Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 1348 (Chairman, Commerce and Government Matters Committee)
(Departmental - Transportation)
Commerce and Government Matters

Port Land Use Development

This departmental bill establishes a Port Land Use Development Zone which consists of residentially, commercially, or industrially zoned property located within the immediate influence of port activity. The bill creates an 11-member Advisory Council for Port Land Use Development to coordinate efforts among existing programs within the State and local governments to invigorate land development in and around the Port of Baltimore. To coordinate and support the activities of the council, the bill establishes a Port Land Use Development Office within the Maryland Port Administration (MPA).

The advisory council must make an initial report to the Governor and the General Assembly by January 1, 1999 on its recommendations for programs and activities that will help enhance development in the Port Land Use Development Zone. By December 31 each year thereafter, the council must submit an annual report on its activities, and any recommendations, to the Governor and the General Assembly. The bill is effective June 1, 1998.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures would increase by $50,000 annually beginning in FY 1999 and federal fund expenditures would increase by $342,400. Future years reflect inflation and the termination of consulting services after FY 2000. To the extent that this legislation spurs economic development, tax revenues could increase.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	$0	$0	$0	$0	$0
SF Expenditures	50,000	50,000	50,000	50,000	50,000
FF Expenditures	342,400	260,900	64,700	68,700	72,800
Net Effect	($392,400)	($310,900)	($114,700)	($118,700)	($122,800)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Minimal. Expenditures of Baltimore City, Baltimore County, and Anne

Arundel County could increase as they may devote staff time to the activities of the Port Land Use Advisory Council. To the extent that this legislation spurs economic development, tax revenues could increase.

Small Business Effect: The Department of Transportation has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment. (This assessment does not reflect any amendments to the bill.)

Fiscal Analysis

State Effect: Although the proposed fiscal 1999 budget does not include funding for the Port Land Use Development Office, MPA advises that it will receive $2 million in federal funding to support redevelopment of industrial sites that were identified by the Governor's Port Land Use Task Force. A portion of the funds may be used for administrative services and operating expenses associated with site cleanup or redevelopment. The funds are available for use in fiscal 1999 and 2000. MPA expects to use federal funding in the out-years for the continued operation of the office, although this is subject to the future availability of such funds. MPA advises that they will be able to contribute $50,000 annually to the operation of the office. It is expected that any remaining expenditures will be funded by federal program participation. The combination of special and federal funds will be used for additional personnel and consulting services.

Personnel expenditures could increase by an estimated $92,440 in fiscal 1999 which reflects the cost of one additional Principal Planner and one additional Project Manager to coordinate the efforts of the office. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. These employees will be responsible for the following activities as required by the bill:

- coordinating the development of a master plan for the zone;
- coordinating State and local efforts; and
- investigating financing options for the surrounding properties.

Salaries and Fringe Benefits	$78,820
Operating Expenses	13,620
Total FY 1999 State Personnel Expenditures	**$92,440**

Future year expenditures reflect: (1) full salaries with 3.5% annual increases and 3%

employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Costs will also be incurred to contract for consulting services to assist in the development of a master plan for the zone. The master plan must consider the expectations, plans, programs, and concerns of local jurisdictions, State agencies, businesses, and communities associated with the zone. These services will also be used to develop an inventory base of zone properties. It is estimated that the consulting services will be required for a period of two years with a total cost of $500,000; $300,000 in fiscal 1999 and $200,000 in fiscal 2000.

The bill requires the office and the advisory council to market port land use development zone properties and to coordinate efforts to invigorate land development in and around the Port of Baltimore. To the extent that this legislation spurs economic development, tax revenues could increase.

Advisory council members would be reimbursed for expenses under the standard State travel regulations. Any such expenditures would depend upon the time, location, and frequency of the task force's meetings. Expenses are assumed to be minimal and absorbable within existing agency resources.

Small Business Effect: MPA may contract with small consulting businesses to provide support to develop the master plan as required by the bill and to provide related services. Any further benefit to small businesses would be subject to the decisions and recommendations of the advisory council and its plan to redevelop the zone.

Information Source(s): Department of Transportation (Maryland Port Authority), Department of Business and Economic Development, Maryland Office of Planning, Department of Legislative Services

Fiscal Note History: First Reader - March 18, 1998
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