



SB1005/HB1427
West North Avenue Development Authority - Alterations

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Senate

Finance Committee

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SB-1005

Tuesday, February 27, 2024 – 1 PM

House of Delegates

Ways and Means Committee

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HB-1427

Thursday, March 7, 2024 – 11 AM

West North Avenue Development Authority

Good Afternoon, Chair, Vice-Chair, and other members of the Committee.

The Maryland General Assembly established the West North Avenue Development Authority (WNADA), on October 1, 2021, to create a comprehensive plan for housing, economic, transportation, and neighborhood development along West North Avenue between 600 - 3200 Block, defined as the Target Area, and 250 yards surrounding the Target Area, defined as the Buffer Zone.

On November 10, 2022, The Office of the Maryland Attorney General further clarified the intent of the General Assembly and articulated the following legislative mission for the Authority:

- *Create a forum for stakeholders to come together on "one plan" for West North Avenue*
- *Serve as a "clearinghouse and resource center" for promoting coordination and communication on development opportunities for West North Avenue*
- *Ensure that money is being spent effectively and efficiently (for development) and that development is happening in the appropriate way for West North Avenue,*
- *Provide advisory services (to State and City agencies) on planning and development for West North Avenue*
- *"Initiate" and "Fund" development projects for West North Avenue*
- *Operate within the appropriated funding structure of the State government within the Office of the Governor*

The letter from the Office of the Attorney General also stated, *"The Authority serves a public purpose. Its function is to promote the revitalization of a neighborhood, both for the benefit of the neighborhood's residents and for the general purpose of economic development. EC § 12-706. The General Assembly also intended to benefit Coppin State and indicated that intent both by making the President of Coppin State the Authority's chair, EC § 12-703(b), and by establishing a target area centered on Coppin State's campus, EC § 12-701. One of the bill's sponsors, Senator Hayes, testified that revitalizing the Authority's target area would "attract students and families to one of Maryland's most treasured historically Black colleges and universities." Hearing on S.B. 783 Before the Senate Finance Comm., 2021 Leg., Reg. Sess., at 46:00 (Mar. 16, 2021) (statement of Sen. Hayes). Because Coppin State is part of the State's "consolidated system of public higher education," these benefits to Coppin State serve the interest of the State as a whole. See Md. Code Ann., Educ. § 12-101(a)."*

On April 27, 2023, the Authority was assigned an interim Assistant Attorney General to further provide advice and counsel to the Authority on By-laws, procurement, personnel, and general operations to meet the intent of the General Assembly. Our interim Assistant Attorney General provided recommended statutory amendments to the legislation establishing the authority that were later drafted as formal recommended Bill amendments from the Office of the Attorney General on January 10, 2024 using the statues that established the powers and duties of the Maryland Economic Development Corporation that will be exclusively used in the defined *Target* and *Buffer* areas of the Authority.

The alterations to the Economic Development Act for the West North Avenue Development Authority contained in SB1005/HB1427 include:

- 1) **Define certain terms, such as Authority, Board and West North Avenue Corridor.** (Section 12-701)
- 2) **Identify the Authority as a body politic and corporate and an instrumentality of the state.** (Section 12-702)

- 3) **Make certain legislative findings about the West North Avenue Corridor indicating a need for residential and commercial development or redevelopment in furtherance of the public interest, and that revitalization of areas within the Corridor an essential governmental function and is a public use that will confer a public benefit on citizens of Baltimore [this finding is important to justify WNADA’s power of eminent domain]. It finds that the Authority is the economic development authority for the State to benefit the neighborhoods of Baltimore City within the target area.**

- 4) **It describes the legislative purposes of the Authority** (economic revival within the Corridor) and the legislative intent behind creation of the Authority, which includes a provision clarifying that the Authority should only own and operate a project if the private sector has not demonstrated enough significant interest and capacity to do so, or if another governmental unit requests it. (Section 12-704)

- 5) **It provides that the Authority may carry out its legislative purposes without the consent of another State unit (with some exceptions described below).** The Authority would be exempt from the following provisions of the State Code:
 - a. Title 12, subtitle 1-3 of the Economic Development (EC) Article, (Department of Commerce) which includes the following agencies: Maryland Economic Development Commission; Economic Development and Business Resources; Secretary of Commerce and Department of Economic Competitiveness.
 - b. Title 12, subtitle 2 of the EC Article, which deals with certain bonds issued by local governments and other special funds that may be created for certain economic development purposes in a local area;
 - c. Title 12, subtitle 3 of the EC Article governs bonds issued by local governments for redevelopment of blighted areas;
 - d. Title 2, subtitle 2 of the State Finance & Procurement (SFP) Article This exemption would allow the Authority to accept and spend certain gifts or grants without the gifts or grants being accepted by the Governor and appropriated to the Authority by the Legislature first. **It would allow the Authority to not have to go to the Dept of Planning and report federal aid, including grants, instructional contracts, instructional grants, loans, research contracts, or other assistance.** May accept and dispose of any surplus food given by the Federal government.
 - e. Title 2, subtitle 5 of the SFP Article is the “MD Facilities for the Handicapped Act”, and governs the standards that State buildings must meet. **[WNADA will generally be assisting in the redevelopment of properties that are not intended to be State facilities].**
 - f. Title 3, SFP Article—Department of Budget & Management (DBM) reviews and manages the State’s capital projects (projects constructed using proceeds of State general obligation bonds). **WNADA is not projected to have capital projects.**

Title 4, SFP Article—Department of General Services (DGS) DGS handles real property acquisitions, maintenance, and dispositions for State property. **This exemption would allow the Authority to acquire and dispose of real property independent of DGS.** However, ***“THE AUTHORITY SHOULD NOT OWN AND OPERATE A PROJECT, UNLESS THE BOARD DETERMINES BY RESOLUTION THAT THE PRIVATE SECTOR HAS NOT DEMONSTRATED SERIOUS AND SIGNIFICANT INTEREST AND DEVELOPMENT CAPACITY TO OWN AND OPERATE THE PROJECT; OR A REPRESENTATIVE OF A GOVERNMENTAL UNIT REQUESTS IN IN WRITING THAT THE AUTHORITY OWN AND OPERATE THE PROJECT.”***

- g. " – SB1005/HB1427. The State of Maryland is represented on the Board by the Maryland Secretaries of Commerce, Housing and Community Development, Transportation, the Executive Director of the Maryland Economic Development Corporation, and Governor. The City of Baltimore is represented by the Directors of Housing and Community Development, Planning, Transportation, the CEO of the Baltimore Development Corporation, and Mayor. Therefore, any acquisition of property will be thoroughly vetted by representatives of the two government entities involved in the decisions of the Authority.
 - h. Title 5A—Division of Historical & Cultural Programs in the Department of Planning. **This would exempt the Authority's projects from review by the MD Historical Trust, which monitors and preserves State historical properties. While the Authority values the preservation of historical properties, an alternative to the statutory process can be set out in an intra-agency agreement between the Authority and the MD Historical Trust to consult on any property that may qualify as historical.**
 - i. Title 6, SFP Article, subtitle1—State Board of Revenue Estimates. This Board studies State tax revenues. **The Authority will not be collecting State revenues.**
 - j. Title 7 SFP Article, subtitle 1—State Operating Budget During the preparation of a proposed budget, the Governor reviews, thoroughly and in detail, the recommendations of the Spending Affordability Committee. WNADA is exempt from the Spending Affordability Committee. **WNADA is allowed to carry over unspent funds/balances.**
 - k. Title 10, SFP Article—Board of Public Works (BPW)—Miscellaneous Provisions. The Authority is exempt from going to BPW for approval to dispose of or transfer property and being under the continuous general jurisdiction of BPW.
- 6) Division II, SFP Article—General Procurement Law The Authority is exempt from State procurement law except the requirement that it adopt its own procurement policies and procedures, which it has already done. (See reference below)
 - 7) The Authority is subject to the Public Information Act and Open Meetings Act.
 - 8) The Public Information Act allows the public to review public documents after it is requested while protecting legitimate government interest and the privacy rights of individual citizens.
 - 9) Open Meetings Act requires many State and local public bodies to hold their meetings in public, to give the public adequate notice.
 - 10) The Authority, its officers and its employees are subject to Public Ethic Laws. Requires disclosure of the financial affairs of public officials and sets standards of conduct for the State and local government officials and employees. (Section 12-705)
 - 11) 12-706 **Clarifies that the two (2) resident members of the board must come from east and west of Fulton Avenue.**
 - 12) Section 12-710 Itemizes all of the Authority of WNADA, which includes, but is not limited to: Adopt a seal, adopt bylaws for the conduct of business, sue or be sued, accept and manage loans, grants from Federal, State or local government, college, university, charitable institution, nonprofit and for-profit organization.

- 13) Authority could acquire properties by purchase or government enforcement. Sell property, lend money, set salaries.
- 14) Section 12-711 **Allows the Authority to open a bank account, establish systems of financial accounting, controls, audits and reports.**
- 15) Section 12-713. **The Authority is exempt from any taxation or assessments on any part of its projects, activities, or revenues, and is exempt from state and local transfer and recordation taxes. (But any part of a project sold or leased to a private entity would become subject to City and local real property taxes from the time of its sale or lease.)**
- 16) Section 12-714 **Creates a fund to use for consulting fees, salaries, administrative costs, and to carry out the legislative purposes of the Authority. The fund consists of money appropriated in the State budget to the fund, earns interest in addition to any other money from any other source accepted for the benefit of the fund.**
- 17) The Authority is exempt from Title 12, Subtitle of the State Finance & Procurement Article, (12-401 – Written Policies & Procedures for Exempt Units. Procurement Exemption. (Section 12-705)
- 18) **This legislation repeals the termination date of September 30, 2026, to accommodate real property acquisitions, maintenance, and dispositions for State property. However, the General Assembly will always have the power to dissolve this state agency.**

As stated in the Fiscal Note these expanded powers allow WNADA to generate revenue (for the State and Baltimore City), which may eventually lead to the authority being self-supporting. In addition, MBE, Woman, Veteran, Small, and Disadvantage businesses will continue to positively benefit from the existing Procurement Div. II exemption. For example, our Authority has established a 31% MBE goal. This metric exceeds the State goal by 2%. To date, we believe we are the only State agency meeting and exceeding this goal with 46% of our procurement awarded to MBE, minority- or woman-, or small disadvantaged businesses with 39% awarded to women-owned businesses of color including Black and Asian, to date, for developing our comprehensive plan and providing technical assistance to nonprofit developers building affordable housing.

In essence this bill codifies the intent of the General Assembly as recommended by the Office of the Attorney General which represents the first holistic planning and economic development entity in the country to address the systemic root causes of “Redlining” that was specifically created, established, and promoted with devastating long-term economic, housing, transportation, and neighborhood impact in the historic old West Baltimore communities which eventually created the “Black Butterfly” effect in Baltimore City.

The 12 resource-rich, but underinvested neighborhoods lining the West North Avenue contain some of the most undervalued, but high-potential communities in Baltimore City, represented by the deep care and devotion that residents and merchants have shown towards this area and the ever-growing presence of educational, cultural, and civic institutions. WNADA has been charged with a mission by the Maryland General Assembly to realize the long-missed potential of the West North Avenue Corridor.

On Wednesday, January 31, 2024, the Authority submitted the [West North Avenue Comprehensive Plan](#) to the General Assembly and Governor.

This plan seeks to advance restorative justice and community development by promoting context-sensitive strategies that enhance housing, public space, mobility, and economic opportunity for West North Avenue. Our approach works to address disparities caused by persistent racial and economic discrimination, historic disinvestment and predatory practices which have led to adverse outcomes for West Baltimore’s community, particularly the Black community.

We seek to mitigate the broken trust between residents and institutions due to past harm, and forge new, strong, interdependent ties among the people of West North Avenue. Our work understands that diversity is not just about representation, but also about ensuring inclusion and delegated power in decision-making and material redistribution.

As such, it is vital that this plan advances equitable development opportunities throughout West Baltimore that empower local actors, leverage local knowledge, and prioritize the needs of residents in the community who have experienced harm. Robust participation in the planning and implementation processes will help heal old wounds by ensuring that plan outcomes are truly representative of local values and community character.

This work prioritizes the most vulnerable members of the community by realizing the benefits of new development through inclusive and responsible growth and by avoiding the adverse effects of displacement, social tension, cultural dilution, and exacerbation of economic hardship.

The connectivity among housing, economic development, transportation, and green space is crucial to the West North Avenue Development Authority's holistic revitalization approach. These components mutually influence and shape the quality of life, socioeconomic opportunities, and overall well-being of communities.

The availability of multi-market and quality housing will attract more residents and businesses to the West North Avenue Corridor, fueling economic growth and development. To sustain such economic progress and growth, multi-modal transportation will be the key to connecting people to job opportunities, educational institutions, healthcare services, and other essential amenities, which will further facilitate economic activity and ensure that communities are thriving. Additionally, green spaces such as parks and gardens contribute to community well-being by providing opportunities for recreation, improving air quality, and enhancing the overall livability of a community.

By integrating each of these elements into our revitalization strategy, our approach fosters an inclusive, sustainable, and vibrant future for the residents of West Baltimore as we support economic development, promote environmental sustainability, and create places where people want to live, work, and enjoy their lives while increasing the property, sales, and income tax revenue for the State and Baltimore City that will make our jurisdiction more safer, affordable, and competitive.