

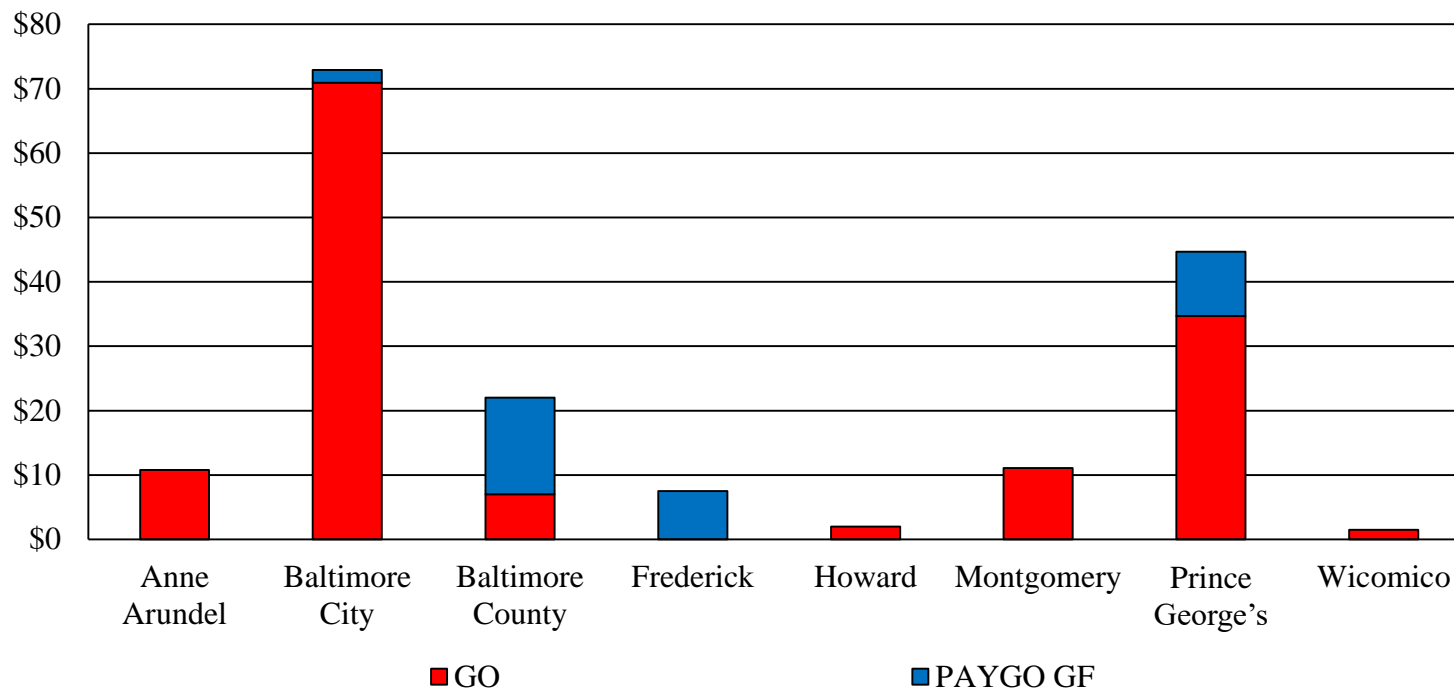
ZA00
Miscellaneous Grant Programs – Capital

Capital Budget Summary

The Maryland Consolidated Capital Bond Loan (MCCBL) of 2025 includes general obligation (GO) bond funds for a variety of miscellaneous grants. Fiscal 2026 funds reflected in this analysis total \$147.7 million in GO bonds and \$39.5 million in pay-as-you-go (PAYGO) general funds for 37 projects. \$56.3 million provides funds for grants preauthorized for fiscal 2026 by the General Assembly in last session’s capital budget bill. Four projects are listed in the 2025 *Capital Improvement Program* (CIP) as ongoing multi-year commitments. The aggregate future commitment to these projects is programmed at \$35.0 million from fiscal 2027 through 2030, of which \$19.0 million is programmed for ongoing facility improvements at the Maryland Zoo. **Exhibit 1** provides an illustration of the total amount of miscellaneous grant funds included in this analysis for each jurisdiction and **Exhibit 2** provides a categorical illustration of the type of projects supported by these grants. **Exhibit 3** provides a five-year funding history of the total annual amounts of miscellaneous capital grants authorized and the annual percentage of the total GO bond general fund PAYGO capital budget authorizations that these grants represent.

None of the fiscal 2026 miscellaneous capital grants include a matching fund requirement. While a matching fund may not be stipulated, most projects require funds in excess of what the State intends to provide. **Exhibit 4** provides detail for projects that are not programmed as multi-year commitments beyond fiscal 2026 for which the Department of Legislative Services (DLS) recommends approval or for which a technical amendment is recommended. **Exhibit 5** provides detail for projects where DLS recommends reducing or deleting the grant funds. **Exhibit 6** provides a comparison of legislative preauthorizations for miscellaneous capital grants for fiscal 2026 made during the 2024 session to the amount of funding for these projects included in the fiscal 2026 budget.

Exhibit 1
County Breakdown of Miscellaneous Capital Grants
Fiscal 2026
(\$ in Millions)

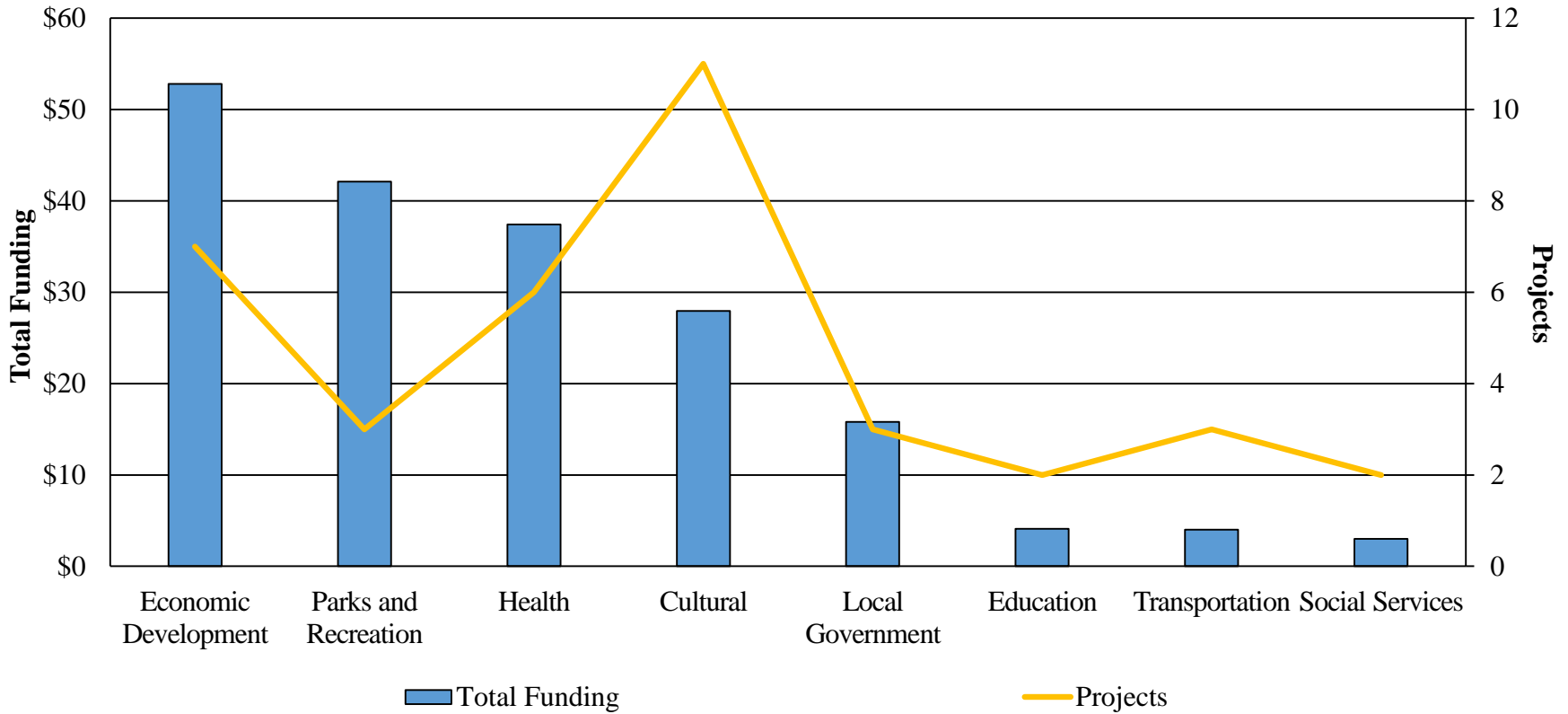


GF: general funds'
GO: general obligation
PAYGO: pay-as-you-go

Note: Figures do not include \$50 million of GO bond funds set aside to fund legislative priorities.

Source: Department of Budget and Management

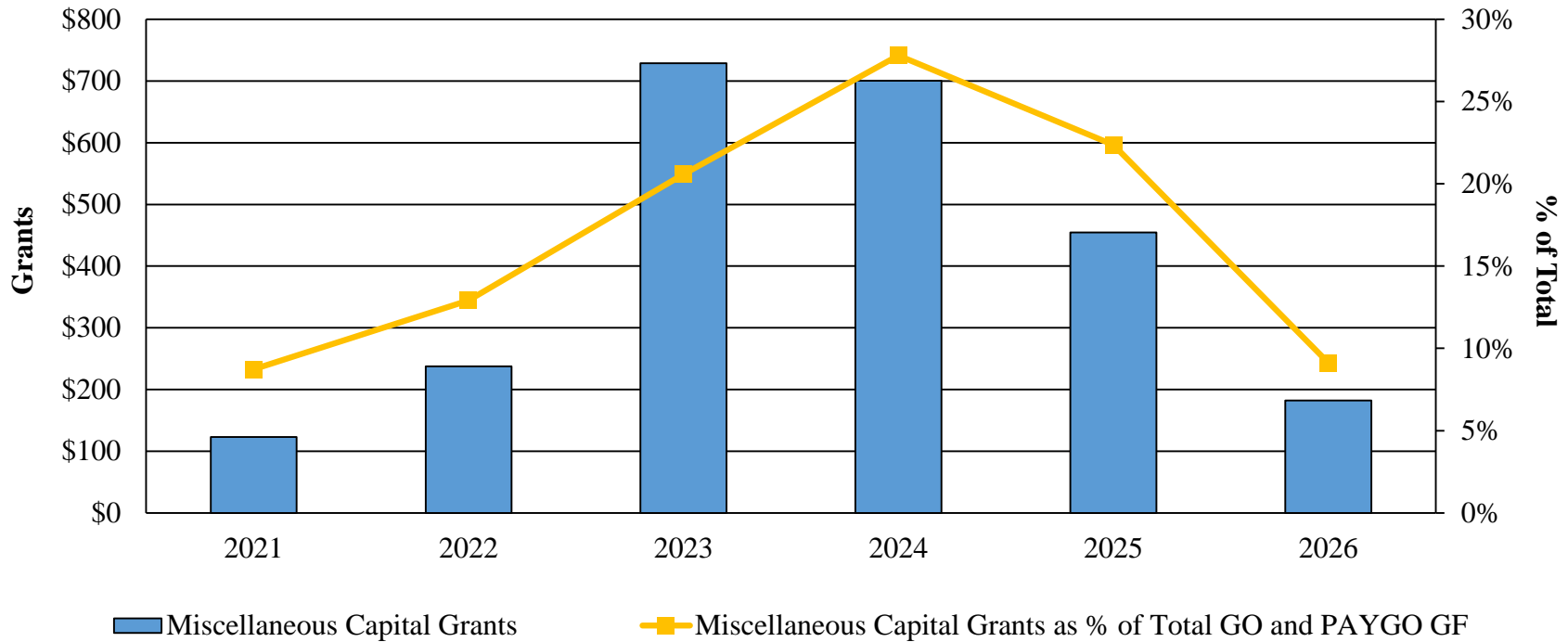
Exhibit 2
Miscellaneous Grants by Category
Fiscal 2026
(\$ in Millions)



Note: Figures do not include \$50 million of general obligation bond funds set aside to fund legislative priorities.

Source: Department of Management and Budget

Exhibit 3
Miscellaneous Grants Funding History
Fiscal 2021-2026
(\$ in Millions)



GF: general fund
 GO: general obligation
 PAYGO: pay-as-you-go

Note: Fiscal 2026 does not include \$50 million in GO bond funds set aside to fund legislative priorities.

Source: Department of Management and Budget

Summary of Grants – Multi-year Capital Improvement Program Commitments

Historic Annapolis Restoration

Recommendation: Approve Funding

Project Description: Historic Annapolis, Inc. manages and maintains 12 State-owned historic properties in Annapolis through a master lease agreement with the Department of General Services (DGS). The fiscal 2026 proposed authorization will support the ongoing restoration of the James Brice House to its original 1774 appearance and the installation of a life safety fire suppression system at the William Paca House to protect the building and its visitors. Both properties are designated as National Historic Landmarks.

(\$ in Millions)

Fund Use	Prior Approp.	Fiscal 2026 Request	Future Estimated	Estimated Total
Planning	\$3.734	\$0.150	\$0.100	\$3.984
Construction	16.487	3.900	3.019	23.406
Total	\$20.221	\$4.050	\$3.119	\$27.390

Fund Sources				
State: 86.6%	\$16.825	\$3.900	\$3.000	\$23.725
Matching Fund: 13.4%	3.396	0.150	0.119	3.665
Total	\$20.221	\$4.050	\$3.119	\$27.390

Comments: The fiscal 2026 proposed appropriation of \$3.9 million is equal to the amount programmed in the 2024 CIP. Of the proposed authorization, \$3.0 million will support the James Brice House restoration, and \$0.9 million will support the installation of a life safety fire suppression system at the William Paca House. The 2025 CIP programs an additional \$3.0 million in fiscal 2027 to complete the Brice House renovation. Both the fiscal 2028 and 2029 programmed amounts of \$1.0 million will be used to address capital improvements and roof repairs at other historic properties, including the Hogshead Building, One Martin Street, the John Shaw House, and the William Paca House.

The restoration of the James Brice House has been ongoing since calendar 2016 to address structural and building envelop deficiencies, install new building systems, and protect historic features of the home that are deteriorating and in critical need of restoration. Once the restoration is complete, the house will be opened to the public for the first time in its history. The current plan is for the house to partially open in calendar 2026. The total cost of the James Brice House renovation is estimated at \$26.4 million – \$22.7 million in State funding and \$3.7 million in matching funding – an increase of \$0.4 million compared to the estimate in last year’s CIP, which is due to updated cost estimates. Including fiscal 2026 proposed funding, a total of \$19.7 million

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in State funding will have been authorized for the project. Including future estimated funding, it is estimated that a total of \$3.7 million of non-State matching funds will support the project, as follows: Historic Annapolis private funding that is secured (\$3.1 million); Historic Annapolis private fund raising that is committed (\$0.3 million); and fiscal 2016 State general GO bond funding (\$0.3 million).

Of the fiscal 2026 funding, \$900,000 will support the construction of a life safety fire suppression system at the William Paca House. The William Paca House and Garden is a two-acre property preserving the former home of William Paca, one of the four Maryland signers of the Declaration of Independence. It is open to the public and includes both an historic house museum and garden. The property has been operated by Historic Annapolis since 1976 with over 25,000 annual visitors.

Currently, the William Paca House contains only a fire detection system, which leaves the building, its contents, its visitors, and the surrounding area at risk in the event of a fire. The design of the life safety fire suppression system for this building is being done concurrently with the design of the fire suppression system for the James Brice House, so that the two properties can have compatible systems, and cost efficiencies can be achieved. The design of the life safety fire suppression system was funded in fiscal 2025 and is expected to be completed in calendar 2025. Fiscal 2026 funding will support the completion of life safety fire suppression system construction. The total cost of the William Paca House life safety fire suppression system is \$1.0 million, all of which is State funding.

Maryland Zoo in Baltimore Infrastructure and Habitat Improvements

Recommendation: Approve Funding

Project Description: Fiscal 2026 proposed funding totaling \$4.75 million will support the planning and construction of improvements to the aging infrastructure at the Maryland Zoo in Baltimore. The 2025 CIP programs an additional \$4.75 million annually throughout the forecast period from fiscal 2027 to 2030. The Maryland Zoo was created by an Act of the Maryland General Assembly on April 7, 1876, and is the third-oldest zoo in the country. It occupies a 135-plus acre parcel in Baltimore City in Druid Hill Park, of which at least 45 acres are developed. In addition to State capital funding, the zoo receives an annual operating grant that is budgeted through the Board of Public Works, a portion of which can be applied to capital projects that do not qualify for GO bond funds. In fiscal 2026, this operating grant totals \$5.63 million.

(\$ in Millions)

Fund Use	Prior Approp.	Fiscal 2026 Request	Future Estimated	Estimated Total
Planning	\$2.139	\$0.780	\$0.500	\$3.419
Construction	10.176	5.470	18.500	34.146
Total	\$12.315	\$6.250	\$19.000	\$37.565

Fund Sources				
State: 91.3%	\$11.785	\$4.750	\$18.000	\$34.535
Matching Fund: 8.7%	0.530	1.500	1.000	3.030
Total	\$12.315	\$6.250	\$19.000	\$37.565

Note: Prior appropriations reflect funding only for the work associated with the projects funded in fiscal 2026

Comments: The fiscal 2026 authorization is consistent with the amount programmed in the 2024 CIP for fiscal 2026. The fiscal 2026 authorization will fund two types of projects – basic infrastructure improvements (\$2.68 million) and habitat/attraction improvements (\$2.07 million). The fiscal 2026 projects are as follows.

Basic Infrastructure Improvements

- ***\$0.6 Million for Planning and Construction to Address Association of Zoos and Aquariums (AZA) and U.S. Department of Agriculture (USDA) Regulatory Deficiencies:*** This project will correct life-safety and animal welfare deficiencies identified by AZA and USDA inspectors to enable the zoo to retain its AZA accreditation and meet USDA standards. The fiscal 2026 funding will be used for both planning and

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construction, and the State is estimated to contribute an additional \$2.5 million for planning and construction to complete the 100% State-funded total estimated cost of \$12.6 million; the State has already committed \$9.5 million. The fiscal 2026 projects include construction of an enclosed outdoor structure for flamingos and an upgrade to the walkways of Maryland Wilderness – one of five main areas of the zoo – and The Farmyard. The outdoor flamingo structure is needed due to animal welfare concerns related to fresh air and sufficient space. USDA began inspecting birds and bird facilities in August 2023 for the first time in the history of the Animal Welfare Act. The walkways upgrade will make the walkways compliant with the Americans with Disability Act by grading the parts of the walkway that already have had erosion issues addressed through infill and other strategies.

- ***\$0.58 Million for Design Funds for a New Staff Office Building:*** In its history, the zoo has not had a building specifically for staff use. Neither the 221-year-old Mansion House nor the Maryland Building, which was designed to be an exhibition hall, were originally designed for staff. In addition, the offices of three zoo teams are in 12 trailers that no longer meet functional needs. The fiscal 2026 budget includes funding for planning for a new staff building. The design contract was awarded in August 2024. An additional \$8.9 million is planned for planning and construction as a future request. The State committed \$0.4 million in fiscal 2024 for planning of this 100% State-funded project, estimated to cost \$9.9 million and to be completed by calendar 2030. Of note, the project was estimated to cost \$6 million during the 2023 session. Therefore, the estimated total project cost has increased by \$3.9 million, or 65%. The zoo notes that the initial estimate was completed before any design work was performed, a larger building is needed than previously assumed, and construction will likely not start until 2030 due to the need to accumulate funding for the project, which will likely cause additional cost increases due to inflation. Also of note, the proposed building site would require the transfer of some adjacent park property from the Baltimore City's Department of Recreation and Parks. The Department of Recreation and Parks has not made an official decision on the request but hopes to soon. The zoo notes that it will reconfigure the building design to fit within its current property lines if the park land is unavailable.
- ***\$0.1 Million for Design Funds for a Lower Barn Renovation:*** The total cost is \$0.8 million for this 100% State-funded project. The fiscal 2026 funding will be used for planning, and the \$0.7 million future commitment will fund planning and construction. The funding will be used to convert the building into a reptile and amphibian care and housing facility. The current structure lacks a sewer line connection, insulation, and modern environmental controls.
- ***\$1.4 Million to Construct Chimpanzee Forest Interior Renovations:*** The funding will be used for construction, which will not require any additional funding, and is 100% State-funded. The funding will replace the exhibit glass in the Chimpanzee Interior Forest, part of the African Journey section of the zoo. The current exhibit glass is delaminating, which is causing both safety and aesthetic concerns.

Habitat/Attraction Improvements

- ***\$1.17 Million to Construct a New Red Panda Habitat:*** A new habitat will be constructed for the red panda, which is an endangered species, to advance the zoo's conservation mission. As of January 2025, the zoo's website notes that the permits have been approved for the new red panda habitat and that construction is expected to begin in April 2025. The total cost of the project originally was estimated to be \$3.3 million, of which the State's share is \$2.8 million, or 84%. However, construction bids received on February 19, 2025, ranged from \$4.7 million to \$5.0 million. Therefore, the total project cost is now approximately \$5.3 million when accounting for the \$0.5 million that was already provided for design by members of the zoo's Board of Trustees. In fiscal 2026, the zoo intends to contribute an additional \$1.5 million in private funds that have been pledged, which can be used for collateral against a bridge loan to make up the shortfall. In addition, the zoo proposes to shift in fiscal 2027 \$0.5 million from its request for the Gibbon Habitat to the Red Panda Habitat to cover the remaining shortfall. Under this new plan, if approved, the total project cost will be \$5.3 million, of which the State's share is \$3.3 million, or 62%. The fiscal 2026 funding will be used to continue construction.
- ***\$0.9 Million to Construct a New Gibbon Habitat:*** A new habitat will be constructed near the main entrance. The total cost originally was estimated to be \$6.8 million but is now estimated to be approximately \$7.5 million. The State provided \$0.2 million for design in fiscal 2024, and the future commitment to this project is \$5.4 million, assuming that the zoo's fiscal 2027 funding shift proposal with the Red Panda Habitat is approved and will also be used for construction. As with the Red Panda Habitat, the zoo proposes to contribute in fiscal 2027 \$1.0 million in private funding that has been pledged, which can be used for collateral against a bridge loan. Therefore, the State's share of the project will be \$5.6 million, or 88%. The fiscal 2026 funding will be used to begin construction.

**National Aquarium in Baltimore
Infrastructure Improvements**

Recommendation: Approve Funding

Project Description: Fiscal 2026 proposed funding will support construction to replace the Pier 4 building roof and construct other critical infrastructure improvements and public safety and exterior lighting enhancements at the National Aquarium in Baltimore. As of the 2024 session, the National Aquarium’s CIP estimated \$94 million of capital needs at the facility over the next eight years. Since its opening in 1981, the National Aquarium has been one of the largest tourist attractions in Maryland, welcoming over 60 million visitors as of November 2024. The State of Maryland has been the largest source of capital support for the National Aquarium.

(\$ in Millions)

Fund Use	Prior Approp.	Fiscal 2026 Request	Future Estimated	Estimated Total
Construction	17.750	1.000	10.000	28.750
Total	\$17.750	\$1.000	\$10.000	\$28.750

Fund Sources				
State: 100%	\$17.750	\$1.000	\$10.000	\$28.750
Total	\$17.750	\$1.000	\$10.000	\$28.750

Comments: The fiscal 2026 funding of \$1.0 million is consistent with the amount programmed in the 2024 CIP for fiscal 2026, and there are no changes in the planned out-year funding. The proposed fiscal 2026 funding will support completion of the replacement of the flat-roofed Pier 4 building at the National Aquarium’s main campus. The roof is deteriorating, which has caused leaks over the sea turtle hospital and dolphin pools. The overall project cost has increased from \$3.0 million to \$3.25 million due to delays caused by insufficient funding. State fiscal 2025 (\$2.25 million) and fiscal 2026 (\$2.25 million) funding will be combined to complete the project, which will begin in summer 2025.

The National Aquarium’s other priority needs – part of its \$90 million in its capital improvement plan – include \$1.5 million to address campuswide public safety and lighting improvements and a three-year, \$6 million project to overhaul outdated staff workspaces throughout the Pier 3 and Pier 4 buildings. The National Aquarium will apply any unused funds to the remainder of the National Aquarium's extensive CIP, which includes improving animal safety, repairing deteriorated and collapsed drainage lines in the National Aquarium pump room, rehabilitating nonpublic spaces, repairing concrete spalling, supporting the upgrade of infrastructure in aging exhibits, and upgrading elevators and escalators. Without continued State support, the National Aquarium has warned of an unsustainable accumulation of critical capital needs that will adversely impact their ability to attract visitors and generate economic impact.

**Maryland Economic Development
Corporation Cannabis Incubator**

**Recommendation: Approve with
Language**

Project Description: This project will provide a grant to the Maryland Economic Development Corporation (MEDCO) to renovate the Catonsville Armory to be used as an incubator space for new cannabis businesses. The space will serve multiple types of cannabis businesses. The project is required by § 36-406 of the Alcoholic Beverages and Cannabis Article. Fiscal 2026 funding will serve to complete construction of this project.

(\$ in Millions)

Fund Use	Prior Approp.	Fiscal 2026 Request	Future Estimated	Estimated Total
Planning	\$1.000	\$5.000	\$0.000	\$6.000
Construction	1.000	0.000	0.000	1.000
Total	\$2.000	\$5.000	\$0.000	\$7.000

Fund Sources				
State: 100%	\$2.000	\$5.000	\$0.000	\$7.000
Total	\$2.000	\$5.000	\$0.000	\$7.000

Comments: Chapters 254 and 255 of 2023 required MEDCO to work with the Executive Branch to acquire and construct or refurbish at least one cannabis incubator space. MEDCO submitted a site report in December 2023, identifying potential sites for incubator spaces and broad cost estimates for establishing incubators. MEDCO received \$2.0 million in GO bonds for the project in the MCCBL of 2023; however, the State Treasurer’s Office advised that bond funding could not be used for the project, as cannabis remains illegal under federal law. The MCCBL of 2025 deauthorizes the \$2.0 million in GO bonds, which the fiscal 2026 budget replaces with a \$2.0 million PAYGO general fund deficiency appropriation for fiscal 2025 through DGS. The fiscal 2026 allowance also includes \$5.0 million in PAYGO general funds through DGS to renovate the Catonsville Armory building in Baltimore County as a cannabis incubator. No additional funding is projected for the out-years. Design is anticipated to begin in April 2025, with construction beginning in July 2025 and concluding in July 2026. The Catonsville Armory was not identified in the calendar 2023 site report but was selected because it is already a State-owned facility, is centrally located in the State, and has a reinforced vault. The \$7.0 million total cost for renovating the 29,000-square-foot (SF) armory building is close to the site report’s sample cost estimate of \$7.9 million to equip a hypothetical 30,000 SF processing facility. Once constructed, under Chapters 254 and 255, the facility will be transferred to DGS, which will contract with a yet-to-be-identified nonprofit organization to operate the incubator. The Maryland Cannabis Administration (MCA) reports that the finished space is expected to serve up to 110 licensed cannabis microprocessors and dispensaries. DLS previously recommended adopting language that would authorize the transfer of the deficiency and proposed fiscal 2026 funding to MCA to be granted to MEDCO. This language is no longer recommended due to Supplemental Budget No. 1 reallocating these funds to MCA directly.

Exhibit 4
Department of Legislative Services Recommended Approved Funding
Fiscal 2026

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
Annapolis City Dock	Anne Arundel	\$8,800,000	This project will mitigate tidal flooding at Annapolis’s City Dock by modifying the storm drain system, installing a new pump station, developing an elevated terraced park, and providing for deployable flood barriers. The total project cost is \$72.1 million. Of this amount, \$10.0 million reflects State funding: \$1.2 million in fiscal 2023 general obligation (GO) bonds and \$8.8 million in GO bonds requested for fiscal 2026, which fully replace general funds appropriated in fiscal 2023 that were reverted in the closeout of the fiscal 2024 budget. There are two main concerns about the project: (1) reliance on \$40.0 million of Federal Emergency Management Agency funding during a period of uncertainty at the federal level; and (2) a stay placed on the project on January 15, 2025, while a lawsuit is resolved. The City of Annapolis notes that the funding has been awarded to the project, but the city can downsize the project if the federal funding is not available. The city also notes that the lawsuit is about a procedural matter regarding a building that is part of the overall project but is not being funded by the State’s funding. State Share: 13.9%
B & O Railroad Museum	Baltimore City	3,000,000	This project will restore a 33,000-square-foot (SF) facility (South Car Works) in Baltimore City. The space will serve as the centralized location for the museum’s archives, contain two classrooms, and have an ongoing exhibit that displays present and future innovations in railroad technology. \$3 million was preauthorized for each of fiscal 2026 and 2027 in the fiscal 2025 capital budget for a total of \$6 million, but the fiscal 2026 capital budget bill does not include the preauthorization for fiscal 2027. State Share: 13.4%

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
Baltimore County – 911 Call Center	Baltimore	2,000,000	This project relocates and expands the current Gilroy 911 Center to a vacant space located within its current building. The existing setup lacks the space necessary to allow for a dual uninterrupted power supply system, training academy, records office, behavioral health call diversion program, quality assurance office, and other administrative functions in order to be a fully redundant 911 site. The project’s current cost estimate is \$16.5 million, but there are additional costs that have not fully been accounted for yet. Approval of this funding indicates that the State will fund 12.11% of the current proposed project costs. State Share: 12.11%
Bowie Race Course Training Center Property and Rosecroft Raceway	Prince George’s	6,200,000	A grant to Prince George’s County executive and county council for an environmental assessment, environmental remediation, site clearing (including removing obsolete structures), and earthworks. Chapter 410 of 2024 requires \$6.2 million grant in fiscal 2026. This is part of the Pimlico redevelopment project. State Share: 95.8%
Catholic Charities – Intergenerational Center	Baltimore City	2,000,000	This project will develop Catholic Charities’ Intergenerational Initiative aimed at breaking the cycle of intergenerational poverty in West Baltimore by providing educational and holistic family support, recreation and youth development, and intergenerational engagement. This project focuses on early childhood education by housing Head Start and Early Head Start classrooms in addition to providing skills training and job placement supports for young adults. The total project cost is \$31.5 million. This project received \$2.0 million in the 2022 session, \$2.5 million in the 2023 session, and \$500,000 in the 2024 session. The \$2.0 million provided for fiscal 2026 was preauthorized in the 2025 capital budget bill. State Share: 22.2%

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
Center for Urban Families – North Monroe Street Capital Improvements	Baltimore City	1,000,000	This project will expand the second floor of the Center for Urban Families, Inc. at the North Monroe Street Center to provide space for workforce training and staff to support training participation. The expansion includes construction of a multipurpose training room, office hoteling space, six individual office spaces, open collaboration space, restroom and shower areas, laundry room, storage and supply room, kitchenette area, and furniture and equipment storage area. State Share: 36.4%
Greater Baden Medical Services – Ritchie Station Health Center	Prince George’s	2,900,000	This project builds a new 40,000 SF facility to expand services for primary and specialized care, including dental, pharmacy, imaging, laboratory work, vision, and urology. The current facility does not have adequate space to serve the clinical needs of the Greater Baden Medical Center patient population. This facility is a federally qualified health center (FQHC) and has received funding through the FQHC grant program; however, land acquisition is not an eligible expenditure under the FQHC grant program regulations, and the \$2.9 authorized in fiscal 2025 is deauthorized through a provision in the 2025 capital budget bill. State Share: 27.2%
Howard County – New Cultural Center	Howard	2,000,000	This project is for a mixed-use building that is intended to be the centerpiece of the new downtown Columbia, containing an 80,000 SF cultural center for theatric and visual arts as well as 174 affordable housing units on the top five floors of the complex. The project will be owned by Howard County, with the residential project being developed by the Howard County Housing Commission. This project will also introduce a range of performances and classes for children and young adults. This project will produce affordable and market rate rental units and includes funds through the Department of Housing and Community Development Rental Housing Works Program. Total estimated cost is \$190 million. State Share: 4.4 %

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
Inner Harbor Promenade	Baltimore City	\$38,000,000	This project is intended to fund the planning, design, engineering, construction, repair, renovation, and site improvements of the public promenade, ensuring public access to Baltimore’s waterfront and surrounding area, known as the Inner Harbor Park. The project will protect both the vitality of downtown Baltimore as well as the Chesapeake Bay Watershed. The State is the second largest funding source for this project, as the grantee is pursuing city, federal, and private funding in excess of \$139 million. Design costs for this project are estimated at \$7.5 million, with construction estimated to exceed \$200 million. Funding for design was provided by State funding in fiscal 2023. The State has since provided an additional \$52.0 million to be used for construction, not including the funds in the fiscal 2026 budget. The project plan indicates that construction is due to begin in calendar 2025. State Share: 47.0%
Johns Hopkins Bayview Medical Center – Burton Pavilion Renovation	Baltimore City	8,000,000	This project will renovate the second floor and a portion of the fourth floor of the John Burton Pavilion to enhance patient care. This renovation will provide additional private patient rooms, airborne infection isolation rooms, virtual nursing capabilities, and fully renovate staff and clinical support spaces. The total project cost is \$21.57 million. State Share: 37.1%
Kennedy Krieger Hospital – Innovative Care Center	Baltimore City	4,000,000	This project constructs a new 200,000 SF hospital center to meet the growing demand for inpatient pediatric care and rehabilitation. Current facilities are outdated and do not have sufficient space to meet patient needs, such as therapeutic equipment and space for parents and families of patients. The new hospital will include state-of-the-art technology, rooms with greater control of the sensory environment to aid recovery, private rooms, and a family respite and training center. Kennedy Krieger plans to request an additional \$48 million across fiscal 2027 and 2028 and indicates that it will seek private investment if unable to secure that level of State funding. State Share: 3.5%

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
Luminis Health Doctors Community Medical Center – New Obstetrical Care Tower	Prince George’s	10,000,000	This project will develop a comprehensive women’s health hub, allowing for obstetrical and other women’s services. This project will update hospital infrastructure to support new care delivery spaces by adding parking spaces, modifying visitor and patient flow, and updating utilities. The total project cost is \$286 million. This project received \$7 million in the 2023 session and \$19 million in the 2024 session. The proposed fiscal 2026 capital funding includes \$10 million, which was preauthorized in the 2025 capital budget bill. The total State funding from the 2023 and 2024 sessions and the proposed funding for fiscal 2026 provides a total of \$36 million for this project. The hospital has indicated anticipating a total of \$95 million in State grants in its capital worksheet. Considering that the State has not committed to an additional \$59 million in funding for this project, the hospital should comment on their financing expectations of the State and plans to finance this project if no additional State funds are available. State Share: 12.59%
Maryland Center for History and Culture – Enoch Pratt House	Baltimore City	2,500,000	This project will design, construct, equip, and renovate the Maryland Center for History and Culture’s campus through implementation of a new library collections storage plan and restoration of the historic Enoch Pratt House (1844) for adaptive reuse as a multipurpose educational and events space. Despite recent capital investments, the historic Enoch Pratt House and Keyser Library Building require substantial upgrades. In summer 2023, urgent stabilization needs for the Enoch Pratt House were identified in a preservation conditions assessment. In addition to non-State funds raised through fundraising efforts, State funds proposed for fiscal 2026 will be used to address these needs. Specifically, the funds will support renovations aimed at modernizing these structures to meet preservation standards, enhance collections care, and improve visitor experience. The Enoch Pratt House will undergo renovations to

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
			accommodate public functions, while the Keyser Library Building will be retrofitted to provide secure storage for collections. The total estimated cost of this project is \$15 million. The project’s design is projected to be completed by May 2025, and construction is projected to begin in June 2025. Given the project’s financial scope, it is recommended that the agency develop a financing plan in case State funding is unavailable. State Share: 33%
MedStar Southern Maryland Hospital – Infrastructure Improvements	Prince George’s	10,000,000	This project constructs a new bed tower that will allow for the relocation of the intensive care unit to a new facility to improve patient care and operational efficiency. The project will support the transition from semi-private rooms to private rooms and consolidate critical care units into a single location. The total project cost is \$80.2 million. The hospital should comment on plans to fund the project if no additional State funds are available. The 2024 capital budget bill included a preauthorization of \$3 million for fiscal 2026 but is funded at \$10.0 million. State Share: 12.5%
Morton Street Dance Center Renovation and Expansion	Baltimore City	300,000	This project will fund the two-phase design, construction, demolition, renovation, and equipping of the Morton Street Dance Center. The dance center is now too small, inefficient, and obsolete. This funding will help eliminate waiting lists and increase capacity to provide services to nearly double the students and families served (250 to 400/500 students) by adding classrooms, waiting and dressing room areas, and storage spaces and renovating existing offices and other areas to increase efficiency. The project is estimated to complete in October 2026 and cost \$300,000. State Share: 100%

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
New Edgewater Community Center	Anne Arundel	2,000,000	This project will acquire, design, and renovate a community-use recreational facility. The existing building on site will be renovated to include exercise classrooms, basketball and volleyball courts, pickleball courts, community meeting room, indoor playground, restrooms, and associated site amenities. The acquisition of the site has been completed and design is in progress. State Share: 9.3%
Pikesville Armory Foundation – Pikesville Armory Renovation	Baltimore	5,000,000	This project will redevelop the Pikesville Armory into a multi-use community hub for recreation, cultural arts, and learning. This includes outdoor athletic fields, indoor multipurpose courts, walking trails, performance space, art studios, a senior center, maker space, a Boys & Girls club, and community gathering space. The project design is expected to be completed by February 2026, and project construction is anticipated to complete by March 2028, which is nine months earlier than the estimated completion date in the 2024 session. The 2024 capital budget bill preauthorized \$5 million for fiscal 2026 in addition to the \$12 million previously authorized for this purpose in multiple years. The estimated project cost is \$95 million, which is \$10.2 million lower than the estimated project cost in the 2024 session. The lower estimated total project cost is attributable to the decrease in estimated construction and equipment cost. The project expects to receive the remaining \$78 million from a broad array of public and private sources. State Share: 17.9%
Rosecroft Raceway Economic Revitalization	Prince George's	3,100,000	Provide a grant to Prince George's Financial Corporation doing business as FSC First to support projects around Rosecroft Raceway. FSC First may award grants or loans to businesses. These awards will support private activities. FSC First has experience financing projects but was just recently notified of this proposed grant and has not had time to define what geographical area qualifies and what criteria will be used to evaluate awards. The proposed fiscal 2026 funding was preauthorized through a provision in the 2024 capital budget bill. State Share: 100%

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
Southern Streams Health and Wellness Center	Baltimore City	2,100,000	Fiscal 2026 funding totaling \$2.1 million for this project was preauthorized in the fiscal 2025 capital budget bill. The grant will fund construction of a new health and wellness center in East Baltimore, including office space and a parking garage. Tenants will include the Johns Hopkins Health System, Alterwood Health, and Care First. As part of the city’s East Baltimore Revitalization Plan, the project will provide health care access in a neighborhood with high vacancy rates and extreme poverty. This project received \$2.5 million in fiscal 2025. Proposed funding sources include loans (\$17 million), grants (\$10 million), and tax credit income (\$7 million). The Department of Legislative Services estimates that the grantee will be able to complete the proposed project based on the funding sources proposed. State Share: 6.2%
Viva White Oak	Montgomery	6,000,000	Viva White Oak is a proposed bioscience-focused mixed-use community on 280 acres in Montgomery County. The project is a public-private partnership between the county and private companies. The 2025 budget bill includes \$6 million in GO bond funding for the project as a grant to the Maryland Economic Development Corporation, as was preauthorized in the 2024 capital budget bill, to assist with construction of infrastructure associated with the development. In addition to State funds, the project is expected to receive \$40 million from Montgomery County and \$48 million from private companies for a total project cost of \$94 million. Design is underway and expected to be completed in August 2025 with construction occurring October 2025 through June 2028. State Share: 6.4%
White’s Ferry Project	Montgomery	1,500,000	This project provides funding for design, construction, renovation, and repair to restore the operation of White’s Ferry, which will provide ferry service between Montgomery County and Loudon County in Virginia. State Share: 60.0%

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
Tradepoint Atlantic Container Terminal	Baltimore	15,000,000	This project supports the development of a proposed Sparrows Point Container Terminal for shipping operations at the Port of Baltimore. The \$15 million in pay-as-you-go (PAYGO) general funds proposed for fiscal 2026 would support moving 1.25 million cubic yards of material dredged from the shipping channel to a facility approved by the Maryland Port Administration. The dredging will deepen and widen the existing Sparrows Point Channel to accommodate large container vessels at the planned container terminal. The allowance also includes a \$15 million general fund deficiency appropriation for fiscal 2025 to support the project, bringing the total State spending to \$30 million. The total project cost is \$1 billion, with the remainder of the funding in non-State funds. Supplemental Budget No. 1 adds an additional \$1 million to both the fiscal 2025 deficiency and the fiscal 2026 budget. State Share: 3.0%
IonQ Headquarters	Prince George's	10,000,000	This project is to construct a 105,000 SF corporate headquarters for IonQ, a quantum computing company, in the University of Maryland's Discovery District as part of the Governor's "Capital of Quantum" initiative. The project receives \$10 million in PAYGO general funds in the fiscal 2026 allowance and is expected to receive an additional \$40 million in State funding, which is not currently in the <i>Capital Improvement Program</i> , in fiscal 2027. The \$50 million total State funding will be used for planning and construction, and the company will provide \$52 million for equipment. Design is expected to start in July 2025, and construction is expected to begin in March 2026 and take 15 months. The finished facility will include a new data center, the National Quantum Laboratory or "QLab," other laboratories, clean rooms, and corporate office space. State Share: 49.0%

<u>Project Name</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Description</u>
New Downtown Frederick Hotel and Conference Center	Frederick	7,500,000	A grant to the City of Frederick to support acquiring, planning, constructing, and equipping a new full-service, upscale downtown hotel and conference center. The hotel and conference center includes a full-service restaurant, rooftop lounge, street front retail space. State funds support the 21,500 SF conference center and a 250-space parking garage. The project plan includes an expectation of \$21.5 million in State funding, and \$7.5 million has previously been approved for this project. Approval of this year’s funding request would leave a total of \$7.5 million expected from the State in a future year. The developer is responsible for \$74 million in private debt and equity. The city and county provide \$4.5 million for property acquisition. State Share: 21.0%
Johns Hopkins University Whiting School of Engineering – New Design Center	Baltimore City	2,000,000	This project will design and construct a new multidisciplinary Design Center as an addition to the Wyman building on Johns Hopkins’ Homewood Campus. The project anticipates providing prototyping laboratories and various shop spaces, with the goal of developing a new hub for undergraduate students to design, prototype, test, and manufacture engineering solutions. The total project cost is \$76.1 million, and the proposed fiscal 2026 capital funding includes \$2.0 million. This project is eligible to receive funding through the Maryland Independent College and University Association Private Higher Education Facilities Grant Program. State Share: 2.6%

Source: Department of Legislative Services

Exhibit 5
Recommendations to Delete Funding
Fiscal 2026

<u>Project Name – Description</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Comments</u>	<u>Recommendation</u>
Adventist Health – New Fort Washington Facility	Prince George’s	\$2,500,000	This project is to build a new hospital in Fort Washington to expand access to medical services. The current facility is small and outdated, located two miles from the current facility. The new hospital will be located two miles from the current facility and will provide larger patient rooms; increased emergency department capacity; intensive care unit; new diagnostic imaging capabilities; expanded surgical operating rooms; a labor, delivery, and recovery unit; and behavioral health rooms. The total project cost is estimated at \$250 million, and the total non-State spending is estimated at \$1.857 million in fiscal 2026. Although the fiscal 2026 capital budget bill includes \$2.5 million, there is no planned spending of State funding in fiscal 2026. Additionally, the \$5.0 million in State funding authorized for fiscal 2025 was also not spent.	Delete \$2,500,000 in general obligation (GO) bond funding for the Adventist Health – New Fort Washington Facility project.

<u>Project Name – Description</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Comments</u>	<u>Recommendation</u>
Baltimore Museum of Art – Fire Suppression and Capital Improvements	Baltimore City	1,500,000	This project will implement fire suppression systems in the facility and related building improvements. The current phase of the project will result in 83% of the facility being covered by fire suppression systems compliant with the current building code. The facility will also receive upgraded security systems and greater energy efficiency via the installation of a replacement HVAC component to replace an antiquated Ice Thermal Storage System. The project plan includes a State share of 56.0% for a project with an expected total cost of \$12.5 million. The State has previously provided \$5.5 million for this project. Non-State funds have also totaled \$5.5 million to date. Usage of State funds can be limited to 50% or less of this project by reducing the funding in the fiscal 2026 budget, as no spending is planned after fiscal 2026.	Reduce \$750,000 in GO bond funding.
Bowie Mill Bike Trail	Montgomery	2,100,000	This project will construct 3.3 miles of a new 8-to-10-foot-wide path for bicycles and pedestrians along Bowie Mill Road from Olney Laytonsville Road (MD108) to Muncaster Mill Road (MD115) and continues along Muncaster Mill Road to Needwood Road. The project also includes creation of a new pedestrian bridge over Rock Creek North Branch. The project will connect to several other existing trails along with the Shady Grove metro station, Sequoyah Elementary, Magruder High School, and Olney	Delete funds.

<u>Project Name – Description</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Comments</u>	<u>Recommendation</u>
			Town Center. Construction is not planned to commence until fiscal 2028. This project has previously received \$5.7 million. The proposed \$2.1 million for fiscal 2026 would bring the total State spending on this project to \$7.8 million. Additional State funding will not be necessary for this project until construction begins.	
Downtown Partnership of Baltimore – Strategic Operations Center	Baltimore City	5,000,000	The total project cost is estimated to be \$27 million to construct a centralized hub in downtown Baltimore to coordinate responses to safety incidents or emergencies called the Strategic Operations Center (SOC). It is hoped that the development of an SOC will enhance situational awareness and improve response times to deter criminal activity. In prior years, the State has provided \$7 million in support for this project, with an additional \$5 million being requested in fiscal 2026. The University of Maryland, Baltimore Campus has also committed \$13.5 million to the project with the Downtown Partnership of Baltimore, looking for other sources to secure the final funds needed. The Department of Legislative Services has recommended that funding for this project be provided by the Department of Housing and Community Development’s capital appropriation in fiscal 2026.	Delete funds.

<u>Project Name – Description</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Comments</u>	<u>Recommendation</u>
Glen Echo Park Spanish Ballroom Renovation	Montgomery	1,500,000	This project will implement improvements for the historic Spanish Ballroom at Glen Echo Park, including installation of an HVAC system, new windows, insulation, new fire suppression equipment, and decorative elements. This is a federal property owned by the National Park Service (NPS) and jointly managed by NPS and Montgomery County. The total project cost is estimated to be \$10.2 million, with \$1.5 million being provided by the State, despite the property being federally owned.	Delete \$1.5 million in GO bond funding.
Port Discovery Children’s Museum	Baltimore City	2,500,000	This project will transform the Port Discovery Children’s Museum into a state-of-the-art education resource. This includes renovating selected legacy exhibits and the design of an early childhood model classroom. The project will increase usable public space by 2,500 square feet and aims to increase its annual attendance of 200,000 by 10% to 220,000. The project is estimated to complete in fiscal 2029 at \$16.3 million, with 45% of funds provided by the State. The fiscal 2026 allowance includes \$2.5 million in State funds, mainly for construction. Port Discovery Children’s Museum did not demonstrate that it could provide the \$8.95 million in non-State matching funds necessary to progress the project. As of the submission of the worksheet, Port Discovery had fundraised \$550,000.	Delete the \$2,500,000 GO bond authorization for Port Discovery Children’s Museum.

<u>Project Name – Description</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Comments</u>	<u>Recommendation</u>
Salisbury Regional Airport – New Hangar	Wicomico	1,500,000	This project will provide a grant to Wicomico County to plan, design, and construct a new aircraft hangar, classroom, and office space at Salisbury Regional Airport to house the University of Maryland Eastern Shore (UMES) Aviation Maintenance Technician and Flight Training school. UMES currently leases and subleases spaces at Salisbury Regional Airport to support its aviation-related programming, including shared space with Piedmont Airlines, but has outgrown these spaces. Construction of a new hangar would establish a permanent facility for UMES to expand its programming. The total project cost is estimated at \$15.8 million. No funding from Wicomico County is currently identified for the project, and \$14.3 million in future funding for the project is expected to come from future fundraising. A portion of the project should be supported through funding from Wicomico County.	Reduce the GO bond authorization for the Salisbury Regional Airport – New Hangar project by \$750,000.
Westport Capital Development – Kloman Street Relocation	Baltimore City	1,000,000	The One Westport development project includes the redevelopment of a 43-acre parcel of land located in the Westport neighborhood of Baltimore City as part of a transit-oriented development project. The project is being led by Stonewall Capital, a private development firm, and construction began in October 2024. The project includes the construction of townhomes and multifamily apartments, commercial space, and a public waterfront park. The project includes	Delete the \$1.0 million GO bond authorization for the Westport Capital Development – Kloman Street Relocation project.

<u>Project Name – Description</u>	<u>Jurisdiction</u>	<u>Fiscal 2026 Amount</u>	<u>Comments</u>	<u>Recommendation</u>
			the reconstruction and reconfiguration of Kloman Street between Waterview and Clare streets, including realignment of the portion located between the Maryland Transit Administration (MTA) light rail and CSX freight rail tracks. The current alignment does not safely accommodate pedestrian and vehicular traffic. Part of the Kloman Street realignment would include improvements to the Westport MTA light rail station, including rail crossing improvements, accessible ramps, new pedestrian paths and sidewalks, light rail track screening and landscaping, and improved signage. The total project cost is estimated at \$12.0 million, and \$4.0 million in general funds were previously authorized for the project in fiscal 2023. Including prior authorized and future planned funding, the total State share is 66.6%, or \$8.0 million of total project cost. Due to the share of State funding that has already been provided to this project, additional State commitments can be deferred to a future fiscal year.	

Source: Department of Legislative Services

Updates

1. Status of 2024 Session Preauthorizations for Fiscal 2026

Exhibit 6 shows a comparison of the legislative preauthorization amounts for miscellaneous capital grants for fiscal 2026 to the proposed funding amounts included in the fiscal 2026 capital budget for these projects. A total of 22 miscellaneous capital grants were preauthorized for fiscal 2026 during the 2024 session; however, only 13 of these grants are funded through the fiscal 2026 budget.

Exhibit 6
Fiscal 2026 Miscellaneous Capital Grant Preauthorization Amounts
Compared to Fiscal 2026 Funding
(\$ in Millions)

<u>Project Title</u>	<u>Preauthorization Amount</u>	<u>2026 Funded Amount</u>	<u>Difference</u>
Shady Grove Medical Center	\$3.00	\$0.00	-\$3.00
Baltimore Symphony Orchestra	2.50	0.00	-2.50
Principio Rail Spur	1.50	0.00	-1.50
Westport Capital Development – Kloman Street Relocation	2.00	1.00	-1.00
Olney Boys and Girls Club – Performance Sports Center	1.00	0.00	-1.00
Don Bosco Cristo Rey High School	1.00	0.00	-1.00
Franklin Square Hospital	1.00	0.00	-1.00
Westminster Fiber Network Construction Project	1.00	0.00	-1.00
Wolfsville Volunteer Fire Department	0.50	0.00	-0.50
Frederick Youth Center	0.16	0.00	-0.16
Luminis Health Doctors Community Medical Center – New Obstetrical Care Tower	10.00	10.00	0.00
Inner Harbor Promenade	8.00	8.00	0.00
Viva White Oak	6.00	6.00	0.00
Pikesville Armory	5.00	5.00	0.00
Rosecroft Raceway Economic Revitalization	3.10	3.10	0.00
B & O Railroad Museum	3.00	3.00	0.00

ZA00 – Miscellaneous Grant Programs – Capital

<u>Project Title</u>	<u>Preauthorization Amount</u>	<u>2026 Funded Amount</u>	<u>Difference</u>
Maryland Center for History and Culture – Enoch Pratt House and Collections Storage Renovation	2.50	2.50	0.00
Bowie Mill Bike Trail	2.10	2.10	0.00
Southern Streams Health and Wellness Center	2.10	2.10	0.00
Catholic Charities – Intergenerational Center	2.00	2.00	0.00
White’s Ferry Project	1.50	1.50	0.00
MedStar Southern Maryland Hospital	3.00	10.00	7.00
Total	\$61.96	\$56.30	-\$5.66

Note: Section 12 of the capital budget bill repeals the preauthorizations included in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2024 for fiscal 2027. The fiscal 2026 capital budget does not include the following four preauthorizations that appeared in the MCCBL of 2024: \$1.0 million for the Baltimore Symphony Orchestra; \$3.0 million for the B & O Railroad Museum; \$2.0 million for the Westport Capital Development – Kloman Street Relocation; and \$1.0 million for the Westminster Fiber Network Construction.

Source: Department of Legislative Services

GO Bond Recommended Actions

1. Delete \$2,500,000 in general obligation bond funding for the Adventist Health – New Fort Washington Facility project.

ZA00A Adventist Health – New Fort Washington Facility..... \$ 0

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
2,500,000	-2,500,000	0

Explanation: This action reduces all funding for fiscal 2026. The project plan does not include a need for State funding in fiscal 2026, and prior authorized State funds have not yet been encumbered.

2. Delete the \$2,500,000 general obligation bond authorization for Port Discovery Children’s Museum.

ZA00AC Port Discovery Children’s Museum..... \$ 0

ZA00 – Miscellaneous Grant Programs – Capital

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
2,500,000	-2,500,000	0

Explanation: Delete the \$2,500,000 general obligation bond authorization for Port Discovery Children’s Museum because the museum did not demonstrate that it can provide the non-State matching funds necessary for the project to move forward.

3. Reduce the general obligation bond authorization for the Salisbury Regional Airport – New Hangar project by \$750,000.

ZA00AE Salisbury Regional Airport – New Hangar \$ 750,000

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
1,500,000	-750,000	750,000

Explanation: This action reduces the general obligation bond authorization for the Salisbury Regional Airport – New Hangar project by \$750,000, as a portion of the project should be supported by Wicomico County.

4. Delete the \$1,000,000 general obligation bond authorization.

ZA00AH Westport Capital Development – Kloman Street
Relocation \$ 0

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
1,000,000	-1,000,000	0

Explanation: This action deletes the \$1,000,000 general obligation bond authorization for the Westport Capital Development – Kloman Street Relocation project. Other fund sources can be used to support this project.

5. Reduce \$750,000 in general obligation bond funding.

ZA00E Baltimore Museum of Art – Fire Suppression and
Capital Improvements \$ 750,000

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
1,500,000	-750,000	750,000

Explanation: Funds for this project are reduced to limit the State’s contribution to no more than 50% of the total project cost.

ZA00 – Miscellaneous Grant Programs – Capital

6. Delete \$2,100,000 in general obligation bond funding

ZA00F Bowie Mill Bike Trail..... \$ 0

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
2,100,000	-2,100,000	0

Explanation: Construction on this project is not due to begin until fiscal 2028. The project will not require additional funding until construction begins, as the \$5.7 million in State funds previously provided will allow for completion of the design process.

7. Delete \$5,000,000 in general obligation bond funding

ZA00J Downtown Partnership of Baltimore – Strategic
Operations Center \$ 0

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
5,000,000	-5,000,000	0

Explanation: This project can be funded with general obligation bond funding from the Department of Housing and Community Development's Seed Community Development Anchor Institution Fund.

8. Delete \$1,500,000 in general obligation bond funding.

ZA00K Glen Echo Park Spanish Ballroom Renovation..... \$ 0

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
1,500,000	-1,500,000	0

Explanation: These funds are recommended for deletion due to the property being federally owned and managed in part by the National Park Service.

Total General Obligation Bonds Reductions	\$16,100,000
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