasonably anticipated when the Ordinance of Estimates for Fiscal Year 2018 was formulated.

This appropriation is made necessary by a material change in circumstances since the Ordinance of Estimates for Fiscal Year 2018 was formulated or is for a new program that could not have been reasonably anticipated when that Ordinance of Estimates was formulated.

On November 22, 2017, the Board of Estimates recommended this appropriation to the City Council.

SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That \$6,200,000 shall be made available to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management) as a Supplementary Casino Special Fund Operating Appropriation for Fiscal Year 2018, to provide funding for the South Baltimore Gateway Community Impact District Management Authority. The source of revenue for this

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

appropriation is the portion of Casino local impact grant funds designated for the South Baltimore Gateway Community Impact District Management Authority in excess of the amount from this source that was relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2018.

SECTION 2. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is enacted.

FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR
	AGENCY NAME & ADDRESS	DEPARTMENT OF PLANNING 8 TH FLOOR, 417 EAST FAYETTE STREET
	SUBJECT	CITY COUNCIL BILL #17-0167/ SUPPLEMENTARY CASINO SPECIAL FUND OPERATING APPROPRIATION – DEPARTMENT OF PLANNING – \$6,200,000

CITY of
BALTIMORE
MEMO



TO
The Honorable President and
Members of the City Council
City Hall, Room 400
100 North Holliday Street

DATE: December 4, 2017

The Department of Planning is in receipt of City Council Bill #17-0167, which would provide a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority (the “Authority”).

The appropriation would be effective immediately and retroactively for all funds allocated by the Maryland Racing Commission as the portion of Casino Local Impact Grant (“LIG”) funding dedicated for the use and benefit of the Authority beginning in Fiscal Year 2018 (“FY’18”) as of July 1, 2017. The funding that the Authority is eligible to receive represents one half or 50% of the LIG funds that accrue to the State for the benefit and use of the South Baltimore Casino Impact Area, comprised of approximately 15 neighborhoods in the vicinity of the Horseshoe Casino Baltimore, an area also known as the “South Baltimore Gateway.” It is estimated that the amount of these funds that will be received in FY’18 is \$6.2 million.

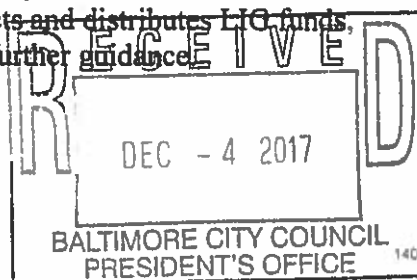
The Department of Planning recommends approval of City Council Bill #17-0167, because this action is consistent with the intent of State Law, as well as the City Ordinance, that created the Authority, which states “at least 50% of the local impact grants provided under subsection (a)(3)(i) of this section shall be distributed to the South Baltimore Gateway Community Impact District Management Authority...” See State Gov. Art. Sec. 9-1A-31(b)(3)(i).

The Baltimore City Charter refers to the Authority under Subtitle 19: South Baltimore Gateway Community Impact District. The Baltimore City Code states in Art. 14, Section 19-4(c)(2): “Beginning in Fiscal Year 2018, the City shall fund the Authority with not less than 50% of the local impact grants that are distributed to the City under State Government Article Section 9-1A-31(a)(1)(i).”

The proposed supplementary budget appropriation is needed because, at the time the FY’18 City budget was drafted, both the City and the Authority believed that these funds would be distributed directly from the State Comptroller to the Authority.

However, in August of 2017 the Counsel to the Comptroller informed the City of its interpretation that the law required the funds to be distributed to the City first, with the City then disbursing them to the Authority. Since this advice was not received until well after the FY’18 budget was created, the allocation of funds for the Authority was not included in the City’s budget. The Maryland Racing Commission, which collects and distributes LIG funds, has been holding the funds reserved for the Authority awaiting further guidance.

Fav w/ comments



The City Law Department has concluded that the funds can be appropriated to the Authority through a supplementary appropriation pursuant to Art. VI, Sec. 8(b)(3), which states, "Additional appropriations shall be permitted during the fiscal year ... for programs included in the Ordinance of Estimates made necessary by a material change in circumstances, or additional appropriations for new programs which could not reasonably be anticipated at the time of the formulation of the proposed Ordinance of Estimates." All involved have concluded that the current situation represents a material change in circumstances.

The Department of Planning helped lead the creation of the Casino Local Development Council that advises the City regarding the use of LIG funds, the multi-year spending plan for the appropriation of LIG funds, and the South Baltimore Gateway Master Plan that guides the use of these funds. The Department of Planning will receive the supplemental appropriation in a dedicated account and will disburse the funds in accordance with State and City statutes.

TJS/lrf

cc: Mr. Pete Hammen, Chief Operating Officer
Mr. Jim Smith, Chief of Strategic Alliances
Ms. Karen Stokes, Mayor's Office
Mr. Colin Tarbert, Mayor's Office
Mr. Ethan Cohen, Mayor's Office
Mr. Kyron Banks, Mayor's Office
The Honorable Edward Reisinger, Council Rep. to Planning Commission
The Honorable Eric Costello
Ms. Elena DiPietro, Law Dept.
Ms. Natawna Austin, Council Services
Mr. Brad Rogers, South Baltimore Gateway Partnership

**CITY OF BALTIMORE
ORDINANCE _____
Council Bill 17-0167**

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: December 4, 2017
Assigned to: Budget and Appropriations Committee
Committee Report: Favorable
Council action: Adopted
Read second time: December 7, 2017

AN ORDINANCE CONCERNING

**Supplementary Casino Special Fund Operating Appropriation –
Department of Planning – \$6,200,000**

FOR the purpose of providing a Supplementary Casino Special Fund Operating Appropriation in the amount of \$6,200,000 to the Department of Planning – Service 763 (Comprehensive Planning and Resource Management), to provide funding for the South Baltimore Gateway Community Impact District Management Authority; and providing for a special effective date.

BY authority of
Article VI - Board of Estimates
Section 8(b)(3) and (c)
Baltimore City Charter
(1996 Edition)

Recitals

The revenue appropriated by this Ordinance represents the portion of Casino local impact grant funds designated for the South Baltimore Gateway Community Impact District Management Authority in excess of the revenue relied on by the Board of Estimates in determining the tax levy required to balance the budget for Fiscal Year 2018.

This additional revenue could not have been reasonably anticipated when the Ordinance of Estimates for Fiscal Year 2018 was formulated.

This appropriation is made necessary by a material change in circumstances since the Ordinance of Estimates for Fiscal Year 2018 was formulated or is for a new program that could not have been reasonably anticipated when that Ordinance of Estimates was formulated.

On November 22, 2017, the Board of Estimates recommended this appropriation to the City Council.

EXPLANATION: CAPITALS indicate matter added to existing law.
{Brackets} indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

Council Bill 17-0167

1 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That**
2 **\$6,200,000 shall be made available to the Department of Planning – Service 763**
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8 **from this source that was relied on by the Board of Estimates in determining the tax levy required**
9 **to balance the budget for Fiscal Year 2018.**

10 **SECTION 2. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is**
11 **enacted.**

Certified as duly passed this ____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,
this ____ day of _____, 20__

Chief Clerk

Approved this ____ day of _____, 20__

Mayor, Baltimore City