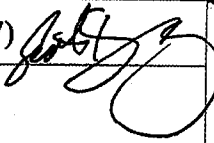



<b>FROM</b>	NAME & TITLE	Scott Davis, Director (c: 443-602-4217) 	CITY of BALTIMORE  <b>MEMO</b> 25-26	
	AGENCY NAME & ADDRESS	Mayor's Office of Neighborhoods 100 Holliday Street, Room 346 Baltimore, MD 21202		
	SUBJECT	FY'22 Annual Financial Plan of the South Baltimore Gateway Partnership (SBGP)		

DATE: October 29, 2021

TO Honorable President and Members of the Board of Estimates

**ACTION REQUESTED OF THE BOARD OF ESTIMATES:**

Review and approve FY'22 Annual Financial Plan (or "Budget") of the South Baltimore Gateway Community Impact District Management Authority, aka South Baltimore Gateway Partnership ("SBGP").

*(For questions, contact Scott Davis by cell phone at 443-602-4217 or [scottc.davis@baltimorecity.gov](mailto:scottc.davis@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 in 2016 created the South Baltimore Gateway Community Impact District ("CID") and Management Authority (the "Authority"), later branded as the South Baltimore Gateway Partnership. The State and City enabling legislation, including City Council Bill 16-0694, authorized SBGP to receive 50% of Casino Local Impact Grant funds starting in FY18, with the purpose of providing enhanced services and community development activities in the CID, 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 fifth 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'22 Financial Plan on April 21, 2021, after a public meeting on the budget on April 14, 2021. The FY'22 Financial Plan is hereby submitted for approval by the BOE.**

The attached transmittal memo notes that the FY'22 Financial Plan was adopted a year into the COVID-19 pandemic, which resulted in closure of casinos in Maryland and reduction of revenue in calendar year 2020. The memo acknowledges that the COVID-19 pandemic and recovery present "an evolving situation" and pledges that "SBGP will continue reviewing its financial performance and the FY22 financial plan with the SBGP Board and Finance Committee monthly, or as needed, and will update the Board of Estimates on any necessary revisions."

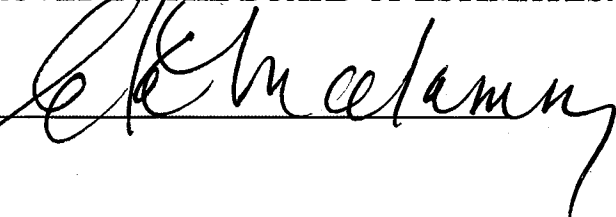
**MBE/WBE PARTICIPATION:**

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

NOV 17 2021  
Date

## MEMORANDUM

To: Michael Huber, Chief of Staff; Ethan Cohen, Senior Project Coordinator; and Scott Davis, Acting Director of Neighborhoods, Office of the Mayor, City of Baltimore

For Submission to the City of Baltimore Board of Estimates

From: Brad Rogers, Executive Director, South Baltimore Gateway Partnership (SBGP)

Date: April 29, 2021

Re: SBGP Proposed Fiscal Year 2022 Financial Plan (Budget)

---

On behalf of the South Baltimore Gateway Partnership (SBGP), I am providing SBGP's proposed FY 22 Financial Plan (Budget). Please submit it to the Board of Estimates for approval on behalf of SBGP.

The FY 22 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 April 14, 2021. The FY 21 Financial Plan was also provided to the Local Development Council for comment and adopted by SBGP's Board of Directors on April 21, 2021.

This has been an exciting and successful year in spite of the COVID-19 pandemic. Our accomplishments so far include:

- Investing nearly **\$1.3 million into parks and public spaces**, including main street reopenings, 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.
- Committing an **additional \$1 million to "Reimagine Middle Branch"** and transform it as Baltimore's next great waterfront with 11 miles of parks and trails. The project brief – a technical document that frames the scope of work for the master plan and establishes core principles of Justice, Equity, Diversity, and Inclusion (JEDI) – is near completion; SBGP and the City are finalizing contract terms with James Corner Field Operations, which will serve as design lead for the master plan; and implementation efforts are underway.
- 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 took place in Fall 2020.

- Managing **\$900,000 of Operating Support Funds** to local Community Development Corporations serving the District.

The FY 22 Financial Plan allows SBGP to continue to manage its growing list of projects while remaining a lean organization with limited overhead. Since the COVID-19 pandemic and recovery are an evolving situation, SBGP will continue reviewing its financial performance and the FY22 financial plan with the SBGP Board and Finance Committee monthly, or as needed, and will update the Board of Estimates on any necessary revisions.

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 three 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, 2022**

	Orig. Approved Budget FY20	% of Budget	Orig. Approved Budget FY21	% of Budget	Proposed Budget FY22	% of Budget	Comments
<b>REVENUES</b>							
Intergovernmental Revenue (Local Impact Funding)	\$ 6,250,000		\$ 5,000,000		\$ 5,750,000		The MD Racing Commission suggests budgeting revenues based on the last 12 months of actual revenues, which were approx. \$4.8 million for February 2020 through January 2021 (with the casinos closed entirely for 2.5 months and capacity restrictions in place for most of the rest of that period). However, SBGP projects revenues of approximately \$6.1-\$6.4 million for FY21.
Interest Income	60,000		25,000		5,000		Interest earned on certain SBGP accounts. Assumes SBGP earns approx. \$415/month due to the potential continued economic impacts of COVID-19. SBGP has been earning approx. \$440-550/month.
Total Revenues	<u>6,310,000</u>		<u>5,025,000</u>		<u>5,755,000</u>		
<b>PROGRAM EXPENSES</b>							
Community Grants	941,470		799,319		894,325		20% of Direct Program Expenses
Salaries and Benefits	230,011		167,801		138,805		Salaries, wages and benefits for Community Grants employees
Other Program Expenses	24,205		17,676		35,000		Submittable software, Community Grants consulting, Program Committee and other meetings, other
Enhanced Services	1,412,205		1,198,979		1,341,488		30% of Direct Program Expenses
Salaries and Benefits	210,766		160,939		146,770		Salaries and benefits for Enhanced Services employees
Other Program Expenses	11,200		5,000		5,000		Meetings, other
Transformational Projects	2,353,675		1,998,298		2,235,813		50% of Direct Program Expenses
Salaries and Benefits	85,251		66,022		67,473		Salaries and benefits for Transformational Projects employees
Other Program Expenses	<u>100,000</u>		<u>80,000</u>		<u>80,000</u>		Transformational Projects consulting, Strategic Planning Committee and other meetings, other
Total Program Expenses	<u>5,368,783</u>	89.33%	<u>4,494,034</u>	89.43%	<u>4,944,673</u>	89.01%	
Net Revenue after Program Expenses	941,217		530,966		810,327		
<b>OVERHEAD EXPENSES</b>							
Accounting	50,000		50,000		50,000		Third-party accounting services
Audit Fee	11,275		11,500		9,500		FY21 financial audit
Bank Fees	3,000		5,500		6,500		
Business Meals and Entertainment	4,500		5,750		5,000		Board of Directors and other meetings
Equipment	5,000		3,800		2,000		Office furniture and equipment
Insurance	25,000		27,500		35,000		Annual premiums for commercial insurance policies
Legal Fees	15,000		15,000		15,000		
Marketing and Communications	30,000		5,000		5,000		SBGP signage and schwag, job and other advertising, events, other
Miscellaneous	1,000		7,500		5,000		Postage and mailing, Labor Law posters, subscriptions to the Baltimore Sun and Baltimore Business Journal, other
Printing and Copying	1,500		1,000		1,000		Business cards, other outsourced printing and copying
Professional Services	100,800		-		29,000		Work associated with the multi-year Program Evaluation/Performance Measurement services engagement with Success Measures to complete and implement a program evaluation plan will resume. Work to redevelop the SBGP website will continue to be delayed due to the continued potential economic impacts of COVID-19.
Rent and Utilities	30,000		29,400		30,508		12-month (continued) lease on office in coworking space
Salaries and Staff Benefits	309,342		303,424		321,657		Salaries, wages and benefits for Operational employees
Staff Training and Development	12,000		-		10,500		
Supplies	8,000		7,500		5,000		Office supplies, including toner
Technology and Support	-		47,792		71,962		Software licenses, IT managed services and helpdesk support, professional services for IT special projects, web development/maintenance and hosting, other
Travel and Meetings	5,000		5,500		4,000		
Telecommunication	4,800		4,800		3,700		Stipends for employees' use of personal phones
Contingency Funds	<u>25,000</u>		<u>-</u>		<u>-</u>		
Total Overhead Expenses	<u>641,217</u>	10.67%	<u>530,966</u>	10.57%	<u>610,327</u>	10.99%	
Total Expenses	<u>6,010,000</u>		<u>5,025,000</u>		<u>5,555,000</u>		
Change in Net Assets	300,000		-		200,000		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. SBGP will have \$1 million in emergency reserves at the end of FY 2021. It is estimated to take SBGP until at least FY 2023 to reach the target reserve.