



Stephanie Rawlings-Blake
Mayor

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman



Thomas J. Stosur
Director

STAFF REPORT

February 28, 2013

REQUEST: FY 2014-2019 Capital Improvement Program

RECOMMENDATION: Approval

STAFF: Sara Paraniham

CIP Overview

By City Charter, the Planning Commission must submit a recommended six-year CIP to the Board of Estimates. The recommended budget year CIP becomes the basis for the capital component of the Ordinance of Estimates, adopted by the City Council.

CIP Review Schedule

- September 2012: Department of Planning sent to agencies CIP request packets including fund sources targets.
- November 2012: Requests from agencies due to the Department of Planning.
- December 2012- February 2013: Planning performs detailed review of requests.
- January 2013: Select Agencies brief Planning Commission.
- February 14, 2013: Planning Commission review of CIP Recommendations
- February 28, 2013: Planning Commission review/approval of CIP Recommendations.
- March 25, 2013: Six year CIP reviewed/approval by Board of Finance.
- April 24, 2013: CIP program reviewed/approved by Board of Estimates.
- June 2013: Budget year CIP adopted by City Council.
- July 1, 2013: Fiscal year 2014 begins.

CIP Request Evaluation Criteria

Projects are reviewed according to the following criteria.

- Necessary to protect public health and safety
- City funding will leverage other fund sources
- Capital investment will result in operating savings
- Fulfills a state or federal mandate
- Necessary to implement a priority housing or economic development project (ex. supports the Red Line)
- Promotes private-public partnerships

- Implements the City’s Comprehensive Master Plan, current & future area master plans and/or agency/institution’s master plan
- Implements the City’s Sustainability Plan

CIP Fund Sources

- General Obligation Bonds (GO Bonds) – With voter approval, the City borrows money for specific improvements by selling General Obligation Bonds.
- General Funds – Revenue received from various payments to the City, such as property taxes and sale of property.
- General Funds HUR Eligible – State Highway User Revenues allocated by formula.
- MDOT County Transportation Bonds – Transportation bonds issued against future HUR revenue
- State Funds – Includes Program Open Space, Waterway Imp. Funds and Economic Development Loans
- Federal Funds – Includes CDBG, HOME, Federal Highway Funds
- Revenue Loans – Funds from future revenues such as water bills
- Utility Funds – Funds from current revenues such as water bills and conduit fees
- County Grants – County contribution to shared projects, mostly water-related
- Other – Sale of city property, private money

Planning Recommendations

Per the schedule outlined above, agencies make requests to the Planning Department in the fall and Planning evaluates those requests throughout the winter to develop a recommended Capital Improvement Program. As part of the evaluation process, Planning reviews all of the requests received and recommends funding in accordance with fund source targets provided by the Department of Finance. Planning is not able to recommend funding all of the agency requests due to limited funding availability. However, Planning recommends funding for almost all of agencies’ FY14 highest priority requests, and recommends funding in FY 15 for most second-level FY14 priorities.

In addition to prioritizing requests, the Planning Recommendations also include information that was not available when agencies initially made their requests.

Below is a summary of the most significant changes from Agency Request to Planning Recommendation:

- Per the 10 Year Financial Plan, the Department of Finance identified an additional \$30m in FY14 General Funds for the following purposes:
 - 117-002 Replace Mainframe \$5m
 - 474-022 Community Center Master Plan and Implementation \$5m
 - 508-550 Neighborhood Street Resurfacing \$2m
 - 514-214 Resurfacing – Northwest \$2m
 - 514-215 Resurfacing – Southwest \$2m
 - 514-216 Resurfacing – Southeast \$2m
 - 514-846 Resurfacing – Northeast \$2m

- 588-012 Whole Block Demolition \$10m
- Baltimore Housing will receive \$10m from the Attorney General’s Mortgage Servicers Settlement. Planning recommends appropriating these funds in FY14 and FY 15 as follows:
 - 588-016 Blight Elimination – Mortgage Servicers Settlement
Total: \$9.25m \$3.8m FY14, \$5.45m FY15
 - 588-984 Homeownership Incentives
Total: \$750k \$750k FY 14
- Recreation and Parks received revised estimates for State Open Space projections, which resulted in shifting funds for FY14 for the following four projects:
 - 474-017 Riverside Park Improvements – Ball Field Expansion and Dog Park –
Total funding stays the same, but shift from only G.O. Bonds to a mixture of G.O. Bonds and State Open Space Funds.
 - 474-019 Carroll Park Athletic Fields – Not originally requested in FY 14; recommending \$1.06m through a combination of G.O. Bonds and State Open Space Funds.
 - 474-026 CC Jackson Neighborhood Swimming Pool Renovation and Park Improvements – Increase funding for project from \$1m to \$1.8m through combination of G.O. Bonds, State Open Space funds, and slots revenue.
 - 474-027 Clifton and Wegworth Parks Court Resurfacing – Increase funding for project from \$300k to \$800k by adding State Open Space funds.
- Baltimore Development Corporation’s new leadership asked Planning to consider additional projects based on feedback from the presentation of agency requests to Planning Commission. Many of Baltimore Development Corporation’s original requests focused on streetscape and infrastructure improvements in commercial areas. Their revised request included streetscape and infrastructure improvements, but also included the following additional projects for FY 14:
 - 601- 024 Public Markets \$250k
 - 601-025 Commercial Corridor Blighted Property Demolition \$250k
 - 601-026 Liberty Heights Plan \$100k
 - 601-027 Brooklyn Curtis Bay Plan \$100k
- According to State legislation, the City receives an allocation of video lottery terminal (VLT) revenue to be spent in the Pimlico area. It has been a challenge to budget this fund source because the estimates from the State have fluctuated greatly. In FY 12, \$2m was appropriated, but only \$925k was received. In FY 13, only \$1.7m was appropriated, but the City has received ~\$2m to date, and expects to receive a total of \$4m by the end of the fiscal year. The City expects to receive at least \$4m in FY 14. For FY 14, Planning recommends appropriating \$5.2m to address the expected revenue for FY13 and FY14. A portion of the \$5.2m will be appropriated in the operating budget. The following amounts are recommended for appropriation in the capital budget for FY14:
 - 474-026 CC Jackson Neighborhood Swimming Pool Renovation and Park Improvements \$400k
 - 588-962 Northwest Neighborhood Improvements \$1.17m
 - 588-963 Park Heights Redevelopment \$2.43m

- The Department of General Services requested funds for a series of renovations of individual police stations and community action centers. Planning recommended starting with a master plan for each agency to determine the overall needs, and whether stations should be replaced, renovated or co-located before renovating individual stations. Planning will work with the Department of General Services to prepare the scope of work and coordinate across various agency master plans.

Summary of the Recommended Capital Improvement Program

Six-Year Program

Agency Requests: \$ 5.642 billion

Planning Recommendation: \$ 5.572 billion

Budget Year

Agency Requests: \$ 1.125 billion

Planning Recommendation: \$ 1.162 billion

Fund Distribution for Recommended FY 2014 Capital Budget

(All Fund Sources)

<u>Agency/Dept.</u>	<u>\$ Amount in thousands</u>	
Mayoralty/Cultural	9,350	
Dept. of Planning	400	
Public Works	950,467	
General Services	12,800	
BCPS	17,000	
Recreation & Parks		15,010
Transportation	103,310	
Housing & Community Dev.	46,567	
Baltimore Dev. Corp.	6,450	
Downtown Partnership	650	
Total	1,162,004	

Sources of Funds for Recommended FY 2014 Capital Budget

<u>Category</u>	<u>\$ Amount in thousands</u>
G.O Bonds	50,000
General Funds	34,700
Revenue Loans	425,334
Utility Funds	16,594
Federal Funds	60,337
State Funds	192,312
General Funds Highway User Revenue	8,000
County Grants	353,627
Other	21,100
Total	1,162,004

The Department of Planning recommends approval of the FY 2014 – 2019 Capital Improvement Program.

Thomas J. Stosur
Director