



FROM	NAME & TITLE	Ethan Cohen, Sr. Project Coordinator 	CITY OF BALTIMORE MEMO 55-56	
	AGENCY NAME & ADDRESS	Office of Mayor Bernard C. "Jack" Young 100 N. Holliday Street, Rm. 346 Baltimore, MD 21202 (c: 443-826-7063)		
	SUBJECT	FY'21 Annual Financial Plan of the South Baltimore Gateway Partnership (SBGP)		

TO Honorable President and Members of the Board of Estimates DATE June 25, 2020

ACTION REQUESTED OF THE BOARD OF ESTIMATES:

Review and approve the FY'21 Annual Financial Plan (or "Budget") of the South Baltimore Gateway Community Impact District Management Authority, a/k/a South Baltimore Gateway Partnership ("SBGP"). For questions, contact Ethan Cohen by cell phone at 443-826-7063 or ethan.cohen@baltimorecity.gov.

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, (the "Authority"), later branded as the South Baltimore Gateway Partnership ("SBGP"). These laws enabled the Authority to receive 50% of Casino Local Impact Grant funds starting in FY'18. The purpose is for SBGP to provide enhanced services and community development activities in the CID (see map attached), consistent with Maryland's law that established Local Impact Grants in 2012.

City Council Bill 16-0694 requires the Board of Estimates to review the Authority's Bylaws, Strategic Plan and Annual Financial Plan.

The Mayor's Office convened the Authority's Board of Directors in 2016 and provided support for launching SBGP, now completing its fourth year of operations. Activities include grants to community-based organizations and strategic initiatives described in quarterly reports submitted to the BOE.

SBGP's Board of Directors adopted the FY'21 Financial Plan on March 18, after a public meeting on the budget on March 11. The FY'21 Financial Plan is hereby submitted for approval by the BOE.

The attached transmittal memo notes that SBGP's FY'21 Financial Plan was adopted in the first week of Maryland's response to the COVID-19 pandemic, which included the closure of casinos starting March 15 and resulted in a halt in new revenue. The memo highlights adjustments to the FY'21 Financial Plan based on the anticipated reduction in revenue and new priorities undertaken to respond to the pandemic.

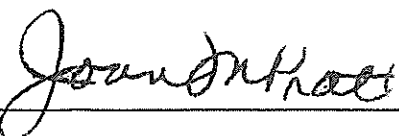
MBE/WBE PARTICIPATION:

Under its enabling ordinance, SBGP is subject to the City's MBE/WBE policy.

BALTIMORE CITY RESIDENTS FIRST (BCRF):

Under its enabling ordinance, SBGP is not subject to the BCRF law. However, every effort is made to recruit new hires who are Baltimore City residents and, if possible, residents of South Baltimore.

APPROVED BY THE BOARD OF ESTIMATES:


Clerk

JUL 01 2020
Date

MEMORANDUM

To: Carolyn Mozell, Deputy Chief of Staff for Neighborhood and Economic Development, 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 (SBGP)

Date: March 31, 2020 (updated May 6, 2020)

Re: SBGP Proposed Fiscal Year 2021 Financial Plan (Budget)

On behalf of the South Baltimore Gateway Partnership (SBGP), I am providing SBGP's proposed FY 21 Financial Plan (Budget). Please submit it to the Board of Estimates for approval on behalf of SBGP.

The FY 21 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 11, 2020. The FY 21 Financial Plan was also provided to the Local Development Council for comment, and adopted by SBGP's Board of Directors on March 18, 2020.

Just as we originally submitted this budget, the COVID-19 pandemic struck. Not only did our neighborhoods require immediate assistance with food and supplies, but the sudden shutdown of all casinos brought our funding stream to a temporary halt. Using the funds we had on hand, we immediately:

- Built a **neighborhood-based emergency response network**.
- Provided **more than \$200,000 in food, 1000 n95 masks, and hand sanitizer** in the first month of the pandemic.
- Funded **another \$500,000 worth of food over the next 90 days**, distributed as both shelf-stable food boxes and as supplies to food pantries.
- Created an **online aid request portal** for community associations to submit urgent needs for quick review.

We intend to remain a major partner in the Health Department, Planning Department, Mayor's Office, and BDC during this pandemic, as well as during the recovery phase to follow. I mention this because the budget presented here was built prior to the pandemic, and so this commitment may not be immediately visible from the names of the various line items. Rest assured that we will continue to flexibly adapt to this changing circumstance, and redirect funds from prior year balances, to play a substantive role in the city's recovery.

The FY 21 Financial Plan allows SBGP to continue to respond to the COVID-19 pandemic and manage its growing list of projects while remaining a lean organization with limited overhead. Since the current COVID-19 public health emergency is a rapidly-changing situation, SBGP will continue reviewing its financial performance and the FY21 financial plan with the SBGP Executive and Finance Committees monthly, or as needed, and will update the Board of Estimates on any necessary revisions.

In the meantime, we will continue to build on the other successes we have achieved in the past year, which include:

- Investing **\$700,000 in projects to protect the health and wellbeing** of the citizens of the South Baltimore Gateway Community Impact District in response to the COVID-19 pandemic.
- Investing **\$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.
- Awarding **\$1 million in grants** to nonprofits and community organizations, while providing the **capacity building and technical assistance** they need.
- Launching a **Grocery Access Pilot Program** in partnership with Lyft, the City of Baltimore, and the Baltimore Development Corporation.
- Awarding an additional **\$600,000 of Operating Support Funds** to local Community Development Corporations serving the District, for a total of **\$900,000 to date**.
- Working with the Mayor's Office and Parks & People to **reinvent the Middle Branch as Baltimore's Next Great Waterfront**. World-class design firm West 8 is completing the Middle Branch Waterfront Plan for the design and implementation of this effort.
- Working with BCRP to administer up to **\$2.2 million in gap funding for the Middle Branch Fitness and Wellness Center at Cherry Hill** so this long-awaited project can finally happen. Groundbreaking is likely to take place this spring.

In the coming fiscal year, SBGP will continue to spend approximately 20% of program funds on Community Grants, which will be selected using our transparent and professional selection process. Approximately 30% of program funds will go to Enhanced Services, allocated through the extremely detailed Implementation Plan SBGP has built with BCRP and other partners over the course of the past two years and will fund capital, maintenance, and programming in parks and public spaces. The remaining balance of program funds will go to Transformational Projects, which will be selected by the SBGP Board based upon a rigorous ongoing process of evaluating opportunities to create meaningful and measurable change in the District.

As always, SBGP 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 or any member of the Board has any questions, please do not hesitate to contact me directly.

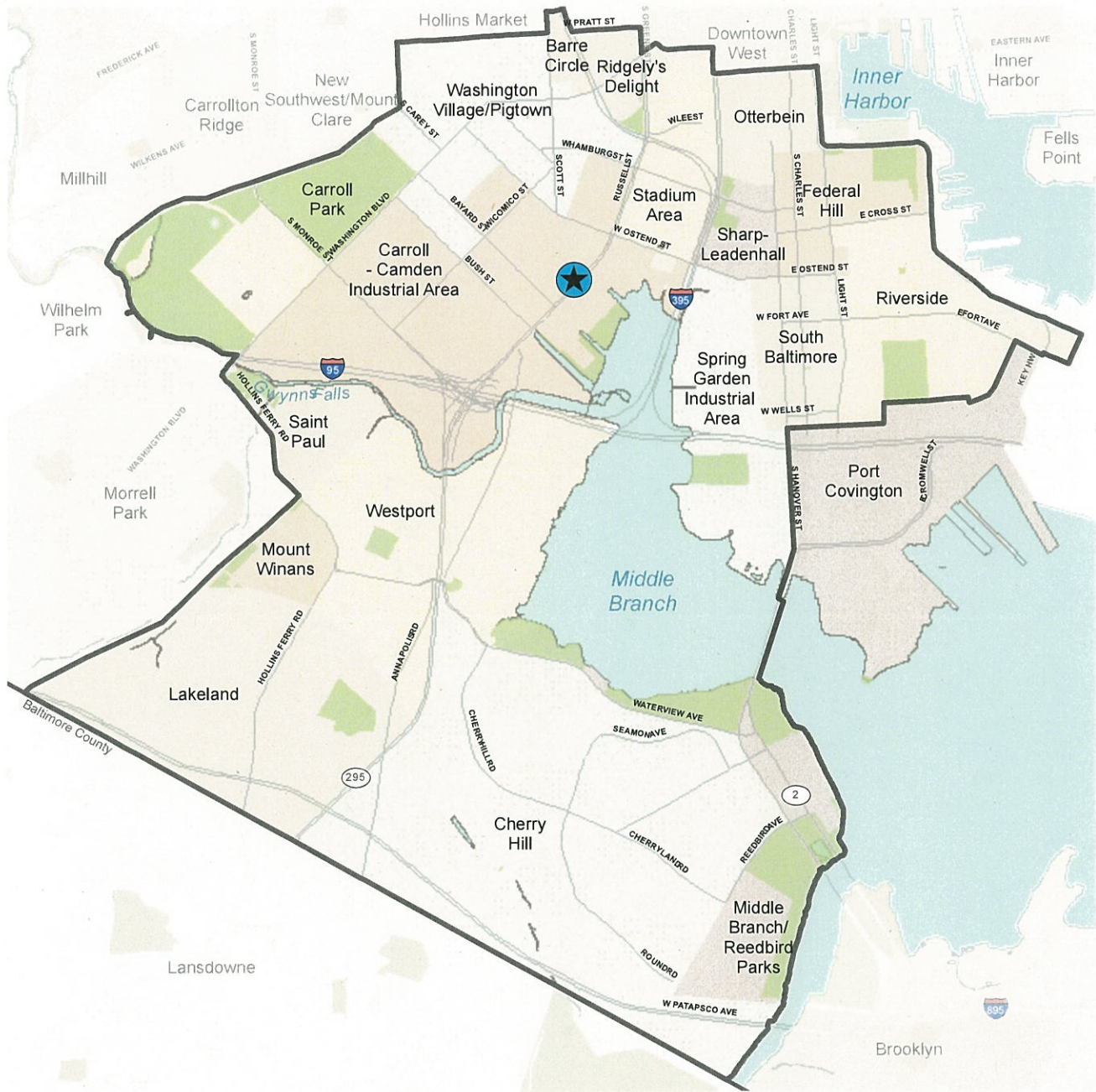
Sincerely,









Executive Director

SOUTH BALTIMORE GATEWAY COMMUNITY IMPACT DISTRICT MANAGEMENT AUTHORITY
PROPOSED FINANCIAL PLAN (BUDGET)
For the Year Ending June 30, 2021

	Year Ended June 30, 2018	Year Ended June 30, 2019	Orig. Approved Budget FY20	Rev. Proposed Budget FY21	% of Budget	Comments
REVENUES						
Intergovernmental Revenue (Local Impact Funding)	\$ 6,470,565	\$ 6,998,876	\$ 6,250,000	\$ 5,000,000		MD Racing Commission suggested budgeting revenues based on the last 12 months of actual revenues; SBGP received \$6.47 million for FY 18, \$7.00 for FY19, and \$7.14 million for the last 12 months (Feb. 2019 - Jan. 2020); however, SBGP has revised budgeted revenues down due to the potential continued economic impacts of COVID-19
Interest Income	-	100,787	60,000	25,000		Interest earned on the overnight value of SBGP's checking account; assumes SBGP earns \$2,000/month; SBGP has been earning approx. \$11,500/month
Total Revenues	6,470,565	7,099,663	6,310,000	5,025,000		
PROGRAM EXPENSES						
Community Grants	252,875	756,008	941,470	799,319		20% of Direct Program Expenses
Salaries and Benefits	-	126,679	230,011	167,801		Salaries, wages and benefits for Community Grants employees
Other Program Expenses	25,514	37,686	24,205	17,876		For Submittable software, MD Philanthropy Network membership, Program Committee meetings, other
Enhanced Services	564,713	1,152,445	1,412,205	1,198,979		30% of Direct Program Expenses
Salaries and Benefits	-	117,914	210,766	160,939		Salaries and benefits for Enhanced Services employees
Other Program Expenses	547	4,730	11,200	5,000		For meetings, stipends, uniforms, other
Transformational Projects	-	100,000	2,353,675	1,998,258		50% of Direct Program Expenses
Salaries and Benefits	262	42,704	85,251	66,022		Salaries and benefits for Transformational Projects employees
Other Program Expenses	65,891	100,000	100,000	80,000		For Transformational Projects consulting, Strategic Planning Committee meetings, other meetings, other
Total Program Expenses	843,911	2,404,057	5,388,783	4,494,034	89.43%	
Net Revenue after Program Expenses	5,626,654	4,695,606	941,217	530,966		
OVERHEAD EXPENSES						
Accounting	-	36,520	50,000	50,000		For third-party accounting services
Audit Fee	7,500	11,000	11,275	11,500		For FY20 financial audit
Consulting	-	175	-	-		
Bank Fees	747	4,340	3,000	5,500		For Board of Directors and other Board Committee and business meetings
Business Meals and Entertainment	-	3,118	4,500	5,750		Includes funds for computers, other furniture/equipment
Equipment	800	2,427	5,000	3,800		Annual premiums for commercial insurance policies
Fiscal Agent	148,298	176,765	25,000	27,500		For SBGP signage and swag, job and other advertising, events, design work, professional writing
Insurance	17,927	18,673	15,000	15,000		Includes postage and mailing, Labor Law posters, subscriptions to the Baltimore Sun and Baltimore Business Journal, other miscellaneous
Legal Fees	6,424	12,085	30,000	5,000		
Marketing and Communications	546	12,606	1,000	7,500		
Miscellaneous	536	539	1,000	7,500		
Postage and Mailing	-	19	-	-		
Printing and Copying	146	869	1,500	1,000		Includes business cards, miscellaneous outsourced printing and copying
Professional Services	9,000	-	100,800	-		Work associated with the multi-year (FY20-24) Program Evaluation/Performance Measurement services engagement with Success Measures to complete and implement a program evaluation plan may be delayed due to the continued potential economic impacts of COVID-19
Rent and Utilities	9,047	12,771	30,000	29,400		Includes 12-month (continued) lease on office in coworking space
Salaries and Staff Benefits	322,819	220,822	309,342	303,424		Salaries, wages and benefits for Operational employees
Staff Training and Development	3,573	891	12,000	-		For office supplies, including toner
Supplies	2,705	5,786	8,000	7,500		Includes software licenses, IT managed services and helpdesk support, professional services for IT special projects, web development/maintenance and hosting, other
Technology and Support	-	-	-	47,792		Includes travel stipends and expenses for employees for work-related transportation
Travel and Meetings	3,507	2,448	5,000	5,500		Includes stipends for employees' use of personal phones
Telecommunication	4,200	2,925	4,800	4,600		
Contingency Funds	-	-	25,000	-		
Total Overhead Expenses	537,775	524,779	641,217	530,966	10.57%	
Total Expenses	1,381,686	2,928,836	6,010,000	5,025,000		
Change in Net Assets	5,088,879	4,170,827	300,000	0		SBGP has agreed to reserve approximately 5 percent of revenues, or \$300,000, each year as long as the organization has the funds to do so while maintaining a healthy financial position. SBGP has established a target reserve of approx. \$1.5 million, which would cover overhead and program expenses for three months, or overhead and 50 percent of program expenses for six months. It is estimated to take SBGP until FY 2022 or 2023 to reach the target reserve.



South Baltimore Gateway Community Impact District

-  Casino
-  South Baltimore Gateway Community Impact District (No Port Covington)
-  Major Roads
-  Railroad
-  Park
-  Water