

ZA00M
Miscellaneous Grant Programs

National Aquarium in Baltimore – Capital Infrastructure Projects (Baltimore City)

<p>General Obligation Bonds \$3,500,000</p> <p>Nonbudgeted \$3,500,000</p>	<p>Recommendation: Approve, provided that the institution submits details on the full scope of infrastructure needs</p>
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Bill Text: Provide a grant to the Board of Governors of the National Aquarium in Baltimore, Inc. to assist in the design, construction, and equipping of capital infrastructure projects, subject to the requirement that the grantee provide an equal and matching fund for this purpose.

Program Description: The National Aquarium in Baltimore opened in 1981 and currently houses more than 16,000 specimens from more than 660 species. The aquarium offers science and educational programs on aquatic habitats and receives more than 1.4 million visitors each year.

The aquarium’s land and buildings are owned by the Baltimore City, and the nonprofit National Aquarium in Baltimore, Inc. directs operations. Under the terms of its management agreement with the city, the nonprofit corporation strives to remain self-supporting for operations. The city funded most of the aquarium’s \$21.3 million construction cost. The U.S. Commerce Department’s Economic Development Administration provided \$2.5 million, and private donations were \$1.0 million.

Prior Authorization and Capital Improvement Program

Authorization Uses
(\$ in Millions)

<i>Fund Uses</i>	<i>Prior Authorization</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
Acquisition	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	0.500	0.700	0.000	0.000	0.000	0.000
Construction	2.500	3.500	0.000	0.000	0.000	0.000
Equipment	0.000	2.800	0.000	0.000	0.000	0.000
Total	\$3.000	\$7.000	\$0.000	\$0.000	\$0.000	\$0.000

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**Authorization Sources
(\$ in Millions)**

<i>Fund Sources</i>	<i>Prior Authorization</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
GO Bond	\$1.500	\$3.500	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted	1.500	3.500	0.000	0.000	0.000	0.000
Total	\$3.000	\$7.000	\$0.000	\$0.000	\$0.000	\$0.000

Program Analysis

The \$3.5 million proposed for fiscal 2011 would support four categories of infrastructure improvements at the aquarium: electrical improvements, conveyances, mechanical and plumbing improvements, and exhibit renovations.

Electrical improvements would include installation of an emergency power system, replacement of various lighting systems with high efficiency lighting, and installation of an automatic lighting system. Conveyance work would include replacement of the down escalator for the Rain Forest exhibit, an overhaul of the elevator for the Pier 4 area, and overhauls of three other elevators. Mechanical and plumbing improvements include replacement of six air handling units on Pier 3, conversion of original electric heating to hot water heat for four heating, ventilation, and air conditioning (HVAC) units, upgrade of cooling coils in three units to allow use of chilled water, replacement of the original Pier 4 cooling tower, and replacement of the dolphin food freezer.

Exhibit renovations would involve a major overhaul of the Ray Tray exhibit, including a new concrete reinforced tank; complete renovation of most tanks, displays, and life support, electrical, and HVAC systems in Pier 3, Gallery 3; creation of a permanent home for the Animal Program on Pier 3; design of a permanent Children’s Cove exhibit on Pier 4; construction of a new water filtration system for Pier 4; and replacement of decking and rails for the Shark Tank Catwalk.

Issues

1. State Funding for Infrastructure Projects, Rather Than New Attractions, Raises Concerns

The 2006 Maryland Consolidated Capital Bond Loan (MCCBL) included a matching fund grant to the National Aquarium in Baltimore for the design and construction of an animal care center. The project, which is now on hold, was intended to expand the aquarium’s animal husbandry and

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conservation education programs. With the animal care center on hold, the aquarium sought State support for capital infrastructure improvements that are estimated at \$10 million.

The 2009 MCCBL repurposed \$1.5 million in general obligation (GO) bond funds from the 2006 MCCBL authorization for infrastructure needs. The 2010 *Capital Improvement Program* (CIP) includes another \$3.5 million for infrastructure needs, which would bring State support for infrastructure to \$5.0 million. The aquarium intends to provide \$5.0 million in matching funds.

The State has a long history of assisting the aquarium with capital projects, with \$17 million provided since fiscal 2000. However, State funding has always supported projects that add to the aquarium's attractions, not basic infrastructure needs. The Department of Legislative Services is concerned about recommending State support for infrastructure needs, which should be funded by the aquarium through its operating budget. The State is operating at its debt capacity, and the Capital Debt Affordability Committee recently revised its projections for new GO bond issuances downward by \$400 million in aggregate for fiscal 2012 through 2015, resulting in even greater competition for scarce GO funds. However, the aquarium is an anchor tenant in Baltimore's Inner Harbor, which is an economic engine for the city and the region. Therefore, State participation is warranted.

The aquarium should provide details from a formal assessment of its total infrastructure needs, including the full scope of work and total estimated costs. The aquarium should present a multi-year plan for funding the infrastructure needs, and comment on whether the CIP represents the total amount that will be requested from the State. The plan should address how the currently identified infrastructure needs will be funded and how much the institution intends to save on an annual basis for future infrastructure needs.

Recommended Actions

Approve.