


FROM	NAME & TITLE	THOMAS J. STOSUR, DIRECTOR	CITY of BALTIMORE MEMO	
	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		

TO

DATE:

December 4, 2017

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.

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