

CITY OF BALTIMORE

BRANDON M. SCOTT
Mayor



OFFICE OF THE MAYOR

100 Holliday Street, Room 250
Baltimore, Maryland 21202

Council Bill 21-0165

Hearing: Tuesday, February 1, 2022

DATE: January 25, 2022

TO: President and Members of the City Council

FROM: Christopher Shorter, City Administrator

RE: CITY COUNCIL BILL 21-0165 – *South Baltimore Gateway Community Impact District and Management Authority*

POSITION: SUPPORT

Dear Chair Green Middleton and Members of the Economic and Community Development Committee:

Please be advised that the Office of the City Administrator **supports** City Council Bill 21-0165.

Background and Context

Council Bill 21-0165 requires that the Mayor and City Council (the “City”) review the performance of the South Baltimore Gateway Community Impact District and Management Authority (“the District and the Authority”) and determine the desirability of authorizing the Authority’s continued operation for the next four (4) years, with the next future review by the City due to occur at the end of that period.

This bill references Baltimore City Ordinance (Council Bill 16-509) that served as the enabling ordinance establishing the Authority, which began operating in fall of 2016 and subsequently adopted the name of South Baltimore Gateway Partnership, or “SBGP,” for operating purposes. The Ordinance specified the boundaries of the district to be overseen by the Authority and provided for its rights, duties, powers, and funding sources. Moreover, it specified the selection process and composition for the Authority’s Board of Directors; it specified there would be an “Administrator” or executive director; it mandated its financial responsibilities and mission, and it required a five-year strategic plan and annual budgets, which must be reviewed by the Board of Estimates.

The primary funding source for the operations and activities of the Authority is the annual distribution of fifty percent, or one half, of the share of statewide casino “local impact grants” that is dedicated for communities in South Baltimore, as directed by Section 9-1A-31 of the State Government Article and defined below.

Local Impact Grants

The Maryland General Assembly in its 2016 session issued the enabling legislation that granted the power to the City for establishing the SBGP to assist in administering local impact grant (“LIG”) funding for South Baltimore. LIG funds are collected by the State as a tax on revenues from video lottery terminals

(“VLT’s”) at the three major casinos in Maryland: Horseshoe Casino Baltimore, Maryland Live and MGM Grand National Harbor. Through various formulae and set-asides, the net tax resulting in LIG funding is approximately five percent (5%) of VLT revenue. Since the opening of National Harbor in 2017, LIG funds are pooled among these three casinos, and each local jurisdiction receives an allocation of one third of those funds for community development uses in the “casino impact area” designated in that jurisdiction. Prior to that time, Baltimore received LIG funds only as a percentage of VLT revenue at Horseshoe Casino. In the City of Baltimore, the area designated for the benefit of LIG funds is defined as the South Baltimore Gateway, which consists of approximately 18 neighborhoods, industrial areas and parks that surround the Middle Branch of the Patapsco, all within approximately 1.5 miles from the Horseshoe Casino as outlined in the South Baltimore Gateway Master Plan (the “Master Plan”), which was adopted by the City Planning Commission in December 2015.

The Administration’s Position

In four short years, SBGP has exceeded expectations in all of the areas and functions for which it was established. SBGP has displayed exemplary transparency and accountability in its management practices, coupled with innovation and leadership in the initiatives it has undertaken on behalf of South Baltimore communities. Therefore, I wholeheartedly recommend SBGP’s continued authorization, with the provision that its operations and progress be reviewed again in four years.

In conclusion, we respectfully request a favorable report on City Council Bill 21-0165.

cc: Natawna Austin, Executive Secretary of the City Council
Nina Themelis, Mayor’s Office of Government Relations
Sophia Gebrehiwot, Mayor’s Office of Government Relations
Ted Carter, Deputy Mayor for Community Economic Development
Ethan Cohen, Senior Advisor for Community Economic Development