Introduced by: President Young

Donsten , Sut costello Bullack, Brie

Prepared by: Department of Legislative Reference

Date: July 31, 2018

Referred to:

TAXATION, FINANCE & ECONOMIC DEVELOPMENT

Committee

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

WITHDRAWN

CITY COUNCIL 1 3-0094R

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

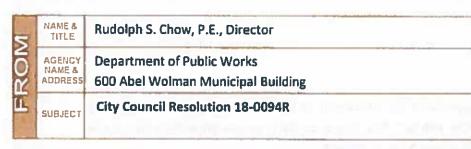
Baltimore City Comprehensive Economic Development Projects Briefing

FOR the purpose of requesting that the Director of the Department of Planning, the Head of the Capital Improvement Program in the Department of Planning, the President and Chief Executive Officer and the Executive Vice President of Baltimore Development Corporation, the Director of the Department of Transportation, the Director of the Department of Public Works, the Commissioner of the Department of Housing and Community Development, the Director of the Department of General Services, and the Director of the Department of Recreation and Parks provide a comprehensive and detailed briefing on each of his or her agency's economic development projects and on each project's supporting financial resources and incentives, for the projects that are and will be occurring in each of the 14 City Council Districts.

**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

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Other:	Other:
Cither:	Other:
Other:	Others
Wage Commission	Employees, Retirement System
Planning Commission	-
Planting Commission	Commission on Sustainability
Parking Authority Board	Comm. for Historical and Architectural Preservation
Labor Commissioner	Board of Municipal and Zoning Appeals
Fire & Police Employees' Retirement System	Board of Ethics
Environmental Control Board	Board of Estimates
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Police Department	:12010
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Office of the Mayor	gainnald to themtraged
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Mayor's Office of Human Services	Department of Housing and Community Development
	Hemeration of Houring and Community Description
Mayor's Office of Employment Development	Department of General Services
Health Department	Department of Finance
Fire Department	Department of Audits
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Department of Recreation and Parks	City Solicitor
Department of Real Estate	
atota I land la tramta deta	Baltimore Development Corporation
Department of Public Works	





TO

The Honorable President and Members of the Baltimore City Council c/o Natawna Austin

Room 400 – City Hall

I am herein reporting on City Council Resolution 18-0094R introduced by Council President Young and Council Members Dorsey, Scott, Costello, Bullock, Burnett, Schleifer, Pinkett, Cohen, Stokes, Sneed, Reisinger, Middleton, and Henry.

comments

The purpose of the Resolution is to request certain agency heads, including the Director of the Department of Public Works, to provide a comprehensive and detailed briefing on each agency's economic development projects and each project's supporting financial resources and incentives, for the projects that are and will occur in each of the 14 City Council districts.

The Recitals of this Resolution link the economic health of the City to a strong economic development strategy "...that includes new projects, which are publically or privately funded, and the construction and maintenance of municipal infrastructure." The intent of the Resolution is to better understand the criteria for agency prioritizing of projects, the funding resources used for these projects, for offering economic development financial incentives to the private sector, and the transparency of this process.

Capital Program and Financing – The Department of Public Works has a substantial capital improvement program with investments that comprise 77% of the City's entire capital program (FY2019 CIP). These projects are located throughout the City as well as in the Baltimore metropolitan region. Most of this work is to repair, replace, expand or enhance existing underground and above ground assets to extend their useful life, meet environmental requirements, and provide quality and sustainable service. In addition to the Department's rigorous internal process of prioritizing, funding and producing a capital program based on long term planning forecasts and goals, the Department's six year capital program is part of the City's Capital Improvement Program (CIP) process managed by the Department of Planning which has its own review, analysis, and public process. The recommended CIP is included in the annual Ordinance of Estimates which is subject to public scrutiny and City Council approval.

Managing the Department's large capital improvement program requires coordination of multiple funding sources and mechanisms. The financial plans for the water, wastewater, and stormwater utilities are actively managed to ensure

Honorable President and Members of the Baltimore City Council October 10, 2018 Page 2

that all operating and capital needs are fully funded while complying with all legal and policy-driven coverage and reserve metrics. Long-term borrowing is balanced with cash-financing of capital to ensure the utilities are not over leveraged. Each utility is in full compliance on the repayment of its debt.

The water, wastewater, and stormwater enterprise funds receive a significant portion of funding through traditional capital markets which require a strong fiscal position. The City issued over \$200 million in water and wastewater revenue bonds in January 2017 which received strong ratings of Aa2 from Moody's and AA from S&P. With the enactment of Ordinance 18-174, the City will be able to issue its own revenue bonds as a means to fund stormwater capital projects. In addition, the City regularly requests and is awarded funding through the Maryland State Revolving Funds (SRFs). Currently, the Department has five SRF loans secured with water revenues, 24 SRF loans secured with wastewater revenues, and one SRF loan secured by stormwater revenues. In an effort to find potential new sources of funding, the City applied for and was one of only 12 recipients nationwide awarded credit assistance under the newly minted EPA Water Infrastructure Financing and Innovation Act (WIFIA). This first round of WIFIA loans will total \$200 million and come at a more affordable rate than the Department could get on the private financial markets, resulting in approximately \$40 million in savings over the life of the loans.

How We Prioritize through Integrated Planning – In 2014 the Department developed a draft Integrated Planning Framework (IPF) in response to a U.S. EPA initiative designed to help communities prioritize certain water infrastructure programs. The Department's draft IPF utilized a total of 21 criteria that fell under one of four categories: environmental, social, financial and project delivery. This weighted scoring process was intended to help balance capital investments equitably between mandated (consent decree, federal Clean Water and Safe Drinking Water Acts' requirements) and non-mandated projects so that the most environmentally productive projects were constructed first, while ensuring available funding for stabilizing aging water and wastewater infrastructure.

The City's water, wastewater and stormwater systems are three distinct utilities that must be operated without profit or loss to other funds of the City. Just as utility funds cannot be used in place of General funds, one utility cannot fund the projects of another utility. While the IPF process results in a prioritized master list of all capital projects, each of the three utilities pull from that master list to develop its own prioritized schedule of projects. The IPF is an iterative approach that can be replicated as more projects are identified, more information becomes available, and as projects are implemented through adaptive management. This process has been revisited several times to review the scoring criteria and a modified IPF process is now being used to inform and prioritize the Department's capital project selection process.

How We Prioritize through Asset Management – Managing critical and aging infrastructure requires strategic planning over the life cycle of these expensive physical assets to provide for and maintain a desired level of service at the most appropriate cost and within an acceptable level of risk. The Department's Office of Asset Management (OAM), established in 2013, focuses on getting the most value from each asset, targeting financial resources to optimize the efficiency and reliability of each utility. Programs and methodologies adopted by this Office have helped plan for and proactively address significant challenges for underground and above ground assets.

The Honorable President and Members of the Baltimore City Council October 10, 2018
Page 3

OAM uses a framework and methodology to assess asset condition and criticality, identify system redundancies or risk mitigation factors, and determine an overall asset level risk score. This methodology is applied in a consistent way across various water and wastewater asset classes to inform maintenance and capital investment decisions, and is in the process of being expanded to stormwater and solid waste assets. OAM helps determine the most appropriate intervention method for high risk assets, which could include renewal, replacement, rehabilitation, or operations and maintenance solutions such as proactive inspections.

Preventative maintenance is an important part of any asset management program, but can be delayed by other pressing necessities or mandates. Baltimore is under a wet weather consent decree that requires a massive capital program to repair and replace large portions of the wastewater conveyance system. Just as critical, however, are the day-to-day maintenance efforts that keep these pipes clear and flowing freely. For example, regular and predictive programs to cut and chemically treat tree roots that find their way into joints or cracks in sewer pipes is an effective means to ensure a well-functioning system. Some programs require public education, outreach, and enforcement to change behaviors, such as the Fats, Oils, and Grease (FOG) program. These OAM programs are seeing measurable results in reduced frequency of clogs and overflows in identified system hot spots.

Supporting Local Businesses – As previously mentioned in this response, the Department manages the largest portion of the City's capital improvement program. To expand the field of small, local businesses eligible to bid on these contracts, DPW has offered and promoted a Small Business Development Program to help educate and train these emerging businesses in what it takes to bid on and manage a City construction contract. Participants pay a modest registration fee to take 10 to 12 weeks of classes tailored to provide the best guidance, certifications, and networking that will equip them to succeed in their chosen fields. It is the intent of the Department to use this program to provide opportunities for local small businesses to grow their companies through the City's capital improvement program.

The Department of Public Works is prepared to appear before the Council as requested by City Council Resolution 18-0094R to further explain these programs and processes, and to answer any questions the Council may have regarding the supporting role of municipal infrastructure in economic development.

Kudolph S. Chow, P.E.

Director

RSC/MMC

F	Name& Title	Steve Sharkey, Director	CITY OF	18
R	Agency Name& Address	Department of General Services 200 Holliday Street, Suite 800	BALTIMORE	
	Address	Baltimore, Maryland 21202	MEMO	1797
Support - C		Support - City Council Resolution 18-0094R -		
M		Baltimore City Comprehensive Economic		
	Subject	Development Projects Briefing		

TO: The Honorable President and Members of the City Council

Room 409, City Hall 100 N. Holliday Street Baltimore, Maryland 21202

Re: City Council Bill 18-0094R - Baltimore City Comprehensive Economic Development Projects Briefing

Dear President Young and Members of the City Council:

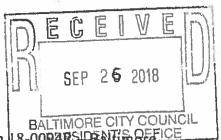
The Department of General Services reviewed City Council Resolution 18-0094RSIDBAITINGFFICE City Comprehensive Economic Development Projects Briefing as introduced by Council President Young with the purpose of requesting a comprehensive and detailed briefing on each of the department's economic development projects and on each project's supporting financial resources and incentives, for the projects that are and will be occurring in each of the 14 City Council Districts.

The Department of General Services uses specific criteria depending on the division in which a project request falls. If the request is a capital project, the Major Projects Division will assess the project's merits based on legal mandates, public safety, political considerations, operations management, building systems, external funding, and agency needs. However, prior to our own process, DGS is constrained by the budget allocations set by the Planning Department and the Department of Finance.

DGS' Fiscal and Strategic Management Office initiated the process of developing a method to inventory all DGS-owned assets, gather information on their condition, and determine the costs of either maintaining or replacing those assets to assist the Mayor, Council, agency directors, and other policymakers in understanding the scope of the effort to identify and assess the condition of all the DGS owned facilities, and second, to determine the cost to replace critical infrastructure.

The City, like other municipal and state governments, is dealing with years of deferred maintenance of its critical infrastructure. Based on the most recent study, the current value of the City's capital replacement needs is approximately \$573 million. DGS' overall need for new or replacement facilities and maintenance of existing facilities far exceeds the current funding level with a primary capital funding needs gap averaging approximately \$41 million per year. If not addressed, DGS anticipates that the deferral of such fixed investment will lead to poor asset quality and require even greater investment in the future. We recommend that there be funding added to both the capital and operating budgets to ensure that the City can properly meet the capital improvement and operational needs of city agencies.

In planning its capital funding requests on behalf of various city agencies, DGS considers the existence of any legal mandate that requires the project to be performed. DGS also considers the consequences of delaying the project. In regards to public safety, the department seeks to determine if a public safety issue is real or perceived, if the impact will affect a few individuals or all citizens, and the consequences of not correcting the issue, e.g., the potential of a lawsuit or requiring the



DATE: September 4, 2018

Political considerations may include whether the project is a Mayoral or agency priority. When assessing operations and management, the department accounts for anticipated savings, conducts comparisons to cost of doing the work, and calculates the amount of time it will take to recoup the City's investment. Engineers inspect the condition of building systems, which includes the age of system and the cost of replacement versus repair. The Major Projects Division also considers any external funding, the conditions and type of such funding, the amount of funding, and the timeline for receipt of funds. Lastly, the department examines agency needs and assesses whether or not relocation is a possibility.

If a request is for a facility repair or maintenance, the department's Facilities Maintenance Division will perform a similar analysis. Facilities prioritizes life safety issues above all other needs. Next, the division looks at the facility's infrastructure, then funding and geographic equity are considered with a concerted effort to reach as many buildings throughout the City as possible. Agencies should work with the Finance Department to build the estimated funding into their upcoming budget.

Over the last few years, Facilities Maintenance has targeted locations throughout the city to improve preventative maintenance. These locations include police stations, multi-purpose centers, and health centers. A good example of this focus is the Facilities Maintenance Division's Mobile Maintenance Project. DGS implemented a "mobile technician" pilot program that aimed to service buildings that previously received the least attention outside of downtown through the use of preventive maintenance on a regular, specified route. The project proposed to improve Key Performance Indicators such as: customer service satisfaction, work order completion and closing times, the volume of preventive maintenance compared to the volume of corrective maintenance, and the volume of total work orders. The mobile technicians transport vans are equipped with an ample inventory of supplies, including iPads that enable the technicians to open and close work orders on-the-go, in real time, instead of traveling downtown which previously reduced time in the field.

As a result of the program, the performance gap between downtown---high level of service—buildings and outlying and neglected facilities was closed by 50%. The agency reduced the number of steps to create, complete and close work orders as well as drastically reducing the time it takes to do this work for our customer agencies providing services in public facing buildings. Customers also report higher levels of customer service and satisfaction due to more frequent visits from DGS Facilities Maintenance staff.

The Department of General Services reviewed City Council Resolution 18-0094R — Baltimore City Comprehensive Economic Development Projects Briefing and will participate in the hearing and briefing and requests that the resolution be given favorable consideration by the City Council.

STEVE SHARKEY

DIRECTOR

CITY OF BALTIMORE

CATHERINE E PUGH. Mayor



DEPARTMENT OF RECREATION AND PARKS

REGINALD MOORE, Director DR. RALPH W. E. JONES, JR. BUILDING 3001 East Drive - Druid Hill Park Baltimore, Maryland 21217 410-396-7900

September 10, 2018

The Honorable President and Members of the City Council City Hall, RM 400 100 North Holliday Street Baltimore, MD 21201

RE: CITY COUNCIL BILL #18-0094R
Comprehensive Economic Development Projects Briefing

City Council has requested that Baltimore City Recreation & Parks submit our position on Bill No. 18-0094R, a resolution concerning a comprehensive briefing of economic development projects in Baltimore City.

BCRP's annual Capital Improvement Plan (CIP) is organized by the BCRP Director and the Chief of Capital Development. BCRP's priorities are guided by a variety factors, including: equity assessments of City neighborhoods, upgrading and improving existing inventory, and addressing capital requests brought to the agency by the community and elected officials. The Department's agenda is prioritized and presented for approval to the City Planning Commission. A comprehensive approach to capital improvements and development in the city may promote collaboration and a more holistic view of Baltimore's growth and economic development.

BCRP requests that this resolution be given favorable consideration by the City Council.

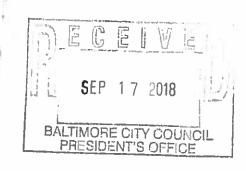
Sincerely,

Reginald Moore

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Director

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MEMORANDUM

TO:

Honorable President and Members of the City Council

Attention: Natawna B. Austin, Executive Secretary

FROM:

William H. Cole, President and EO

DATE:

August 16, 2018

SUBJECT:

City Council Bill No. 18-0094R

Comprehensive Economic Development Projects Briefing

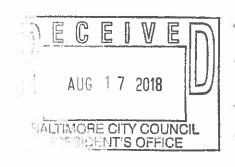
The Baltimore Development Corporation (BDC) has been asked to comment on City Council Bill No. 18-0094R, a resolution concerning a comprehensive briefing of economic development projects in Baltimore City.

At any given time, a variety of projects are occurring throughout Baltimore. These projects have a direct impact on the City's economic vitality and range in size, scope, and timing. Having information on projects currently occurring and those still in their planning stage, is critical to best assist in the maximized effect of the project as well as the return in tax revenue and creation of jobs in the City. Additionally, there are a variety of tax credits and other economic development incentive programs, available through the City, State, or Federal government that can impact these economic development projects. Sharing information amongst City agencies and with other key groups would allow for a greater number of projects to come to fruition, the maximization of project impact, and the reduction in duplication of staff time, energy, and other valuable City resources.

BDC will participate in the hearing and briefing for Bill No. 18-0094R and requests that the resolution be given favorable consideration by the City Council.

cc: Kyron Banks





CITY OF BALTIMORE COUNCIL BILL 18-0094R (Resolution)

Introduced by: President Young and Councilmembers Dorsey, Scott, Costello, Bullock, Burnett, Schleifer, Pinkett, Cohen, Stokes, Sneed, Reisinger, Middleton, Henry Introduced and read first time: August 6, 2018

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Department of Planning, Baltimore Development Corporation, Department of Transportation, Department of Public Works, Department of Housing and Community Development, Department of General Services, Department of Recreation and Parks

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

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Baltimore City Comprehensive Economic Development Projects Briefing

FOR the purpose of requesting that the Director of the Department of Planning, the Head of the Capital Improvement Program in the Department of Planning, the President and Chief Executive Officer and the Executive Vice President of Baltimore Development Corporation, the Director of the Department of Transportation, the Director of the Department of Public Works, the Commissioner of the Department of Housing and Community Development, the Director of the Department of General Services, and the Director of the Department of Recreation and Parks provide a comprehensive and detailed briefing on each of his or her agency's economic development projects and on each project's supporting financial resources and incentives, for the projects that are and will be occurring in each of the 14 City Council Districts.

13 Recitals

The economic health of our City depends on a strong economic development strategy that includes new projects, which are publically or privately funded, and the construction and maintenance of municipal infrastructure. In the City's decision to help finance these projects, what are the criteria that determine project priorities? With a number of supporting financial resources and incentives, such as Enterprise zones, Focus Areas, RISE zones, Opportunity Zones, Payments in Lieu of Taxes, and Taxation Increment Financing, what is the criteria for determining what financial incentives are offered by the City to private sector economic development projects? Does there exist in Baltimore City an online resource that would provide comprehensive information, including a map, that would make the City's economic development projects transparent?

When each agency provides its detailed briefing, the agency is requested to provide an assessment as to how its projects are prioritized, categorized, monitored, made transparent, and assessed for flexibility.

Now, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Baltimore City Council requests the Director of the Department of Planning, the Head of the

EXPLANATION: <u>Underlining</u> indicates matter added by amendment, Strike out indicates matter deleted by amendment.

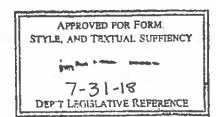
Council Bill 18-0094R

l	Capital Improvement Program in the Department of Planning, the President and Chief Executive
2	Officer and the Executive Vice President of Baltimore Development Corporation, the Director of
3	the Department of Transportation, the Director of the Department of Public Works, the
4	Commissioner of the Department of Housing and Community Development, the Director of the
5	Department of General Services, and the Director of the Department of Recreation and Parks to
5	provide a comprehensive and detailed briefing on each of his or her agency's economic
7	development projects and on each project's supporting financial resources and incentives, for the
3	projects that are and will be occurring in each of the 14 City Council Districts

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Director of the Department of Planning, the Head of the Capital Improvement Program in the Department of Planning, the President and Chief Executive Officer and the Executive Vice President of Baltimore Development Corporation, the Director of the Department of Transportation, the Director of the Department of Public Works, the Commissioner of the Department of Housing and Community Development, the Director of the Department of General Services, the Director of the Department of Recreation and Parks, and the Mayor's Legislative Liaison to the Baltimore City Council.

INTRODUCTORY*

CITY OF BALTIMORE COUNCIL BILL _____F (Resolution)



Introduced by: President Young

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning

Baltimore City Comprehensive Economic Development Projects Briefing

FOR the purpose of requesting that the Director of the Department of Planning, the Head of the Capital Improvement Program in the Department of Planning, the President and Chief Executive Officer and the Executive Vice President of Baltimore Development Corporation, the Director of the Department of Transportation, the Director of the Department of Public Works, the Commissioner of the Department of Housing and Community Development, the Director of the Department of General Services, and the Director of the Department of Recreation and Parks provide a comprehensive and detailed briefing on each of his or her agency's economic development projects and on each project's supporting financial resources and incentives, for the projects that are and will be occurring in each of the 14 City Council Districts.

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

Department of General Services, and the Director of the Department of Recreation and Parks to provide a comprehensive and detailed briefing on each of his or her agency's economic development projects and on each project's supporting financial resources and incentives, for the projects that are and will be occurring in each of the 14 City Council Districts

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Director of the Department of Planning, the Head of the Capital Improvement Program in the Department of Planning, the President and Chief Executive Officer and the Executive Vice President of Baltimore Development Corporation, the Director of the Department of Transportation, the Director of the Department of Public Works, the Commissioner of the Department of Housing and Community Development, the Director of the Department of General Services, the Director of the Department of Recreation and Parks, and the Mayor's Legislative Liaison to the Baltimore City Council.

ACTION BY THE CITY COUNCIL

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FIRST READING (INTRODUCTION)	AUG O	20
PUBLIC HEARING HELD ON		20
COMMITTEE REPORT AS OF		20
FAVORABLE UNFAVORABLE	FAVORABLE AS AMENDED WITHOUT RECOMME	NDATION
	Chair	
COMMITTEE MEMBERS:	COMMITTEE MEMBERS:	
Third Reading on:	eated) as indicated on the copy attached to this blue backing.	
THIRD READING		. 20
Amendments were read and adopted (defe	eated) as indicated on the copy attached to this blue backing.	
THIRD READING (ENROLLED)		20
Amendments were read and adopted (defe	eated) as indicated on the copy attached to this blue backing.	
There being no objections to the request for wit from the files of the City Council.	hdrawal, it was so ordered that this City Council Ordinance be	withdrawn
President	Chief Clerk	