


F R O M	NAME & TITLE	Frank Murphy, Acting Director	CITY of BALTIMORE M E M O	
	AGENCY NAME & ADDRESS	Department of Transportation (DOT) 417 E Fayette Street, Room 527		
	SUBJECT	Mayor & City Council Res. 19-0353		

TO: Ex Officio Mayor Bernard C. "Jack" Young
TO: Judiciary & Legislative Investigations Committee
FROM: Department of Transportation
POSITION: Support
RE: Mayor & City Council Resolution – 19-0353

DATE: 5/2/19

INTRODUCTION – Charter Amendment - Underground Conduit System - Sale, Transfer, or Franchise Prohibited

PURPOSE/PLANS – For the purpose of prohibiting the sale, transfer, or franchising of the City's underground conduit system for cables, wires, and similar facilities; excepting this underground conduit system, its operations and uses, from the Charter provisions otherwise authorizing the grant of franchises or rights relating to the operation or use of public property or places; and submitting this amendment to the qualified voters of the City for adoption or rejection.

COMMENTS – This legislation is similar to a recently passed charter amendment that made Baltimore's municipally owned & operated water system inalienable. This charter amendment would prohibit the sale, transfer, or management of the city's municipal conduit system – widely believed to be the largest such system in the United States. Several years ago, the City of Baltimore received an offer from a local utility company to purchase the system for a price that was likely well below the system's worth.

It's unlikely that this legislation will have any impact regarding the current operations of our conduit network since it is crafted to merely maintain the city's ownership of the system. Municipal ownership of the conduit system yields a number of benefits. The system generates sizeable revenue; however that revenue is restricted within an enterprise fund similar to our water system – meaning revenue generated by entities within the system must be invested back into the system. Although this means revenue from the conduit system cannot be disbursed into the general fund, it also means that general fund dollars are not utilized for maintenance or operation of the system. Municipal ownership also provides city government control of who's in our system, who ultimately constructs the system, and where infrastructure improvements are made. Lastly, preserving municipal ownership of the conduit system provides Baltimore a unique opportunity and potential path towards the implementation of municipal broadband. From an economic development perspective, the conduit system has a tremendous amount of untapped potential.

AGENCY/DEPARTMENT POSITION – The Department of Transportation supports Mayor & City Council Resolution – 19-0353.

If you have any questions, please do not hesitate to contact Liam Davis at Liam.Davis@baltimorecity.gov or at 410-545-3207.

Sincerely,



Frank Murphy
Acting Director