

75TH SPECIAL SESSION, WORK SESSION, AND EXECUTIVE SESSION – June 11, 2019

EXECUTIVE SESSION – June 11, 2019

On a motion duly made by Councilmember A. Heffernan and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in closed session to consult with counsel to obtain legal advice; #7 (Section 3-305)(b)), and to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction, #1 (Section 3-305(b)), on Tuesday, June 11, 2019 at 3:09 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland.

The following people were in attendance: Mayor R. E. Bruchey, II, Councilmember K. B. Aleshire, Councilmember A. Heffernan, Councilmember S. McIntire, City Administrator Scott Nicewarner, Nancy Hausrath, Director of Utilities, Michelle Hepburn, Director of Finance, Nathan Fridinger, Light Operations Manager, Roger Schlossberg, Attorney, and Donna K. Spickler, City Clerk. Councilmember E. Keller and Councilmember L. C. Metzner were not present.

The meeting was held to obtain legal advice regarding a contract, and membership of the Circle of Achievement Advisory Committee, the Board of Zoning Appeals, and the Hagerstown Loan Review Authority. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:41 p.m.

75TH SPECIAL SESSION AND WORK SESSION – June 11, 2019

Mayor R. E. Bruchey, II called this 75th Special Session and Work Session of the Mayor and City Council to order at 4:05 p.m., Tuesday, June 11, 2019 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler. Councilmember E. Keller and Councilmember L. C. Metzner were not present.

75th Special Session – June 11, 2019

On a motion duly made by Councilmember S. McIntire and seconded by Councilmember A. Heffernan, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in Special Session at 4:05 p.m.

Introduction of an Ordinance: Authorizing the Sale of Unimproved Real Property Consisting of One Two-Acre Parcel of Land Located in Hagerstown on Wesel Boulevard and Identified in a Deed to Seller Dated April 24, 1989, and Recorded at Liber 926, Folio 038

Action: On a motion duly made by Councilmember A. Heffernan and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to introduce an ordinance authorizing the sale of unimproved real property consisting of one two-acre parcel of land located in Hagerstown, Maryland on Wesel Boulevard and identified in a Deed to Seller dated April 24, 1989, and recorded at Liber 926, Folio 038. The property will be conveyed to North Point Development, LLC for a sale price of \$ 1.00. The sale will be in accordance with all terms and conditions listed in an attached purchase agreement.

The Special Session was closed at 4:06 p.m.

Work Session – June 11, 2019

Preliminary Agenda Review

Mayor Bruchey announced meetings are tentatively scheduled for Tuesday, July 2, 2019 and Tuesday, July 9, 2019.

Consent Agenda

- A. Information Technology & Support Services:
 - 1. MUNIS Software Maintenance Renewal for FY20 – Tyler Technologies, Inc. (Dallas, TX) \$ 223,272.61
 - 2. Intellitime Software Maintenance Renewal for FY20 – Intellitime Systems Corporation (Santa Ana, CA) \$ 58,852.98

- B. Department of Parks and Engineering:
 - 1. Carr and First Street Sidewalks – Concrete Central, LLC (Hagerstown, MD) \$ 238,035.00

- C. Police Department:
 - 1. Annual Payment for Wages to 911 Center – Washington County Treasurer (Hagerstown, MD) \$ 405,630.00

- D. Public Works Department:
 - 1. Three Vehicles – Keystone Ford (Chambersburg, PA) \$ 109,285.00
 - 2. Traffic Camera Control – Econolite (Glen Burnie, MD) \$ 18,931.32

- E. Utilities Department:
 - 1. Water – Fluoride Feed System – Carl Belt, Inc. (Cumberland, MD) \$ 80,334.00
 - 2. Water – Basin Handrails – Carl Belt, Inc. (Cumberland, MD) \$ 11,900.00
 - 3. Water – Magnafloc – George S. Coyne Chemical Co., Inc. (Croydon, PA) \$ 26,685.00

This completed the Preliminary Agenda review. There were no questions about any items. All items are scheduled for approval on June 18, 2019.

Funding for Doleman Black Heritage Museum: Building Acquisition

Michelle Hepburn, Director of Finance, was present to finalize the funding for the Doleman Black Heritage Museum (DBHM). On Tuesday, May 21, 2019, a resolution was approved to provide funding to DBHM for an additional \$ 108,000 for the acquisition of a building upon the execution of a commercial mortgage note. Now that the agreement has been approved, staff is present to discuss potential funding sources to cover this \$ 108,000 that was not originally included in the FY20 approved budget.

No funding toward this customized incentive for DBHM will be reallocated from existing and approved budget amounts included specifically within the Invest Hagerstown incentive programs. Staff recommendation is below:

General Fund:

1. FY19 Economic Development Incentives - \$ 18,000 remaining
2. FY20 Communications Operating Budget - \$ 20,000 reduction (leaves \$ 84,000 for all city-wide marketing, promotion and branding)
3. FY20 GF Contingency Budget - \$ 70,000 reduction (leaves \$ 33,000 for other unknown expenses)

It was the general consensus of the Mayor and City Council to move forward with the funding recommendation. Settlement on the property DBHM intends to purchase is scheduled for June 19, 2019.

Hagerstown Youth Advisory Council Update

Lauren Metz, Planning and Outreach Coordinator, and Jonathan Kerns, Community Development Manager, were present to provide an update on the Hagerstown Youth Advisory Council (HYAC).

During the December 18, 2018 Regular Session, the Mayor and City Council approved a resolution to establish the HYAC as an ad-hoc committee. The goal of this Council was to facilitate communication and participation by City youth regarding government decision-making and planning.

With the assistance of several community partners, City staff developed an application form for the Council and an application cycle was open to eligible youth from March 1, 2019 to April 30, 2019. The Council was marketed to students in eighth to eleventh grade at public and private schools in Hagerstown through the distribution of flyers at Washington County Public Schools and other locations across the community, social media advertisements, and an advertisement at Leitersburg Cinemas. The City received

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

24 applications from interested youths during this application cycle for nine total council seats. Once members are selected, meetings will begin in September, 2019.

Staff is seeking permission from the Mayor and City Council to create a Youth Advisory Council Partner Group that will operate in conjunction with the HYAC. This partner group would include three to four adults over the age of 21. This group would be involved with both the application review for the Council and with the youth advisory initiative throughout the program year. Moreover, eligible partner group applicants should ideally be either affiliated employed, or a board member for one of the following:

1. A non-profit with a mission/function related to youth
Development/education/wellness/housing
2. A non-profit with a mission related to community diversity/culture
3. Washington County Board of Education

Pending Mayor and City Council approval, staff is anticipating that this partner group can be appointed in early July and that councilmembers of the Youth Advisory Council can be identified and appointed in either late July or early August.

Councilmember McIntire stated she is pleased with the amount of interest shown in the initiative by students.

It was the general consensus to move forward based on the schedule presented.

Water and Wastewater Policy Revisions

Jill Thompson, Director of Community and Economic Development, Nancy Hausrath, Director of Utilities, and Kathleen Maher, Director of Planning and Code Administration, were present to confirm the desired revisions to the Water and Wastewater Policy related to Exception #6. This discussion is in follow up to the May 21, 2019 Work Session.

A proposed revised Water and Wastewater Policy was presented in redline format. The Water and Wastewater Policy references the Annexation Policy, which was also presented for reference with recommendation redline changes.

The Mayor and City Council will vote on the revisions to the Water and Wastewater Policy as a part of the June 18, 2019 Regular Session.

Also as part of the June 18, 2019 Regular Session, the Mayor and City Council will vote on the Water Request by CHIEF and Ganesh III, LLC for construction of a 100-room hotel.

Additional requests under Exception #6 are in process. Information is being gathered including name of tenants and descriptions of businesses. If tenants are not know, staff is seeking a description of the type of tenant, leasing/marketing plans, and expected lease date(s). These additional requests include the following:

1. CHIEF/Patel – FSA/Heckman – Retail adjacent to hotel
 1. CitiCorp Drive
 2. Two buildings – Building 1 – 4,500 sf, Building 2 – undetermined
 3. \$ 15 million and 70 jobs
 4. Building 1 – 1,000 gpd, Building 2 – undetermined

2. MD Rt 63 (Greencastle Pike) and Business Parkway – TM48 Parcel 827 – 2005 Greencastle Pike, LLC
 1. Two Industrial Flex Buildings – Total 62,500 sf – Built on spec
 2. \$ 5 million and 50-60 jobs
 3. 600 gpd

3. MD Rt 63 (Greencastle Pike) near MD Rt 40 – TM 36, Parcels 393, 561, 91 and 568 – Heritage Huyett, LLC
 1. Note: Exception #7 applies to Parcel 393
 2. Warehouse Distribution Center – Total 937,440 sf – Built on Spec
 3. \$ 55 million – 1,500 jobs
 4. 4,000-5,000 gpd

Since the memo was created, a fourth request for water service was submitted. This request is for a tractor trailer repair center off CitiCorp drive. More information will be gathered and presented to the Mayor and City Council at a later date.

Staff presented a map showing the water requests outside the MRGA.

Councilmember Aleshire pointed out there are now multiple requests for service outside the MRGA. He is concerned capacity will be exhausted before the boundary area is filled in. He doesn't think the City's capacity plan or resource management priorities are set up to accommodate requests outside the MRGA. The City needs to retain appropriate leverage with services.

Ms. Maher noted Exception #6, Economic Development Project, of the Water and Wastewater Policy provides flexibility for approving services outside the MRGA for a "vital economic development project". Several requests are for properties near the airport, which is identified in the County's 2002 Comprehensive Plan. As the definition for vital is unclear, staff propose expanding the language to include this area for consideration, with the recommendation of the County Commissioners, the City and County Economic Development Directors, and the City Director of Utilities. Any recommendation for this area must be approved by the Mayor and City Council.

Councilmember Heffernan wondered why the County defined their boundary beyond the service area.

Councilmember Aleshire noted one boundary is what the County thinks it should be and the other is the one established by the City, which reflects the feasible service area.

Mayor Bruchey stated the County should compensate the City of Hagerstown in some way if service is extended to an area outside the boundary. Doing nothing is not acceptable. He noted the requests for service on Route 63 are on the cusp of the MRGA.

Ms. Maher stated staff questions why requests are submitted for outside the Hopewell Business Park, where thousands of acres are available for development.

Councilmember Aleshire asked if the City is going to make the accommodation for the requests. The boundary is based on the capability to provide the service.

Mayor Bruchey stated this has to be discussed with the County. The City should be compensated for using valuable resources, in addition to the water service revenue.

Mayor Bruchey knows the MRGA was created to encourage development. Restricting development because the City defined a service area is not in the best interest of the City and its citizens. Some citizens may be able to work at these businesses and purchase a home within the City limits. Changing the MRGA to incorporate locations where development is happening may be the answer. He wondered what options people have when the Health Department says they can't drill wells.

Councilmember Aleshire stated extending services to these locations creates the potential for a lack of development from the City limits outward to the location. He used the example of development at Salem Avenue. This developed from outside the City limits inward to the City limits. The City never had the opportunity to expand outside the City limits.

Ms. Thompson proposed three steps for these requests. The first is to amend the boundary to accommodate the targeted airport service area. City and County officials should meet to discuss development and the MRGA area. The other projects that have submitted requests could be addressed following the discussion. Ms. Maher thinks a staff to staff conversation first would be beneficial.

Councilmember Heffernan asked if reducing the MRGA in one area and expanding it in another makes sense. Ms. Hausrath stated it does, if the City is being a good steward of resources. She noted a loop service could be created. Councilmember Aleshire pointed out looping a line is good practice, but it does not change the capacity or pressure of the system.

Ms. Hausrath stated the MDE is requiring a Capacity Management Plan from the City and an update of the County's Water and Sewer Plan before they will issue permits for additional water and wastewater capacity. This is because of the amount of rain that has fallen in the last several years. Councilmember Aleshire noted MDE is becoming more restrictive. Ms. Hausrath pointed out there may be permitting challenges in the future if the capacity limits are not resolved with the County.

Councilmember Aleshire is concerned that customers outside the City limits are receiving the full benefit of the projects funded by the taxpayers.

Mayor Bruchey stated it appears the consensus is to have City and County staff meet and look at ways to help facilitate growth, with compensation to the City other than user fees. The City is willing to extend the MRGA to where growth is actually happening, while reducing it in other areas. Consideration of the recommendations to the Water and Wastewater Policy and the water request for CHIEF and Ganesh III, LLC will be included on the June 18, 2019 agenda.

Mr. Nicewarner stated it was also discussed attempting to focus on the land that is available for development and gain an understanding why it isn't happening.

Councilmember Heffernan stated he appreciated the chart showing the Benefits of Living in the City. He would like to see this placed on the City's website as well. Mr. Nicewarner indicated there is a similar document available online.

Invest Hagerstown Redevelopment Incentive Fund

Danelle Hayer, Business Development Specialist, and Jill Thompson, Director of Community and Economic Development, were present to review a draft outline of possible components of the Invest Hagerstown Economic Redevelopment Incentive Fund for Fiscal Year 2020. A total of \$ 800,000 is available.

The Review Committee provided the following recommendations for administering the FY20 program:

1. Offer two categories of funding
 - a. Category 1 with an available balance of \$ 500,000 (Approved by the Mayor and City Council)
 - 1) City Center Re-Development Grant
 - b. Category 2 with an available balance of \$ 300,000 (Approved by the Review Committee)
 - 1) City-Wide Redevelopment Grant
 - 2) Homeownership Grant
 - 3) Rental Property Rehabilitation Grant
 - 4) Façade Grant
2. The Review Committee to have the flexibility to award applications for Category 2 across four components
3. Creating an annual deadline date for applications
4. The Review Committee may extend the project completion deadline one time with a maximum of 12 months

5. Committed funds that are forfeited will be combined with upcoming FY funds and awarded after annual deadline for application

The proposed FY20 Invest Hagerstown Guidelines and Applications for all components were presented to the Mayor and City Council for their review.

Mayor Bruchey noted that funding is limited to one time per building and asked why. Ms. Hayer indicated this was discussed and the thought is to have the large projects apply for the larger grants.

Councilmember Aleshire asked if Category 2 is being combined as one lump sum for all the grants. Ms. Hayer indicated \$ 37,500 of the total will be targeted for the homeownership grant for six months. This is the only area that will have a specific amount held out of the \$ 300,000.

Councilmember Aleshire stated the Mayor and City Council adjusted the tax rates on a wide range of types of properties and uses in the City. The impetus for the change was, and is, to increase the incentive program in order to provide an opportunity to get something back from the increase, i. e. development and revitalization. For him, the thought was to establish a specific amount for each of the categories.

Ms. Thompson stated the chart in the budget book showing amounts for each of the grants was used as a placeholder based on the ratios from the first year of the program. The Review Committee is recommending more flexibility in the second category.

Councilmember Aleshire does not want the flexibility. All the parties should have access to these funds. Lumping all the funding into one “bucket” with multiple programs does not ensure equal access to the funding. One type of property may end up with all the funding, which isn’t the intent of the tax rate change. He isn’t sure why the Façade Grant is included in the funding category. The memo does not match what was approved in the budget.

Councilmember McIntire pointed out the guidelines for Category includes maximums. Someone would have to apply for several programs to reach the \$ 300,000 mark. Councilmember Aleshire stated he wants the category of properties that experienced the increased tax rate to have the capability to apply for this funding, by specific property use.

Mayor Bruchey clarified that Councilmember Aleshire wants the incentive program to include a timeline for the availability of the funding for each of the different grant categories. After that deadline, remaining grant funds could be distributed outside the individual programs, but still within the category designation.

Ms. Hayer indicated the Rental Rehabilitation grant was enhanced to provide greater opportunities for property owners to apply for the incentive. Ms. Thompson stated the

Mayor and City Council could designate funding for each category and staff could return after nine months to review what is left.

Councilmember Heffernan asked if the guidelines could be adjusted if a large, city-wide project is presented for consideration. Ms. Thompson indicated that would be possible.

Councilmember Aleshire stated his goal is to move away from the smaller amounts and increase the capability for people to apply for the grants. The adjustment to the tax rate was approved to accomplish this.

It was the general consensus to allocate Category 2 grants as follows:

- | | |
|---|------------|
| 1. City-wide Redevelopment Grant | \$ 110,000 |
| 2. Homeownership Grant | \$ 110,000 |
| 3. Rental Property Rehabilitation Grant | \$ 55,000 |
| 4. Sign Façade | \$ 7,500 |

As of March 1, remaining funds will be released from the specific grants.

Approval of the Invest Hagerstown program and updated guidelines will be included on the June 18, 2019 Regular Session agenda.

CITY ADMINISTRATOR'S COMMENTS

Scott A. Nicewarner, City Administrator, noted the second week of Imagine Hagerstown is coming up. Movies in the Park start this weekend. There will be a Flag Day ceremony at City Park on Friday. The annual Tour of Washington County bicycle race will begin on June 14, 2019 in Hagerstown. The Best of the Hub City (part of Imagine Hagerstown) will now be held at University Park. It was originally scheduled to be held at the Maryland Theatre.

MAYOR AND COUNCIL COMMENTS

Councilmember K. B. Aleshire had no additional comments.

Councilmember A. Heffernan had no additional comments.

Councilmember S. McIntire thinks the Imagine Hagerstown social media campaign and announcements have been phenomenal. However, it is important to also invite people to the event. She wondered if an ambassador type group could help get the word out about this event.

Mayor R. E. Bruchey, II stated the Flag Day Ceremony at City Park on Friday, June 14, 2019 will begin at 7:00 p.m.

75TH SPECIAL SESSION, WORK SESSION, AND EXECUTIVE SESSION
2019

JUNE 11,

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

There being no further business to come before the Mayor and City Council, on a motion duly made, seconded and passed, the meeting was adjourned at 5:12 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: July 30, 2019