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Rawlings-Blake defends plan to divert \$3M in casino impact funds

Deal approved without discussion

By Luke Broadwater

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The city's spending panel on Wednesday voted without discussion to divert \$3 million in anticipated casino revenue that had been earmarked for community improvements to replace a major artery in the city's underground steam pipe system.

After the meeting, Mayor Stephanie Rawlings-Blake, who controls three of five votes on the Board of Estimates, defended the plan, which has drawn criticism from local elected officials and community leaders who say it is a misuse of the funds to be generated by the new Horseshoe Casino Baltimore.

"I am certainly sympathetic to the concerns some community leaders have expressed, but it's important to remember that, were it not for this casino, Baltimore would be missing out on long-term revenue," the mayor said.

Some community leaders have said they want the money to be used for neighborhood-oriented projects, such as walking trails or efforts to connect unemployed residents with jobs. The president of the Westport Community Association has called the plan "just wrong."

Rawlings-Blake argued moving the line is necessary for the casino to open. The steam line could create a "public safety concern" because it could break as a projected 10,000 people cross Warner Street -- under which the line runs -- to enter the casino each day, the mayor said. She argued the line needs constant work -- up to five repairs a month -- and the city could lose up to \$90,000 each day the street would be forced to close.

"We had to make a decision that no one wanted to make. It was necessary to ensure that the casino opened on time," Rawlings-Blake said.

The casino is expected to generate up to \$15 million a year in local impact funds from slot machine profits, including up to \$10 million in first year.

The funds, which were presented as a benefit when voters were asked to approve casino gambling, can be used for nearly any public service or improvement. Under state law, 5.5 percent of slots profits must go to the "community impact grants."

Members of the Baltimore Casino Local Development Council, formed to help City Hall determine how to spend the grants, wants to use the money on additional police, security cameras, neighborhood cleanups, and an employment center, among other items.

A casino spokesman have declined to comment, saying it was a city matter.

The \$442 million casino, on Russell Street near M&T Bank Stadium, is scheduled to open Tuesday. About half of the casino's 1,700 jobs are expected to be filled by city residents.

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