

EXECUTIVE SESSION AND WORK SESSION – MARCH 9, 2021

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On a motion duly made by Councilmember S. McIntire and seconded by Councilmember T. Martinez, the Mayor and City Council unanimously agreed by voice vote of all members present at the time of the vote to meet in closed session 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)), and 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, March 9, 2021 at 3:01 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland. Councilmember K. B. Aleshire was not present at the time of the vote.

The following people were in attendance: Mayor E. Keller, Councilmember K. B. Aleshire, Councilmember R. E. Bruchey, II, Councilmember T. Burnett, Councilmember T. Martinez, Councilmember S. McIntire, City Administrator Scott Nicewarner, City Attorney Jennifer Keefer, Michelle Hepburn, Director of Finance, Kathleen Maher, Director of Planning and Code Administration, Jill Thompson, Director of Community and Economic Development, Doug Reaser, Business Development Specialist, Kaitlin Bell, Economic Development Specialist, Jonathan Kerns (remotely) Community Development Manager, Lauren Metz, Planning and Outreach Coordinator, and Donna K. Spickler, City Clerk.

The meeting was held to discuss membership of the Community Development Block Grant (CDBG) Citizen Advisory Committee and the Hagerstown Youth Advisory Council (HYAC), a business proposal for a City owned property, and potential annexations. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:31 p.m.

WORK SESSION – March 9, 2021

Mayor E. Keller called this Work Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, March 9, 2021 in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, R. E. Bruchey, II, T. Burnett, T. Martinez, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler.

NorthPoint Development: Hagerstown Logistics Center Update

Jill Thompson, Director of Community and Economic Development, welcomed Brent Miles, Chief Marketing Officer and Founding Partner, and Rich Goodman, Project Manager, with NorthPoint Development to the meeting. Mr. Miles and Mr. Goodman provided an update on the Hagerstown Logistics Center project on Wesel Boulevard.

The development includes 2.2 million square feet of new warehouse construction (four buildings) and a \$ 139 million investment with the possibility of 1,500+ jobs. The project represents over \$ 160 million in new investment when tenant fit out is completed.

Buildings #1 and #3 started construction in March 2020. Buildings #2 and #4 were planned to start construction in March, 2021 and are ahead of schedule. Three real-time construction webcams are available at <https://app.oxblue.com/open/claycorp>.

This project is one of several that demonstrate the City's ability to fast-track development. The Stie Plan Review for Buildings 1 & 3 were completed in under 60 days, which is significant given the magnitude of NorthPoint's project. The project is utilizing the Enterprise Zone incentive program.

In October, 2020, Amazon announced their decision to open a 1 million square foot facility at the Hagerstown Logistics Center, creating 500 new, full-time jobs. Additional leasing efforts are ahead of schedule.

A concept rendering/site map and additional background information was provided. NorthPoint was founded in 2012 and is headquartered in Kansas City, Missouri. The company's current industrial portfolio is over 76 million square feet, in which an estimated 58,960 jobs have been created.

Roadway improvements are being made to Wesel Boulevard. Factors, including the age of the roadway, the original roadway construction method, as well as the traffic impact study for the new development, necessitated the complete reconstruction of the Wesel Boulevard pavement section from the City line to Burhans Boulevard.

The \$ 6 million roadway reconstruction project is being accomplished through a public-private partnership with funding from NorthPoint Development at \$ 1.8 million; Washington County at up to \$ 2.7 million; and the City of Hagerstown at up to \$ 1.5 million.

Construction began in September, 2020 with significant work completed before winter. Weather permitting, the roadway construction is expected to resume in mid-March, 2021, and the project is expected to be completed by June, 2021. Plans include maintaining open traffic in at least one lane in each direction for the duration of the roadway construction.

Mr. Miles stated NorthPoint has been developing facilities in Pennsylvania for about five years. He was always told Maryland wasn't receptive to business. When they found this site, NorthPoint representatives reached out to the City to discuss the possibility of developing the land. When they arrived in Washington County, there were 25 – 30 people that greeted them. State, County and City representatives were all present. They had not experienced this type of reception before. His perceptions and information about Maryland not being receptive to business were wrong. This is a place they should invest in. They left the meeting that day saying they wanted to invest here. They had to address

the road rebuild. All the partners stepped up to rebuild Wesel Boulevard. The attitude here is "Let's get to work and create jobs". They have been busy building the buildings. They have a great investment partnership with Northwestern Mutual and are able to complete large projects. This is a long term investment. They are ready to sign leases on two of the four buildings. They have invested \$ 168 million to date in this project. The project has progressed faster than they expected and the caliber of tenants is beyond what they anticipated. They are at least three years ahead on Phase 2 of the project. He thanked the Mayor and City Council and City staff for believing in this project.

Mayor Keller stated it is incredible to drive down Wesel Boulevard and see the continual changes. It has been incredible to watch.

Councilmember Bruchey works near the project and is impressed every time he drives by. Watching heating units being placed on the roof by a helicopter was amazing.

Councilmember McIntire stated it has been a joy to work with NorthPoint from the beginning.

Mr. Miles stated NorthPoint likes to continue working in communities where things go well. Hagerstown is on the top of the list for future projects. The attitude here is supportive, from elected officials to staff. They have never had such a positive experience before.

Mayor Keller also thanked Ms. Thompson and the entire Economic Development team for their efforts.

2020 Land Management Code Update

Stephen Bockmiller (remotely), Development Review Planner/Zoning Administrator, and Kathleen Maher, Director of Planning and Code Administration, were present to review comments from the Public Hearing held on February 23, 2021 regarding amendments to the Land Management Code.

The record of the public hearing was held open for 10 days. This window closed at the end of the day on March 5, 2021. No additional written comments were received.

Councilmember Aleshire noted that even though acquisition of an off-site easement to meet the requirements of the Forest Conservation Ordinance, it will remain as the third of four priorities for mitigation. It will only be utilized as a last resort.

Councilmember Aleshire noted a new use is proposed for the CC-MU and CG zoning districts. This use is a gambling establishment as regulated by the State of Maryland. The State has not defined how the establishments are going to be. He envisions the establishment as being associated with other establishments such as a stadium. He understands sports betting and how it functions and that is more of a commercial commodity. He wondered what that would look like in 20 years. He would not support

this addition if it would allow a casino downtown. He wondered why it is included now without any definition from the State. Mr. Bockmiller stated he agrees with Councilmember Aleshire that the timing may not be appropriate for this addition. It can be removed from the packet of amendments.

Councilmember McIntire and Councilmember Bruchey recommend removing this from the packet of proposed amendments.

Councilmember Aleshire noted amendment Number 2020-10 prohibiting accessory structures from being used as dwellings or for sleeping purposes. He asked if this means someone would not be permitted to nap in a detached she-shed or man cave structure. Mr. Bockmiller stated the concern was an accessory building should not be used as a bedroom or a room available to rent, such as an Air BNB.

Councilmember Aleshire stated he is not comfortable with adopting amendments that allow staff to make a determination deviating from the standard that is set. He believes this could open the City to a legal challenge. Mr. Bockmiller indicated there have been situations in dealing with older buildings being renovated. Existing buildings have non-flexible physical barriers, such as size and shape of a floor, locations of load bearing columns and load bearing walls, natural locations for corridors, etc. Staff is seeking some minor flexibility when applying the standards. If this is removed from the proposed amendments, Mr. Bockmiller suggests adding it to the Board of Zoning Appeals variance possibility. Councilmember Aleshire believes this is appropriate.

Councilmember Bruchey stated he has faith that staff will use common sense in dealing with these situations. He does not believe staff would give anyone latitude if it would cause harm to either the City or other property owners.

Councilmember Aleshire stated if staff is provided the flexibility he wants a quantitative standard, such as a percentage of the required floor area.

Councilmember Aleshire was not aware mobile home parks were permitted within the City limits. He is opposed to mobile home parks and these types of homes are not appropriate in the City.

Mr. Bockmiller indicated this amendment was completed several years ago. Someone pulled a home in to a lot and placed the skirt around it. There was nothing in the Zoning Ordinance to address this. Now the ordinance requires a foundation. Only one district allows mobile homes and it includes a list of design expectations. The general philosophy is that everything should be in the Zoning Ordinance, in case you need it.

Councilmember Aleshire asked if there is a density requirement for a mobile home park. Mr. Bockmiller stated this is addressed through the minimum size for the lot. Ms. Maher indicated there is an acreage requirement.

Mr. Bockmiller stated the gambling establishment and dwelling unit size will be removed or adjusted as discussed. It was the general consensus to schedule introduction of an ordinance to amend the Land Management Code as presented at a future Regular Session.

Mr. Bockmiller noted that NorthPoint submitted site plans for Buildings 2 and 4 in January and February. Staff has reviewed the plans and intend to have them before the Planning Commission on March 31, 2021. These plans were also reviewed in less than 60 days.

Invest Hagerstown City Center Redevelopment Grant Application for 170 W. Washington Street

Kaitlin Bell, Economic Development Specialist, was present to review an application from Pat Grace, 170 West Washington Partners, LLC for the Invest Hagerstown City Center Redevelopment Gant Program for the Nicodemus House located at 170 West Washington Street.

In November, 2020, the Mayor and City Council approved an ordinance authorizing the sale of City-owned property located at 170 West Washington Street to Pat Grace through the City Negotiated Sale process for \$ 1,000.00. The purchase agreement documents are now executed and development plans have been approved by the Mayor and City Council. Settlement for 170 West Washington Street has taken place and initial demolition work has begun. Pat Grace, partner of both 170 West Washington Partners, LLC and Trademark Properties, LLC has completed over 50 historic adaptive use projects.

The requested grant amount is \$ 250,000.00, and the estimated total project cost is \$ 1,100,000. The project is expected to create two new jobs within two years of the project completion. The estimated start date of renovation is January, 2021 with an estimated completion date of July, 2021. Mr. Grace's application of the \$ 250,000.00 grant is to maximize his ability to fully renovate and revitalize the historic and vacant structure. 170 West Washington Partners, LLC will be contributing 25% of the project costs and will be financing the remaining 75% through Hagerstown based CNB Bank. Development plans highlight nine fully renovated one-bedroom residential units. A Student Housing Proposal has been submitted by 170 West Washington Partners LLC for the current Student Housing RFP. Negotiations for a student housing development agreement are in process and the agreement would include award of a \$ 100,000.00 Student Housing Development Incentive through State Community Legacy Funding. Plans also demonstrate commercial space of approximately 800 square feet to be located on the first floor and renovated initially as shell space to seek a future commercial tenants. Off-street, paved parking at the rear section of the property will be made available for tenants. Standard finishes typically in Pat Grace's properties will be used.

The Review Committee recommends approval of the full request.

It was the general consensus to approve the Invest Hagerstown application during a Special Session scheduled for March 16, 2021.

City Sponsorships

Kitty Clark, Community Events Coordinator, was present to review the remaining FY21 sponsorship requests that have been made to the Department of Community and Economic Development (DCED). A spreadsheet showing a two year history of sponsored events and requested sponsorship amounts for the remainder of FY21 was provided to the Mayor and City Council. Staff seek guidance on funding levels for sponsorships in light of the impacts of COVID-19 on the City budget.

DCED provides sponsorships to support events taking place in the City which have a positive impact on local businesses and offer benefits to its citizens. Sponsorship funds help offset the cost of these events, which sometimes include charges for overtime City staff. The majority of these events take place downtown, which in turn draw people downtown.

Staff received direction from Mayor and Council in October, 2020 to fund some Calendar Year 2020 events, and to return to a work session in early 2021 to review the remaining FY21 requests. The remaining requests total \$ 8,000.00. Those events are the Antietam Velo Club-Tour of Washington County, Auxiliary Police Donation for the support of events, Barbara Ingram School for the Arts Benefactor Sponsorship, and Shakespeare in the Park.

The total budgeted amount for FY21 is \$ 41,500.00 and \$ 2,000 has been expended to date.

All event organizers will operate under the current COVID-19 safety protocols at the time of their events. If events are unable to happen as planned, organizations will be asked to refund their sponsorships to the City or to provide an accounting of how sponsorship dollars were spent.

It was the general consensus to provide the requested sponsorships.

FY22 Imagine Hagerstown

Kitty Clark, Community Events Coordinator, was present to recap the Calendar Year 2020 Imagine Hagerstown events, preview Spring 2021 events, and seek direction for FY22.

Like many events in 2020, the Imagine Hagerstown events did not take place completely as planned. The original scope was to produce 4 Fourth Friday events in May, June, July, and August, and a Saturday street festival in September.

The May 22, 2021 and June 26, 2021 Fourth Friday events were cancelled and replaced by a livestream event on June 12, 2021, which was broadcast on the City's Facebook pages, YouTube channel, and on cable channel 25. The July 24, 2021 and August 28, 2021 Fourth Friday events did take place as planned, except that in an effort to discourage people from congregating lines, attendees were allowed and encouraged to bring their own food and drink from downtown restaurants rather than have food and drink vendors in the Plaza. The street festival on September 26, 2021 was cancelled and replaced with an evening concert at University Plaza.

Featured artists included Josh Morningstar, Kerensa Gray, Lana Spence, Skyla Burrell, the Platescrapers, XACE, J Berd, Fanny Crawford, and Jill Fulton.

Remaining events in FY21 include Fourth Friday events on May 28, 2021 and June 25, 2021. The headliners for these evenings (Kelly Bell Band and The Amish Outlaws) are the bands that had been scheduled to play in May and June of 2020.

Staff seek direction on the scope of FY22 Imagine Hagerstown events. Due to the need to contract artists and support services in advance of July 1, 2021, they are also seeking approval to commit either all or some of FY22 funds now in advance of the approval of the FY22 City Budget, in order to plan the event. The proposed budget for Imagine Hagerstown (4 Fourth Fridays and 1 Street Festival) in FY22 is \$ 52,000.00. The proposed budget for Imagine Hagerstown (5 Fourth Fridays) is FY22 is \$ 36,100.00. With either selection, staff is requesting approval to use \$ 20,200.00 now in order to plan the July, August, and September events.

Proposed FY22 activities are 4 Fourth Fridays and 1 Saturday Festival, taking place in July, August, and September, 2021) (3 Fourth Fridays) and May and June, 2022 (1 Fourth Friday and a Saturday festival). Staff recommend programming the Saturday Festival in spring of 2022 to give the maximum amount of time for the pandemic to have resolved enough that the City is permitted to hold such an event. Staff feel confident that the Fourth Friday events can be produced as they were last summer with masking, social distancing, and limited capacity in University Plaza, as mandated by the Governor's orders.

Ms. Clark provided two options for the venue – one being all events take place in University Plaza (proposed budget of \$ 36,100.00) and the other having Fourth Friday events in University Plaza and a Saturday Festival on South Potomac Street (proposed budget of \$ 52,000.00).

Councilmember McIntire would rather have 5 Fourth Friday events to provide consistency. Councilmember Martinez agreed.

Mayor Keller would prefer including a street festival which would provide an opportunity for more people to attend. It was noted that one option includes a street festival, but not until 2022.

It was the general consensus that the next Imagine Hagerstown event would consist of 5 Fourth Fridays, with no street festival. The proposed budget for this scenario is \$ 36,100.00. Staff is authorized to utilize the proposed budget to secure entertainers.

Augustoberfest Update

Kitty Clark, Community Events Coordinator, was present to update the Mayor and City Council on the work of the City and the Augustoberfest Charitable Foundation (ACF) to provide the annual Augustoberfest Event.

For the August 2021 event (FY22), it is envisioned that the event will be supported generally in the same way as in previous years, with few or no changes. However, both the City and ACF are facing resource challenges. To begin working through the respective challenges for the August 2022 event (FY23) and beyond, City staff and the Board of Directors of ACF have initiated discussions regarding the resource challenges and impacts.

Councilmember McIntire stated it is important to keep this event, even though changes may be made.

Councilmember Bruchey agreed. He noted there have been many people involved with this event over the years.

Mayor Keller stated this is an important event for the community and she does not want it to end like BluesFest did.

Councilmember McIntire suggested including the Hagerstown Youth Advisory Council in the planning and execution of the event. The members are young and eager to assist.

Discussions will continue in order to explore how both entities can meet their challenges and continue to provide this annual event in Hagerstown. Staff are exploring grant opportunities to obtain funds that may be used for the evaluation of the event and the planning of options for the future.

Noise Ordinance Exemption – Barbara Ingram School for the Arts (BISFA) Do What Moves You Festival

Kitty Clark, Community Events Coordinator, stated the Barbara Ingram School for the Arts (BISFA) is holding a street festival on May 14, 2021 (rain date May 21, 2021) from 5:00 to 8:00 p.m. to showcase student art and performances. The event will take place on the unit block of South Potomac Street. As part of this event, amplified music is planned to take place. BISFA requests approval of an exemption from City Code Chapter 155-Noise, by the Mayor and Council.

It was the general consensus to grant the exemption and it will be formally approved on March 23, 2021.

Public Protection Classification – Insurance Service Office (ISO) Rating

Nancy Hausrath, Director of Utilities, and Fire Chief Steven Lohr were present to provide information regarding the City of Hagerstown's Public Protection Classification – Insurance Services Office (ISO) Rating.

Public Protection Classification (PPC) is one way an insurance company measures risk. Specifically, it identifies risk in terms of fire-protection services. Fire protection class is another name for protection class code. PPC codes range from 1 to 10, with sublevels in between. Class 1 presents the least amount of risk and is typically the least expensive class to insure. Class 10 is the highest level of risk. It means the home doesn't meet the minimum criteria for fire suppression.

The Insurance Services Office, Inc. (ISO) has been the leading source of protection class codes for insurance companies since 1971. ISO uses the Fire Suppression Rating Schedule (FSRS), which ISO also developed, to issue grades for the PPC program. FSRS classifies a community's protection class rating according to the area's fire-suppression program, such as emergency communications systems, fire departments, and access to fire hydrants. Each item gets a point value, and the total score can range from zero to 105.5.

Factors that determine the PPC Class are emergency communication systems, fire department, water supply, and community risk reduction.

Factors such as the fire department's equipment and first-alarm response, fire hydrant size and type, and public fire safety education can affect the score, which impacts the PPC rating and in turn, the homeowner's insurance premium.

The grading sheets for the City in 2008 and 2015 report resulted in the City having a Public Protection Class rating of 3. The divergence factor in the grading recognizes any disparity in the relative level of effectiveness of the fire department and water supply. The divergence factor mathematically reduced the preliminary scores if the fire department and water supply sources are incompatible with each other.

Utilities staff has been working with Chief Lohr to prepare for the current system evaluation. Utilities staff has also reached out to Hazen and Sawyer and requested a proposal to update all field data into the hydraulic model so the model can be calibrated in accordance with PPC standards. Staff from both Departments will work together to perform fire flow tests on approximately 20% of the hydrants – currently there are 2,229 hydrants in service (City and County). The water system has 5-pressure zones and the goal is to perform fire flow tests for 20% of the hydrants in each zone. This is significant because this work will benefit the following areas/fire departments:

1. Hagerstown
2. Fairplay
3. Halfway
4. Leitersburg
5. Longmeadow
6. Maugansville

To achieve a score of 80% or higher, the overall scores for all categories will need to improve. Improvements affecting this will improve the divergency factor.

Staff will also reach out to and work with Funkstown, Smithsburg, and Williamsport to the extent possible because Hagerstown provides 100% of the potable water to these consecutive systems.

Ms. Hausrath is hopeful that by working together, the City's score can be raised from Class 3 to a Class 2.

Chief Lohr stated the Fire Department is excited to work with the Water Department to get this completed. ISO is the gold standard for fire departments. It is in the community's best interest to have a low rate. Only a handful of cities in Maryland have achieved a Class 2 rating. The normal practice for ISO raters is to evaluate towns every 5 years. Insurance companies use ISO ratings to set insurance rates. There are 50 points awarded for fire service, 40 points for water service, and 10 points for the communication system. He has committed on-duty employees to flow test the hydrant percentage.

Councilmember Aleshire noted the 2008 report included low points for areas the City does not control. He pointed out the City transferred a communication system to the County for their use. Chief Lohr stated there were no backup plans for an emergency generator, which was corrected.

Councilmember Aleshire clarified that the water operations efficiencies staff is attempting to achieve is for the stations the City controls. Chief Lohr stated the City receives credit for things within the City limits. However, as first responders to some areas, prior to the mutual aid agreement, the City will receive credit for the personnel at the fire grounds.

Ms. Hausrath stated the people at ISO requested that the City represent the entire water system. Reviewing large user accounts and having them acknowledge existing fire protection lines serving those facilities will also increase the rating components.

Chief Lohr stated a good ISO rating also helps when recruiting economic development. It affords the opportunity of a 3.5% insurance premium savings. He is hopeful an updated rating will be made in the fall of 2021.

CITY ADMINISTRATOR'S COMMENTS

Scott A. Nicewarner, City Administrator, thanked City staff members who received COVID-19 vaccinations during the past several weeks. City employees are eligible for the vaccine as part of Maryland's Phase 1b plan. Approximately 60% of City staff have received at least one dose. Additional staff who wish to be vaccinated can schedule appointments through the normal on-line process. The lobby at City Hall will be open Monday, Wednesday, and Friday for the next two weeks and open five days per week beginning March 22, 2021. Service terminations will begin April 1, 2021, in accordance with Public Service Commission regulations. He participated virtually in a National League of Cities Recovery Act Review. The City is anticipating a significant amount of money from the aid package. He and Michelle Hepburn, Chief Financial Officer, have been discussing how to utilize any aid funding for several months and have a plan to present to the Mayor and City Council. The American Recovery Act will provide money for one-time funds used to supplement fund balance that was used to get through the pandemic. The funding will be distributed across all City operations. They have looked at infrastructure needs and how aid funding might be used for upgrades. They have looked at innovative ways to assist the community and City staff. He noted Governor Hogan lifted capacity limits for restaurants and updated entertainment venues to allow 50% capacity. Social distancing requirements are still in place. This is a huge benefit for the Maryland Theatre. He appreciates all the staff has done at the Maryland Theatre to keep the lights on.

MAYOR AND COUNCIL COMMENTS

Councilmember K. B. Aleshire had no additional comments.

Councilmember R. E. Bruchey, II had no additional comments.

Councilmember T. Burnett had no additional comments.

Councilmember T. Martinez had no additional comments.

Councilmember S. McIntire suggested considering closing Potomac Street for outdoor dining since the Governor has lifted capacity limits for restaurants. Mr. Nicewarner informed the group staff have been discussing this and also adding entertainment.

Mayor E. Keller stated Secretary Pete Buttigieg has requested the City's support for Washington County and the Maryland Department of Transportation State Highway Administration's Infrastructure for Rebuilding America (INFRA) Grant Funding Application for the I-81/Halfway Boulevard Freight Connection Project. The Council agreed to send a letter of support as requested.

Mayor Keller thanked the Council, businesses, and everyone that participated in the State of the City video. She thanked Wes Decker, Communications Manager, and Eric

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MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

Hastings, TV Production/Web Coordinator, for putting the video together. She visited (by Zoom) Ms. Doe's Fourth Grade class to talk about the If I Were Mayor Contest today.

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 5:28 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: April 27, 2021