

WORK SESSION AND EXECUTIVE SESSION – February 11, 2020

JOINT WORK SESSION WITH WASHINGTON COUNTY COMMISSIONERS –  
February 11, 2020

Mayor R. E. Bruchey, II called this portion of the Work Session of the Mayor and City Council to order at 3:00 p.m., Tuesday, February 11, 2020 in the County Commissioners Meeting Room, 100 W. Washington Street, Hagerstown, Maryland. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, L. C. Metzner, and S. McIntire, City Administrator Scott Nicewarner, and City Clerk D. K. Spickler. Also present were Washington County Commissioners Jeffery Cline, President, Terry Baker, Vice President, Wayne Keefer, Randy Wagner, Kirk Downey, Interim County Administrator, and County Clerk Krista Hart. Commissioner Cort Meinelschmidt was not present.

Jill Thompson, Director of Community and Economic Development, and Susan Small, Director of Business Development for Washington County, were present to provide an update of Economic Development activities in the County. They noted that investment goes where it is welcomed and many significant projects have been completed in recent years. There has been successful collaboration between the City, the County, and the State on many of the projects.

The UIP project is a \$ 42 million investment in downtown Hagerstown. This project has spurred an additional \$ 20 million in investment such as:

1. Pioneer Hook and Ladder - \$ 775,000 in renovations
2. Schmankerl Stube - \$ 3.1 million in renovations
3. Professional Arts and Grand Piano Buildings
4. Cannon Coffee
5. Hamilton Hotel - \$ 2.7 million + in renovations
6. 54 S. Potomac Street – Planned \$ 1 to \$ 2.1 million in renovations
7. Massey Building - \$ 1 million + renovation
8. 57-59 W. Washington – USMH Future Hospitality Management Program
9. WLR – 140 W. Antietam Street – Student Housing Project - \$ 1.3 million renovation
10. Patterson Hall – Student Housing Project - \$ 800,000 renovation
11. NB3 Packaging Corporation – 939 Eldridge Drive
12. Hagerstown Logistics Center – Wesel Boulevard - \$ 139 million investment, 2.2 million sf and 1,500+ jobs
13. ConAgra/Gardein - \$ 40 million initial investment - growth to total investment \$ 100 million, Current 125+ jobs – growth to 242 jobs

Denise Klepie, Plant Manager at ConAgra/Gardein, stated they are proud to be in Hagerstown. Their company is built on a former brownfield site. This plant is a key partner in the organization as it is the only ConAgra plant that makes a meatless meat product. They are becoming more involved in the community by partnering with the

YMCA and implementing an after school program. She indicated the good working relationships with the governments and in the community is a key to their success.

Mayor Bruchey is thankful all the partners work together for the betterment of Hagerstown and the community.

#### Medium-Range Growth Area (MRGA) Updates

Kathleen Maher, City of Hagerstown Director of Planning and Code Administration, and Jill Baker, Washington County Director of Planning and Zoning, were present to provide an update on discussions held with county staff on potential modifications to the Medium Range Growth Area (MRGA) boundary to better reflect County goals for economic development while respecting capacity constraints and City goals for growth.

Properties located within the MRGA are planned for City utilities service. Properties outside the MRGA are not planned for service unless an exception is granted via the City's Water and Wastewater Policy.

City and County staff have held multiple meetings to discuss service areas, vacant land, and potential expansion of the MRGA. If areas are added to the MRGA, other areas will have to be reduced. Both governments are cognizant of being good stewards of limited resources and are confident the demand can be served for the next 20 years. This does not include build out of the demand.

Ms. Baker stated they have focused on areas where development is occurring and how to accommodate those areas.

Ms. Maher stated they have discussed how to handle pre-annexation agreements for projects that were never started that had been included in the service allocation.

The two prime areas the County is focusing on are around the airport and the Maryland 63 corridor on the western side of Hagerstown.

Ms. Maher indicated staff will be discussing the requests for water service in the Maryland 63 corridor with the Mayor and City Council and whether they want to consider granting an exception for them.

Commissioner Wagner stated it makes sense to focus on where the development is occurring. He asked if secured allocation would be released when annexation occurs.

Councilmember Aleshire stated the resource is limited and a defined service area is essential. He stated it is not only about capacity, but also about the ability to serve. In 2008, the State implemented mandates for improvements to the Edgemont Reservoir, limiting the City's water resources.

Meetings between staff will continue and a proposal will be presented to the elected bodies soon.

Scott Nicewarner, City Administrator, reported City and County staff were also asked to meet to discuss the 911 Center payment and the tax differential. Discussions have continued and have reached a point where the parties agree to disagree.

The tax differential was implemented 12 years ago and the formula has not been reviewed. The 911 Center payments began in FY10 and have not changed. He believes both issues need to be re-visited and new agreements created. The key point is that Hagerstown is treated the same as all other municipalities in Washington County. Hagerstown is not like the others, as the City provides more services to its citizens. The City provides police and fire service to residents. The differential includes a calculation of the police services but does not include anything for the fire services. He suggested patterning an agreement similar to that of Allegheny County. He appreciates the amenable discussions that have occurred. It is time to wipe the slate clean and start where things are today. By FY 2021/22 a framework needs to be in place for stability of the budget.

Sara Greaves, County Director of Finance, stated a change in the calculation as discussed would be \$ 2 million less revenue for the County. That revenue would be going directly to City residents in the form of an increase in the City taxpayer differential.

Councilmember Aleshire stated City taxpayers pay \$ 150.00 annually for fire service, which should be readily available in the City.

Commissioner Keefer asked that the next joint meeting include numbers for what a change would mean for County and City taxpayers.

There being no further topics on the agenda, this portion of the Work Session was adjourned at 3:53 p.m.

#### EXECUTIVE SESSION – February 11, 2020

On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to meet in closed session to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State; #4 (Section 3-305(b)), on Tuesday, February 11, 2020 at 4:17 p.m. in Room 407, 4<sup>th</sup> floor, City Hall, Hagerstown, Maryland.

The following people were in attendance: Mayor R. E. Bruchey, II, Councilmember K. B. Aleshire, Councilmember A. Heffernan, Councilmember E. Keller, Councilmember L. C. Metzner, Councilmember S. McIntire, City Administrator Scott Nicewarner, City Attorney Jason Morton, Michelle Hepburn, Director of Finance, Kathleen Maher, Director of Planning and Code Administration, Nancy Hausrath, Director of Utilities, Jill

Thompson, Director of Community and Economic Development, , Rodney Tissue, City Engineer, and Donna K. Spickler Clerk.

The meeting was held to discuss a financing agreement for a business proposal for a large project. On a motion duly made, seconded, and passed, the meeting was adjourned at 4:24 p.m.

#### WORK SESSION – February 11, 2020

Mayor R. E. Bruchey, II called this portion of the Work Session of the Mayor and City Council to order at 4:36 p.m., Tuesday, February 11, 2020 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, L. C. Metzner, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler.

#### Request for Transfer of Market House Co-Op Space to the Hagerstown Fire Department

Steve Lohr, Fire Chief, stated the Hagerstown Fire Department (HFD) has an immediate request to seek Mayor and Council approval to reallocate additional space in the market house. In addition, they seek to contract with an architect to develop a multi-phase design and renovated process spread over one or more budget cycles. Last year, Mayor and Council excluded a proposal to encumber the entire market house space for use by the HFD given the further successes documented in the farmer's market.

This project will immediately benefit the fire department while preparing usable space for the future for any other needs within city government in a fully sprinklered building that also contains a back-up emergency generator. Further, this will fulfill the urgent need to renovate and improve the city owned building while negotiations continue on the gas company property on South Potomac Street. Under the best of circumstances, he believes that relocation to a permanent structure on that site or another similar property would take at least 24-48 months.

Now that the Co-Op space at the farmer's market is vacated, the HFD would like to encumber that space permanently to properly design space for the various HFD function areas that include the Fire Marshall's office, SCGA repair shop, offices for the fire chief and executive assistant, and the shift commander's quarters. By performing this work in planned phases, sections of the department can be relocated one at a time in connected space while spreading the budget impact out to more manageable pieces over time.

Initially, the co-op space would be used as a storage area to relocate portions of the existing facility in three or more primary phases necessary to improve the infrastructure and prepare the building for FD and other city space should the HFD vacate in the future. The entire market house is sprinklered and houses an emergency generator. A previous evaluation by public works, city engineering and MBA Architects confirms that the building has "good bones" yet is in need of significant infrastructure updates that include a roof and HVAC system. This facility has only received repairs and cosmetic

improvements here and there since it was occupied by the now non-existent signal department.

The gross space currently assigned to the co-op is approximately 2,500 square feet, with a net usable space of approximately 2,100 square feet. This would be adjacent to the existing 9,000 square feet currently occupied by the HFD.

The following overall cost estimates provide approximations for interior and exterior improvements:

1. Interior renovation only – Construction Cost \$ 1,800,000, Architects Fees \$ 135,000
2. Interior renovation and exterior improvements – Construction Cost \$ 2,400,000, Architects Fees \$ 180,000

Potential funding sources include:

1. CIP Funding: \$ 530,000 in FY20 and \$ 1.5 million in FY21
2. Operating Budget: \$ 2,500 in FY20 and \$ 50,000 in FY21

If the project moves forward, the Co-Op space would be used first to temporarily relocate the gym and service equipment, renovate new office space for staff, and renovate new living space, rest rooms, and remaining office space.

Members of the Mayor and City Council agreed the facility is cramped and they understand the need for expansion.

Councilmember Aleshire wondered if spending \$ 2 million on a building that is obviously beyond its life expectancy is the right action, given the intent to relocate the fire department within two years. He realizes efforts have been on managing expenses in this facility that has parking, site, and structure issues.

Chief Lohr does not know if the renovation costs could be any less than \$ 150.00 per square foot. He noted the Fire Marshall's Division has no interrogation room and additional office space will be needed for the third Deputy Fire Marshall.

Chief Lohr will be discussing the Fire Department's strategic plan with the Mayor and City Council during the March 3, 2020 Work Session. He will provide updated information on a potential location, if he has any at that time.

### Comprehensive Rezoning Review

Megan Flick, Planner, was present to discuss the Comprehensive Rezoning Review.

The City's updated Comprehensive Plan, vision Hagerstown 2035, was adopted on April 3, 2018. In order to implement the Comprehensive Plan, a comprehensive rezoning

was initiated in 2019 to create conforming uses and consistency between the future land use plan and the current zoning map.

The Planning Commission finalized the proposed comprehensive rezoning in May, 2019 and held a public review meeting on June 26, 2019. Due to changes proposed that differed from the Future Land Use Plan recommendation, the Planning Commission tabled the Comprehensive Rezoning on July 5, 2019 in order to pursue the amendments to the Future Land Use Map in the Comprehensive Plan. With the Comp Plan amendments package up for adoption by the Mayor and Council on January 28, 2020, the Planning Commission will resume their review of the Comprehensive Rezoning on January 29, 2020 and make their final recommendation to the Mayor and Council.

Tables were provided identifying and describing specific areas that are proposed to be rezoned as a response to the Future Land Use map, showing small area rezonings to clean up the map, and the properties to be rezoned to implement the new institutional zone. A listing of all the proposed amendments is available in the meeting packet information.

Ms. Flick provided an overview of each of the properties proposed to be rezoned.

The list of properties to be rezoned include the following:

1. Potomac Avenue/Maple Street Area – CG to N-MU
2. East Baltimore Street – RO, CG to N-MU
3. N/S Hebb Road (Harrison Lands) – RH to POM
4. Manbeck Bread Site on N. Burhans and Church – IR to CG
5. Linwood Tract – RMED to IG
6. Doub Farm – POM to CR
7. South End Shopping Center Area – CG to IG
8. Hagerstown Industrial Park – IR to IG
9. Split zoning of Zion's Parsonage – CC-MU and RO to CC-MU
10. Corner of Potomac Avenue and Northern – POM to CL
11. 6 properties to clean-up the map
12. 34 properties to be rezoned to the newly created Institutional Zone – many of these are schools, parks, and other government uses

Ms. Flick noted the meeting packet material also includes letters received that serve as public input in addition to staff notes from the public review meetings which summarize the support and opposition for the Comprehensive Rezoning package.

Councilmember Aleshire would like information pertaining to the differences between the IR and IG zoning districts and what uses can be expected under each classification. Ms. Maher indicated the change to the Hagerstown Industrial Park will make both industrial parks the same.

A Public Hearing before the Mayor and City Council to receive testimony regarding the proposed amendments is scheduled for February 25, 2020.

Land Management Code Amendments Follow-up

Stephen Bockmiller, Development Review Planner/Zoning Administrator, was present to provide an update on the comments received within the 10 day period during which the record is kept open following a public hearing.

He noted the 10 day period closed at the end of business on February 7, 2020. The Doub Farm representatives have provided additional material. The only additional comment received was an email from Mr. Steve Wilson of 951 Kasinof Avenue, regarding the height of chain link fences in rear yards.

Mayor Bruchey believes Mr. Wilson's concern is there is no provision for the Board of Zoning Appeals to consider a variance from the height requirement.

Mr. Bockmiller reported the Planning Commission discussed the request to provide a variance consideration and determined it may cause more problems than it solves. They think if the provision is lifted, people will have a level of false confidence that a variance will be granted when there are specific criteria that need to be considered. Basing a variance on material used in a fence would be difficult.

Mayor Bruchey stated he doesn't think the thought that a 5 foot high chain link fence looking like a prison fence is accurate. He would not find a 6 foot high chain link fence offensive. The fence in question is for the back yard of a residence. He thinks the regulations are too restrictive.

Councilmember Keller supports amending the fence regulations to allow a 5 foot high chain link fence.

Mr. Bockmiller stated chain link fence heights are capped at 4 feet because staff had received several complaints about 6 foot high chain link fences. He indicated staff met with the City Attorney to see if individual fence regulations could be implemented. The City Attorney stated there cannot be two sets of regulations.

Councilmember McIntire stated actually viewing the difference between a 4 foot chain link and 5 foot chain link fence was enlightening. She recommends keeping the current regulations.

The other four Councilmembers support allowing a 5 foot chain link fence in the back yard.

Councilmember Aleshire asked if other types of metal fences are allowed to be higher than 5 feet. He also asked if there are regulations regarding the color of the fencing material.

It was the general consensus to amend the Land Management Code to allow 5 foot high chain link fences at the side and back yards.

Update on Medium Range Growth Area (MRGA) Discussions

Kathleen Maher, Director of Planning and Code Administration, Nancy Hausrath, Director of Utilities, and Jill Thompson, Director of Planning and Code Administration, were present to provide an update on discussions held with County staff on potential modifications to the Medium Range Growth Area (MRGA) boundary to better reflect County goals for economic development while respecting capacity constraints and City goals for growth.

This was also discussed earlier today during the joint meeting with the Washington County Commissioners.

Properties located within the MRGA are planned for City utilities service. Properties outside the MRGA are not planned for service unless an exception is granted via the City's Water and Wastewater Policy.

In the boundary discussions, commercial and industrial economic development areas around the airport and the Greencastle Pike are what have been proposed for inclusion in an expansion. The pending water requests on the west side of the Greencastle Pike are included in that area. Discussions are ongoing on the appropriate boundary retractions to offset the expansions. The expansions and retractions must balance so there is no increase in demand for City utilities service from raw land in the MRGA.

The total water supply at Potomac and Edgemont is 90,000 EDU's per day. The existing peak water demand is 61,050 EDU's. Based on new demand, water permit requests by Towns, and water demand from MRGA properties with pre-annexation agreements, staff estimate capacity available for other MRGA growth will be 19,144 EDU's. If the ultimate demand is built out and at capacity, there will be 7,075 EDU's available.

During the Spring and Summer of 2019, the Mayor and City Council reviewed water requests outside the MRGA. City and County staff met to review capacity constraints, growth demands, and County priorities for MRGA boundary adjustments have occurred during the last six months. During the Fall-Early Winter of 2019, the County reviewed the City's application to amend the County Water and Sewer Plan to include the City's MRGA and Utility plans. In the late fall-early winter, health department initiatives on environment health was discussed.

Once City and County staff finalize a recommendation on MRGA boundary adjustments, presentations will be made to the elected bodies. The next step would be for the City to proceed with the process to amend the City Comprehensive Plan to modify the boundary and update capacity and growth data in the Water Resources Element.

Given the fact it will take at least six months to update the Comp Plan, if the Mayor and City Council are comfortable that the amendment is pending, staff could bring forward the pending water requests outside the MRGA for Mayor and City Council

consideration of an economic development exception via the City's Water and Wastewater Policy.

Ms. Maher provided a map showing the current water requests for properties located outside the MRGA. This includes two requests on MD 63 that were submitted to the City some time ago. She asked if the Mayor and City Council were comfortable considering appropriate exceptions for these two requests, given that any changes to the MRGA will take at least six months.

Councilmember Aleshire asked if other areas of the designated boundary could be reduced to accommodate these requests. Ms. Maher indicated the County is not proposing any reduction in the designated boundary at this time. Councilmember Aleshire stated he would not support considering the two MD 63 requests if the boundary is not decreased in another area. Ms. Maher stated the County has made it clear they would like the MGRA boundary to be expanded to the airport area. The challenge will be what anticipated projects to remove from the already designated boundary area.

Councilmember Metzner stated it would be difficult to make a decision until it is known what projects may be excluded from the MRGA because of a boundary revision. It would be challenging to tell property owners who invested in the property with the intent to develop that they are no longer in the service area.

Ms. Maher noted staff receives requests for service to infill lots as well. The boundary would be much smaller if it was limited to what can be serviced based on anticipated full build out of projects. The current boundary provides flexibility as these projects move forward or are abandoned.

It was the general consensus to wait to consider the two MD 63 requests until after the County discusses adjusting the boundary line.

#### Request from Hagerstown Neighborhood Development Partnership (HNDP) to Continue Rent Subsidy for 21-23 E. Franklin Street

Scott Nicewarner, City Administrator, reported the Hagerstown Neighborhood Development Partnership (HNDP) has requested the Mayor and City Council consider continuing the rent subsidy provided to them last year.

On February 26, 2019, the Mayor and City Council approved an increase in the Agency Contribution for the HNDP to provide a rent subsidy of \$ 500.00 per month for their leased space at 21-23 E. Franklin Street. The additional funding was approved for 12 months and will end on February 29, 2020.

HNDP's Board of Directors have requested the City continue this subsidy for an additional five years.

Al Martin, Treasurer for HNDP, reported the landlord is requesting a five year lease, with anticipated increases throughout the term. When HNDP was founded, the Home Store was created to be rent free, which was the City's contribution to the initiative. Funding for the Home Store is from a variety of community partners. Washington County has just recently become a contributor. Mr. Martin does not know if the County's contribution is specifically for the rent or not.

The Home Store would like to keep their operations in the same location and assistance with the rent from the City of Hagerstown would help ensure they could stay where they are.

Councilmember Keller noted that the City asked the County to assist with the Home Store last year when the City sold the building. The intention at that time was they would request assistance from the County.

Councilmember McIntire suggested since this request was made on short notice, that the City provide a subsidy for another year and consider the request in early January next year. Councilmember Metzner does not think a future administration should be tied to a commitment. He noted the budget will be presented by March 31 and therefore, there is no information on available funding. He stated this is another example of a predominately County function receiving City funding.

Ms. Hepburn also noted the \$ 6,000 request was not included in the budget update at last week's Work Session. She pointed out HNDP/Home Store received \$ 28,000.00 from Agency Contributions last year.

Councilmember Metzner asked if HNDP has developed a plan for being self-supporting. He doesn't understand why the City is paying for a County function. The majority of the services are not being provided to the citizens who are paying for it (through tax dollars).

Mr. Martin noted HNDP has worked with community partners since 2003 on many successful projects, such as the Baltimore Street Project, a pass through for funding for the Barbara Ingram School for the Arts, and two large non-housing projects. HNDP and the Home Store are still assisting with housing needs. They are willing to work with the City for any projects that require a 501(c)3 component.

Councilmember Metzner wondered if those activities require a store front with rent of \$ 750.00 per month. He asked what the percentage is of City vs. County residents who receive housing assistance through the Home Store.

Mayor Bruchey noted last year more County residents received services than City residents. He pointed out the City does provide \$ 28,000.00 annually to the HNDP/Home Store activities. He suggested funding for another year and request the same funding from the County.

Councilmember Keller stated she wants to review the discussion from last year.

Mr. Martin thanked the Mayor and City Council on behalf of HNNDP/Home Store for their support of their efforts to assist residents with homeownership.

**CITY ADMINISTRATOR'S COMMENTS**

*Scott A. Nicewarner, City Administrator*, reminded everyone that City Hall will be closed on Monday, February 19, 2020 in recognition of Presidents' Day. There is no change to the City's continuous operations. The trash collection schedule will remain the same.

**MAYOR AND COUNCIL COMMENTS**

*Councilmember S. McIntire* had no additional comments.

*Councilmember L. C. Metzner* had no additional comments.

*Councilmember A. Heffernan* had no additional comments.

*Councilmember K. B. Aleshire* had no additional comments.

*Councilmember E. Keller* had no additional comments.

*Mayor R. E. Bruchey, II* had no additional comments.

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 6:00 p.m.

Respectfully submitted,

*Original signed by D. K. Spickler*

Donna K. Spickler  
City Clerk

Approved: April 28, 2020