

REGULAR SESSION (33RD VOTING SESSION) – February 22, 2022

Mayor E. Keller called this Regular Session (33rd voting session) of the Mayor and City Council to order at 7:01 p.m., Tuesday, February 22, 2022, 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, City Attorney Jason Morton, and City Clerk D. K. Spickler.

The invocation was offered by Councilmember T. Martinez. The Pledge of Allegiance was recited and led by Mayor E. Keller.

Mayor Keller announced the Rules of Procedure for this meeting will be followed as adopted December 15, 2020. It was announced that the use of cell phones during meetings is restricted and that all correspondence for distribution to elected officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.

The next scheduled meetings are: State of the City at 7:00 a.m. at The Maryland Theatre, Work Sessions beginning at 4:00 p.m. on Tuesday, March 1, 2022, Tuesday, March 8, 2022, and Tuesday, March 15, 2022, and the Regular Session on Tuesday, March 22, 2022. There is no meeting scheduled for Tuesday, March 29, 2022.

APPOINTMENTS

On a motion duly made by Councilmember T. Martinez and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to appoint Jim Stouffer to the Board of Zoning Appeals. The term of this appointment will expire January 31, 2025.

Mayor Keller welcomed members of Boy Scout Troop 166 to the meeting. Scouts attending were Jillian Davis, Lucy Brooks, Reggan Chapin, Jenna Sabol, Caitlyn Horst, and Jordan Fox. Leaders and parents included Connie Eccard, Ruth Hutzler, Erica Horst, Brad Neisser, Ryan Chapin, and Mike Brooks.

CITIZEN COMMENTS

Citizen Comments were accepted by email at councilcomments@hagerstownmd.org prior to 5:00 p.m. on Tuesday, February 22, 2022. Citizen Comments were also accepted during the meeting.

Stan Brown, 1125 Beechwood Drive, Hagerstown, Maryland, had previously asked the Mayor and City Council to consider adopting a resolution to send to the County Commissioners stating they support a name change for H. K. Douglas Drive. He asked if the Mayor and City Council had considered his request. Mayor Keller stated they did and a letter was sent to the Commissioners last week. Mr. Brown thanked the Mayor and City Council for their support.

Michael Staup, 18 S. Mulberry Street, Hagerstown, Maryland, stated problems are starting in his neighborhood again. A stadium is fine, but there are other things that need to be addressed. He does a daily tour and will send pictures to the Mayor and City Council members. He wondered if residents know the trash collection schedule since there is so much trash on the streets. He will continue to monitor activity in his neighborhood.

PUBLIC HEARINGS

Redesignation of the A & E District Area

Jill Thompson, Director of Community and Economic Development, stated the purpose of this public hearing is to receive comments regarding the application of the Mayor and City Council of the City of Hagerstown for the redesignation of the Arts and Entertainment District by the State of Maryland. The Arts and Entertainment District is located within Washington County and the corporate boundaries of the City of Hagerstown. Information and the proposed new boundaries was available at <https://www.hagerstownmd.org/1576/2022-AE-District-Redesignation>.

The Hagerstown Arts and Entertainment (A & E) District was created in 2001 and designated by the State of Maryland for 2001-2012. It was redesignated for 2012–2022. A redesignation application for 2022-2032 is in process.

Accomplishments of the A & E District include the following, in addition to many others:

1. Attraction of new arts & entertainment businesses and attractions into the district
2. Expansion of the Maryland Theatre
3. Expansion of the Barbara Ingram School for the Arts (BISFA)
4. Creation and expansion of the Hagerstown Cultural Trail (Opened May 2017)
5. Public art and mural installations

Many events take place within the A & E District including Art Outside, Augustoberfest, Donut Drop, Holiday Tree Lighting, Imagine Hagerstown, holly Fest, Maryland Symphony Orchestra performances, and the Mummer's parade.

Some of the partners are ACT Black Box, Washington County Free Library, Main Street Hagerstown, Washington County Arts Council, University System of Maryland, Doleman Black Heritage Museum, Discovery Station, Douglas Zaruba Studio, Just Lookin' Gallery, Hagerstown Youth Council, and The Washington County Playhouse.

Program Incentives include the following:

1. Real Estate Tax Credit
 - a. 10 year tax credit on change in assessed value
 - b. Qualifying renovation project that creates artist housing or space for A & E Entertainment Enterprises
 - c. Applies to City and County Real Estate Tax provided to a property owner

- d. Current tax credit rate 50% of the change in assessed value for 10 years. A new, sliding scale tax credit is currently under consideration.
2. Exemption from Admissions and Amusement Tax
 - a. An exemption of Admission and Amusement Tax for qualifying visual and performing arts enterprises
 - b. Applies to the tax on gross receipts resulting from an admissions/ticket entry charge
3. Personal Income Tax Subtraction
 - a. A subtraction in personal income tax for qualifying resident artists
 - b. Related to income from the sale, publication, or production of artistic work
 - c. Eligible artists use Maryland Form 502AE with their annual state tax filing to claim the subtraction

Community input was encouraged during two listening sessions and a community survey, in addition to this public hearing.

The overall area of the proposed redesignated district is 160 acres. Since 2011, the success of the A & E District is spurring development activity and arts programming in a wider area. This is an expected and desired evolution of the district, given its maturity of 20 years. A wider area will also strengthen the A & E District's goals of cohesiveness and collaboration.

The following represents the main areas of proposed expansion:

1. Doleman Black Heritage Museum/Jonathan Street Corridor/Wheaton Park
2. The Market House
3. West Washington Street
4. Multi-Purpose Stadium Site
5. Baltimore Street and Greenwood District Development Area
6. Washington County Museum of Fine Arts, City Park, and the Cultural Trail
7. Development Site at Hospital Hill (former hospital site)

A & E District Goals for 2022 to 2027 are to cultivate a welcoming environment within the A & E District, to explore and invest in new retail opportunities while supporting existing businesses, offer and promote diverse and inclusive Arts & Entertainment experiences, attract and engage financial investors to the A & E District, and support inclusivity of all local art and entertainment organizations regardless of location in the community.

A marketing plan has been developed that includes market research, rebranding the A & E District, marketing efforts, partnerships with multiple entities, encourage positive word of mouth, discuss strategies with local artists, and promote state designation of Hagerstown's Arts & Entertainment District with all communications in the next ten years.

Ms. Thompson entered the following Exhibits into the record:

Exhibit 1 – 15 Letters of Support

1. Barbara Ingram School for the Arts
2. Bowman Development
3. Douglas Zaruba
4. Greater Hagerstown Committee
5. Hagerstown-Washington County Industrial Development Foundation (CHIEF)
6. High Rock
7. The Maryland Theatre
8. One Step Closer
9. University System of Maryland at Hagerstown
10. Valley Art Association
11. Washington Cuntty Arts Council
12. Washington County Chamber of Commerce
13. Washington County Museum of Fine Arts
14. Wish Kitchens and Bath
15. Wright Gardner Insurance

Exhibit 2 - Certificate of Advertisement – Published on February 8 and 15, 2022

Councilmember Aleshire noted it seems odd that the expansion includes the Park Circle Animal Hospital but not the historic house next to it or that the hospital location includes hospital hill but not the space directly next to it, which is also holdings of the hospital. There are two properties included in the Jonathan Street corridor that the City has direct dealings with – the Doleman Black Heritage Museum and the Market House – but does not include the properties getting to these properties that may receive benefits from the A & E District.

Ms. Thompson stated the Market House is commercially zoned and then the boundary proposal follows through a residential district to another commercial property.

Kathleen Maher, Director of Planning and Code Administration, stated the boundary is related to zoning. She thinks the vet's office was included to get to the Cultural Trail.

Councilmember Aleshire asked why the residential properties on the other side of the street weren't included in the corridor of the trail. Ms. Thompson stated Councilmember Aleshire's questions will be considered along with other input received.

Councilmember Aleshire asked if the non-profit entities, such as the Museum of Fine Arts, receive a benefit from the County and State for being within an A & E District. Ms. Thompson indicated they do not qualify for the real estate tax incentive but they do for the income tax subtraction for the artists.

Councilmember Aleshire clarified that the for-profit entities, such as the new stadium, would be taxed for the next 10 years as if the laundromat and the County's permit office

were still there. Ms. Thompson stated they would receive a tax credit for the change in the assessment for the portion of new construction that is used for arts and entertainment.

Councilmember Aleshire asked who makes that determination. He asked if it also applies to County and State real estate tax. Ms. Thompson stated the current credit is 50% and that also applies to other real estate tax.

Councilmember Aleshire is concerned that the City will provide services to a new facility without receiving adequate income from the entity to cover the additional costs. A 2012 analysis of a stadium/event center indicated the Admission and Amusement taxes could be \$ 450,000 per year. He wondered what would happen for the next 10 years without that additional revenue from an event type use. The lost revenue will be significant.

Councilmember Bruchey does not think the current County permits building is a taxable property. In the grand scheme of things, he believes the City will realize an increase in revenue because the new stadium will be a for-profit entity and it will have a higher assessed value than the laundromat and County office building. He is in favor of moving forward with the redesignation of the A & E District as proposed.

The following testimony was presented:

Tom Riford, State of Maryland Commerce Department, thanked the Mayor and City Council and staff for their efforts to redesignate the A & E District and their support of the A & E District. With each redesignation, the Mayor and City Council have expanded the A & E District, improving the quality of life in the City and the community. Opportunities like this create vibrancy and is a key to successful economic development. There are 29 A & E Districts throughout Maryland and each one reflects the traditions and evolving cultures of their communities. An A & E District invites visitors and residents to experience the best these neighborhoods have to offer. A & E Districts attract visitors, who come and spend money and then leave with great memories. A & E Districts provide incentives and resources that encourage economic investment. He thinks the expansion of the District will be beneficial for residents and visitors in Hagerstown.

Doug Zaruba, 145 Summit Avenue, Hagerstown, Maryland, previously submitted a letter of support for the redesignation of the A & E District. He supports expanding the A & E District but has serious concerns about some things that are included and some that are left out. Artists' residences and the Jonathan Street roadway should be included. He is concerned about the impact the stadium/event center will have on the surrounding neighborhood. The facility will have seating for thousands of people and the costs for the performers is likely to be high. He anticipates the overall cost for a concert could be more than \$ 1 million. He wondered where attendees would park and who will provide security for the event. He is concerned that tax revenue will be reduced with the tax credit provided in the District. He wants to stay in his house and he loves it there. He wondered if a separate district for the stadium/event center could be considered, with a different incentive than the waiver from the A & A tax.

Mayor Keller wants it to be clear that the stadium project is not a City of Hagerstown project. The City does not own the property, nor are they planning it or funding it. The stadium is a completely separate project.

Al Martin, Assistant Board Treasurer, CHIEF (Hagerstown-Washington County Industrial Foundation, Inc.), 13702 Woodland Heights Drive, Hagerstown, Maryland, spoke on behalf of Greg Snook, President and CEO of CHIEF. CHIEF was organized over 60 years ago to facilitate community and economic development. They started with purchasing the land Mack Trucks occupies. Since that time, CHIEF has assisted with land acquisition for business parks, Citicorp, and most recently Mt. Aetna farms. One of the most significant acquisitions was Fairgrounds Park. Eventually, the city acquired the property to create the current park, using Program Open Space funding. Fairgrounds Park is a jewel in the City's crown from a recreation standpoint. They have worked with the City on many other projects, such as the acquisition of the Double T tavern, the Town Tavern, the property that eventually became the A & E District parking deck, and the expansion of the Maryland Theatre. CHIEF has provided a good benefit to the community and they continue to invest in the community. The group is excited they were able to assist in bringing a \$ 70 million project to Hagerstown – the stadium/event center. Repayment will be through lottery revenue. CHIEF has submitted a letter supporting the redesignation of the A & E District.

Kristin Holt, 17733 Perlite Way, Hagerstown, Maryland, is a resident and business owner. She is a member of the A & E District Advisory Council and she supports the redesignation. She has had a goal to create rich, diverse cultural experiences in Hagerstown. People can say they want Hagerstown to be like Baltimore or Frederick, or Washington D.C., but this is Hagerstown and it is time for everyone to start living as Hagerstown. Hagerstown can support residents and culture and will grow to look like its own city.

Cherrie McCord, 214 Hager Street, Hagerstown, Maryland, is a native of Hagerstown and is a business owner on Blooms Alley. She is looking to open an artisan market in Blooms Alley this summer and is discouraged that Blooms Alley is not included in the redesignated area. Artists were looking forward to the benefits of being included in an A & E District.

Devonte Dinkins, 264 S. Prospect Street, Hagerstown, Maryland, is the owner of Legit Property Management. Legit is one of the fastest growing investment companies in Washington, D. C. and it is important to him to invest in a community and attract entrepreneurs. The Greenwood District is a group of entrepreneurs, artists, and athletes in one area and they are creating neighborhoods. Other neighborhoods need to be included in the A & E District.

Parker Gesford, 1830 Londontowne Circle, Hagerstown, Maryland, submitted his comments through email. Ms. Spickler summarized his email for the group. Mr. Gesford submitted a letter stating that he does not reject the idea of an improved Arts & Entertainment District. He understands the rejuvenation of the City can be positively impacted based on the potential financial influx with the proposed improvements of this plan. However, he is concerned how the proposed tax breaks and potential increases in

property value will impact an area of primarily lower income residents. He worries about the residents who are already struggling, such as those on low income, experiencing mental illness, or homelessness. He would like the City to ensure that thought is being placed in not just bringing an increased arts and entertainment district, but a broader scope in how this will impact a community that already needs help. He does not have a solution but is asking for an open conversation. Mr. Gesford's email and letter is posted with the agenda for February 22, 2022 at www.hagerstownmd.org/governemnt/agenda.

There was no further testimony presented, either in favor of or against the redesignation of the A & E District.

The record will remain open for 10 days for additional comments.

The public hearing was closed at 8:06 p.m.

MINUTES

On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve the minutes, as presented, for January 11, 2022, January 18, 2022, and January 25, 2022.

CONSENT AGENDA

On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously approved the Consent Agenda as follows:

A. Administration:

1. Cable Franchise Professional Services Contract – CBG Communications, Inc. (Boonton, NJ) \$ 40,000.00

B. Police Department:

1. Furnish Commercial Water Heater and Labor – Beaver Mechanical Contractors, Inc. (Hagerstown, MD) \$ 13,858.76
2. Dell Latitude Computers and Docking Stations for Vehicles – Dell EMC (Round Rock, TX) \$ 10,393.28
3. Network Boxes for Cameras – HCGI (Columbia, MD) \$ 37,233.00
4. Up-fitting of 2021 Dodge Chargers – Occasion of a Lifetime, LLC (Frederick, MD) \$ 23,079.88
5. Monthly Speed Camera Charges – Rekor (Columbia, MD) \$ 463,200.00

C. Public Works:

1. Street Closure Request – St. Paddy's Day Runfest 2022

D. Utilities:

1. Electric: Fleet Repair Parts – Carter Machinery Company, Inc. (Myersville, MD) \$ 18,463.89

2. Electric: Underground Primary Conductor – DECO Supply (Louisville, KY)
\$ 29,700.00
3. Water: Remote Network Security – Airline Hydraulics Corp. (York, PA)
\$ 19,049.55
4. Water: Installation of 12 Inch Insertion Valve – Blue Water Construction Services, Inc. (Reading, PA) \$ 12,700.00

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

A. Introduction of an Ordinance: Amend the City Code by Repealing and Re-enacting Chapter 140, the Land Management Code

Action: 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 to introduce an ordinance to amend the City Code by repealing and re-enacting Chapter 140, Land Management Code. The re-enacted Land Management Code includes the 2021 package of annual revisions finalized by the Mayor and City Council. This re-enacted version of the Land Management Code shall be known as version 3.8.

B. Approval of a Resolution: Adoption of Amendments to Comprehensive Plan, *visionHagerstown 2035*

Action: On a motion duly made by Councilmember T. Burnett and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve a resolution to adopt the Planning Commission's recommended amendments to the Transportation Element of the Comprehensive Plan, *visionHagerstown 2035*. All State mandated public input processes and timing of action by the Mayor and City Council have been met.

C. Approval of a Resolution: Subrecipient Agreement with Horizon Goodwill Industries, LLC and Funding to Support the Homeless/At-Risk Quarantine Program

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember R. E. Bruchey, II, the Mayor and City Council unanimously agreed by voice vote to approve a resolution approving a subrecipient agreement with Horizon Goodwill Industries, LLC.

The Mayor and City Council also moved for approval of \$ 10,000 American Rescue Plan Act (ARPA) funds to support Horizon Goodwill with the Homeless/At-Risk Quarantine Program and approval of the corresponding subrecipient agreement. The program provides short-term

emergency housing placement, transportation, and food services for unhoused individuals required to isolate or quarantine due to COVID-19. Horizon Goodwill works with Meritus Health, Social Services, and other local partners and has received a matching \$ 10,000 contribution from Washington County to provide program support to the homeless community.

The time of performance shall be 13-months beginning on the 22nd day of February, 2022 and ending on the 31st day of March, 2023, or the date that all available funds have been expended, whichever occurs sooner.

D. Approval of a Resolution: First Amendment with REKOR for Automated Speed Enforcement System

Action: On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve a resolution approving a first amendment to the agreement with Rekor Recognition Systems, Inc. to provide an automated speed enforcement system and related services.

The new contract is based on the Calvert County, Maryland contract.

E. Approval of a Resolution: Agreement for the Construction of Clara Barton Memorial

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember R. E. Bruchey, II, the Mayor and City Council unanimously agreed by voice vote to approve a resolution authorizing an agreement with the Toby Mendez Studios, LLC regarding the construction of Clara Barton Memorial at 319 Summit Avenue. The City will assist with construction and will provide \$ 53,000 in FY23 CIP funds for foundations, landscaping, and other amenities. Total construction cost of the project is estimated at over \$ 600,000.

The Mayor and City Council unanimously directed staff to develop a concept plan for the rest of the city-owned lands that would include interactive art related to innovation/history of the City.

F. Approval of a Resolution: Agreement for Ownership Rights and Maintenance of Artwork at the Clara Barton Memorial

Action: On a motion duly made by Councilmember T. Martinez and seconded by Councilmember T. Burnett, the Mayor and City Council unanimously agreed by voice vote to approve a resolution authorizing an agreement with the Clara Barton Memorial Committee and Toby Mendez Studios, LLC regarding the ownership rights and maintenance of the artwork at the Memorial. Upon completion, the artwork will be donated to and become the property of the City.

G. Approval of City of Hagerstown Sustainable Communities Renewal 2022

Action: On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve the City's 2022 application for renewal of its Sustainable Communities designation.

H. Approval of FY21 General Fund Surplus Allocations

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember K. B. Aleshire, the Mayor and City Council unanimously agreed by voice vote to approve and complete the following allocations and planned utilization of a portion of the FY21 General Fund (GF) surplus as follows:

1. Hagerstown Field House/Indoor Sportsplex (C0041) project – transfer a total of \$ 2.2 million from the GF Fund Balance to this project which represents local funding to cover remaining Phase II and Phase III Design Development plus a portion of the construction work.
2. Downtown Redevelopment of 32 N. Potomac Building (C0854) – transfer a total of \$ 1.0 million from the GF Fund Balance to this project which represents local funding to cover Architectural Design and some of the renovation costs.

I. Approval of Funding Support for the Black Economic Empowerment Summit 2022

Action: On a motion duly made by Councilmember T. Martinez and seconded by Councilmember R. E. Bruchey, II, the Mayor and City Council unanimously agreed by voice vote to approve of funding of \$ 2,000 to support the Black Economic Empowerment Summit 2022, being held on March 12, 2022. This one-time contribution will be considered a sponsorship of the event. Kalim Johnson was present during the Mayor and City Council Work Session on February 8, 2022 and requested this funding.

The funding source for the \$ 2,000 is the approved Communications budget.

J. Approval of City-Wide Mowing Contract 2022: 3/15/22-12/15/22

Action: 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 authorize and approve the renewal of the City-Wide Mowing Contract for the contract term of March 15, 2022 through December 15, 2022. This is year one of two optional one-year renewals. The total contract amount is \$ 222,941.82

Light Division	Custom	\$ 6,555.00
Parks Division	Servtec	\$ 96,026.82
Water Division	Custom	\$ 15,485.00
Water Division Contingent Items	Custom	\$ 5,250.00
CDBG Homeownership Properties	Custom	\$ 600.00
Wastewater Division	Custom	\$ 3,950.00
Police Department	Custom	\$ 7,250.00
Fire Department	Custom	\$ 4,750.00
Public Works	Custom	\$ 83,075.00

CITY ADMINISTRATOR COMMENTS

Scott Nicewarner, City Administrator, had no additional comments.

MAYOR AND CITY COUNCIL COMMENTS

Councilmember K. B. Aleshire had no additional comments.

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

Councilmember T. Burnett spoke at Jack and Jill of Western Maryland yesterday about voter's rights. She asked the kids what issues they believe need to change in their community. Responses included more black history in schools, environmental awareness, more water and food for the poor and homeless, more charities, less gun violence and more options for vegan and gluten free food. She is looking forward to working with Madison from Boonsboro.

Councilmember T. Martinez had no additional comments.

Councilmember S. McIntire had no additional comments.

Mayor E. Keller gave a shout out to Mary Ellen Waltemier, who facilitated the recent listening sessions. She is looking forward to welcoming Governor Hogan to Hagerstown tomorrow. She will be discussing funding for the field house with him. The State of the City will be held Tuesday, March 1, 2022 at 7:00 a.m. at the Maryland Theatre. The video will be rebroadcast on the City's channel and posted on the City's website.

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 8:17 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: March 22, 2022