## CITY OF BALTIMORE **COUNCIL BILL 15-0246R** (Resolution)

Introduced by: President Young, Councilmembers Henry, Middleton, Costello, Holton, Kraft, Branch, Stokes. Clarke, Welch, Curran, Mosby, Reisinger, Spector Introduced and read first time: August 17, 2015 Assigned to: Taxation, Finance and Economic Development Committee REFERRED TO THE FOLLOWING AGENCIES: Department of Recreation and Parks, Baltimore Hotel Corporation, Department of Finance

## A RESOLUTION ENTITLED

1	A COUNCIL RESOLUTION concerning
2 3	Informational Hearing – Funding Recreation Centers by Selling the City-Owned Hilton Hotel
4	FOR the purpose of calling on representatives from the Baltimore Hotel Corporation, the
5	Department of Recreation and Parks, and the Department of Finance to appear before the
6 7	Council to discuss the possibility of funding recreation center upgrades through a sale of the City-owned Hilton Hotel.
8	Recitals
9	There is a broad consensus in Baltimore, both within City government and in the community,
10	that we need to make substantial investments in recreation centers to give our youth more
11	opportunities for constructive activities. It's also generally agreed that providing these
12	opportunities is an essential core function of Baltimore City government.
13	Despite the consensus that more recreation resources are needed, there is no matching
14	consensus on where additional recreation funding can or should be found.
15	One idea under discussion has proposed seeking \$40 to \$60 million of a planned \$136
16	million in recreation spending from the sale of City-owned parking garages. However, it is
17	questionable whether taking a profit making asset that supports another important municipal
18	responsibility off the books really makes fiscal or policy sense over either the long or short term.
19	If the City is looking to sell assets to fund the construction of recreation centers, it should
20	first look at assets that do not perform a traditional municipal government function and at those
21	not contributing to the City's budget. Clearly, the City-owned Hilton Hotel would have to top
22	any list of "non-traditional" municipal assets, and it also has not yet added to the City's bottom
23	line; accordingly, it should also top any list of properties that the City should consider selling.
24	Ending the City's involvement in this project would not weaken the City's ability to perform
25	any of its core functions. But an asset built a mere 7 years ago with roughly \$300 million of
26	public funds could certainly be expected to bring in significantly more than the \$60 million the
27	garage sale advocates hope to generate, perhaps even enough to expand on the currently proposed
28	recreation center building program.

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

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Recreation centers desperately need more funding for construction and maintenance. It is
important that this funding be obtained quickly and in a way that doesn't harm the City's
financial standing or ability to perform other traditional functions. If handled properly, a sale of
the City's unusual publically owned hotel could be the best way to meet all of these priorities.
Selling the City-owned Hilton Hotel to pay for recreation center improvements is therefore an
idea that should be seriously considered and fully explored.

**Now, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the Council calls on representatives from the Baltimore Hotel Corporation, the Department of Recreation and Parks, and the Department of Finance to appear before the Council to discuss the possibility of funding recreation center upgrades through a sale of the City-owned Hilton Hotel.

**AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Mayor, the Baltimore Hotel Corporation, the Director of Recreation and Parks, the Director of Finance, and the Mayor's Legislative Liaison to the City Council.

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