

**RC00**  
**Baltimore City Community College**

***Capital Budget Summary***

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**State-owned Capital Improvement Program**  
**(\$ in Millions)**

<b>Projects</b>	<b>Prior Auth.</b>	<b>2017 Request</b>	<b>2018 Est.</b>	<b>2019 Est.</b>	<b>2020 Est.</b>	<b>2021 Est.</b>	<b>Beyond CIP</b>
Loop Road Improvements	\$0.000	\$0.248	\$0.371	\$2.932	\$2.931	\$0.000	\$0.000
Liberty Learning Center	0.000	0.000	0.000	2.050	16.550	17.600	0.000
<b>Total</b>	<b>\$0.000</b>	<b>\$0.248</b>	<b>\$0.371</b>	<b>\$4.982</b>	<b>\$19.481</b>	<b>\$17.600</b>	<b>\$0.000</b>

<b>Fund Source</b>	<b>Prior Auth.</b>	<b>2017 Request</b>	<b>2018 Est.</b>	<b>2019 Est.</b>	<b>2020 Est.</b>	<b>2021 Est.</b>	<b>Beyond CIP</b>
GO Bonds	\$0.000	\$0.248	\$0.371	\$4.982	\$19.481	\$17.600	\$0.000
<b>Total</b>	<b>\$0.000</b>	<b>\$0.248</b>	<b>\$0.371</b>	<b>\$4.982</b>	<b>\$19.481</b>	<b>\$17.600</b>	<b>\$0.000</b>

CIP: *Capital Improvement Program*  
GO: general obligation

***Summary of Issues***

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**Bard Building Demolition Estimate Over \$4 Million:** After a very low demolition estimate of \$1.2 million for the Bard Building in December 2013, Baltimore City Community College (BCCC) has a newer estimate of over \$4.0 million from December 2015. Now the college will have to determine the source of demolition funds such as its own fund balance, issuing debt, or State general obligation (GO) bonds.

## ***Summary of Recommended Bond Actions***

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1. Liberty Campus Loop Road, Inner Loop and Entrance Improvements  
Approve.
2. SECTION 2 – Baltimore City Community College – Main Building Renovation  
Approve.

## ***Budget Overview***

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The 2016 *Capital Improvement Program* (CIP) provides \$0.2 million to begin design of a loop road and related safety, infrastructure, and site improvements to the Liberty Campus of BCCC. The principal outcome of this project will be to create a circular roadway around the campus to allow easier entry and exit of personal vehicles, as most students commute to school by car. This will make the campus similar in appearance to other Maryland two- and four-year institutions that frequently have prominent ring roads.

Inclusion of a right-turn-only lane in the project scope is on hold for further evaluation. The April 2015 unrest near BCCC, which required the campus to shut down abruptly, revealed the poor ability of the campus to respond to an emergency evacuation. It took more than two hours to clear out all students, faculty, and staff because there is only one exit off of campus. BCCC has raised the issue that a right-turn-only lane from Druid Park Drive (the interior campus road) onto Liberty Heights Avenue would significantly increase the ability of the campus to handle traffic on a day-to-day basis and in emergencies. However, it is worth noting that traffic was prohibited from turning right during the April incident, so such a lane would not have greatly increased the ability of the campus to evacuate.

A right-turn-only lane, at a minimum, would be costly because of the steep embankment between the grade at which BCCC's buildings sit and the lower elevation of Liberty Heights Avenue. The Department of General Services (DGS) and the Department of Budget and Management (DBM) believe BCCC underestimated construction costs in the steep terrain between the northeastern edge of campus and Liberty Heights Avenue. To resolve this, DBM extended the project to fiscal 2020, one year beyond what was programmed in the fiscal 2015 CIP. As currently programmed in the 2016 CIP, the project does not include this element. The need for the lane was still deemed significant, so DGS and DBM have decided that BCCC should include the lane's concept as a design alternate for the project to be considered in the 2017 CIP. It is also not clear if BCCC has engaged Baltimore City about potential intersection design changes along Liberty Heights Avenue or any other concerns regarding student safety along the four-lane road. **The President should brief the committees concerning any conversations between BCCC and Baltimore City regarding potential**

**ingress/egress traffic patterns and street changes and pedestrian safety improvements along Liberty Heights Avenue.**

DGS also found BCCC’s Part II plan inadequate and requested that BCCC reengage with the architect consultant that helped prepare the program plan for the project to better prepare for the eventual contract award. For this reason, while the 2016 CIP has design planned to begin in July 2016, it will likely not begin until January 2017 with construction set to begin in November 2017.

By completing a loop road, the Liberty Campus will have a more defined limit for future developments, such as the Liberty Learning Commons. It will also correct existing deficiencies in certain parking lots and will enhance the overall appearance and student experience on campus. This will include new paving, curbs, retaining walls, lighting, and signage. It will also reconstruct the stairway from campus down to Liberty Heights Avenue, which is used by students who park on Liberty Heights Avenue or across the street at BCCC’s Bon Secours campus. Although prior discussions had broached the topic of a pedestrian bridge, that is not included in this project. In total, the project includes:

- 108,000 square feet of resurfaced paving of existing roadways;
- 802 linear feet of new roadway;
- 460 linear feet of concrete retaining walls; and
- 8,000 square feet of new sidewalk.

## ***Issues***

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### **1. Bard Building Demolition Estimate Over \$4 Million**

BCCC’s Bard Building is a six-story, 168,891 gross square feet academic building constructed in 1977. It is located on a 2.4-acre parcel in downtown Baltimore City near the Inner Harbor. BCCC leased half of the city block that it owns to the Baltimore Jewish Council for what became the Baltimore Holocaust Memorial in 1979. Emergency mold remediation in fiscal 2007 and 2008 failed, and the Bard Building was abandoned in fiscal 2010. It has been vacant and deteriorating for six years. BCCC reports it costs about \$100,000 per year to maintain minimal services required by law at the facility.

In January 2014, BCCC notified DBM and the Department of Legislative Services (DLS) that it wanted to proceed with demolition of the Bard Building using a preliminary DGS demolition estimate that put the total cost between \$0.5 million and \$1.2 million. This estimate seemed very low given the location of the building in the dense urban core of Baltimore and the building’s size. Budget bill language in the operating budgets of fiscal 2015 and 2016 indicated legislative intent that BCCC not

proceed with demolition without a program plan approved by DBM. The fiscal 2015 language also indicated that BCCC should use its operating fund balance to hire a contractor for a thorough demolition estimate.

That estimate was turned in to DBM and DLS in December 2015 and concluded that demolition would cost \$4.5 million for the Bard Building plus either \$0.1 million to protect the memorial in place or \$0.3 million to relocate the memorial to another site. The cost of another site was not discussed, but a comparable half-block parcel of land could be significantly expensive depending on its location in the Baltimore metropolitan area. Furthermore, while the removal option saves the memorial's central flame statue and some smaller aspects, it demolishes the concrete walls and paved areas, which would presumably be rebuilt at the new location. This suggests that the actual cost for relocating the memorial will be considerable. **The President should comment on discussions with the Baltimore Jewish Council regarding the possible relocation of the Holocaust Memorial and potential costs.**

The demolition consultant found there may be substantial salvageable material in the Bard Building that was abandoned in place, including desks, shelving, fume hoods, and doorways, but it is unlikely these will significantly reduce the cost of the project. Any demolition would require the closure of city streets for months of work and considerable coordination with Baltimore City for utility work. Potential sources of funding to cover the new demolition estimate include:

- **Operating Fund Balance or Student Fees:** For many years, BCCC has maintained a sizable operating fund balance of over \$25.0 million. While some of this funding is restricted, much of it is unrestricted, having built up due to vacant personnel positions for many years. BCCC also collects a capital facilities fee from all students that goes toward a capital reserve account that totaled \$1.6 million as of June 30, 2015. BCCC has recently increased campus fees for the first time in seven years, suggesting it could raise more funding from this source. However, the campus is also struggling with an ongoing student enrollment decline and plans on using fund balance to cover deferred maintenance.
- **Academic Revenue Bonds:** BCCC has authority in statute, most recently revised in the 2009 session, to issue up to \$65.0 million in debt, similar to the State's public four-year institutions. The college has never pursued this authority, despite requesting it. The Bard Building's relatively small capital project cost presents an opportunity to use this authority given that the college would likely have rental revenue afterward to repay the bonds.
- **GO Bonds:** Although not in the 2016 CIP, the General Assembly could expedite the Bard Building's demolition process by programming GO bonds for this purpose. This would likely be the surest path toward demolishing the building in a timely manner, but BCCC currently has no program plan submitted to DBM.

- Public-private Partnership:** BCCC could also consider a joint redevelopment with a private developer or even with Baltimore City. An agreement with a developer has already fallen through once before in spring 2012, but the opportunity remains given the proximity to the Inner Harbor. The State Department of Assessment and Taxation puts the entire site’s value at \$31.9 million for taxable purposes, if the site was privately owned.

The total demolition work outlined here would simply return the site to grade level with bare dirt. Redevelopment of the site is an entirely separate issue, and it may not be prudent to demolish the site before BCCC has a long-term plan for its reuse, including whether there will be academic space for BCCC within a new facility at this site.

The President should comment on what funding the college may pursue to finally realize the demolition of the Bard Building and a reasonable timeline for using the Bard Building’s site again for productive purposes.

## *Operating Budget Impact Statement*

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### **Executive’s Operating Budget Impact Statement – State-owned Projects** (\$ in Millions)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
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<b>Loop Road Improvements</b>					
Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.009	\$0.009
Estimated Staffing	0	0	0	0	0

<b>Liberty Learning Center</b>					
Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Estimated Staffing	0	0	0	0	0

<b>Total Operating Impact</b>					
Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.009	\$0.009
Estimated Staffing	0	0	0	0	0

BCCC expects very small operating costs for the Liberty Road improvements mostly related to electricity for additional campus lighting.

## ***Summary of Other Projects in the Capital Improvement Program***

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BCCC has one other project in the 2016 CIP, the Liberty Learning Center. This project would demolish the existing Bard Library on the Liberty Campus to construct a modern library facility of two to three stories with study space and computer laboratories. The Bard Library building is wholly separate from the Bard Building in downtown Baltimore. The library project has been pushed back in the CIP from fiscal 2018 to 2019 to allow BCCC to study what it actually needs. The last program plan dates from calendar 2009 and needs to be updated to reflect changing campus enrollments and a constrained State capital budget. Most pressing is the lack of surge space for the library’s resources and staff to occupy while the Bard Library building is demolished. That question will have to be resolved before the project proposal can move forward.

### **Projects Deferred in Fiscal 2017**

As shown in **Exhibit 1**, the Liberty Learning Center has been delayed one fiscal year, from fiscal 2018 to 2019.

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#### **Exhibit 1 Projects Deferred Fiscal 2017**

<b><u>Project</u></b>	<b><u>Description</u></b>	<b><u>Reason for Deferral</u></b>
Liberty Learning Center	New library to replace Bard Library on the Liberty Campus.	BCCC needs more time to study modern library needs and functions.

BCCC: Baltimore City Community College

Source: Department of Budget and Management, 2016 *Capital Improvement Program*

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## ***De-authorizations***

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BCCC has one de-authorization for \$141,807 because the funds are not needed for the Main Building renovations on the Liberty Campus.

## ***GO Bond Recommended Actions***

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1. Approve the \$0.2 million in general obligation bonds for the design of the loop road improvements on the Liberty Campus of Baltimore City Community College.
2. Approve the de-authorization of \$0.1 million in general obligation bonds for the construction of renovations to the Main Building on the Liberty Campus of Baltimore City Community College.