

**J00D00 MDOT Maryland Port Administration
FY 2025 Operating Budget
Response to the Department of Legislative Services Budget Analysis**

House Appropriations Committee
Transportation and the Environment Subcommittee
Delegate Courtney Watson
February 22, 2024

Senate Budget and Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Senator Sarah Elfreth
February 26, 2024

**J00J00 MDOT – Maryland Transportation Authority
Fiscal Year 2025 Operating Budget
Response to Department of Legislative Services Analysis**

DLS Budget Analysis Issues

1. Howard Street Tunnel Schedule and Project Costs Change (Page 21)

MDOT should comment on whether it intends to seek additional non-TTF support from the State for this project.

MDOT Response:

MDOT does not intend to seek additional non-Transportation Trust Fund (TTF) support for the Howard Street Tunnel Project beyond the \$124.5 million that has previously been provided and/or planned from the general fund and general obligation bonds.

Operating Budget Recommended Actions

1. Concur with Governor's Allowance. (Page 22)

MDOT Response:

The Department concurs with the DLS recommendation.

PAYGO Budget Recommended Actions

1. Concur with Governor's Allowance. (Page 22)

MDOT Response:

The Department concurs with the DLS recommendation.



Maryland Department of Transportation (MDOT)

Maryland Port Administration (MPA)

Fiscal Year 2025 Budget Overview

MPA Operating and Capital Programs

Presentation to Budget Committees

2024 Session

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Progress Since Last Session

Port of Baltimore's Economic Impacts to the State of Maryland:

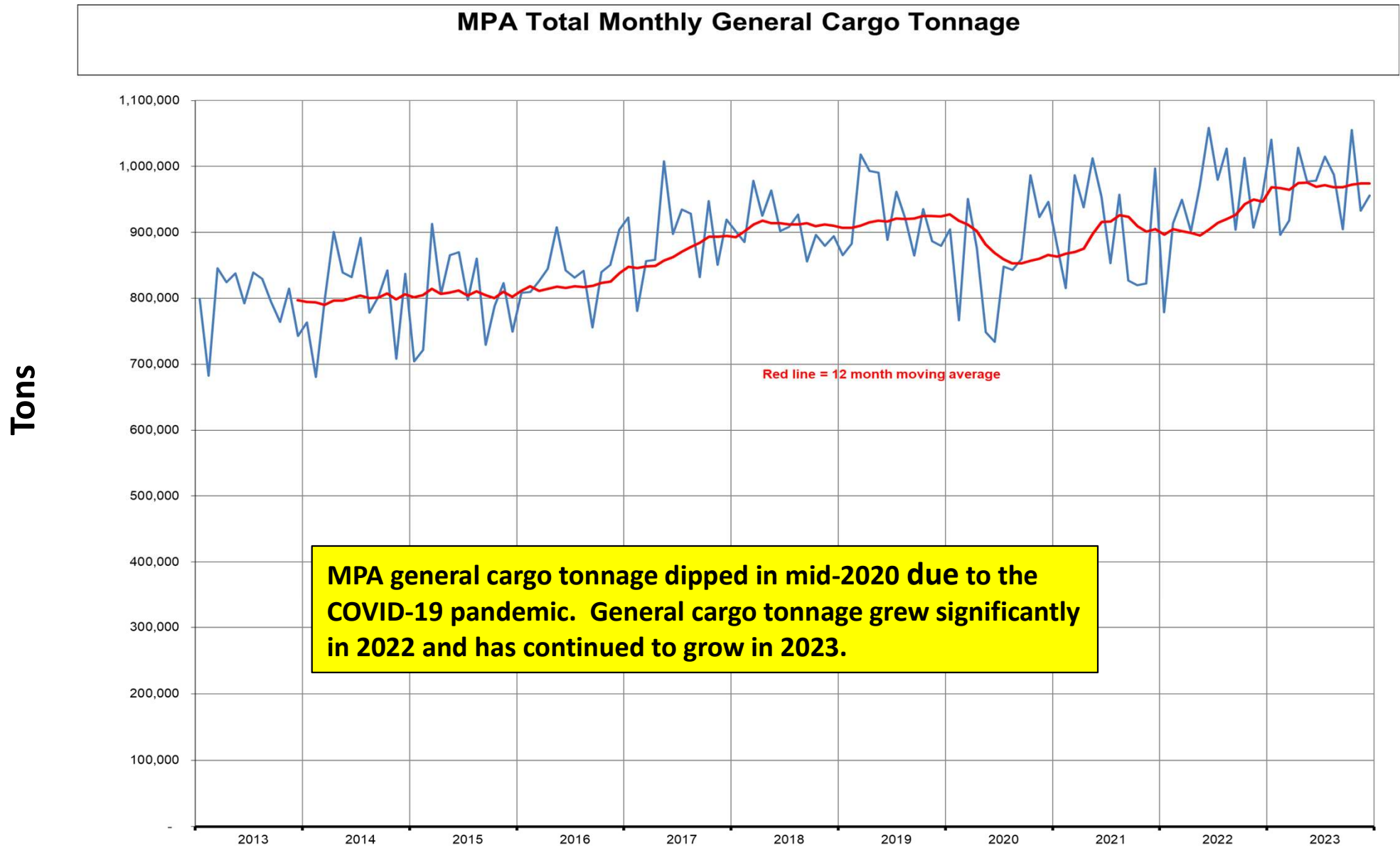
- 37,300 Direct, Induced, Indirect Jobs generated by the Port.
- \$3.3 billion in personal wages & salary income.
- \$395 million per year in State and Local Tax Revenues.
- 101,880 additional jobs in Maryland are related to Port activities.
- In total, there are **over 139,180 jobs** in Maryland linked to the Port of Baltimore.

Port of Baltimore's National Rankings for 2023:

- Ranks #1 for Autos and Light Trucks, and for Roll-on, Roll-off Heavy Equipment
- Ranks #1 for imported Gypsum and Sugar
- Ranks #9 in the U.S. in the value of international cargo (\$80.8B)
- Ranks #9 in the U.S. for international cargo tonnage (52.3M tons)

Maryland Port Administration Operating and Capital Budget

Progress Since Last Session (continued)

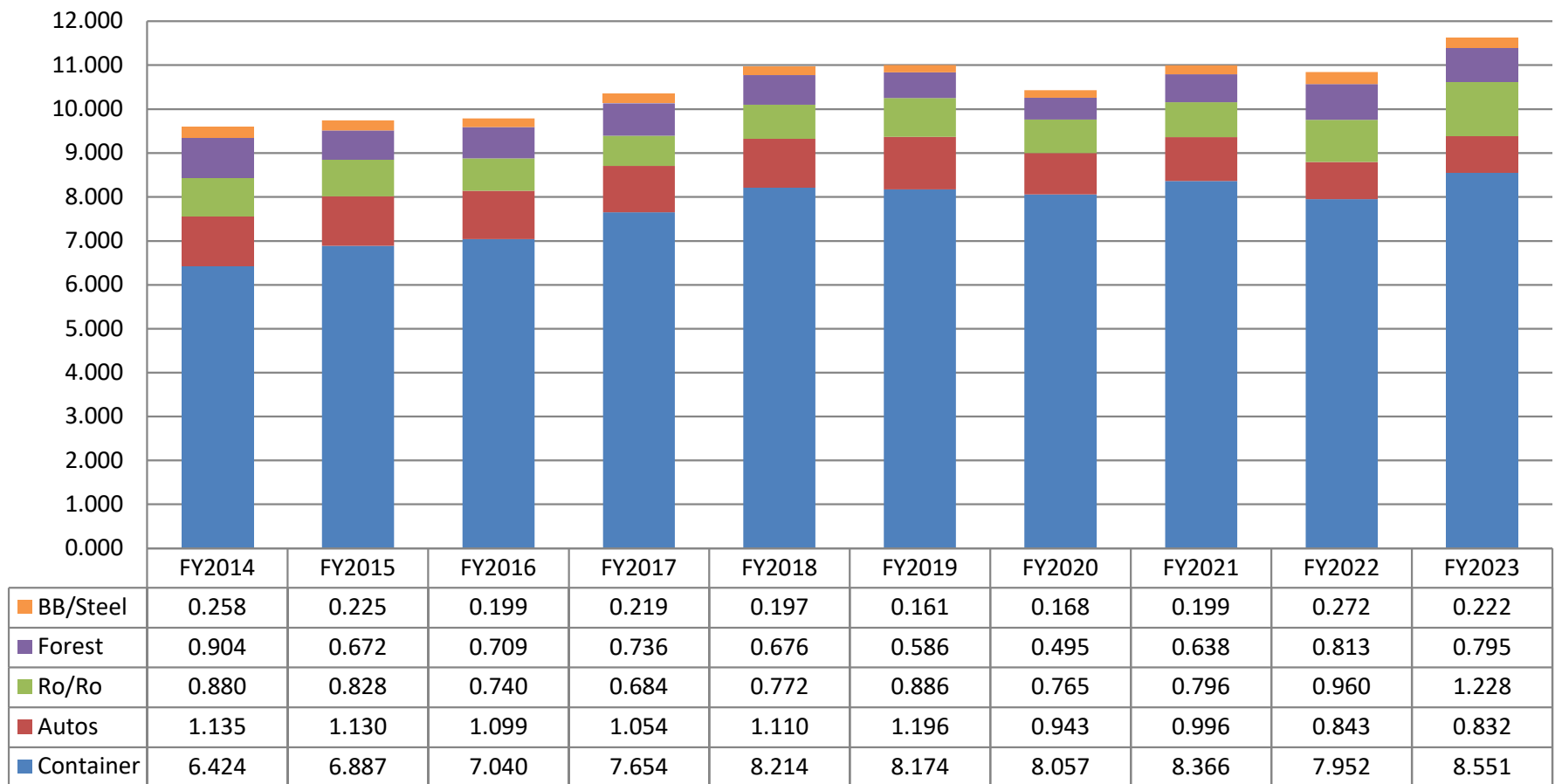


Maryland Port Administration Operating and Capital Budget

Progress Since Last Session (continued)

MPA set a new fiscal year record for general cargo tons in FY 2023 – handling over 11.6 million tons.

MPA General Cargo (millions of tons)



MDOT MPA FY23 & FY24 Operating Program Financial Results

FY 2023 Operating Results:

- Operating revenue generated during FY 2023 equaled \$53.7M. FY 2023's total operating expenditures were \$51.7M, which is equal to the \$51.7M operating budget.
- Net Income for FY 2023 was \$2.0M

FY 2024 Status (First Six Months):

- Revenues for FY 2024 through December 2023 are \$24.4M.
- Net Income for FY 2024 through December 2023 is -\$3.0M.
- Operating expenditures are \$27.6M which is 50.7% of the \$54.4M FY 2024 appropriation.

FY 2025 Operating Revenue Forecast:

- FY 2024 Operating Revenue is estimated to be \$51.6M. This revenue estimate includes terminal lease agreements and increases in cargo throughput.

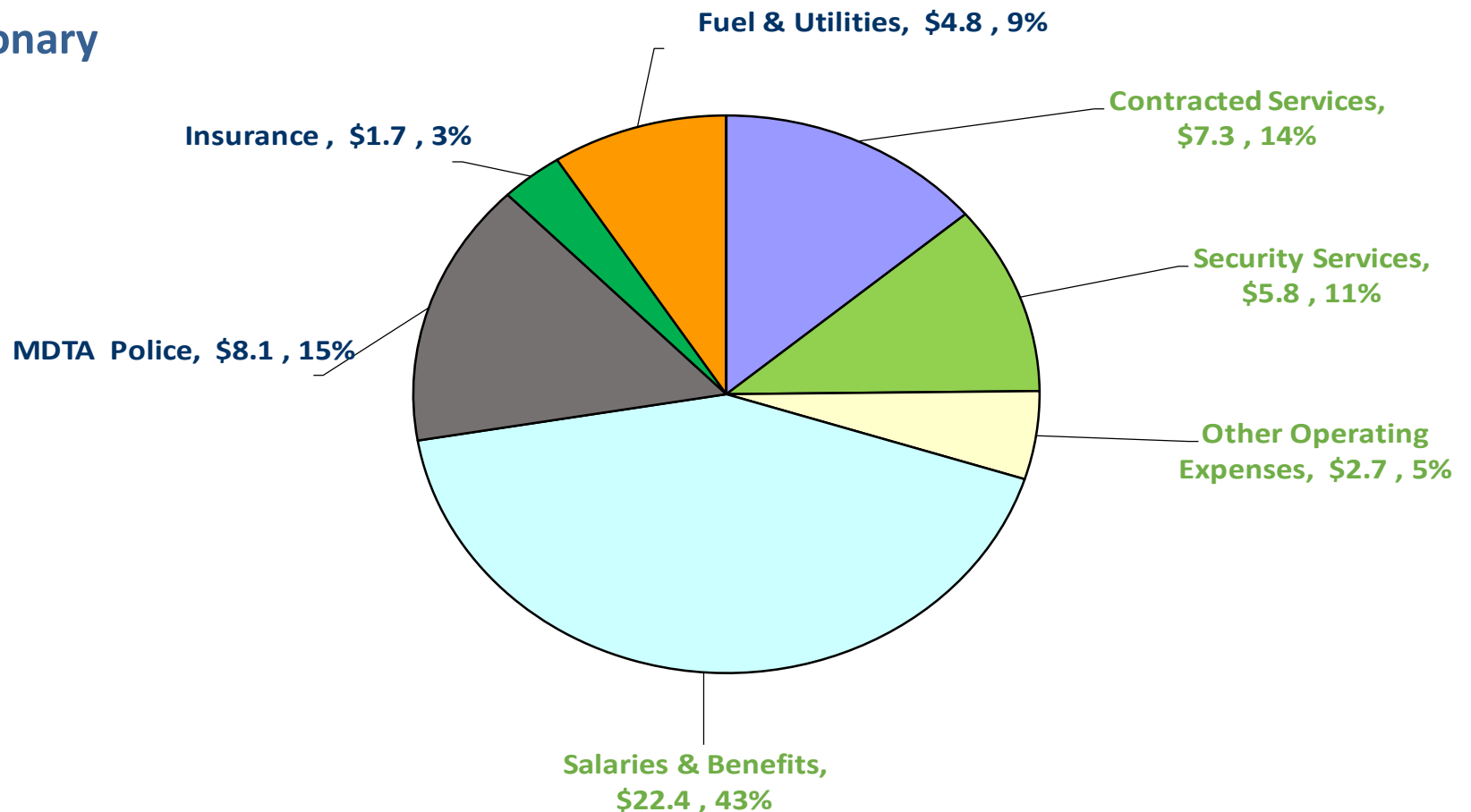
MDOT MPA FY25 Operating Program Budget Allowance is \$52.8M

- The \$52.8M FY2025 Budget Allowance is lower than the \$54.4M FY 2024 appropriation.
- MPA salary and benefits are 43.0%, and total contracted services (including MDTA Police, and Security) are 40.0% of the FY 2025 Allowance.
- The MDTA Police budget allocation remains flat \$8.0M from FY 2024 Appropriation.

FY 2025 Operating Budget, (\$Ms)

Non-Discretionary

Discretionary

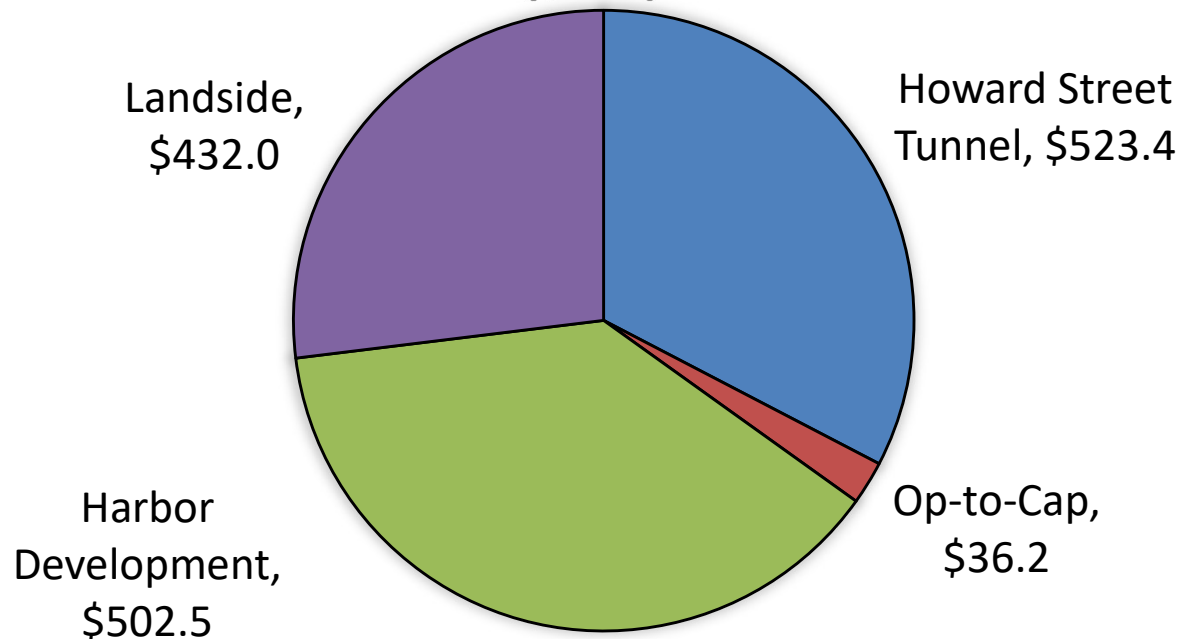


The 6-year Capital Program (FY24 to FY29) is \$1.6 Billion

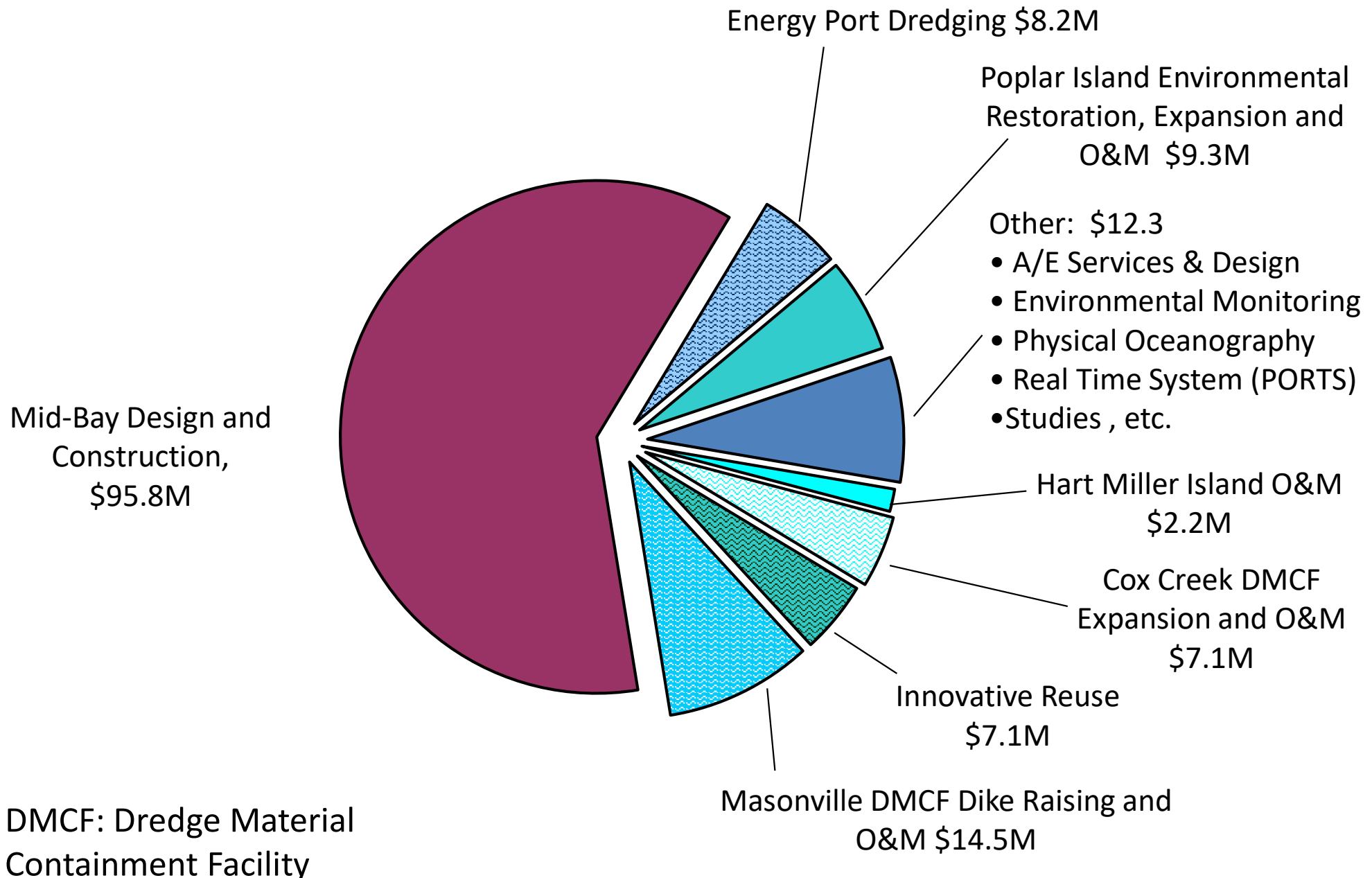
MDOT-MPA's 6-year Capital budget includes \$177M in Federal funding, \$251M from "other" sources, such as CSX and Maryland GO Bonds Funds for the Howard Street Tunnel and Ports America Chesapeake for the ICTF Rail Modernization CRISI project.

- The **Howard Street Tunnel** clearance project is part of the 6-year program.
- The **Harbor Development Program** maintains existing dredged material placement sites and expands capacity
- **Landside Program** includes berth renovations and other system preservation projects.

FY 2024 – FY 2029 Capital Budget
(\$Ms)

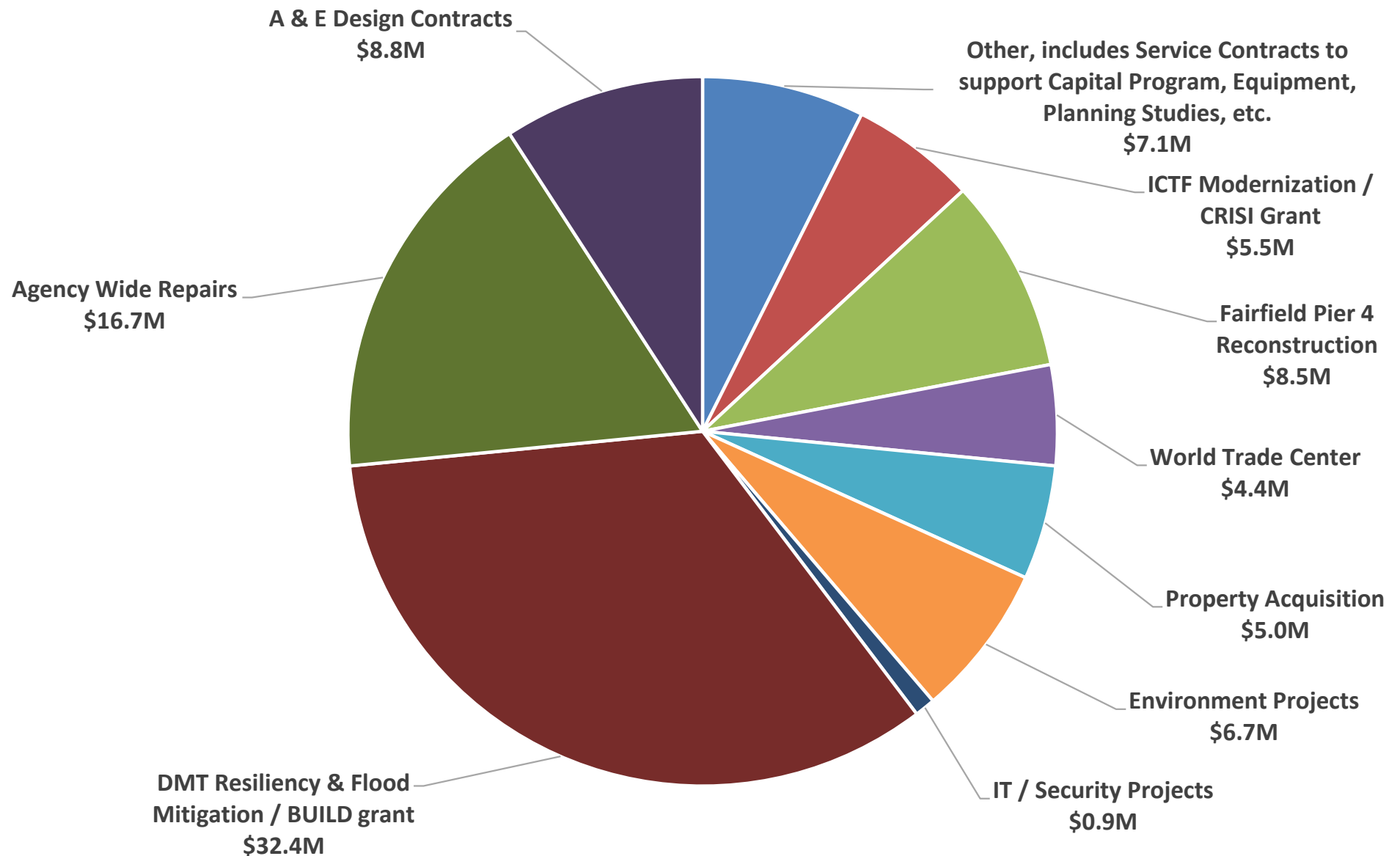


The FY25 Harbor Development Capital Budget Request is \$157M



Maryland Port Administration Operating and Capital Budget

The FY25 Landside Capital Budget Request is \$96.0M



The FY25 Howard Street Tunnel Capital Budget Request is \$154.5M



Howard Street Tunnel North Portal



Guilford Ave Bridge Replacement

- FY25 capital budget (\$154.5M) includes federal, state, CSX and PennDOT funding
- Current Status/Next Steps:
 - Construction is currently underway at three of the 10 construction packages.
 - Three of the construction packages are completed.
 - Construction on the remaining four packages will begin in calendar year 2024.
 - CSX's schedule has all construction complete by Spring 2027.

Emerging/Continuing Issues:

- The supply shortage of semiconductors continues to affect the Port's automotive numbers.
- The need to maintain funding for the Howard Street Tunnel remains paramount to the success and growth of the Port. The agreement with FRA was executed in November 2021 and construction started in Spring 2022.
- Providing adequate funding for the Mid-Chesapeake Bay Island Project is critical to maintaining the 50' channel system leading into the Port of Baltimore and providing safe passage for vessels. MDOT MPA is the non-federal sponsor with the US Army Corps of Engineers and a Project Partnership Agreement was executed in August 2022 with the first construction contract awarded in September 2022.
- Finding placement options for the Port's dredged material – both within the Harbor and the Bay while continuing to develop alternative options such as Innovative Reuse.
- Maintaining competitiveness and accommodating growth, and the need for increased resiliency, since the Port operates within the flood plain;
- Maintaining adequate capital funding for terminal preservation projects for the Port's long-term growth and competitiveness.
- Operating MDOT MPA terminals and facilities in an environmentally sustainable manner that doesn't negatively impact business or the communities that are our neighbors.