


FROM	NAME & TITLE	James T. Smith, Jr., Chief of Strategic Alliances	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Office of Mayor Catherine E. Pugh 100 N. Holliday Street, Rm. 346 Baltimore, MD 21202 (410-396-4725)		
	SUBJECT	FY'19 Annual Financial Plan (Budget) for the South Baltimore Gateway Partnership		

DATE: May 15, 2018

TO Honorable President and Members of the Board of Estimates

ACTION REQUESTED OF THE BOARD OF ESTIMATES:

Review and approve the FY'19 Annual Financial Plan (or "Budget") of the South Baltimore Gateway Community Impact District Management Authority, a/k/a the South Baltimore Gateway Partnership.

AMOUNT AND SOURCE OF FUNDS:

No expenditure of funds is requested.

BACKGROUND/EXPLANATION:

Following a study led by the Mayor's Office and the Baltimore Casino Local Development Council ("LDC"), the Maryland General Assembly and the Mayor and City Council passed legislation in 2016 creating the South Baltimore Gateway Community Impact District ("CID") and Management Authority, ("Authority"), later branded as the South Baltimore Gateway Partnership ("SBGP"). Baltimore City Council Bill 16-0694 requires Board of Estimates review of the Authority's Bylaws, Strategic Plan and Annual Financial Plan.

State law required the Authority to begin receiving 50% of Casino Local Impact Grant ("LIG") funds starting in FY'18. The purpose is to provide enhanced services and community development activities in the CID (see map attached), consistent with Maryland's law that established the LIG funds. The City also appropriated over \$500,000 in FY'16-17 LIG funds to be used by the Authority.

Starting in fall of 2016, the Mayor's Office launched the SBGP's Board of Directors to begin establishing the Authority. The Authority is now in its second year of operations, fulfilling the goals of the FY'18 Financial Plan. Actions include adopting Bylaws and a Strategic Plan, electing officers, forming committees, hiring staff, creating budgets for FY'17, FY'18 and FY'19, and developing programs. These include grants to community-based organizations and other activities highlighted in the memo attached.

The Board of Directors adopted the FY'19 Budget at a meeting on March 28, 2018, after a public hearing on March 21, 2018. The FY'19 Budget is hereby submitted for approval by the Board of Estimates.

MBE/WBE PARTICIPATION:

No contracting for goods or services is contemplated at this time. It should be noted that, under the enabling ordinance establishing the Authority, the SBG is subject to the City's MBE/WBE policy.

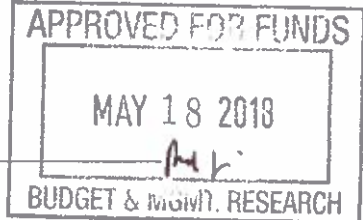
BALTIMORE CITY RESIDENTS FIRST (BCRF):

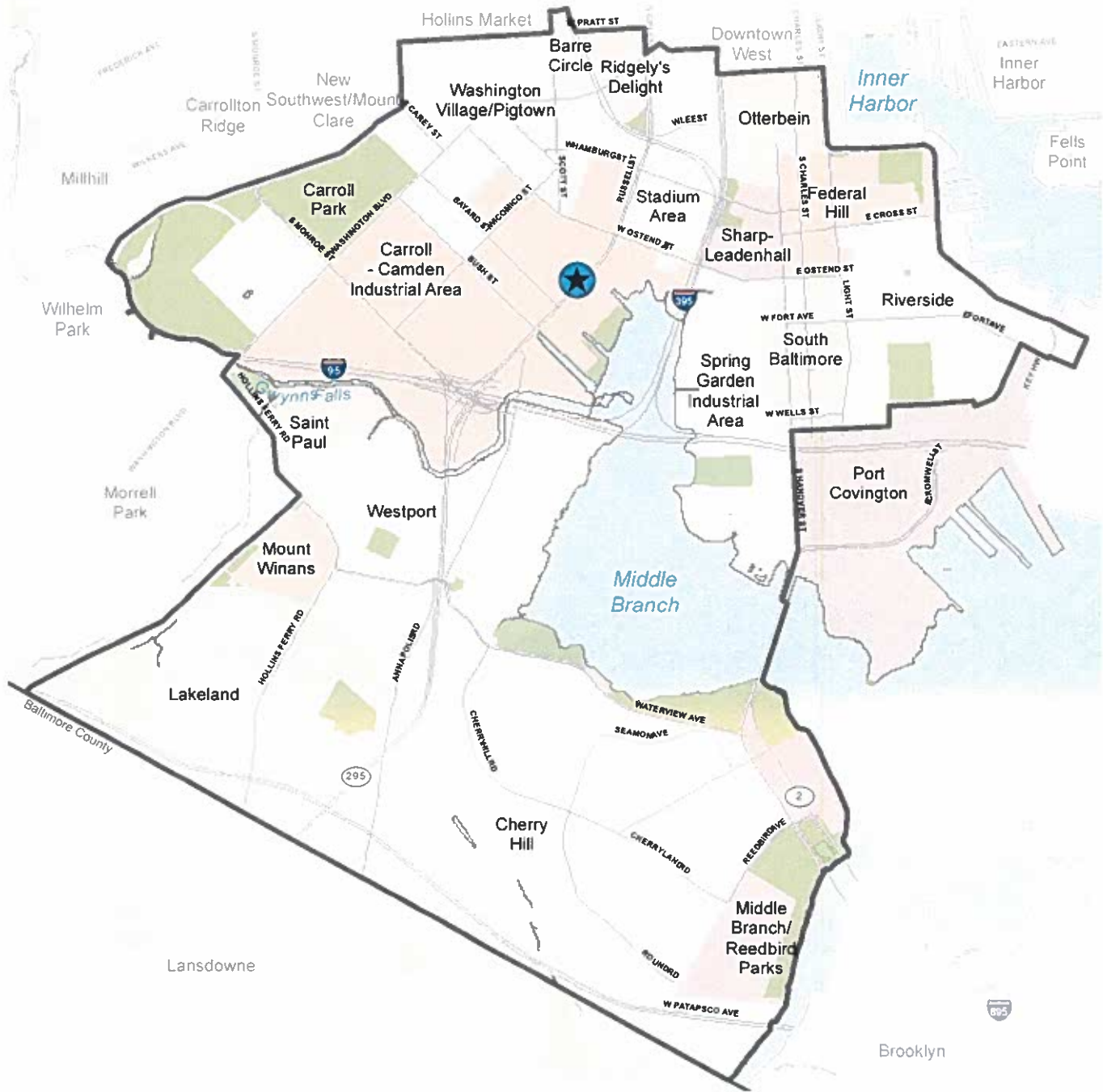
No contracting with firms or hiring is contemplated at this time. Under the enabling ordinance, the SBGP is not subject to the BCRF law; however, every effort is being made to recruit among firms and individuals who are City residents and, if possible, residents of South Baltimore Gateway communities.

NOTED BY THE BOARD OF ESTIMATES:

Bernice D. Taylor
Clerk

MAY 30 2018
Date





South Baltimore Gateway Community Impact District

Casino

South Baltimore Gateway Community Impact District (No Port Covington)

Major Roads

Railroad

Park

Water

MEMORANDUM

To: Colin Tarbert, Deputy Chief of Strategic Alliances, and Ethan Cohen, Senior Project Coordinator, Strategic Alliances, City of Baltimore

For Submission to the City of Baltimore Board of Estimates

From: Brad Rogers, Executive Director, South Baltimore Gateway Partnership

Date: March 30, 2018

Re: South Baltimore Gateway Partnership Fiscal Year 2019 Financial Plan (Budget)

On behalf of the South Baltimore Gateway Partnership, I am providing our proposed FY 19 Financial Plan (Budget). Please submit it to the Board of Estimates for approval on our behalf.

The FY 19 Financial Plan was presented in a public hearing and members of the general public were invited to provide feedback at our annual Spring Public Meeting on March 21, 2018. The FY 19 Financial Plan was then provided to the Local Development Council for comment and adopted by SBGP's Board of Directors on March 28, 2018.

This has been an exciting and successful year. Our accomplishments so far include:

- Approving up to **\$2.2 million in gap funding for the Middle Branch Fitness and Wellness Center at Cherry Hill**. This long-awaited project can finally happen.
- Creating a **\$4.5 million partnership between SBGP, the Ripken Foundation, and the City** to build three \$1.5 million athletic fields in the next three years.
- Putting **\$1.5 million per year into parks** and public spaces, organized by a detailed multi-year Implementation Plan that coordinates \$45 million in total spending on capital, maintenance, and programming.
- Investing **\$1 million in grants** to nonprofits and community organizations, while providing neighborhood groups with the **capacity building help** they need.
- Working with the Mayor's Office and Parks & People to **reinvent the Middle Branch** as a major recreational amenity for the City.
- Creating a multi-year partnership with KaBOOM! to **build playgrounds across the District**.

The FY 19 Financial Plan allows us to move even faster by bringing on new staff to manage our growing list of projects while remaining a lean organization with limited overhead.

We will continue to spend approximately 20% of our program funds on Community Grants, which will be selected using our transparent and professional selection process. Approximately 30% of our program funds will go to Enhanced Services, allocated through the extremely detailed Implementation Matrix we have built with BCRP and other partners over the course of the past year, and will fund capital, maintenance, and programming in parks and public spaces.

The remaining balance of our program funds will go to Transformational Projects, which will be selected by the board based upon a rigorous ongoing process of evaluating opportunities to create meaningful and measurable change in the District. This process recently resulted in funding for the Wellness and Fitness Center in Cherry Hill, and is now turning its attention to other opportunities.

As always, we will continue to direct funds wherever feasible to MBE/WBE contractors, in compliance with the law, as well as to support businesses within the District.

If you have any questions, please do not hesitate to contact me directly.

Sincerely,



Executive Director

South Baltimore Gateway Partnership Proposed FY 2019 Budget for BOE Approval
3/28/18

	Proposed	Comment
REVENUES		
Carry Forward	\$ -	Conservative Estimate.
40000 - LIG Funding		
40000 - LIG Funding:40100 - City Pass Through	\$ 6,000,000	Conservative Estimate. Not Racing Commission Projection.
40000 - LIG Funding:40200 - Direct Pmts from State	\$ -	If legislative change, pass through funds become direct payments.
TOTAL REVENUES	\$ 6,000,000	
EXPENSES		
PROGRAM EXPENSES		
50000 - Community Grant Expense	\$ 900,629	Approx 20% of Program Budget
50000 - Community Grant Expense:50100 - Indirect Program Costs	\$ 27,000	Includes consultant to support grantees with capacity building
51000 - Enhanced Services		
51000 - Enhanced Services:51100 - Program Costs	\$ 1,386,443	Approx 30% of Program Budget
51000 - Enhanced Services:51400 - Indirect Program Costs	\$ 5,000	Catering, printing. Other costs (eg. Architectural fees) will be direct program costs.
52000 - Transformational Projects	\$ 2,314,072	Approx 50% of Program Budget
52000 - Transformational Projects:52100 - Indirect Program Costs	\$ 5,000	Catering, printing. Other costs (eg. Architectural fees) will be direct program costs.
TOTAL PROGRAM EXPENSES	\$ 4,638,145	81.37% of Revenues, Excluding Funding Reserve and Third Party Revenues GOAL: Keep Program Costs More Than 80% of Budget
OPERATING EXPENSES		
60000 - Professional Fees	\$ 166,000	Accountant, Legal, Consulting
62800 - Facilities and Equipment	\$ 20,985	Rent, Equipment
63000 - Professional Development	\$ 10,000	\$1,250 per employee
65000 - Operations	\$ 39,850	Printing, Supplies, Fiscal Agent Fees, Telephone, Meals
65000 - Operations:65091 - Marketing & Communication	\$ 30,000	Marketing and Communications
65100 - Other Types of Expenses		
65100 - Other Types of Expenses:65120 - Insurance	\$ 25,000	Based on estimate from current agent
65100 - Other Types of Expenses:65160 - Other Costs	\$ 1,000	Miscellaneous
66000 - Payroll Expenses	\$ 767,520	Assumes gradual expansion to 8 staff people
68300 - Travel and Meetings	\$ 1,500	Board meetings, public meetings
TOTAL OPERATING EXPENSES	\$ 1,061,855	18.63% of Revenues, Excluding Funding Reserve and Third Party Revenues But only 15.85% of Revenues Including Ripken Partnership.
TOTAL EXPENSES	\$ 5,700,000	
FUNDING RESERVE SET ASIDE	\$ 300,000	5% of Revenues Held for Rainy Day Fund to Protect Future Programs

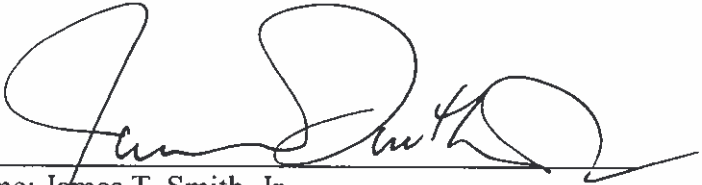
IN WITNESS WHEREOF, the parties hereto have reviewed and approved this Annual Financial Plan ("Budget") for Fiscal Year 2019 ("FY19"), adopted on March 28, 2018, by the Board of Directors of the South Baltimore Gateway Community Impact District Management Authority.

ATTEST

MAYOR AND CITY COUNCIL OF BALTIMORE



Custodian of the City Seal

Alternate

By: 
Name: James T. Smith, Jr.
Title: Chief of Strategic Alliances, Office of the Mayor

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

APPROVED BY THE BOARD OF ESTIMATES


Chief Solicitor


Clerk Date
MAY 30 2018

Being page 4 of the Budget for FY19 of the South Baltimore Gateway Community Impact District Management Authority.