



STEPHANIE RAWLINGS-BLAKE
MAYOR

*100 Holliday Street, Room 250
Baltimore, Maryland 21202*

May 19, 2015

The Honorable Bill Ferguson
Senator, Maryland District 46
Miller Senate Office Building, 2 West Wing
11 Bladen Street
Annapolis, Maryland 21401

Re: Horseshoe Casino Local Impact Grant Funds—FY'16 Spending Plan

Dear Senator Ferguson:

This letter is in response to the Advice Letter of December 2014 submitted by the Baltimore Local Development Council (LDC) in response to the Local Impact Grant (LIG) Draft Spending Plan for Fiscal Year 2016 (FY'16), covering South Baltimore's Casino Impact Area (CIA). First, I wish to thank you and the other LDC Members for your continued commitment to the Spending Plan process and for providing feedback. I appreciate the LDC's thoughtful response to the Draft Spending Plan, which has formed the basis for my priorities in the final version of the FY'16 budget for LIG funds.

In the points outlined below and in the table attached, you will find my final recommendations for the Spending Plan, which is included in my administration's 2016 Budget submitted to the City Council. As you are aware, since we began the work on the FY'16 Spending Plans, there have been fluctuations in the projections of LIG funds available for both FY'15 and FY'16—including the possibility that the State would expropriate a portion of LIG funds for other purposes. The Horseshoe Casino has only experienced seven full months of operations since opening in August 2015. I am pleased to see the trend of increasing VLT and gross gaming revenues continuing since January 2015. Nonetheless, the City continues to be conservative in its estimates and, following the practice of FY'15, will maintain a "two-tier" approach to budgeting for LIG funds.

With regard to FY'15, the City estimates a total of \$6 million for LIG funds by year end (June 30, 2015). This amount will allow us to continue to support all of the commitments to targeted community development initiatives identified in meetings with the LDC during October through December of 2015.

For FY'16, my administration has proposed a budget for LIG spending with approximately \$7 million in Tier 1 and \$9.1 million in Tier 2. As we did this year, we will recommend that projects and commitments not fully funded in FY'16 be given first priority in FY'17. Moreover, with the completion of the South Baltimore Gateway Master Plan expected in the next two months, we view the next priority for the City and LDC to be the development of a multi-year spending plan. The flexibility, collaboration and prioritization already demonstrated by the LDC, City agencies and other partners have laid a strong foundation for such a plan. I believe the outcome will be an exemplary model in establishing short- and long-term priorities that yield tangible improvements for individuals and neighborhoods.

Below, please find my comments on the specific line items within the budget, which I believe you will find responsive to the LDC's priorities:

1. Additional Police Coverage – LIG funds for Baltimore Police Department's Casino Mini District (CMD) remain unchanged from the draft FY'16 budget (\$1.6 million).
2. Temporary Public Safety Substation: Headquarters for the CMD – The FY'15 budget was changed to shift \$15,000 from Medic services to re-installation, rental and utilities for the construction trailer that houses the Casino Mini District's office at Lot J once construction close-out occurred in December 2014. The City is currently considering spaces to relocate the CMD for an equivalent monthly cost. The FY'15 budget includes \$15,000 for this purpose.
3. Citiwatch Fiber Optic Cabling and Cameras – The FY'16 budget include \$30,000 in Tier 1 for maintenance contracts on cameras and other equipment purchased in FY'15; the Tier 2 allocation of \$130,000, if available, would cover live monitoring of surveillance cameras or installing additional cameras linked to the City's "backbone" communications fiber network, to be determined in consultation with the LDC.
4. DOT Traffic Enforcement – While we continue to monitor traffic flows into and around the Casino, we believe that flexible staffing of the Traffic Enforcement Officer (TEO) unit in that area can result in savings from what was previously budgeted, while leaving adequate resources for peak traffic times and special events. The budget for TEO staffing in FY'16 is \$108,000.
5. Medic services – The Baltimore City Fire Department reports that the PEAK Medic unit stationed at Engine 58 in Westport as of November 2014 has resulted in a dual benefit of reducing the need to use resources from other areas when calls occur at the

Casino, while improving response times in CIA communities. Previously there were no medic units permanently stationed in the CIA. While we will continue to monitor the demands on medic services, we expect to see savings starting January 2016 with the planned addition of more units citywide. The budget for FY'16 is therefore reduced to \$300,000 in Tier 1 with a possible increase of \$150,000 in Tier 2.

6. Employment Connection Center (ECC) – The ECC, modeled on the City's Job Hub initiative, opened this month at 1410 Bush Street near Hamburg in the Carroll-Camden Industrial Area. The budget of \$345,000 for FY'16 is higher than the figure previously proposed (\$225,000), because we will not carry over unspent appropriations from FY'15. Nonetheless, the staffing level equals what was previously proposed at 3.5 positions: Supervisor-Career Development Facilitator, Intake Specialist, Business Service Representative and part-time Technology Trainer.
7. Solid Waste – The Department of Public Works' Solid Waste Division will continue to maintain the level of service developed over the course of FY'15. DPW has requested to purchase a second "load-packer" vehicle for one of the two crews dedicated full-time to the CIA. For FY'16, the budget includes \$500,000 in Tier 1 and \$120,000 in Tier 2, if available, for the purchase of the second vehicle.
8. Project Manager/Coordinator (LDC Support) – Savings were achieved in FY'15 from this position being filled for only nine months. The 12-month budget for the position with benefits and expenses remains \$110,000 as proposed in the Draft Spending Plan.
9. Complete Streets Study – The Department of Transportation's work on the study is underway with outreach to all neighborhoods within the CIA. The City is currently revising the contract for the consultant team's services, in order to procure tasks and deliverables in two phases over FY'15 and FY'16 with available funds. The revised budget for contracted services in FY'15 is approximately \$300,000 for community assessment and outreach (in progress) and the physical inventory. In FY'16, Tier 1 funding in the amount of \$150,000 will cover the completion of the Complete Streets Study. Tier 2 funding in the amount of \$150,000, if available, will cover a parking study for the South Baltimore peninsula.
10. Complete Streets Implementation Projects – DOT's Complete Streets Study will identify projects ranging in scale and cost that are ready to proceed in each community. The FY'16 budget includes \$650,000 in Tier 1 for Complete Streets "implementation projects" consistent with the LDC's recommendation.
11. Community Benefits District (CBD) – The FY'16 budget includes \$150,000 for the operations of the CBD in Tier 1, with an additional \$540,000 appropriation in Tier 2. Given that the CBD will just be forming in FY'16, we believe this amount of funding, while reduced, will be beneficial in helping to establish the District's organization and operations.

12. Community Enhancement Projects – Given current projections of LIG funds for FY’15, we believe the first round of seven (7) projects can be funded in FY’15 at \$50,000 each for a total sum of \$350,000. The FY’16 budget allocates \$300,000 in Tier 1 funding for six (6) additional projects in the remaining CIA neighborhoods.
13. Targeted Training for Construction Careers – The FY’16 budget renews Project JumpStart, a pre-apprenticeship training program for general construction trades operated by Job Opportunities Task Force, at the FY’15 level of \$100,000. Recruiting is currently underway for the first class of 15 participants in a 14-week curriculum to run from May to September, 2015.
14. Tree Planting – The FY’16 budget includes \$30,000 for additional tree-planting under the TreeBaltimore program at targeted locations throughout the CIA as part of a multi-year initiative. An additional \$100,000 is provided in Tier 2. The placement of trees with LIG funds will respond to recommendations from the Complete Streets Study and leverage other funding sources to maximize impacts on countering urban heat-island effect and improving air and water quality outcomes.
15. Summer Youth Jobs and Internships – The FY’16 budget funds the Tier 1 request at \$240,000 for youth employment programs through the Mayor’s Office of Employment Development. Recruitment is underway for summer 2015 and will support 160 additional slots (above the 2014 level) for youth in South Baltimore neighborhoods.
16. Public Art at Gateways – The FY’16 budget includes \$30,000 for public art projects at targeted locations throughout the CIA as part of a multi-year initiative, with an additional \$70,000 allocated in Tier 2. The placement of public art installations will respond to community priorities and coordinate with the Complete Streets Study, the South Baltimore Gateway Master Plan and recommendations from Baltimore Office of Promotion and the Arts (BOPA). BOPA will also seek to leverage LIG funds with other funding resources to maximize their impact.
17. Planning/Feasibility Studies for Middle Branch Park and Waterfront Access – The FY’16 budget includes \$100,000 in Tier 1 for a feasibility study or studies on improving Middle Branch Park and waterfront access, building on the framework established in the 2007 Middle Branch Master Plan. An additional \$150,000 is allocated in Tier 2.
18. Early Childhood Education – The FY’16 budget includes \$160,000 in Tier 1 funding for summer learning programs for 145 Head Start children and their families from the CIA. Associated Catholic Charities Head Start of Baltimore will administer these classes, drawing primarily from existing Head Start enrollment rolls, with preference given to children with special needs, families experiencing homelessness and those with incomes below the poverty line. An additional \$40,000 is allocated in Tier 2.

19. Infrastructure Upgrades (reimbursement to Casino Developer) – Horseshoe and the City are in discussion regarding the reimbursement of expenses for roadway and other public infrastructure improvements to be extended over four years instead of three, subject to final terms and an agreement being executed. This change would reduce the annual payment by \$500,000 to \$1.5 million per year in FY'15 through FY'18.
20. Steam Line Replacement – Through cost-sharing by the Casino developer, Veolia and Baltimore Development Corporation, the portion of total costs for the relocation of the steam line from under Warner Street that is scheduled to be repaid with Local Impact Aid has been reduced from \$3 million to \$2.34 million, a savings of \$567,000 from the amount previously budgeted. This expense will be spread over two years; the payment budgeted for FY'16 funds is \$1,217,000.

It is my hope and intention that you find the foregoing information useful in understanding my administration's final budget recommendations for the allocation of LIG funds in FY'16. If you have any questions regarding items above or the figures listed the budget tables attached, please contact Ethan Cohen, Senior Project Coordinator, via phone at 410-545-3107, or via email at ethan.cohen@baltimorecity.gov.

Again, please accept my sincere appreciation for your leadership and for the hard work of the LDC in providing feedback and recommendations on the overall Spending Plan priorities and as well as on specific initiatives.

Sincerely,



Stephanie Rawlings-Blake
Mayor
City of Baltimore

cc: Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
Andrew Smullian, Esq., Deputy Mayor for Government Relations and Labor
Ethan Cohen, Senior Project Coordinator

Encl.

Horseshoe Casino Local Impact Aid FY'15-FY'16 Spending Plan Budget – Revised April 2015

Project & Short Description	LDC Ranking	Lead Agency	Timeframe	Tier 1 Dec'14 FY'15	Tier 1 Rev FY'15		Tier 2 Rev FY'15	Total Tier 1 + Tier 2 FY'15	
OPERATIONS 1: Public Safety				FY 2015					
Additional Police coverage for the area	5A	Police	Ongoing	\$1,500,000	\$1,500,000		\$0	\$1,500,000	
Temporary Public Safety Substation	5B	Police/Fire Dept.	Ongoing	\$15,000	\$15,000		\$0	\$15,000	
CitiWatch FO Cable/Cameras, Study, Personnel	7	Police/MOIT	Phased in	\$1,025,000	\$1,025,000		\$0	\$1,025,000	
DOT Traffic Enforcement	5C	DOT -- Traffic	Ongoing	\$250,000	\$250,000		\$0	\$250,000	
Enhanced Medic Services	5D	Fire Dept./EMS	Ongoing	\$285,000	\$285,000		\$0	\$285,000	
Sub-Total	44%			\$3,075,000	\$3,075,000	51%	\$0	\$3,075,000	45%
OPERATIONS 2: Community Support									
Employment Connection Center	2	MOED	3-5 Years	\$375,000	\$91,000	\$284,000	\$0	\$91,000	
Sanitation Staffing	5	DPW	Ongoing	\$300,000	\$300,000		\$6,000	\$306,000	
Project Manager/Coordinator--LDC Support	21	Mayor-END	Ongoing	\$100,000	\$80,000		\$0	\$80,000	
Sub-Total	11%			\$775,000	\$471,000	8%	\$6,000	\$477,000	7%
TARGETED INITIATIVES									
Complete Streets Plan	1A	DOT-- Planning	1-Time	\$400,000	\$300,000		\$0	\$300,000	
Complete Streets Implementation Projects	1B	DOT--Capital	1-Time	\$0	\$0		\$0	\$0	
Consultant for Long-Range Master Plan	3	Planning	1-Time	\$100,000	\$100,000		\$0	\$100,000	
Workforce Development Needs Assessment	4	MOED	1-Time	\$50,000	\$50,000		\$0	\$50,000	
Community Benefits District	6A	Mayor-END, BDC	1-Time	\$150,000	\$54,000		\$84,000	\$138,000	
COMMUNITY ENHANCEMENT PROJECTS	6B	Mayor-END + Others	1-Time	\$350,000	\$350,000		\$250,000	\$600,000	
Warner St. Corridor Urban Design Study	9	Planning, BDC		\$0	\$0		\$0	\$0	
Targeted Training for Construction Careers	11	MOED	2 Years	\$100,000	\$100,000		\$0	\$100,000	
Tree Planting	14A	BCRP	2 Years	\$0	\$0		\$0	\$0	
Summer Youth Jobs + Yr. Rd. Internships	17	MOED	Ongoing	\$0	\$0		\$0	\$0	
Public Art at Gateways	18	BOPA	1-Time	\$0	\$0		\$0	\$0	
Planning Studies: Middle Branch Feasibility	N/A	Planning	1-Time	\$0	\$0		\$0	\$0	
Early Childhood Ed (Summer Head Start)	N/A	Mayor-MOHSEY	2 Years	\$0	\$0		\$0	\$0	
Sub-Total	16%			\$1,150,000	\$954,000	16%	\$334,000	\$1,288,000	19%
INFRASTRUCTURE REIMBURSEMENTS									
Infrastructure Upgrades: Russell, Bayard, Worcester, Warner Streets	20	Mayor-END, BDC	4 yrs -- Capital	\$2,000,000	\$1,500,000		\$500,000	\$2,000,000	
Steam Line Replacement	N/A	Mayor-END, BDC	2 yrs -- Capital	\$0	\$0		\$0	\$0	
Sub-Total	29%			\$2,000,000	\$1,500,000	25%	\$500,000	\$2,000,000	29%
Carry-Over Deficit from Prior Year					\$0			\$0	
Total	100%			\$7,000,000	\$6,000,000		\$840,000	\$6,840,000	

Horseshoe Casino Local Impact Aid FY'15-FY'16 Spending Plan Budget – Revised April 2015

Project & Short Description	LDC Ranking	Lead Agency	Timeframe	Tier 1 Dec'14 FY'15	LDC Approved FY'16	Tier 1 Rev FY'16	Tier 2 Rev FY'16	Total Tier 1 + Tier 2 FY'16			
OPERATIONS 1: Public Safety				FY 2016							
Additional Police coverage for the area	5A	Police	Ongoing	\$1,500,000	\$1,600,000	\$1,600,000	\$0	\$1,600,000			
Temporary Public Safety Substation	5B	Police/Fire Dept.	Ongoing	\$15,000	\$30,000	\$15,000	\$0	\$15,000			
CitiWatch FO Cable/Cameras, Study, Personnel	7	Police/MOIT	Phased in	\$1,025,000	\$160,000	\$30,000	\$130,000	\$160,000			
DOT Traffic Enforcement	5C	DOT -- Traffic	Ongoing	\$250,000	\$250,000	\$108,000	\$0	\$108,000			
Enhanced Medic Services	5D	Fire Dept./EMS	Ongoing	\$285,000	\$450,000	\$300,000	\$150,000	\$450,000			
Sub-Total	44%			\$3,075,000	\$2,490,000	28%	\$2,053,000	29%	\$280,000	\$2,333,000	26%
OPERATIONS 2: Community Support											
Employment Connection Center	2	MOED	3-5 Years	\$375,000	\$225,000	\$345,000	\$0	\$345,000			
Sanitation Staffing	5	DPW	Ongoing	\$300,000	\$600,000	\$500,000	\$120,000	\$620,000			
Project Manager/Coordinator--LDC Support	21	Mayor-END	Ongoing	\$100,000	\$110,000	\$110,000	\$0	\$110,000			
Sub-Total	11%			\$775,000	\$935,000	11%	\$955,000	14%	\$120,000	\$1,075,000	12%
TARGETED INITIATIVES											
Complete Streets Plan	1A	DOT-- Planning	1-Time	\$400,000	\$200,000	\$150,000	\$150,000	\$300,000			
Complete Streets Implementation Projects	1B	DOT--Capital	1-Time	\$0	\$650,000	\$0	\$650,000	\$650,000			
Consultant for Long-Range Master Plan	3	Planning	1-Time	\$100,000	NA	NA	\$0	\$0			
Workforce Development Needs Assessment	4	MOED	1-Time	\$50,000	NA	NA	\$0	\$0			
Community Benefits District	6A	Mayor-END, BDC	1-Time	\$150,000	\$240,000	\$150,000	\$540,000	\$690,000			
COMMUNITY ENHANCEMENT PROJECTS	6B	Mayor-END + Others	1-Time	\$350,000	\$0	\$300,000	\$0	\$300,000			
Warner St. Corridor Urban Design Study	9	Planning, BDC		\$0	\$0	\$0	\$0	\$0			
Targeted Training for Construction Careers	11	MOED	2 Years	\$100,000	\$100,000	\$100,000	\$0	\$100,000			
Tree Planting	14A	BCRP	2 Years	\$0	\$135,000	\$30,000	\$100,000	\$130,000			
Summer Youth Jobs + Yr. Rd. Internships	17	MOED	Ongoing	\$0		\$240,000	\$0	\$240,000			
Public Art at Gateways	18	BOPA	1-Time	\$0	\$100,000	\$30,000	\$70,000	\$100,000			
Planning Studies: Middle Branch Feasibility	N/A	Planning	1-Time	\$0	\$250,000	\$100,000	\$150,000	\$250,000			
Early Childhood Ed (Summer Head Start)	N/A	Mayor-MOHSEY	2 Years	\$0	\$160,000	\$160,000	\$40,000	\$200,000			
Sub-Total	16%			\$1,150,000	\$1,835,000	21%	\$1,260,000	18%	\$1,700,000	\$2,960,000	33%
INFRASTRUCTURE REIMBURSEMENTS											
Infrastructure Upgrades: Russell, Bayard, Worcester, Warner Streets	20	Mayor-END, BDC	4 yrs -- Capital	\$2,000,000	\$2,000,000	\$1,500,000	\$0	\$1,500,000			
Steam Line Replacement	N/A	Mayor-END, BDC	2 yrs -- Capital	\$0	\$1,500,000	\$1,217,000	\$0	\$1,217,000			
Sub-Total	29%			\$2,000,000	\$3,500,000	40%	\$2,717,000	39%	\$0	\$2,717,000	30%
Carry-Over Deficit from Prior Year						\$0		\$0			
Total	100%			\$7,000,000	\$8,760,000		\$6,985,000	29%	\$2,100,000	\$9,085,000	