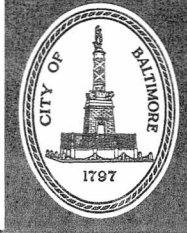


CITY OF BALTIMORE
STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF FINANCE
EDWARD J. GALLAGHER, Director
454 City Hall
Baltimore, Maryland 21202
410-396-4940

November 30, 2010

Mr. Roland Unger, Director
General Accounting Division
Louis L. Goldstein Treasury Building
P.O. Box 746
Annapolis, MD 21404-0746

Dear Mr. Unger:

In compliance with Business Regulation Article, Section 11-405 of the Annotated Code of Maryland, I hereby certify that the special racing revenues paid to the City of Baltimore are deposited and maintained in a separate fund, Special Racetrack Revenue Fund. I also certify that the funds received in the Special Racetrack Revenue Fund have been and will be used only for the purposes allowed by the law.

Baltimore City fully appreciates the State of Maryland's concerns and efforts in helping the City address some very critical needs generated by the presence of the Pimlico Race Course. Mr. Paul Graziano, Commissioner of the Department of Housing and Community Development, is responsible for this program in the City. If you have any questions and/or concerns, he may be reached at (410) 396-3232.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Kleine".

Andrew Kleine, Chief
Bureau of Budget and Management Research

Attachments

AK:cs

cc: Ms. Sophie Dagenais
Mr. Edward J. Gallagher
Mr. Paul Graziano
Mr. William Voorhees
Ms. Sarah Albert

November 30, 2010

BALTIMORE CITY, MARYLAND
FISCAL YEAR 2010 “SPECIAL RACING REVENUES” REPORT

INTRODUCTION

This report is being submitted by Baltimore City in compliance with Section 11-405 of Business Regulation Article of the Annotated Code, which requires that a report be submitted annually to the Comptroller and the Department of Legislative Services on or before November 1st of each year.

This report describes the actual and/or intended use of the special racing revenues by Baltimore City for fiscal year ending June 30, 2010 in providing community services and facilities within two miles of the Pimlico Race Course.

Procedures for Public Participation and Program/Project Funding

In October 2005, the State Legislature established the Pimlico Community Development Authority to oversee the Racetrack Impact Funds. Per the legislation, 80% of the Racetrack Impact Funds is allocated to Pimlico Community Development Authority for implementation of the Park Heights Master Plan and the remaining 20% is allocated to City agencies to support activities surrounding the track.

To facilitate implementation of the Park Heights Master Plan, the Pimlico Community Development Authority (PCDA) created Park Heights Renaissance, Inc. (PHR) as a community-based organization with a mission to implement the Park Heights Master Plan. PCDA directs Racetrack Impact Funds to PHR for operation of the organization and implementation of the plan.

PCDA meets quarterly and reviews reports from Park Heights Renaissance, Inc. regarding progress in implementing the Park Heights Master Plan. PCDA reviews and approves quarterly draw requests, which are then submitted to Baltimore Housing for payment.

Per the legislation, the Director of the Department of Planning serves as Chair of the PCDA and the members are representatives of the community.

Tom Stosur, Director of Planning, Chair

1. Sharon Snow, Park Heights Resident (north)
2. Oscar Cobbs, Park Heights Resident (central)
3. Kenneth Morrison, Park Heights Resident (south)
4. Stuart Macklin, Represents Eligible Area Outside of Park Heights Master Plan

5. Dornette Samuels, Business Owner
6. Rev. John Lunn, Faith Community
7. Karen Evans, Civic Leader
8. Sandra Pinkney, Harbor Bank
9. Martha Nathanson, Sinai Hospital
10. Gloria Cinquegrani, Pimlico Racecourse
11. Delegate Shawn Tarrant, 40th District
12. Delegate Nathaniel Oaks, 41st District
13. Senator Lisa Gladden, 41st District
14. Senator Catherine Pugh, 40th District

PROPOSED AND ACTUAL EXPENDITURES FOR FY 2010

Baltimore City's adjusted operating and capital appropriations for FY 2010 totaled \$531,991. Funds were appropriated for the following purposes:

- 1) Housing and Community Development – (Appropriation, \$55,000; Expenditures, \$64,146)
Funds utilized for Housing Code Enforcement Inspector. Staff inspects properties and enforces City's housing code regulations for properties around the racetrack.
- 2) Police – (Appropriation, \$15,525; Expenditures, \$5,174)
Funds utilized for the assignment of two police officers who provide traffic and parking control, as well as security around the racetrack during the horse racing season.
- 3) Recreation and Parks – (Appropriation, \$20,700; Expenditures, \$0)
Funds utilized to maintain the landscaping in the public right-of-way on Northern Parkway.
- 4) Transportation – (Appropriation, \$26,737; Expenditures, \$18,671)
Expenses related to towing of illegally parked vehicles and clean up efforts after the racing event.
- 5) Construction, Preparation and Implementation of Capital Projects – (Appropriation, \$444,000; Expenditures, \$444,000)
Funds are allocated to PCDA for projects that uplift neighborhoods near Pimlico Race Course. PCDA awarded funds to Park Heights Renaissance, Inc. to support implementation of the Park Heights Master Plan. See attached annual report (PCDA 2008-2009 Annual Report) for further information about the activities that these funds support.

PROPOSED EXPENDITURES FOR FY 2011

Baltimore City's recommended appropriations for FY 2011 (excluding carry-forwards) total \$356,431 and appear in the FY 2011 Ordinance of Estimates. Appropriations include \$96,431 for operating purposes and \$260,000 for capital purposes.

Funds are appropriated for operating and capital purposes as follows:

1) Housing and Community Development - \$54,169
Same purpose as in FY 2010.

2) Police Services - \$15,525
Same purpose as in FY 2010.

3) Transportation - \$26,737
Same purpose as in FY 2010.

4) Construction, Preparation, and Implementation of Capital Projects - \$260,000
Continue to allocate funds to PCDA who will disburse funds to Park Heights Renaissance, Inc. (PHR) to support implementation of the Park Heights Master Plan. Some initiatives and activities PHR is spearheading are Neighborhood Rehabilitation Loan Program, Park Heights Partnership for Jobs, summer youth programs, community school programs, and urban gardens initiative.

Exhibit A
Special Racetrack Expenditure History
FY 2000 – FY 2010

Fiscal Year	FY Operating Expenses (1)	FY Capital Expenses (2)	FY Total Expenditures
2000	151,000	500,000	\$651,000
2001	154,000	652,000	\$806,000
2002	168,000	611,000	\$779,000
2003	117,000	444,000	\$561,000
2004	113,000	448,000	\$561,000
2005	101,000	500,000	\$601,000
2006	228,000	500,000	\$728,000
2007	127,000	500,000	\$627,000
2008	128,000	0	\$128,000
2009	111,000	0	\$111,000
2010	87,991	444,000	\$531,991
2011 Budget	96,431	260,000	\$356,431

- (1) Operating expenses are reported in the City’s Comprehensive Annual Financial Reports (CAFR), and are on a budgetary basis which includes adjustments for current and prior year encumbrances.
- (2) Capital expenses reflect transfers to the Capital Projects fund as reported in the City’s CAFR made pursuant to annual appropriations. All capital appropriations are considered expended or reserved for expenditures unless unencumbered balances are de-appropriated in subsequent budget years.