


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 #16-0694 – SOUTH BALTIMORE GATEWAY COMMUNITY IMPACT DISTRICT - ESTABLISHMENT		

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

DATE: June 30, 2016

The Department of Planning is in receipt of City Council Bill #16-0694, which is for the purpose of creating a Community Impact District, to be known as the South Baltimore Gateway Community Impact District; specifying the boundaries of the District; creating an Authority and providing for its rights, duties, powers, and funding; providing for the selection and composition of the Authority's Board of Directors; providing for an Administrator for the Authority; mandating the financial responsibilities of the Authority and the City in conjunction with the operation of the District; specifying the City's role in maintaining and enhancing existing services; designating the Board of Estimates as the agency charged with reviewing and approving various matters relating to the District and the Authority; providing for the renewal, expiration, and termination of the District and the Authority; including the Authority, its Board of Directors, and its staff within the purview of the City Public Ethics Law; providing for a special effective date; and generally relating to the existence, operation, and control of the South Baltimore Gateway Community Impact District and Authority.

In its consideration of this Bill, the Planning Commission reviewed the attached staff report, which recommended amendment and approval of City Council Bill #16-0694, and adopted the following resolution, seven members being present (seven in favor):

RESOLVED, That the Planning Commission concurs with the recommendation of its Departmental staff, and recommends that City Council Bill #16-0694 be amended and passed by the City Council.

If you have any questions, please contact Mr. Wolde Ararsa, Division Chief, Land Use and Urban Design Division at 410-396-4488.

TJS/WA

- cc: Ms. Kaliope Parthemos, Chief of Staff
 Mr. Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
 Mr. Leon Pinkett, Assistant Deputy Mayor for Economic and Neighborhood Development
 Ms. Angela Gibson, Mayor's Office
 The Honorable Rochelle "Rikki" Spector, Council Rep. to Planning Commission
 Mr. David Tanner, BMZA
 Mr. Geoffrey Veale, Zoning Administration
 Ms. Sharon Daboin, DHCD
 Mr. Patrick Fleming, DOT
 Ms. Elena DiPietro, Law Dept.
 Ms. Melissa Krafchik, PABC
 Ms. Natawna Austin, Council Services
 Mr. Ethan Cohen



Stephanie Rawlings-Blake
Mayor

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman

STAFF REPORT



Thomas J. Siosur
Director

June 23, 2016

REQUEST: City Council Bill #16-0694 – South Baltimore Gateway Community Impact District - Establishment

For the purpose of creating a Community Impact District, to be known as the South Baltimore Gateway Community Impact District; specifying the boundaries of the District; creating an Authority and providing for its rights, duties, powers, and funding; providing for the selection and composition of the Authority's Board of Directors; providing for an Administrator for the Authority; mandating the financial responsibilities of the Authority and the City in conjunction with the operation of the District; specifying the City's role in maintaining and enhancing existing services; designating the Board of Estimates as the agency charged with reviewing and approving various matters relating to the District and the Authority; providing for the renewal, expiration, and termination of the District and the Authority; including the Authority, its Board of Directors, and its staff within the purview of the City Public Ethics Law; providing for a special effective date; and generally relating to the existence, operation, and control of the South Baltimore Gateway Community Impact District and Authority.

RECOMMENDATION: Amend and Approve

- Modify Section 19-3 (B)(4) to add the following purpose for the CID: (4) Implement the recommendations outlined in the South Baltimore Gateway Master Plan, adopted by the Planning Commission in 2015, or any updates or new plans that supersede the 2015 plan that are formally adopted by the Planning Commission.
- Re-number Section 19-3 (B)(4) to be Section 19-3 (B)(5).

STAFF: Brenton Flickinger

COMPREHENSIVE PLANNER: Brenton Flickinger

PETITIONER: On Behalf of the Administration (Department of Planning)

SITE AREA

General Conditions: The South Baltimore Gateway Master Plan geography is largely the same as the Community Impact District (CID) geography. Port Covington is outside of the CID boundaries. The Casino Impact Area (CIA) is a large and diverse section of Baltimore City that includes more than a dozen distinct neighborhoods, extensive waterfront and three industrial areas. As displayed in the accompanying map, the neighborhoods are located in proximity to the Horseshoe Casino.

HISTORY

Local Impact Grants

Current Maryland State Law (State Government Article section 9-1A-31) provides that 5.5% of Video Lottery Terminal (VLT) slot machine tax revenue is to be distributed in the form of impact grants to local governments in which the VLTs are operating. Eighteen percent of impact funds will go for 20 years (FY

2012- FY 2032) to Baltimore City through the Pimlico Community Development Authority and to Prince George's County for the community surrounding Rosecroft (\$1 million annually). The remaining grant funds are to be used for improvements in the communities in immediate proximity to the VLT facilities and may be used for: infrastructure improvements, facilities, public safety, sanitation, economic and community development, including housing and other public services and improvements.

Local Development Council (LDC)

The State legislation authorizing VLTs created a mechanism for locally affected communities to participate in the planning and implementation of VLT facilities in their neighborhood, with specific attention to the guidance over the use of the impact funds. Each local jurisdiction hosting a facility must create a Local Development Council (LDC) consisting of 15 members, who are appointed by the Chief Executive Officer of the jurisdiction in consultation with the senators and delegates and Council members who represent the communities surrounding the facility.

Prior to the expenditure of Local Impact Grant funds, the City develops, in consultation with the Baltimore Casino LDC, a multiyear plan for the use of the funds. The City presents a plan to the LDC and the Council has 45 days to review, comment and make recommendations on the plan. The LDC may also request a public hearing on the plan. The City, under law, must make its best efforts to accommodate the requests of the LDC and any testimony presented at the hearing before formally adopting the plan.

FY 2017 Budget Priorities The FY 2017 plan organizes activities into the following categories:

A. Operations of City Services Related to Public Safety - \$2,164,000 (19.1%)

B. Operations of City Services for Community – \$1,134,000 (10.0%)

C. Targeted Initiatives Identified in the FY'15-16 Spending Plans and South Baltimore Gateway Master Plan – \$5,335,000 (47.0%)

D. Infrastructure Reimbursements – \$2,717,000 (23.9%)

State Legislation

On March 7, 2016, HB 1636 (cross-filed with SB 1164) was introduced in the Maryland General Assembly. The bill authorizes the Mayor and City Council of Baltimore City to establish the South Baltimore Gateway Community Impact District and South Baltimore Gateway Community Impact District Management Authority. The City is required to adopt an ordinance establishing the South Baltimore Gateway Community Impact District Management Authority. The bill requires that, starting in FY 2018, at least 50% of local impact grants from video lottery proceeds are to be distributed to the Authority. The bill was signed into law by Governor Hogan on April 26, 2016 and is effective as of June 1, 2016.

CONFORMITY TO PLANS

This City Council Bill is compatible with the South Baltimore Gateway Master Plan's goals, and will allow for the expenditure of funds to implement recommendations in this plan.

ANALYSIS

Draft City Ordinance (City Council Bill #16-0694)

Although there are precedents for various public authorities in Baltimore, and even for a variety of Community Benefits Districts (CBDs), there is no precise precedent for a Community Impact District (CID). This new terminology was created during the 2016 legislative process in Annapolis to distinguish the new District from those that are funded through a special property tax levy. One of the major

differences is that the State legislation prohibits the CID from levying taxes. The CID is funded by Local Impact Grants, which bring with them fiduciary obligations on the part of the City and the State, as well as potential conflicts between state and local law.

After a significant process of debate, discussion, and revising, a final bill was developed which balanced all the relevant factors.

The proposed ordinance would implement a policy introduced during the 2016 session of the Maryland General Assembly as House Bill 1636/Senate Bill 1164 (*AN ACT concerning Baltimore City—South Baltimore Gateway Community Impact District and the distribution of Local Impact Grants*). HB1636/SB1164 modifies State Law and the City Charter by authorizing the Mayor and City Council to establish the CID by local ordinance.

Some of key points raised by the legislation authorizing the CID are highlighted below:

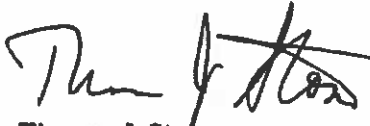
1. The district served by the new CID matches the boundaries of the South Baltimore Gateway Master Plan, with the exception that the area east of South Hanover Street and South of McComas Street in Port Covington is excluded.
2. The Mayor's Office of Economic & Neighborhood Development has worked with the LDC, City agencies and State Representatives to establish the CID, which is intended to deliver and coordinate enhanced public and community services to neighborhoods and commercial areas. These services will be funded with Casino Local Impact Grants and other sources that may be leveraged with this funding.
3. The CID is unique and differs from other "community benefits districts" that provide enhanced services, in that NO special taxes will be levied to fund the operations or services provided.
4. A consultant team led by Valbridge Property Advisors was hired in late December 2015 for a contracted work plan through June 2016. The team has advised on issues for set-up of the district and strategic planning on what its mission and functions and will be.
5. The state law amends the charter with the addition of a new section uniquely authorizing the CID. Therefore, establishing the CID does not reduce the City's authority to create up to six (6) community benefits district authorities and a downtown management authority. There are currently three other community benefits districts—Charles Village, Midtown and Waterfront—in addition to the Downtown Partnership.
6. The state law requires that the City ordinance "establishing the SBG-CID Management Authority shall specify the powers and functions that may be exercised and conducted by the Authority and shall fund the Authority with not less than 50% of the Local Impact Grants" in a given year.
7. The law establishes the following parameters for the Board of the CID: membership may not exceed 21; two (2) appointments to the board are made by the State Senator who represents the district where the casino is located; four (4) appointments are by the Speaker of the House of Delegates; the State Senator selects the Chair of the Board from among the members; a majority of the Board members must be residents of the CID.
8. The draft City enabling ordinance further specifies the board appointments, as follows:
 - a. Two (2) members shall be selected by the President of the City Council.
 - b. One (1) member shall be appointed by the Mayor.
 - c. The 12 non-elected members of the LDC serve on the Board as "Additional Members."

- d. The Board may determine alternate means for appointing the Additional Members effective January 1, 2019. In that event, the number of appointments made by the Mayor shall increase from one (1) to two (2).
- e. Board members' terms are two (2) years; however the Board may determine through its bylaws a method for staggering terms.

To formally align the planning and operations of the CID with any adopted master plans for the area, Planning staff proposes an amendment adding an additional purpose in the section outlining the purposes of the CID, Section 19-3 (B).

Community Notification:

The members of the LDC and the following neighborhood associations were notified of this hearing: Citizens of Pigtown, Barre Circle Community Association, Ridgely's Delight Neighborhood Association, Carroll/Camden Industrial Business Association, The Otterbein Community Association, Sharp-Leadenhall Improvement Association, Federal Hill Neighborhood Association, Federal Hill South Neighborhood Association, Riverside Neighborhood Association, Westport Neighborhood Association, Mount Winans Community Association, Cherry Hill Community Coalition, South Baltimore Partnership, Lakeland Community Association Partnership, and Lakeland Coalition.



Thomas J. Stosur
Director