

DRAFT FY 2016 Video Lottery Terminal Revenue Spending Plan Pimlico Area Local Impact Aid

Introduction

In 2007, the State legislature passed the Maryland Education Trust Fund – Video Lottery Terminals legislation (2007 SB 3), which provided slots revenue funding to the City of Baltimore for a period of 15 years beginning in Fiscal Year 2012 and ending in Fiscal Year 2027 to support community and economic development in the Pimlico area. In 2012, the legislation was amended to extend the Pimlico area slots revenue funding from 15 years to 20 years.

5.5% of the proceeds from slots revenue from the Baltimore City, Anne Arundel, and Prince George's County facilities are designated for grants to local communities surrounding Video Lottery Terminals (VLTs) or racetrack facilities, known as local impact aid. Of this amount, 18% is allocated to Baltimore City for the Pimlico area. However, \$1,000,000 of the 18% is allocated to Prince George's County for the area near Rosecroft Raceway, and \$500,000 is directed to communities near Laurel Race Course for fiscal years 2015-2019.

Of the funds that are earmarked for the Pimlico area, at least 75% must be allocated for the Park Heights Master Plan area and up to 25% for neighborhoods around the Park Heights Master Plan area, as specifically defined in the law.

Required Spending Plan

Pimlico Area Local Impact Aid is allocated to the Mayor and City Council, but under State Law the City is required to develop a spending plan for the expenditure of local impact grants in consultation with the Local Development Council, the Pimlico Community Development Authority.

This document is the required spending plan for FY 2016.

It includes the following required elements:

- Funds are used primarily for capital purposes benefitting economic and community development.
- At least 75% of the funds are allocated in a manner that is consistent with the Park Heights Master Plan.
- The remaining 25% is allocated to areas highlighted in blue, yellow, and tan on the attached map (Appendix A). These areas are census block groups that are at least partially within 1 mile of Pimlico Racetrack, but not within the boundaries of the Park Heights Master Plan; neighborhoods included in the Northwest Community Planning Forum Strategic Neighborhood Action Plan; and/or any neighborhood within an area bounded by Liberty Heights Avenue, Northern Parkway, Druid Park Drive, and Wabash Avenue. Collectively, these areas are commonly referred to as the "One Mile Radius."
- This draft plan is being submitted for review by the Local Development Council, Pimlico Community Development Authority (PCDA), prior to adoption or spending any funds. PCDA has 45 days to review the plan and will conduct public forums during that time.

Revenue Estimates

The State has recently revised its revenue estimates for FY15 – FY19, including estimates of gaming revenue. For FY16, the City received a recent **estimate** from the State of \$4.6 million for the entire Pimlico area. Given the unpredictability of this revenue source and the lack of a track record with the Baltimore City Casino, this spending plan is based on a somewhat more conservative **estimate**:

	Total Pimlico Area Local Impact Aid	Park Heights Master Plan (75%)	1 Mile Radius (25%)
Fiscal 2016	\$4,500,000	\$3,375,000	\$1,125,000

The State will again review revenue projections in December 2014. At that time, projections may be adjusted upward or downward based on several months' experience with the Horseshoe Casino. Based on September revenues, there is a strong possibility that estimates may be adjusted downward.

Planning and Community Process

Over the last decade, Baltimore City has done extensive community plans for several of the areas eligible for slots funding. These plans are being used as the foundation for the spending plan.

- **Park Heights Master Plan:** In February 2006, the Park Heights Master Plan was adopted by the Baltimore City Planning Commission after more than two years of intense community process. The plan was amended in 2008. Hundreds of people participated in the planning process. The plan covers the area from Park Circle to Northern Parkway, Greenspring to Wabash. The plan includes recommendations for physical and human service redevelopment within Park Heights. Based on the Master Plan's recommendations, Park Heights Renaissance, Inc. (PHR) was created with the mission of working with the community to implement the Master Plan's recommendations.
- **Northwest Community Planning Forum SNAP:** In March 2005, the Northwest Community Planning Forum Strategic Neighborhood Action Plan was adopted by the Baltimore City Planning Commission. Hundreds of people participated in the planning process. The plan covers the portion of the City north of Northern Parkway and west of the Jones Falls Expressway, including the neighborhoods of Glen, Fallstaff, Cross Country, Cheswolde, and Mt. Washington. In 2010, the communities engaged in a process to update the plan; the updated plan was adopted by Planning Commission in December 2012. In the fall of 2013, the Northwest Community Planning Forum engaged residents in prioritizing recommendations in the SNAP plan.
- **Greater Northwest Community Coalition SNAP:** In April 2005, the Greater Northwest Community Coalition Strategic Neighborhood Action Plan was adopted by the Baltimore City Planning Commission. The Greater Northwest Community Coalition no longer exists, but many of the recommendations remain valid. Baltimore Development Corporation is launching a planning process for the Liberty Heights corridor that will include the neighborhoods on both sides of Liberty Heights.

In addition, on September 9 and October 1, 2014, the Baltimore City Planning Department engaged community leaders to brainstorm priorities for this spending plan. The priorities identified at these meetings have been considered and many are reflected in this spending plan.

On October 22, 2014, the draft spending plan was submitted to PCDA for the formal state-mandated 45 day review period. As part of its review process, PCDA will host a community-wide meeting to solicit feedback on the plan on October 29, 2014. Community representatives are encouraged to communicate their comments to the PCDA throughout the review process. The draft spending plan is available on PCDA's webpage (<http://pcdabaltimore.wordpress.com>).

Slots Revenue Spending Plan Recommendations - Park Heights Master Plan Area

Below is the slots revenue spending plan, totaling \$3,375,000 for the FY 2016 budget year, for the Park Heights Master Plan area.

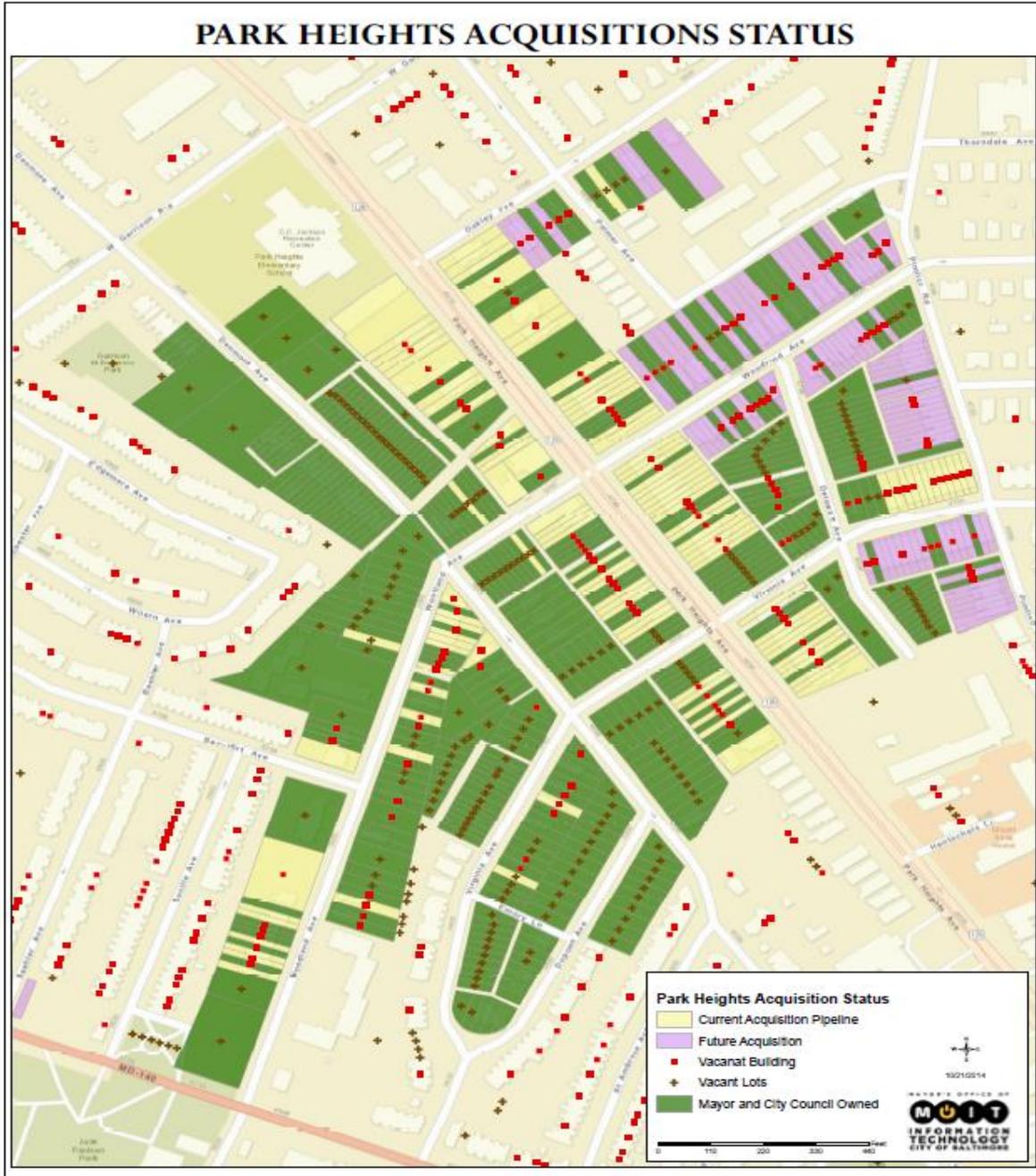
Major Redevelopment Area Pre-Development Activities: \$2,198,750

One of the key components of the Master Plan is redevelopment of the Major Redevelopment Area in Central Park Heights. As the plan describes, this area, "centered at Park Heights and Woodland, covers roughly 60 acres, and currently contains approximately 400 vacant buildings and lots."^[1] Before significant new development can occur, the City must acquire all of the properties in the Major Redevelopment Area, relocate existing residents, and demolish the existing structures.

The City has acquired or has actively begun the acquisition process of more than 80 per cent of the properties within the redevelopment area. At this time, the cost to accomplish these activities in the entire redevelopment area so development parcels can be identified and marketed is estimated at approximately \$22 million. To ultimately be able to attract new development and residents to the community, the majority of the slots revenue needs to be dedicated to these pre-development activities until the 60 acres are ready for redevelopment.

Efforts in FY15 are focused on the acquisition, relocation, and demolition of the even side of the 4600, 4700 and 4800 blocks Park Heights Avenue, and the City is proposing to utilize FY16 slots funds to continue this work on the odd (east) side of the of Park Heights Avenue. The demolition of these properties will be highly visible along the neighborhood's main corridor. In addition, this will allow visibility of all the properties that have already been acquired and demolished on the side streets to the east and west of Park Heights Avenue along Woodland, Virginia, Dupont, Homer, Denmore, and Delaware.

^[1] Park Heights Master Plan, p.14.



As significant progress is made on assembling the land in the Major Redevelopment Area under public ownership, the time is right to begin to plan for the redevelopment that is desired to occur. FY16 funds will be allocated to a market assessment to determine potential demand for various housing products as well as an infrastructure assessment and improvement plan. These assessments will be used to generate urban design principles that reflect a holistic urban redevelopment strategy, which in turn becomes the basis for a development RFP.

If additional VLT funds are received in FY 2016, the Park Heights allocation will be used to supplement Major Redevelopment Area pre-development activities.

Human Services: \$506,250

Since FY13/14, programs aimed at engaging older youth in the Park Heights community in positive youth development projects have been selected using a competitive application process. The RFP has focused on proposals for innovative youth development programs for disconnected youth, which incorporated mental health services and HIV/AIDS and STI prevention, testing, and care.

For the grant period of January 2014-June 2015, three proposals were selected (Project Engage, Project Yes, Kujichagulia Center), with each awarded approximately \$200,000 from FY13/14 funding. Again in FY15, the RFP was issued, and as of this writing, one new program, Project PAYE, has been funded. Programs funded in FY13/14 were not eligible for additional funding as outcomes have not yet been demonstrated. Project PAYE, an intensive media production, arts and entrepreneurship program designed to serve youth ages 16-24, is a partnership between Holy Nativity/St Johns Development Corporation and Smart Steps Children's Centers. The Mayor's Office of Human Services and the Family League have continued to work to identify additional qualified programs by reissuing the RFP and accepting additional proposals.

In FY16, the RFP will be re-issued. Successful programs from the FY13/14 cycle will be eligible to receive additional funding.

Skills Training at the Former Magna Technical Training Center: \$50,000

The former Magna Baltimore Technical Training Center remains an asset in the community and presents opportunities for future investment. The Mayor's Office of Employment Development, the Mayor's Office of Economic Development, the State Department of Labor, Licensing and Regulation, and philanthropic organizations have partnered to create a skills training center at the former Magna Training Center. The center would offer a variety of training for in demand employment sectors, with an emphasis on manufacturing training. The anchor tenant, the Jane Addams Resource Center (JARC) has been identified to offer its *Careers in Manufacturing Program* at the site. The program will offer CNC machinist and welding training as well as a bridge program to enhance math and reading skills using a manufacturing-centered curriculum. Slots revenue is allocated to provide scholarships to residents of Park Heights to be able to take advantage of these training opportunities with JARC.

Operating Support for Park Heights Renaissance, Inc.: \$575,000

Slots revenue will be used to continue City efforts to support the Park Heights Renaissance's programs and operations, including a wide range of community engagement activities and initiatives. PHR is addressing the community engagement priorities that have been identified (listed below) and will continue to use \$500,000 of its annual grant to strengthen and expand existing efforts.

- Notification and community engagement – Implement cost-effective means to regularly reach as many residents as possible. Explore national models for the best means to do notification in large areas. Notification strategies could include a combination of mailings, door-to-door flyers, backpack flyers, flyers at key locations, robo-calls, email list serves, etc.
- Engage renters and landlords – Typically, community engagement efforts have focused on homeowners, and have excluded renters and landlords. It is important to include

renters and landlords in helping rebuild Park Heights. Notification and engagement strategies may need to be modified to reach each of these groups.

- Engage residents through schools – Through the Community Schools initiative, Park Heights Renaissance, Inc. has been engaging residents through the schools. The 21st Century School Initiative provides an additional opportunity to engage residents around investments in their schools.
- Organize merchants, service providers, faith based community – In addition to residents, merchants, service providers, and faith based organizations play a key role in the community and should be engaged in the revitalization effort.

In addition, \$50,000 is provided so that PHR can hire an additional staff person to organize existing and emerging community associations to create a network of community associations that collectively represents the area. This staff person will expressly focus on community association leadership development, capacity building and training, such as building membership, creating by-laws, holding elections, and organizing as legal entities.

To meet immediate neighborhood needs and increase the number of residents actively engaged in addressing community issues, PHR would also receive an additional \$25,000 to administer a small neighborhood grants program which would fund projects. These grants could fund activities such as community events, sanitation projects, and beautification projects.

Park Heights Renaissance, Inc. will continue - and expand - its community engagement efforts to include the components mentioned above to the fullest extent possible.

One Mile Radius Recommendations

Per the legislation, 25% of the funds are allocated to the census block groups within one mile of the racetrack, the Northwest Community Planning Forum, and the Liberty-Wabash area. The spending plan identifies how to allocate funds across the three different geographic areas eligible for 25% of the funds.

Within the One Mile Radius there are three distinct geographic areas: the Northwest Community Planning Forum SNAP, the Liberty-Wabash area, and Coldspring Newtown (Appendix A). The overall goal of this spending plan is to make sure all areas benefit from projects funded by this revenue source and that there is some measure of equity in the funding allocation.

In order to be equitable in the distribution of funds for the one-mile area, the City has divided the one mile radius funds according to population and land area within one mile of the Racetrack, with consideration for the population and land area within the eligible area. Whether funds are allocated based on area or population, the amount is similar. These amounts will serve as general guidelines and will not necessarily be strictly adhered to each year, though the goal is to meet the target ratios for each area over the lifespan of the funds.

With the opening of Baltimore City Casino during FY15, the eligible land area within the One Mile Radius expanded per HB 1020 of 2013. As a result, the revenue is allocated as follows: 70% will be allocated within the Northwest Community Planning forum area, 25% within the Liberty Heights to Wabash area, and 5% within Coldspring Newtown.

Northwest Community Planning Forum SNAP

In a multi-year approach, funds are being directed to parks, recreation, and open space priorities in FY16 and to housing, community development, and transportation priorities in FY17.

FY16, the “Year of the Park,” includes the following projects:

Northwest Park: \$431,500

These funds would supplement funding from prior years to allow for continued implementation of the Northwest Park Master Plan. Specifically, these funds would be used for construction of a terraced parking area while other improvements (such as those which are part of the Jones Falls Trail V project) are underway. By providing these funds in FY16, disruption to the use and enjoyment of the park can be minimized, and economies of scale with construction work can be maximized. These planned improvements would complete the upper or “front” side of the park.

Pimlico Safety Academy: \$231,500

These funds, in conjunction with funds previously allocated, will allow for the redesign of drainage and utilities so that a baseball field and a multipurpose field can be placed on the site. The process has been initiated to transfer the open space portion of the safety academy site to the control of the Department of Recreation and Parks and to subdivide that open space parcel to protect it from development in the future.

Recreation Programming in the Fallstaff Area: \$64,000

Funds are provided to engage with a nonprofit service provider to deliver recreational and social activities for youth and adults in the Fallstaff area. A number of key partners could collaborate on this initiative, including Fallstaff School, Northwestern High School, and the bi-lingual organizers that are working in the community through CHAI and CASA. Activities could include recreational sports, youth leagues, and art, music, and fitness classes.

Beautification of Northern Parkway: \$25,000

Northern Parkway is a main thoroughfare that carries significant amounts of traffic along the southern edge of the Northwest communities. The installation of colorful, aesthetically pleasing plantings in the median from Preakness Way to Park Heights Avenue will create a visually appealing gateway to the Northwest communities.

Beautification of Park Heights Avenue: \$5,000

Along Park Heights Avenue, there are a number of small pockets with benches and landscaping that provide pleasant, shade-filled resting and gathering places. The maintenance of these “oases” will support the overall feel of Park Heights Avenue as a pedestrian-friendly urban boulevard.

Community Grants: \$20,000

Funds will again be available for small community grants within Mt. Washington, Glen, Cheswolde, Cross Country, and Fallstaff on an application basis. This money could be used to fund community events or small community projects.

The spending proposed for FY16 involves two large capital investments in parks facilities which are one-time in nature. Looking forward, it is anticipated that future investments would be targeted to initiatives in the housing and community development area. Among these initiatives would be to continue funding, pending a favorable evaluation of outcomes, for the bi-lingual

organizer and street sanitation projects begun with FY13/14 funds. Similarly, additional investment in CHAI's Vacants to Value effort and to recapitalization of its low-interest loan pool would be consistent with this overall strategy. Other priorities that may be considered for funding in FY17 may include community employment services and implementation of the pending transportation and traffic study.

Liberty-Wabash Area

Given that the Baltimore Development Corporation is embarking on a commercial corridor study of the Liberty Heights area, these initiatives are intended to implement the recommendations and action steps within that plan. Funds are allocated to the following focus areas:

Community Development: \$137,500

Funds are provided to address the issue of vacant housing in the area. Funds could be directed to a number of activities, such as to purchase properties, stabilize or renovate vacant houses, or provide homebuyer or production subsidies in conjunction with the Vacants to Value program.

Neighborhood Improvement Projects and Community Association Technical Assistance: \$100,000

Funds in this focus area would be available to address specific physical improvements to enhance the appearance of a neighborhood or to market or brand an area, such as banners, neighborhood signs, and landscaping efforts. Funds would also be available to community associations in need of technical assistance or expert help for a particular issue facing the community, such as professional design, financial, or legal services to address specific community challenges or opportunities; assistance to secure 501c3 status; development of a strategic plan for a community association; or neighborhood marketing and communications.

Youth Programming: \$40,000

Organizations that provide youth programming would be eligible to apply for funds to continue or to enhance the programs and services offered to youth in the community.

Coldspring Newtown Area

Mercantile Building/Community Cottage/Pool Area: \$55,500

The Department of Housing and Community Development will issue an RFP for the Mercantile Building in 2015 to gauge developer interest in the site. Based on the results of the RFP, funds will be used to implement solutions to enable the City to sell the Mercantile Building while continuing to provide locker-rooms for the pool and community meeting space in the vicinity.

Administrative Expenses

Planning Department/PCDA: \$60,000

The Pimlico Community Development Authority is responsible for advising Baltimore City regarding the spending plan. In addition, PCDA meets quarterly to monitor slots revenue spending related to both the One Mile Radius and the implementation of the Park Heights Master Plan. The Planning Department provides administrative support to PCDA. This

expense is allocated on a pro-rata basis between the Park Heights Master Plan area and each of the three One Mile Radius geographic regions.

Implementation of Community-based Projects and Related Capacity Building:

In July 2014, the City entered into a fiscal services agreement with Healthy Neighborhoods to implement and administer the projects that have been identified as community based (*i.e.*, not implemented by a City agency.) Experience has shown that management of these projects includes working with community stakeholders to further define the projects, identify service providers, and develop scope of services, in addition to administering grant agreements. Through the implementation of these projects, the capacity of community organizations is enhanced.

The current agreement with Healthy Neighborhoods, which covers the FY13/14 and FY15 Spending Plans, includes \$100,000 in contingency funds. It is unlikely, due to the nature of projects being funded, that a need for contingency (such as cost overruns) will arise. Therefore, funds in the prior contingency appropriation are available to manage the community-based projects in the FY16 Spending Plan. In future years, the costs for management of community based projects and related capacity building will be deducted from that year's allocation.

DRAFT

Summary of FY16 Pimlico Local Impact Aid

FY 16 Pimlico Local Impact Aid	\$ 4,500,000
<u>Park Heights Master Plan</u>	\$ 3,375,000
Major Redevelopment Area	\$ 2,198,750
Community Engagement and Organizing (PHR)	\$ 575,000
Human Services/Youth Development	\$ 506,250
Job Training (Magna Center)	\$ 50,000
PCDA Administration	\$ 45,000
<u>1 Mile Radius</u>	\$ 1,125,000
Northwest Community Planning Forum	\$ 787,500
Northwest Park	\$ 431,500
Pimlico Public Safety Fields	\$ 231,500
Recreation Programming (Fallstaff)	\$ 64,000
Northern Parkway Median Beautification	\$ 25,000
Park Heights Avenue Beautification	\$ 5,000
Community Grants	\$ 20,000
PCDA Administration	\$ 10,500
Liberty-Wabash Area	\$ 281,250
Community Development Initiatives	\$ 137,500
Community Association Projects	\$ 100,000
Youth Programming	\$ 40,000
PCDA Administration	\$ 3,750
Coldspring Newtown	\$ 56,250
Mercantile Building/Community Cottage/Pool Area	\$ 55,500
PCDA Administration	\$ 750

Appendix A: Pimlico Local Impact Aid Eligible Areas

