



CATHERINE E. PUGH
MAYOR

100 Holliday Street, Room 250
Baltimore, Maryland 21202

April 24, 2017

Dear Pimlico Community Development Authority:

Thank you for reviewing the Draft FY 2018 Video Lottery Terminal Revenue Spending Plan for the Pimlico Area Local Impact Aid and providing recommendations. I appreciate the hard work and dedication Pimlico Community Development Authority members have shown throughout this process. PCDA's public outreach and recommendations were extremely helpful as I made final decisions on the spending plan. I particularly want to express my thanks for your support to allocate a higher proportion of available funding for physical improvements in the Park Heights Master Plan area, where the needs are greatest.

I have carefully considered the comments provided by PCDA regarding the Draft FY18 Spending Plan and the Final Spending Plan has been modified accordingly. Highlights of those changes are outlined below, with further details included in the final spending plan document.

Park Heights Master Plan Area

Feasibility Study for Library – Funds will be used for a feasibility study to determine the viability, programs and potential locations, including demand for various library services (lending library, reference resources, computer stations, meeting space, pre-school area, homework help, etc.), operating cost, and space requirements (\$50,000).

Human Services and Resident Support Programs – This spending plan will provide additional funding for the Baltimore Summer Funding Collaborative (\$255,000) and for year round out of school programming through a Request for Proposals (\$265,000).

Development Incentives - The development funds will prioritize the area around Pimlico Elementary/Middle School, with particular focus on 4800 Pimlico Road. This investment supports the INSPIRE planning efforts around the school and aligns with the construction of the new 21st Century school.

One Mile Radius Areas

Northwest Community Planning Forum SNAP Area

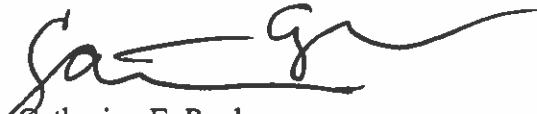
Public Safety – Funding will be available towards the purchase of an ambulance for Hatzalah, an organization that provides emergency medical services to the citizens of Northwest Baltimore.

Liberty-Wabash Area

Neighborhood Initiative Competitive Grants – Additional funding in the amount of \$41,738 will be provided to give neighborhoods more ability to advance their community development goals.

I want to personally thank each of you for your invaluable volunteer service and for making the Pimlico Area a better place to live, work, and play. If you have questions or concerns, please contact PCDA Chairman Thomas Stosur at pcda@baltimorecity.gov.

Sincerely,



Catherine E. Pugh
Mayor
City of Baltimore

cc: Pete Hammen, Chief Operations Officer
Thomas Stosur, Director, Department of Planning
Sara Paraniyam, Division Chief, Comprehensive Planning

Enc.: Final Pimlico Local Impact Aid FY18 Spending Plan

FINAL FY 2018 Video Lottery Terminal Revenue Spending Plan Pimlico Area Local Impact Aid

April 24, 2017

Introduction

In 2007, the State legislature passed the Maryland Education Trust Fund – Video Lottery Terminals legislation (2007 SB 3), which provides slots revenue funding in the form of Local Impact Aid to jurisdictions that have casino facilities. The legislation also provides that a portion of the impact aid is directed to the area around the Pimlico Race Track. The current statute provides funds to the Pimlico Area for 20 years, through fiscal year 2032.

The statute provides that 5.5% of gross video lottery terminal (VLT) revenue is returned to the jurisdiction where a casino is located and is known as Local Impact Aid. Baltimore City receives 18% of the local impact aid allocation that is generated by the casinos in Anne Arundel County, Baltimore City, and Prince George's County 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. (The remaining 82% from the Baltimore City casino is also provided to Baltimore City. These funds are held separately and their use is guided by the Baltimore Casino Local Development Council.)

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

Spending Plan Priorities

The priorities for the FY 2018 spending plan are:

- Visible, physical redevelopment
- Leverage this unique funding source
- Focus where need is highest and impact will be greatest

To implement these priorities, 85% of the funds are allocated to the Park Heights Master Plan, where the need is greatest, and 15% to the 1 mile radius. Within the Park Heights Master Plan area, funds are targeted to two new initiatives that will achieve visible redevelopment progress: an initiative focused on the Park Heights Avenue corridor as the area's main gateway and an initiative to provide development incentives to help developers and residents renovate and occupy properties that are currently vacant. As the approach is to focus on visible physical redevelopment, the spending plan for FY18 begins a transition away from using video lottery terminal revenue for programs and services.

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 (PCDA).

This document is the required spending plan for FY 2018.

It includes the following required elements:

- Funds are used primarily for capital purposes benefitting economic and community development.
- The law requires that at least 75% of the funds are allocated in a manner that is consistent with the Park Heights Master Plan. In FY18, 85% of funds are allocated in a manner consistent with the Park Heights Master Plan.
- The remaining 15% 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. Over time, changes to State law have modified the boundaries of the area beyond the Park Heights Master Plan, but collectively, these areas are commonly referred to as the "One Mile Radius."
- The final spending plan reflects the Administration's considerations of input from the Local Development Council, Pimlico Community Development Authority (PCDA), per the requirements of State legislation. PCDA had 45 days to review the plan and conducted two public forums during that time.

Revenue Estimates

For FY 2018, the City is estimating that \$8 million in Local Impact Aid will be available for the entire Pimlico area. This estimate is subject to change. The FY 2018 spending plan will also appropriate \$713,000 in revenue from FY 2016 that exceeded that year's estimated funding, bringing the total spending plan amount for FY 2018 to \$8,713,000. Of this total, 85% is allocated to the Park Heights Master Plan Area and 15% to the One Mile Radius Areas.

	Estimated Pimlico Area Local Impact Aid	Park Heights Master Plan (85%)	1 Mile Radius (15%)
FY 2018	\$8,000,000	\$6,800,000	\$1,200,000
FY 2016 Unallocated	\$713,000	\$606,050	\$106,950
Total FY 2018	\$8,713,000	\$7,406,050	\$1,306,950

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 annual 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.
- **Liberty Heights LINCS:** The City is leading a planning process for the Liberty Heights corridor through the Leveraging Investments in Neighborhood Corridors initiative. The goal of this initiative is to enhance the aesthetics and the economic vitality of key gateways, while seeking to improve quality of life and increase community capacity.
- **INSPIRE plans:** The Planning Department is leading planning processes for the quarter mile around Pimlico K-8, Arlington Elementary, Forest Park High School and Calvin Rodwell K-8 to leverage the investment in these 21st century schools.

Park Heights Master Plan Area Recommendations

Below is the slots revenue spending plan, totaling \$7,406,050 for the FY 2018 budget year, for activities in the Park Heights Master Plan area.

Physical Redevelopment

Major Redevelopment Area Pre-Development Activities: \$3,436,050

One of the key components of the Master Plan is redevelopment of the Major Redevelopment Area in Central Park Heights. 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. To ultimately be able to attract new development and residents to the community, a significant portion of the slots revenue needs to be dedicated to these pre-development activities until the 60 acres are ready for redevelopment. To date, the City has acquired or has actively begun the acquisition process of more than 90 percent of the properties within the redevelopment area. These funds will allow acquisition, relocation, and demolition on Park Heights Avenue and Woodland Avenue to continue.

Park Heights Avenue and Reisterstown Road Corridors: \$2,250,000

Revitalization of the major corridors is critical to the success of the Park Heights area. Funds will be used for a combination of revitalization strategies including development incentives, strategic demolition, façade improvements for existing homeowners, greening, etc. Initial efforts will focus on the gateway to the neighborhood along Park Heights Avenue from Park Circle to Springhill Avenue. For FY 2019, the Administration would like to prioritize revitalization of portions of the Belvedere Avenue corridor, in partnership with key stakeholders including Sinai/Lifebridge.

Development Incentives: \$750,000

Funds will be used to provide incentives to developers and residents to help stabilize neighborhoods and promote new investment. The area around Pimlico Elementary/Middle School will be prioritized, with particular focus on the 4800 block of Pimlico Road. This investment supports the INSPIRE planning efforts around the school and aligns with the construction of the new 21st Century school. The blocks surrounding Arlington Elementary School, also included in the 21st Century program, will receive similar priority for incentives in FY 2019.

Feasibility Study for Library: \$50,000

Park Heights residents have strongly desired a library after the local branch library closed. As the City works with community partners to rebuild the neighborhood as a place for families, a new library will be an important anchor for attracting residents. Funds will be used for a feasibility study to determine the viability, programs and potential locations, including demand for various library services (lending library, reference resources, computer stations, meeting space, pre-school area, homework help, etc.), operating cost, and space requirements. Funding to advance implementation of the library plan, based on the outcomes of the study, will be prioritized for FY 2019.

Services and Programs

The FY 18 draft spending plan maintains various community programs in the Park Heights Master Plan Area and includes Racetrack Impact Funds for PHR's operating support. With the

Pugh Administration's emphasis on visible redevelopment, in future years other funding sources should be identified for human service programs and activities.

Human Services and Resident Support Programs: \$520,000

These funds will support human service needs identified in the Park Heights Master Plan. Funding will support the critical need in Park Heights for high quality summer youth programs as well as year round out of school time programming. Funding will be split between youth programming through the Baltimore Summer Funding Collaborative (\$255,000) and a Request for Proposals (RFP) for year round out of school programming (\$265,000).

The Baltimore Summer Funding Collaborative consists of 11 corporate and philanthropic funders that use a common application to fund high-quality summer programs that serve children in low-income families in Baltimore City. All proposals are screened by community and youth panels. The following summer youth programs will receive slots funds to serve a total of 310 Park Heights youth, with an emphasis on programming for youth aged 14-24:

- Full Gospel Fellowship Church of Deliverance, Project Success Youth Place: \$65,000
 - A comprehensive program serving youth aged 14-24, focusing on literacy, STEM, college and career readiness and recreation activities
- Sisters Saving the City, Park Heights Youth Leadership & Community Engagement Program: \$36,000
 - A STEAM-focused community engagement program where youth experiment with drones and robotics while learning valuable career skills
- Smart Steps Youth Services, Summer Enrichment Camp @ Pimlico Road Arts & Community Center: \$87,000
 - Two comprehensive 4-week summer camps serving approximately 120 total K-5th graders. Activities include literacy, STEM and athletics
- SVDP of Baltimore, Summer Head Start: \$25,000
 - This extends quality programming for Head Start students over the summer months, combatting summer learning loss and preparing students to be successful in kindergarten
- Women in Transition, Hands On Academy: \$10,000
 - A workforce development program for young women who are currently engaged in the foster care system. The focus is on exposure to careers in the food service industry
- Catherine's Family and Youth Services, Summer Youth Enrichment Program: \$10,000
 - A summer program for high school aged youth focusing on technology and design
- Afrikan Youth Alchemy, Griot's Eye Youth Media Academy: \$10,000
 - A 5-week intensive media arts and advocacy program for youth aged 14-21

The remaining funds will be awarded through an out of school time RFP process commencing in May 2017.

Community Cleanup Program: \$100,000

These funds will allow PHR to continue its current effort to maintain vacant lots and eyesore locations. Community residents will perform landscape services.

Educational Programming: \$140,000

These funds will provide the required match to have a full Community Schools operation in each of the four elementary schools in Park Heights – Pimlico, Arlington, Edgcombe, and Dr. Martin Luther King – and provide a small supplement to student activity funds. The HIPPY program for early childhood education will continue to operate through PHR.

Public Safety Program: \$100,000

Funds will be provided to continue the Park Heights Safe Streets program in Baltimore City Police Department Post #614. In addition, PHR will contract with Neighborhoods United to operate a volunteer Citizens on Patrol neighborhood watch program. This public safety program will provide approximately \$88,000 in funds for two Community Violence Interrupters as part of the Safe Streets program and the remaining \$12,000 in funding will go toward Citizens on Patrol. None of these funds are to be used for security cameras.

Operating Support for Park Heights Renaissance, Inc.

For FY18, this spending plan proposes that PHR receive Racetrack Impact Funds instead of Pimlico Local Impact Aid to fund the organization's general operating support, including community outreach and engagement as well as community association support and communications. There is a balance of \$500,000 available in Racetrack Impact Funds that PCDA can allocate towards PHR's operating expenses for FY18 (note: Racetrack Impact Funds are not available on an ongoing basis). With the emphasis on visible physical redevelopment, PHR's operating expenses should be funded through other funding sources in the future.

One Mile Radius Recommendations

Per the legislation, a portion of the funds are allocated to the census block groups within one mile of the racetrack, the Northwest Community Planning Forum, and the area between Liberty Heights Avenue and Wabash Avenue.

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.

With the opening of the Baltimore City Horseshoe Casino during FY15, the eligible land area within the One Mile Radius expanded per HB 1020 of 2013. In order to be equitable in the distribution of funds for the One Mile Radius area, the City has divided the funds according to population and land area within the eligible area. Whether funds are allocated based on area or population, the amount is similar, and 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. 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.

Northwest Community Planning Forum SNAP

This plan provides continuity for previously established initiatives and new funding for development incentives.

Multi-lingual Community Organizers in Fallstaff: \$135,000

Two staff persons (one a full-time employee of CHAI and one a part-time employee of Casa de Maryland) will continue to provide services and referrals to bi-lingual residents, hold seminars and workshops, and host community conversations to bridge cultural gaps.

Streetcleaning: \$100,000

Chimes has been successfully keeping sidewalks, gutters, and storm drains cleared of litter and debris on well-traveled roads in Glen and Fallstaff since April 2015. Crews are on site four hours per day, five days per week, and this project provides important employment opportunities to disabled persons, with preference for City residents whenever possible. This funding is to be focused on Park Heights Avenue and Reisterstown Road, and other well-travelled roads in Glen and Fallstaff.

Glen Hills Redevelopment Strategy: \$175,000

Funds have been provided to CHAI in prior years for three separate initiatives related to housing stabilization and homeownership. In FY18, funding for these initiatives, which have since been consolidated into the Glen Hills Redevelopment Strategy, is continued. Funds will be available for acquisition, rehab, demolition and/or reconstruction of blighted and distressed homes; to support a Redevelopment Coordinator; and to continue the Responsible Homeowner Campaign, which creates homeowner engagement and provides funds for curb appeal and façade improvements.

Homebuyer and Renovation Loan Fund: \$200,000

CHAI has been operating a revolving no-interest loan fund since 1983 to assist homebuyers and current owners who are in need of funds for closing costs and/or home improvements. By recapitalizing the fund, CHAI will be able to provide an additional 20 new loans – and generate sufficient repayment income to continue to lend. CHAI proposes to focus these funds in the Glen and Fallstaff communities as the housing stock there is in most need of stabilization and the homeowners are in most need of favorable financing mechanisms.

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 and maintenance 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.

Northwest Citizens Patrol: \$25,000

Funds are provided to the Northwest Citizens on Patrol to improve public safety within the area.

Public Safety: \$240,000

Hatzalah is an orthodox Jewish non-profit volunteer organization that provides emergency medical services to the citizens of Northwest Baltimore. FY13/14 local impact aid funding was used to complete the construction of the Hatzalah Community Center and Training Facility that serves as the Hatzalah command center and houses their ambulances. In FY18, funding will be available towards the purchase of an ambulance for Hatzalah.

Liberty-Wabash Area

This plan provides continuity for previously established initiatives and new funding for development incentives.

Consultant: \$80,000

Funding will be available for a consultant to assist the communities with creating a strategy to develop key properties within the Liberty Wabash area, such as the Ambassador Theater, Garrison Middle, vacant houses on Liberty Heights Avenue, etc. The consultant will also assist communities to pursue opportunities to develop and implement strategies to increase home values, market their communities, create high standards for property improvements, and forge strong connections among neighbors.

Neighborhood Initiative Competitive Grants: \$91,000

Funds are made available for neighborhood organizations to implement a wide range of community initiatives. Community groups or service providers may, for example, seek to expand community operations; enhance communication, marketing, and beautification efforts; hold community events; or create or expand educational partnerships and opportunities.

Development Incentives: \$150,000

Funds will be used to provide incentives to developers and residents, with a focus on the areas with highest need based on the Housing Market Typology, to help stabilize neighborhoods and promote new investment.

Coldspring Newtown Area

Mercantile Building/Community Cottage Redevelopment: \$64,348

The Department of Housing and Community Development issued an RFP in the summer of 2015 for the Mercantile Building to gauge developer interest in the site. Funds used for this project will 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.

Implementation of Community-based Projects and Related Capacity Building: \$20,602

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 Spending Plan allocates \$20,602 for third-party administration and management of community-based projects. It is yet to be determined whether Healthy Neighborhoods or another entity will do this work on behalf of the City. These costs are allocated to the One Mile Radius areas in a manner commensurate with the amount of grants funds to be administered: Northwest Community Planning Forum - \$14,865 and Liberty-Wabash area - \$5,737.

Summary of FY18 Pimlico Local Impact Aid

FY 18 Pimlico Local Impact Aid	\$8,713,000	Implementing Agency
<u>Park Heights Master Plan Area (85%)</u>	\$7,406,050	
Major Redevelopment Area (MRA)	\$3,436,050	HCD
Park Heights Ave and Reisterstown Rd Corridors	\$2,250,000	HCD
Development Incentives	\$750,000	HCD
Feasibility Study for Library	\$50,000	3 rd Party
Human Services and Resident Support Programs	\$520,000	MOHS/FLBC
Community clean-up	\$100,000	HCD/PHR
Education	\$140,000	HCD/PHR
Public safety	\$100,000	HCD/PHR
PCDA Administration	\$60,000	Planning
<u>1 Mile Radius Area (15%)</u>	\$1,306,950	
Northwest Community Planning Forum (70%)	\$914,865	
Multi-lingual community organizers	\$135,000	3rd Party
Street cleaning	\$100,000	3rd Party
CHAI Glen Hills Redevelopment Strategy	\$175,000	3rd Party
CHAI homebuyer and renovation loan fund	\$200,000	3rd Party
Northern Parkway Median Beautification	\$25,000	BCRP
Northwest Citizens Patrol	\$25,000	3rd Party
Public Safety	\$240,000	3rd Party
Grant Administration	\$14,865	3rd Party
Liberty-Wabash Area (25%)	\$326,737	
Consultant	\$80,000	3rd Party
Neighborhood initiative competitive grants	\$91,000	3rd Party
Development Incentives	\$150,000	3rd Party
Grant Administration	\$5,737	3rd Party
Coldspring Newtown (5%)	\$65,348	
Mercantile Building/Community Cottage/Pool	\$65,348	HCD

Appendix A: Pimlico Local Impact Aid Eligible Areas

