



TO: Board of Estimates, Office of Comptroller

FROM: AGC5700 - Planning

DATE: 04/23/2024

Submission #: SB-24-11131

SUBJECT: FY24 South Baltimore Gateway Partnership Annual Financial Plan

ACTION REQUESTED OF BOARD OF ESTIMATES:

The Board is requested to approve an Quasi-Gov Org - Proposed Fiscal Year 2024 Financial Plan with South Baltimore Gateway Partnership.

PERIOD OF CONTRACT/AGREEMENT:

AMOUNT AND SOURCE OF FUNDS:

Transaction Amount: \$ 0.00

Project Fund

Amount

BACKGROUND/EXPLANATION:

Following a study by the Mayor's Office and Baltimore Casino Local Development Council ("LDC"), the Maryland General Assembly and Mayor and City Council created the South Baltimore Gateway Community Impact District (the "District") and Management Authority (the "Authority") in 2016, later branded as the South Baltimore Gateway Partnership. SBGP's enabling legislation (including Council Bill 16-0694), authorized SBGP to receive 50% of Casino Local Impact Grant ("LIG") funds starting in FY18, to provide enhanced services and foster community development in the District, consistent with the 2012 state law establishing LIG funds. The Mayor's Office convened the Authority's Board of Directors in 2016 and provided support for launching SBGP, now completing its 6th year of operations. Activities include grants to community-based organizations and strategic initiatives described in quarterly reports to the BOE.

City Council Ordinance 16-0694 requires the BOE to review the SBGP's Bylaws, Strategic Plan and Annual Financial Plan. The FY24 Financial Plan was presented in a public hearing and members of the general public were invited to provide feedback at SBGP's annual Spring Public Meeting on April 12, 2023. The FY24 Financial Plan was also provided to the Local Development Council for comment and adopted by SBGP's Board of Directors on April 19, 2023.

MBE / WBE Participation not required / Not applicable

COUNCIL DISTRICT: Citywide

EMPLOY
BALTIMORE:

LIVING WAGE:

LOCAL HIRING:

PREVAILING
WAGE:

N/A

N/A

N/A

N/A

1% FOR PUBLIC ART:

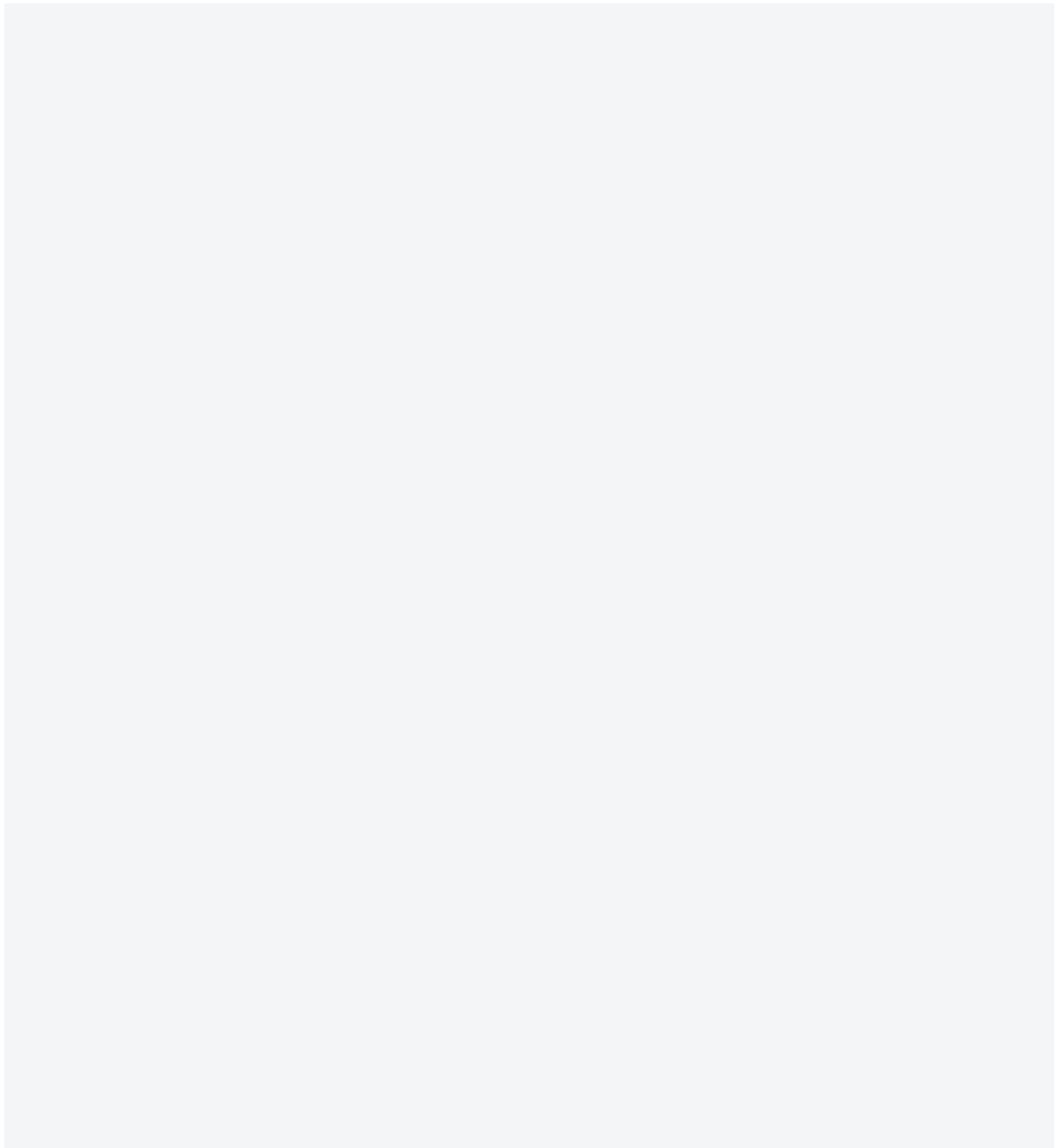
N/A.

ENDORSEMENTS:



Clerk, Board of Estimates

04-17-2024



MEMORANDUM

To: Ethan Cohen, Senior Project Coordinator, and Chris Firehock, Community Development Grants Specialist, Office of the Mayor; and Scott Davis, Chief of Staff, Department of Housing and Community Development; 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 28, 2023

Re: South Baltimore Gateway Partnership Proposed Fiscal Year 2024 Financial Plan

On behalf of the South Baltimore Gateway Partnership (SBGP), I am providing SBGP's proposed FY24 Financial Plan (Budget). Please submit it to the Board of Estimates for approval on behalf of SBGP.

The FY24 Financial Plan was presented in a public hearing and members of the general public were invited to provide feedback at SBGP's annual Spring Public Meeting on April 12, 2023. The FY24 Financial Plan was also provided to the Local Development Council for comment and adopted by SBGP's Board of Directors on April 19, 2023.

This has been an exciting and successful year. SBGP's accomplishments so far include:

- Investing **\$4.6 million into parks and public spaces**, with an additional **\$4.3 million of projects in development** – including a major trash cleanup and sanitation initiative, engaging a design-build team to reopen the Carroll Park Recreation Center, and major enhancements to Solo Gibbs Park and Florence Cummins Park – organized by a detailed multi-year Implementation Plan SBGP has built with BCRP and other partners over the course of the past four years.
- Awarding **\$1.1 million in grants** to nonprofits and community organizations, while providing the **capacity building and technical assistance** they need.
- Celebrating the **adoption of the Reimagine Middle Branch Plan** by Baltimore City's Planning Commission after a multi-year effort led by a consortium of stakeholders from the public and private sectors, including community members and groups. Implementation efforts are underway to transform the Middle Branch as Baltimore's next great waterfront with 11 miles of parks and trails.

- Celebrating the completion and opening of the \$23.0 million **Middle Branch Fitness and Wellness Center in Cherry Hill**, for which SBGP provided over **\$2.2 million in gap funding** so this long-awaited project could finally happen.
- Approving **\$3.5 million for a new Community Development Fund** over three fiscal years to address vacancy, preserve affordability, support legacy homeowners, and attract investment that furthers neighborhood plans and aspirations.

The FY24 Financial Plan allows SBGP to continue to manage its growing list of projects while remaining a lean organization with limited overhead.

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, and will fund capital, maintenance, and programming in parks and public spaces. The remaining 50% 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, 2024

	Orig. Approved Budget FY23	% of Budget	Proposed Budget FY24	% of Budget	Comments
REVENUES					
Intergovernmental Revenue (Local Impact Funding)	\$ 8,000,000		\$ 8,000,000		The MD Racing Commission suggests budgeting revenues based on the last 12 months of actual revenues, which were approx. \$8.2 million for December 2021 through November 2022. Unrealized gains/losses and interest on SBGP's investment account. SBGP is guaranteed a positive rate of return, since SBGP plans to hold the investments to maturity. However, gains and interest are being reinvested.
Investment (Loss) Income, net	-		\$ -		
Other Income	3,000		\$ 100,000		
Total Revenues	8,003,000		8,100,000		
PROGRAM EXPENSES					
Community Grants	1,231,370		\$ 1,267,098		20% of Direct Program Expenses
Salaries and Benefits	238,860		\$ 266,322		Salaries and benefits for Community Grants employees
Other Program Expenses	46,885		\$ 34,400		Capacity Building program, Program Committee and other meetings, other
Enhanced Services	1,847,054		\$ 1,900,646		30% of Direct Program Expenses
Salaries and Benefits	238,860		\$ 266,322		Salaries and benefits for Enhanced Services employees
Other Program Expenses	25,000		\$ 11,600		Events, meetings, collateral, other
Transformational Projects	3,078,424		\$ 3,056,954		50% of Direct Program Expenses, less Community Development Manager salary and benefits
Salaries and Benefits	153,476		\$ 329,711		Salaries and benefits for Transformational Projects employees, including Community Development Manager
Other Program Expenses	120,000		\$ 240,000		Transformational Projects consulting, Strategic Planning Committee and other meetings, other
Discretionary Insurance Fund	15,000		\$ 15,000		Discretionary insurance fund for small grantees, other limited-capacity partners to purchase private insurance in accordance with SBGP grant agreement/contracting requirements
Total Program Expenses	6,994,930	90.81%	7,388,053	91.21%	
Net Revenue after Program Expenses	1,008,070		711,947		
OVERHEAD EXPENSES					
Accounting	60,000		\$ 60,000		Third-party accounting services
Audit Fee	9,700		\$ 14,900		FY23 financial audit and single audit (for two programs)
Bank Fees	5,500		\$ 5,500		
Business Meals and Entertainment	6,000		\$ 7,500		Board of Directors and other meetings
Equipment	2,000		\$ 10,800		Office furniture and equipment, four new laptops
Insurance	60,000		\$ 40,000		Annual premiums for commercial insurance policies
Legal Fees	15,000		\$ 15,000		
Marketing and Communications	5,000		\$ 5,000		MailChimp, HootSuite, boosted Facebook posts, mailings, Spanish translation, job advertising, other
Miscellaneous	5,000		\$ 5,000		Postage and mailing, Labor Law posters, Baltimore Sun and Baltimore Business Journal subscriptions, other
Printing and Copying	1,000		\$ 1,000		Business cards, other outsourced printing and copying
Professional Services	45,000		\$ 35,000		Compensation consultant and website redevelopment
Rent and Utilities	30,508		\$ 29,694		12-month (continued) lease on office in coworking space
Salaries and Staff Benefits	355,016		\$ 312,041		Salaries and benefits for operational employees
Staff Training and Development	13,500		\$ 15,000		
Supplies	5,000		\$ 5,000		Office supplies, including toner
Technology and Support	78,647		\$ 138,012		Software licenses, IT managed services and helpdesk support, professional services for IT special projects, web development/maintenance and hosting, other
Travel and Meetings	5,750		\$ 6,500		
Telecommunication	5,450		\$ 6,000		Stipends for employees' use of personal phones
Total Overhead Expenses	708,070	9.19%	711,947	8.79%	
Total Expenses	7,703,000		8,100,000		
Change in Net Assets	300,000		-		