



TO: Board of Estimates, Office of Comptroller
FROM: AGC5700 - Planning
DATE: 05/21/2026
Submission #: SB-26-11437
SUBJECT: South Baltimore Gateway Partnership FY27 Financial Plan

ACTION REQUESTED OF BOARD OF ESTIMATES:

The Board is requested to approve the South Baltimore Gateway Partnership Proposed Fiscal Year 2027 Financial Plan.

PERIOD OF CONTRACT/AGREEMENT: Based on Board Approval

AMOUNT AND SOURCE OF FUNDS:

Transaction Amount: \$ 0.00

Project Fund	Amount
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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 FY27 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 8, 2026. The FY27 Financial Plan was also provided to the Local Development Council for comment and adopted by SBGP's Board of Directors on April 15, 2026.

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

05-20-2026

MEMORANDUM

To: Chris Firehock, Community Development Grants Specialist, Department of Planning, 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 24, 2026

Re: South Baltimore Gateway Partnership Proposed Fiscal Year 2027 Financial Plan

On behalf of the South Baltimore Gateway Partnership (SBGP), I am providing SBGP's Proposed FY27 Financial Plan (Budget).

Please submit this item to the Board of Estimates for approval on behalf of SBGP.

The FY27 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 8, 2026. The FY27 Financial Plan was also provided to the Local Development Council for comment and adopted by SBGP's Board of Directors on April 15, 2026.

You will note the FY27 Financial Plan continued to use the same updated format as the FY26 Financial Plan, which we believe makes SBGP more transparent and effective in its budgeting and financial reporting. When SBGP was first founded, its funding came exclusively from its core casino revenues. Therefore, its annual Financial Plan focused exclusively on these casino funds. In recent years, SBGP has proved incredibly skilled at leveraging its core funds to attract new outside funding to South Baltimore. These supplemental funds have been of tremendous value to the residents of our District, and to the city as a whole.

As supplemental funds grew, SBGP carefully tracked and managed these funds, using the same high level of care and professionalism that is applied to core revenues. But this tracking was always done alongside the annual Financial Plan. Since these supplemental funds now represent a large and growing portion of SBGP's work, the FY27 Financial Plan, like the FY26 Financial Plan, includes both core casino funding and supplemental funding from non-casino sources. Integrating the two funding sources into one unified report better demonstrates the full breadth of SBGP's work and accomplishments.

While the City of Baltimore does not have authority over this supplemental funding, SBGP included these funds in the financial plan in a spirit of transparency and clarity.

The FY27 Financial Plan allows SBGP to continue to manage its growing portfolio of projects and program costs while remaining an incredibly lean organization with limited overhead. Program expenses are budgeted to be 96% of total expenses, and operating expenses are budgeted to be just 4% of total expenses. Looking only at SBGP's core casino funds, program expenses are still budgeted to be about 81% of total expenses, and operating expenses are budgeted to be just 19% of total expenses, which is

still an efficient overhead rate. This demonstrates how SBGP remains committed to keeping overhead costs low and investing directly in its communities.

The FY27 Financial Plan also incorporates SBGP's 10th anniversary fundraising campaign. This comprehensive anniversary campaign will honor 10 years of community-driven impact while making a strategic investment in a long-term fundraising strategy, including lasting marketing assets and brand visibility and a robust donor activation platform. The campaign is designed to be self-sustaining, with supplemental funds covering all FY27 costs and then driving net revenue growth in subsequent years.

With regard to its core casino revenue, 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, 2027

	Core (LIGs + Unrestricted)		Supplemental (Restricted / Passthrough)		Total (Core + Supplemental)		Core (LIGs + Unrestricted)		Supplemental (Restricted / Passthrough)		Total (Core + Supplemental)		Comments
	Orig. Approved Budget FY26	% of Budget	Orig. Approved Budget FY26	% of Budget	Orig. Approved Budget FY26	% of Budget	Proposed Budget FY27	% of Budget	Proposed Budget FY27	% of Budget	Proposed Budget FY27	% of Budget	
REVENUES													
Intergovernmental Revenue (Local Impact Funding)	\$ 8,000,000				\$ 8,000,000		\$ 8,250,000				\$ 8,250,000		The MD Racing Commission suggests budgeting revenues based on the last 12 months of actual revenues, which were approx. \$8.5 million for January through December 2025
Investment (Loss) Income, net	258,107				258,107		155,356				155,356		Income earned on SBGP's investment account
Interest Income	158,590				158,590		243,958				243,958		Interest earned on SBGP deposits
Administrative Fees	-		224,723		224,723		539,525		179,842		719,367		Grant administration fees from supplemental grants
10th Anniversary Campaign Income	-				-		25,000		225,000		250,000		Sponsorships, contributions and donations for and fees from 10th Anniversary fundraising campaign events
Other Grants and Contracts - Government	-		28,083,510		28,083,510		-		24,651,515		24,651,515		Federal, state, and local grants for the Middle Branch Resiliency Initiative and other passthrough support
Other Grants and Contributions - Foundations, Corporations	-				-		-		12,900,000		12,900,000		Contributions and donations from philanthropic and individual donors as well as government relations partnerships
Total Revenues	8,416,696		47,008,234		55,424,930		9,213,840		37,956,357		47,170,197		
PROGRAM EXPENSES													
Community Grants	1,026,954				1,026,954		1,018,254				1,018,254		20% of Core Direct Program Expenses
Salaries and Benefits	607,934				607,934		625,228				625,228		Salaries and benefits for Community Grants employees
Other Program Expenses	88,897				88,897		54,336				54,336		Capacity Building program, Program Committee and other meetings, other
Enhanced Services	1,540,431				1,540,431		1,527,381				1,527,381		30% of Core Direct Program Expenses
Salaries and Benefits	445,622				445,622		633,054				633,054		Salaries and benefits for Enhanced Services employees
Other Program Expenses	11,700				11,700		11,500				11,500		Events, meetings, other
Transformational Projects	2,452,049		46,783,510		49,235,559		2,345,634		37,776,515		40,122,150		50% of Core Direct Program Expenses, and Supplemental Passthrough Program Expenses
Salaries and Benefits	708,234		82,059		790,294		721,353		66,313		787,666		Salaries and benefits for Transformational Projects employees. Any expenses paid with supplemental revenues will not be incurred if those revenues are not received. If supplemental revenues are received, the corresponding expenses will shift from core expenses to supplemental expenses and make additional core revenues available for direct program expenses.
Other Program Expenses	294,000		82,059		376,059		369,476		90,273		459,749		Consulting, grantwriting, legal, Reimagine Middle Branch communications, Strategic Planning Committee and other meetings, other. Any expenses paid with supplemental revenues will not be incurred if those revenues are not received. If supplemental revenues are received, the corresponding expenses will shift from core expenses to supplemental expenses and make additional core revenues available for direct program expenses.
Discretionary Insurance Fund	5,000				5,000		5,000				5,000		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	7,180,820	85.32%	46,947,629	99.87%	54,128,449	97.66%	7,311,216	81.11%	37,933,101	99.94%	45,244,317	96.33%	
Net Revenue after Program Expenses	1,235,875		60,604		1,296,481		1,902,623		23,256		1,925,880		
OVERHEAD EXPENSES													
Accounting	75,000				75,000		85,000				85,000		Third-party accounting services
Audit Fee	19,000				19,000		19,500				19,500		FY26 financial audit and single audit (for three programs)
Bank Fees	25,000				25,000		30,000				30,000		
Business Meals and Entertainment	15,400				15,400		18,000				18,000		Board of Directors meetings, team lunches, and coffee and other meetings
Equipment	20,000				20,000		21,093				21,093		Office furniture and equipment, new laptops
Fundraising	48,222				48,222		64,676				64,676		Promotional materials, conferences and events, other
10th Anniversary Campaign	-				-		242,016				242,016		Consulting, promotional materials, events, other expenses related to 10th anniversary fundraising campaign
Insurance	45,000				45,000		50,000				50,000		Annual premiums for commercial insurance policies
Legal Fees	15,000				15,000		15,000				15,000		
Marketing and Communications	8,006				8,006		32,630				32,630		MailChimp, HootSuite, boosted Facebook posts, mailings, other
Miscellaneous	5,000		60,604		65,604		5,000		23,256		28,256		Postage and mailing, Labor Law posters, newspaper subscriptions, other. Any expenses paid with supplemental revenues will not be incurred if those revenues are not received. If supplemental revenues are received, the corresponding expenses will shift from core expenses to supplemental expenses and make additional core revenues available for direct program expenses.
Printing and Copying	1,000				1,000		1,000				1,000		Business cards, other outsourced printing and copying
Professional Services	128,000				128,000		130,400				130,400		HR consulting, financial consulting, branding refresh
501(c)3 Establishment	-				-		26,413				26,413		501(c)3 establishment expenses, including commercial insurance, legal, accounting, audit, 990 preparation
Rent and Utilities	96,436				96,436		99,329				99,329		12-month (continued) lease on offices in coworking space
Salaries and Staff Benefits	439,090				439,090		617,531				617,531		Salaries and benefits for operational employees
Staff Training and Development	30,318				30,318		34,468				34,468		
Supplies	7,500				7,500		7,500				7,500		Office supplies
Technology and Support	235,205				235,205		188,918				188,918		Software licenses, IT managed services and helpdesk support, website hosting and maintenance, other
Travel and Meetings	11,600				11,600		13,100				13,100		
Telecommunication	11,100				11,100		1,050				1,050		
Total Overhead Expenses	1,235,876	14.68%	60,604	0.13%	1,296,481	2.34%	1,702,623	18.89%	23,256	0.06%	1,725,880	3.67%	
Total Expenses	8,416,696		47,008,234		55,424,930		9,013,840		37,956,357		46,970,197		
Change in Net Assets	-		-		-		200,000		-		200,000		For emergency reserves