

EXECUTIVE SESSION – July 19, 2022

Mayor E. Keller called the Executive Session to order at 3:34 p.m.

On a motion duly made by Councilmember S. McIntire, and seconded by Councilmember T. Burnett, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in closed session to consider the acquisition of real property for a public purpose and matters directly related thereto; (#3) (Section 3-305(b)), on Tuesday, July 19, 2022 at 3:34 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland. Councilmember R. E. Bruchey, II was not present.

The following people were in attendance: Mayor E. Keller, Councilmember K. B. Aleshire, Councilmember T. Burnett, Councilmember T. Martinez, Councilmember S. McIntire, City Administrator Scott Nicewarner, Stephen Bockmiller, Development Planner/Zoning Administrator, Dan Spedden, Executive Director of the Convention and Visitors Bureau, Tom Gilmore (remotely), Acquisition Manager of the Battlefield Trust, Michelle Hepburn, Chief Financial Officer, Kathleen Maher, Director of Planning and Code Administration, Jill Thompson, Director of Community and Economic Development, Doug Reaser, Business Development Specialist, and Donna K. Spickler, City Clerk.

The meeting was held to discuss a potential property acquisition for a public park. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 4:09 p.m.

WORK SESSION – July 19, 2022

Mayor E. Keller called this Work Session of the Mayor and City Council to order at 4:13 p.m., Tuesday, July 19, 2022 in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, T. Burnett, T. Martinez, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler. Councilmember R. E. Bruchey, II was not present.

Preliminary Agenda Review

Mayor Keller announced that Citizen Comments for the July 26, 2022 Regular Session will be welcome either in person or by submitting comments by email to councilcomments@hagertstownmd.org by 5:00 p.m. that day. If by email, the submitters name, address, and a summary of the comments will be announced during the Citizen Comments portion of the meeting. The email will not be read in its entirety but it will be included in the public record for the meeting and may be viewed by the public at any time.

Consent Agenda

- A. Community Engagement:
 - 1. Street Closure and Open Container Exemption/Application Permit – Wind Down, August 19, 2022

- B. Engineering:
 - 1. 2022 Pavement Preservation Program – Craig Paving, Inc. (Hagerstown, MD) Not to Exceed \$ 1,245,000.00
 - 2. Pavement Marking – Midlantic Marking, Inc. (Gaithersburg, MD) \$ 95,000.00
 - 3. Handicap Ramps – DIR Construction, Inc. (Laurel, MD) Not to Exceed \$ 120,000.00
 - 4. Curb and Sidewalk Replacement Program – Concrete Central (Hagerstown, MD) \$ 225,000.00
 - 5. Improvements to West Hillcrest Road – Advantage Landscape & Construction, Inc. (Hagerstown, MD) \$ 235,232.68

- C. Human Resources:
 - 1. FY 2023 Liability and Property Funds Insurance – Local Government Insurance Trust (Hanover, MD) \$ 533,131.00

- D. Information Technology:
 - 1. Telephone System Annual Support and Maintenance – Glessner Technologies (Hagerstown, MD) \$ 26,755.00

- E. Police:
 - 1. Emergency Purchase – Sallyport Handrail Replacement – Hagerstown Metal Fabrication (Hagerstown, MD) \$ 13,817.25

- F. Public Works:
 - 1. Street Closure Approval – Donut Alley 5K Run – August 12, 2022
 - 2. Open Container Exemption/Application Permit – Freedom Fest – July 30, 2022

- G. Utilities:
 - 1. Light: LED Streetlights – FY22 MSEC Grant – Signify North America (Somerset, NJ) \$ 29,712.00
 - 2. Light: LED Streetlights – Inventory – Signify North America (Somerset, NJ) \$ 83,791.50
 - 3. Light: Vehicle Replacement – Unit 124 – Over-center Insulated Bucket w/Material Handler – Altec Industries (Birmingham, AL) \$ 279,505.00
 - 4. Water: Double Check Detector Assemblies – Ferguson Waterworks (Frederick, MD) \$ 65,356.00
 - 5. Water: Aggregate – Martin Marietta (Williamsport, MD) \$ 26,180.00
 - 6. Water: Change Order to Filter Media Replacement – HRI, Inc. (State College, PA) \$ 241,254.00

7. Wastewater: Local Limits Study - Black and Veatch Corporation (Gaithersburg, MD) \$ 83,680.00
8. Wastewater: Plant Nutrient Load Re-Rating -Black and Veatch Corporation (Gaithersburg, MD) \$ 218,500.00
9. Wastewater: Treatment Plant Replacement of Waste Activated Scum Pumps – Sherwood Logan (Arrington, PA) \$89,828.00
10. Wastewater: FY22 Pelletizer Operating and Pass-Through Expense Increase for May and June – Synagro Technologies (Chicago, IL) \$ 169,788.00
11. Wastewater: FY23 Pelletizer Operating Cost - Synagro Technologies (Chicago, IL) \$ 1,639,093.00
12. Wastewater: Pelletizer Pass-Through Expenses – Synagro Technologies (Chicago, IL) \$ 100,000.00
13. Wastewater: Collections Muffin Monster Cartridge for Pump Station 18 – JWC Environmental (Santa Ana, CA) \$ 13,417.00

This completed the Preliminary Agenda Review. There were no questions about any items. All items, unless noted, are scheduled for approval on July 26, 2022.

Event Sponsorship Follow Up

Brittany Arizmendi, Community Engagement Officer, was present to continue review of the FY23 Event Sponsorship requests.

In response to the discussion at the July 12, 2022 Work Session, the following verbiage is proposed to make this process equitable:

The City of Hagerstown will provide event sponsorships not to exceed 50% of the projected event budget or not to exceed \$ 5,000.00. If the City receives a sponsorship request for more than \$ 5,000.00, it will be brought before Mayor and Council for approval. Any approved amount exceeding \$ 5,000.00 will be reimbursed to the organization upon final approval of receipts.

The City will set aside \$ 10,000.00 from the event sponsorship budget for new events. For first year applicants, the amount for an event sponsorship will not exceed \$ 2,500.00.

It was the general consensus of the Mayor and City Council to include approval of the proposed criteria and FY23 event sponsorships on the agenda for the July 26, 2022 Regular Session.

Hagerstown Field House Phase II Update: Economic Impact and Budget

John Wack, Eastern Sports Management (ESM), and Rodney Tissue, City Engineer, were present to provide a Phase II Update for the Hagerstown Field House.

In March, 2022, the City entered into a Phase II agreement in its relationship with Eastern Sports Management (ESM) to develop the facility. Specifically, they contracted with them to complete the Phase II efforts that included development of site plans, 35%

complete building plans, legal agreements for construction and operations and an economic impact statement. The legal agreements are still being drafted but ESM and staff are ready to provide an update on the economic impact of the facility and where they stand with the capital budget.

The estimated cost of construction is \$ 22,000,000. It is anticipated the project will create 164 direct jobs and 60 induced jobs. Wages create another \$ 400,000 in local spending. The total direct and induced impact is \$ 33,167,200.

The facility could host over 18,000 spectators a year and over 27,000 out of town tournament visitors each year and they would spend over \$ 1.3 million locally on lodging and an additional \$ 2.3 million in restaurants, groceries, and other items.

The spectators would pay upwards of \$ 400,000 in annual gate fees that would be subject to an admissions tax. 43 employees would be directly employed to operate the facility and another 6.8 indirect jobs in the community.

Overall, in the next 15 years, the project is estimated to support over \$ 62 million in taxable sales.

ESM will assume the risk of negative cashflows from operations. ESM will guarantee tax payments and revenue share payments to help cover City debt service.

Revenue to Hagerstown is estimated to be \$ 15,039,350 from a combination of amusement taxes, Real Estate Taxes of a Payment in Lieu of Taxes (PILOT) agreement, miscellaneous taxes and fees, and rent.

Revenue to Washington County is estimated to be \$ 3.2 million. Revenue to the State of Maryland is estimated to be \$ 6.8 million.

A Schematic Project budget will be completed under Phase II.

The current plan for capital funding is as follows:

1. Confirmed funding Sources:

\$ 2,500,000	State of Maryland Capital Budget over two years
\$ 2,200,000	City of Hagerstown FY21 Surplus Funds
<u>\$ 700,000</u>	ARPA funds for stormwater portion of project
\$ 5,400,000	

2. Potential Funding Sources:

\$ 1,000,000	Private charitable donation
\$ 5,000,000	Community Project Funding (Federal) Grant (Submitted in April)
\$ 250,000	Strategic Demolition Fund (State) Grant (submitted in July)
\$ 5,000,000	ESM-funded debt service over 25 years
<u>TBD</u>	County Hotel/Motel Tax

Councilmember Aleshire clarified that ESM does not intend to request a waiver of the admissions and amusement tax and are fine with paying the full amount. Mr. Wack stated that is correct.

Mr. Wack indicated the initial proposed schedule was to open the facility in the fourth quarter of 2023. Some of the funding has procurement requirements that will likely add 4 to 5 months to the project. The opening would then be during the third quarter of 2024. However, if funds become available without the restrictions, the 2023 date can be met.

Councilmember Aleshire confirmed just the funding from the State of Maryland has procurement requirements and that without those requirements, the anticipated opening in 2023 could be met. Mr. Wack indicated from the planning perspective they are close and could make that deadline. Ground breaking for the project would need to happen in October or November, 2022. The project will be put out for bid very soon.

Mr. Tissue indicated there are restrictions with other funding the City applied for also. Any Federal funding must comply with the Davis Bacon Act, which adds additional costs.

Michelle Hepburn, Chief Financial Officer, stated there are different requirements and the project has to be reviewed by the State Board of Public Works for both the bid document approval and the contractor approval. With State funding as part of both the Field House and the Burn Building projects, the State Board of Public Works must review the project documents.

Mayor Keller asked if there has ever been an exception to this requirement. No one was aware of any.

Mr. Tissue stated this project is moving forward. Suggested next steps would be to continue to assemble the capital to fund the construction of the project, develop legal agreements stipulating parameters for building and operation of the facility, and contracting with ESM for Phase III to complete the construction bid documents.

Heart of the Civil War Heritage Area Request

Elizabeth Shatto, Executive Director of the Heart of the Civil War Heritage Area (HCWHA), was present to review the impact the HCWHA has had for Hagerstown and Washington County, and to formally request the same \$ 7,200.00 contribution as last year.

The City of Hagerstown has benefited from grants through the HCWHA. To date, over \$ 1.1 million in direct grant support has been awarded to government and non-profit applicants for projects in the City of Hagerstown from the Maryland Heritage Areas Authority. Grants from the HCWHA require a matching non-State investment, which can be monetary or volunteer time.

In June 2019, Maryland Heritage Areas Authority (MHAA) engaged Parker Philips Inc. to measure the economic contribution of its 13 heritage areas. The goal for this analysis is to provide a complete assessment of the total economic, employment, and state and local tax impact of heritage tourism. The study indicated the economic contribution was \$ 450.2 million 6,376 jobs supported and sustained, and over \$ 60 million generated in State and local taxes.

Projects funded with HCWHA grants in the City include streetscape improvements, collections and museum assessment, interpretive way signs, Valley of the Shadow museum exhibit, walking tour brochure for Rose Hill, grants for the Cultural Trail, Maryland Theatre expansion, World Canals Conference, Clara Barton Memorial project, and a variety of other projects.

Their request of \$ 7,200 is just 3% of their total budget. The HCWHA has been and will continue to be an important partner in bringing a vast and diverse audience to the Hagerstown heritage area.

American Rescue Plan Act (ARPA) Policies and Procedures

Michelle Hepburn, Chief Financial Officer, and Brooke Garver, Accounting and Budget Manager, were present to review a proposed ARPA State and Local Fiscal Recovery Funds (SLFRF) Policies and Procedures document.

After attending several webinars and receiving auditor guidance, staff is proposing to adopt this policy to provide further clarification and direction beyond the City's current Purchasing and Grant Management Policies on the use of ARPA funding. The City is dedicated to administering ARPA funds in a fair and ethical manner which is consistent with the Treasury's program objectives and all local, state, and federal laws.

In March, 2021, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and tribal governments with financial resources necessary for responding to the pandemic and its negative effects.

The Department of Treasury allocated \$ 10.2 million in May, 2021 to the City of Hagerstown and will allocate a second tranche in the same amount approximately 12 months later in 2022. Funding is administered by the Department of Finance and allocations of ARPA funding are reviewed and approved by Mayor and Council. When any project is to be funded in whole or in part with ARPA funds, the City must fully comply with all rules and regulations in 31 CFR Part 35, existing written procurement policies and procedures, and refer to the most updated version of the Treasury's Compliance and Reporting Manual and the Final Rule for guidance.

The City must complete quarterly Federal compliance reports. In addition, any individual or organization that received ARPA money from the City (a subrecipient) must also complete the quarterly reporting.

A risk assessment should be completed for every organization the Mayor and City Council provide ARPA funding to.

Ms. Hepburn noted the City may be subject to a single audit in addition to the standard audit because of receiving federal funding.

It was the general consensus of the Mayor and City Council to approve the proposed SLFRF.

Stormwater Incentive Program – Surrey School Redevelopment

Jim Bender, Assistant City Engineer, and Rodney Tissue, City Engineer, were present to discuss a Stormwater Incentive Program for the Surrey School Redevelopment project.

A development group (Surrey LLC) has plans to renovate the Surrey School property and convert it to a boutique hotel/restaurant facility. Through their preliminary design of the site plan for the development, they have proposed incorporating features and facilities that go beyond the requirements of the City's Stormwater Management Ordinance, and that will enable the City to take credit for in meeting its MS4 permit requirements. The development group has requested that the City consider their project for a partial reimbursement of these "extra" costs in accordance with the Stormwater Protection Programs Incentive Policy. That program, described in the Stormwater Credit Manual, provides a means for the City to partner with property owners by helping to fund projects that provide more stormwater management than what is required by the City's Stormwater Ordinance.

Surrey LLC made a preliminary presentation to the Mayor and City Council to describe their development plan. One concern raised by the Council was the potential impact that the facility would have on parking availability on Summit Avenue. In response, Surrey LLC revised their concept plan to add more off-street parking on their site to lessen the impact on the neighborhood. They have also incorporated other features to provide stormwater management that goes beyond the requirements of the City's Ordinance.

The Stormwater Protection Program's Incentive Policy provides a process for the City to partner with property owners on projects where the city can claim water quality credits that help to meet the requirements of the MS4 stormwater permit. The City Engineer evaluates requests for incentives twice each year, and ranks the requests against each other in order to determine if they qualify for reimbursement. The annual budget for the Stormwater Protection Program sets aside \$ 250,000 for these incentive reimbursements. Surrey LLC's request was the only one received during the latest review period.

In this case, Surrey LLC is removing existing pavement on the west (City Park) side of the property, installing a green roof system on part of the proposed building addition, enlarging the proposed water quality treatment facility on the east (Summit Avenue) side of the property, and making storm drainage improvements along Summit Avenue. Surrey LLC would not necessarily have to do any of these things in order to comply with the

City's Ordinance, but is willing to do them as part of their redevelopment of the property. The City can take credit for the decrease in impervious area and the increased water quality treatment when it reports progress to the Maryland Department of the Environment in its MS4 annual report.

The cost estimate shows the value of these extra improvements is \$ 130,714. The Incentive Policy contemplates a 50% match for eligible expenses; for this project, the match would be \$ 65,357. The way the policy is structured, Surrey LLC would complete all of the proposed work and provide as-built drawings and certifications to the City. The City would then reimburse Surrey LLC for the agreed amount.

Councilmember Aleshire asked if the \$ 65,000 is an appropriate valuation of the credit for the acreage required by the MS4 permit. Mr. Bender indicated some components of the project are easy to value, such as the removal of impervious parking areas. Other components like the green roof are more difficult to assign an acreage to. Mr. Bender and Mr. Tissue reviewed the project and the benefits to the City is a reasonable valuation.

Councilmember Aleshire would prefer the formula be up to 50% as long as it meets the valuation of the acreage the City is trying to meet. Mr. Tissue stated the City is utilizing many different techniques to meet the obligations and staff will continue to value techniques as accurately as possible. The details of requests for incentives will be reviewed with the Mayor and City Council prior to approving them.

It was the general consensus to move forward with granting the incentive request. The City Attorney and staff will draft agreements for the Mayor and City Council's review and approval.

Proposed Code Amendments to Chapters 238 and 240

Nancy Hausrath, Director of Utilities, was present to review proposed amendments to Chapter 238 and 240 of the City Code following the June 7, 2022 Work Session discussion. The amendments determine how allocation is assigned and the associated repercussions and/or penalties for non-compliance.

The following is the list of action items incorporated into Chapter 238 and 240:

1. Updated definitions for customer classification in Chapter 238
2. Transfer of Allocation – Chapters 238 and 240 – including that the transfer be between properties within the same government jurisdiction and located in the Medium Range Growth Area (MRGA)
3. Water Benefit Fee differential for outside customers
4. Minimum allocation for Water and Wastewater

Councilmember Aleshire clarified that the Annexation Policy is still applicable and is not affected by the proposed amendments if allocation is transferred to another property owner. Kathleen Maher, Director of Planning and Code Administration, indicated that is correct. They would still have to request the service and adhere to the regulations.

Councilmember Aleshire asked if allocation is transferred from an area with adequate volume and pressure to a property that does not have the same volume and pressure. Ms. Hausrath stated there is a permit requirement within the transfer of allocation and system improvements may be required for a project. This would be the responsibility of the developer.

Councilmember Aleshire asked how the allocation would be transferred. Would it be sold, given, etc.? If a property owner sells allocation, how will a new property owner know the regulations for the allocation. He is concerned the City will be caught in the middle if a new property owner doesn't understand this. He would prefer the allocation be put back to the City's overall allocation and then redistributed to the new owner. This would make the process practical and keep it from becoming political.

Ms. Maher pointed out the transfer of allocations should be political if it is going outside the City limits, otherwise the capacity could be depleted very quickly.

Ms. Hausrath stated language could be incorporated into the City Code that states assigned allocation cannot be transferred.

Mr. Nicewarner stated the account could be flagged in the system to indicate when a new account is started.

Ms. Hausrath stated one of the things staff is working on is determining how much allocation can be taken back at this point in time. It can be noted on the account the allocation is not to be transferred.

Councilmember Aleshire stated he is agreeable to saying a property owner who purchased allocation can transfer it to another property. Ms. Maher stated transfers within the MRGA are acceptable, but not when it is taken outside the City limits.

It was the general consensus to add introduction of an ordinance to amend the City Code, with the additional recommended changes as discussed during this meeting to the July 26, 2022 Regular Session agenda.

Licensing of Hotels

Kathleen Maher, Director of Planning and Code Administration (PCAD), and Paul Fulk, Neighborhood Services Manager, were present to review licensing of hotels. This idea was initially introduced to the Mayor and City Council in a PCAD update on August 15, 2017 and discussed further during the fall of 2018 during two work sessions. The reason for the discussions in the past and currently has been over the concerns with the health, safety, and general welfare of visitors and extended-stay occupants in Hagerstown's hotels.

As discussed in previous Mayor and City Council meetings, the main areas of concern for staff are the following:

1. Maintenance of hotels falls below codified standards for fire safety and property maintenance
2. Lack of training of staff on fire protections, emergency incident, and evacuation standards
3. The use of hotel units for extended stay which were not designed for such occupancy and thus lead to unsafe living conditions
4. The use of hotels dwelling units or rooming house units in zoning districts which do not allow such uses
5. Hotels not in good standing on required State, County, and City taxes or on City utility payments.

Additionally, staff has concerns about hotels increasing demand on calls for service from the City's police, fire, and code departments.

Staff's search of the licensing has found that a number of jurisdictions in Maryland and across the nation have hotel licensing programs. In Maryland, they have found ordinances requiring hotels to be licensed in Annapolis, Anne Arundel County, Baltimore County, College Park, Gaithersburg, Howard County, Laurel, Montgomery County, Ocean City, Rockville, and Salisbury. Frederick County does not have a license program but does require annual certification training for hotel staff.

During staff's research of others jurisdictions and discussions with community members on concerns about the condition of hotels in Hagerstown, they have developed the following list of items for consideration when developing a hotel licensing program:

1. Human Trafficking Training
2. Overdose Response Program Training
3. Require Guest Registry
4. Prohibitions on hourly rates for hotel/motels
5. Real Estate taxes current at the time of license application
6. Personal property taxes current at the time of license application
7. All City controlled utilities current at the time of license application

All programs identified in the State have registration fees for hotels and motel. There were no exemption clauses or tiered programs in Maryland. College Park does have a biennial inspection qualification process if a hotel/motel meets certain standards. Staff did discover a tiered program in Benbrook, Texas. This tier program was based on average calls for service per room per year. If a tier system is desired for a Hagerstown program, staff proposes two levels based on the number of service calls per room and annual Hagerstown Fire Department inspections.

Staff would propose a license year from January 1 – December 31. The tier evaluation time period would be from November 15 (previous year) – November 14 (current year) each year to determine the tier level. Renewal applications would be mailed on December 1, 30 days prior to the expiration of the license.

Currently, the Hagerstown Fire Department (HFD) conducts an annual inspection at all City hotels and motels. If HFD identifies areas of concern that are in violation of the

Building or Property Maintenance Codes, Code Administration is contacted to conduct an inspection of the structure.

Established programs within Maryland and across the nation require inspections by the local Fire Department and Code Department. Staff would recommend the same fire and building inspection level scheduled as the established programs in Maryland and increase in inspections if a lower tiered structure is established.

Each jurisdiction varies on when a license can be suspended or revoked. The overall goal of any property licensing program is to establish minimum standards for the property and the penalties if the minimum established standards are not being met. Suspensions and revocations can be for set periods of time or until outstanding items are corrected to become compliant with local requirements. Staff would recommend having the ability to suspend and revoke licenses.

A suspended license would not permit the acceptance of new guests but the hotel/motel could remain open. A revoked license would not permit the hotel/motel to be occupied and all areas must be vacated. Both a suspended and revoked license would require a reinstatement of the license prior to occupancy. Fines for failure to comply can have a maximum penalty of \$ 1,000.

The results of inspections and the lack of compliance along with an exponential increase in calls for service would be established standards for suspending or revoking licenses.

Bed & Breakfast and Short-term rentals are incorporated into other hotel licensing programs in Maryland jurisdictions. Staff would recommend including these uses in any program developed for hotels and motels. Bed & Breakfast uses are limited per the Land Management Code to particular zoning districts or through special exception hearings. Short-term rentals are currently permitted in any residential structure and staff would recommend immediate neighbors, HOAs, or Condo Boards are to be notified of the owners' intentions to establish a short-term rental. Staff would recommend an annual human trafficking training certification from the property owners at the time of application. An annual inspection conducted by the Code Department for minimum property standards should be included in any established program for these transient uses.

Chapter 95, Excessive Use of City Services and Chapter 65, Habitual Offender could be utilized or modified to include transient uses. Chapter 95 currently has a definition for a commercial property which could be used for hotels and motels. The current number of qualifying calls in a twelve-month time period is 8 for commercial properties to be classified as a chronic nuisance property. The code could be modified to specifically identify any transient use and the number of calls for service to be deemed a chronic nuisance property. This ordinance has a fee established for excessive uses and for each qualified call for service. There can be an additional fee once an established number of calls for service have been met.

The Habitual Offender ordinance was modified in 2016 to broaden the scope of the ordinance to incorporate adopted codes since the original adoption in 2011. This ordinance could be modified to include any established transient license program. If a property owner has been found guilty of three municipal civil citations/fines in a 24-month time period, the property owner can be charged with a misdemeanor. The court would hear the case and determine if the property owner is a habitual offender.

Mayor Keller stated something needs to be done to address the repulsive conditions of the hotels that are not doing things right. It is unfair to citizens who are living in those conditions. She understands the concerns of those who are doing it right. She is concerned some of the people living in hotels have been told they will be kicked out if they call 911 for overdoses or other emergencies.

Councilmember Martinez stated there is a rule in place for residents in public housing that if they call for police service 3 times, they could be evicted. She thinks the same, or higher, standards should be in place for hotels.

Councilmember McIntire asked if flagship hotels have to adhere to their own standards.

Mayor Keller stated it is evident that some are not.

Mr. Nicewarner pointed out there will be a lot of visitors to Hagerstown soon and the City wants to have nice places for them to stay. He stated staff is contacted at least once a week regarding poor conditions at hotels.

Councilmember Aleshire stated hotels should be meeting certain standards. He pointed out there are also organizations placing people in hotels that don't meet the minimum standards for livability.

Councilmember McIntire thinks those organizations would want to locate people in a better place to live.

Councilmember Aleshire thinks those other parties need to have an awareness that has to be considered. A plan needs to be in place for emergency housing placements.

Mayor Keller noted it costs the Community Action Council \$ 22,000.00 to provide emergency housing for people.

Mr. Nicewarner stated this initiative is not being considered to punish anyone or make money from it. This is being discussed because citizens needs to be assured of safe and healthy housing.

The Dagmar is not on the list of hotels because it is considered a rooming house. Mr. Fulk stated PCAD also receives calls about school buses at hotels. He stated the Board of Education will ensure the kids get to their schools and they have reported living conditions at those locations are not ideal.

Mr. Nicewarner stated this discussion has provided staff with direction to develop a draft for the Mayor and City Council's consideration.

Councilmember Burnett stated training for recognizing human trafficking should be a standard.

Councilmember McIntire stated hourly rates should not be allowed. She suggested including representatives from the hospitality groups/companies in the review of a draft ordinance.

Mr. Nicewarner stated it is important for the hospitality groups to understand the City's concerns. Ms. Maher and Mr. Fulk noted that previously chain hotels pushed back when asked about their standards.

Mr. Fulk asked for the Mayor and City Council's preference for fees. Mayor Keller stated she does not think fees are necessary for a tiered license. Mr. Nicewarner noted the costs could be on the back side if they don't comply with the regulations.

Councilmember McIntire asked if PCAD staff can handle the extra work. Mr. Fulk indicated they could but the fees would not cover staff costs.

Councilmember McIntire asked if the County has any hotel inspection regulations. Mr. Fulk indicated they do have some.

Mayor Keller reiterated the City does not own these properties and cannot just shut them down.

Ms. Maher asked if there is interest in a Wall of Shame component which would list non-complying hotels.

Councilmember McIntire stated that is probably not necessary as people will search Google for specific information on a hotel.

Staff will work with the City Attorney on draft ordinances for the Mayor and City Council's review.

Review of Alms House Addition to the Competitive Negotiated Sale Program

Doug Reaser, Business Development Specialist, was present to review the Alms House, and the possibility of adding the site to the City's Competitive Negotiated Sale (CNS) program with the goal of transferring the property to the private sector for redevelopment.

The City has owned the Alms House located at 239 N. locust Street since its acquisition in November 2004 for \$ 90,000 (funds from CIP Fund Balance). \$ 85,000 of State Community Legacy Grant funds were awarded to the City to assist with minor rehabilitation and repair work. Alms House Landmark Zoning Overlay was adopted by

the Mayor and City Council in 2009 (property is subject to local Historic District Commission review, Landmark Overlay Designation can be removed). The property has been vacant while under City ownership and the last occupancy was likely in the 1970's based on prior research. The property had previously been included on the Competitive Negotiated Sale list from 2013-14 to June, 2021. Depending on the use, staff estimate approximately \$ 700,000 to \$ 1,000,000 will be needed to fully renovate the building.

The property was removed from the CNS list last year to pursue an evaluation of a potential renovation and reuse of the building. Proposed use of the building included a potential Hagerstown Police Department Substation with space for neighborhood based activities, community room, and outreach space. The primary funds for the project came from Community Development Block Grant (CDBG) sources. The Alms House Rehabilitation Project is a planned activity in the Community Development Block Grant (CDBG) Annual Action Plan. The funding in the Annual Action Plan was originally estimated at \$ 400,000 and adjusted to \$ 362,642 after the entitlement award notice was received.

A copy of the CNS process is included in the meeting material.

Mayor Keller supports adding the Alms House to the CNS list, given the interest in buildings currently.

It was the general consensus to move forward with approval to add the Alms House property to the CNS list.

Expansion of Enterprise Zone

Doug Reaser, Business Development Specialist, was present to review the expansion of the Enterprise Zone. Washington County and the City of Hagerstown are working to jointly submit an application by October 15, 2022 to the Maryland Commerce for the renewal and expansion of the Enterprise zone.

The Enterprise Zone provides property tax credits for construction or rehabilitation investments and provides income tax credits for job creation. The Enterprise Zone was established December 14, 1992 by the City and County and has had two subsequent renewals in 2002 and 2012 and an expansion in 2021. The renewal will be for a term of 10 years. The expansion will enable the City and the County to better market this area for economic development.

The Enterprise Zone incentives are available to commercial projects only.

There are two components of the incentive:

1. Real Property Tax Credits – Ten-year credit against local real property taxes on the value of a portion of real property improvements. Properties located in the City receive the tax credit on both the City and County property taxes. Local jurisdictions receive a 50% reimbursement from the State on lost revenue.

2. Income Tax Credit- one or three-year credit for wages paid to eligible new employees. General credit is a one-time, \$ 1,000 credit per new worker. For economically disadvantaged employees, credit increase to a total of \$ 6,000 per worker distributed over three years.

The following list shows the areas to be expanded:

1. Addition Area 1 – South Potomac Street/First Street
2. Addition Area 2 – Kuhn Avenue
3. Addition Area 3 – Frederick Street/Edgewood Drive
4. Addition Area 4 – South Burhans Boulevard/West Antietam Street

A public hearing is scheduled for August 9, 2022 at 4:00 p.m. to receive comments and testimony on the proposed expansion.

After the public hearing, if the Mayor and City Council agree to move forward with the application for expansion of the Enterprise Zone, approval of a resolution will be scheduled for August 23, 2022.

Invest Hagerstown and Life Safety Infrastructure Guideline Updates

Christopher Siemerling, Economic Development Specialist, was present to review proposed guideline updates to the Invest Hagerstown Commercial Sign & Façade Grant and Rental Rehabilitation Grant programs following the approval of the FY23 Invest Hagerstown program during the June 28, 2022 Regular Session. Mr. Siemerling also reviewed proposed guideline updates to the current Life Safety Infrastructure Grant program to be more in line with the most recent FY22 application with DHCD. This program is funded via Community Legacy Funds.

The updates include the following:

1. Commercial Sign and Façade Grant program – streamline the process
2. Commercial Sign Grant – amend the grant minimums and maximums
3. Rental Rehabilitation Grant – Allow for increased grant back to a landlord/development who is doing multi-unit upgrades of their property by hopefully providing more amenities and living space for tenants
4. Life Safety Grant – Renaming to Fire Suppression Grant and expand the application to also include sprinkler programs

Councilmember Burnett mentioned concerns that were raised about the sign grant program at a business leader meeting earlier in the day. Mayor Keller stated the concern was about residential signs rather than commercial signs. Mr. Siemerling stated staff is working to get the situation resolved.

It was the general consensus to move forward with approving the proposed guideline changes.

CITY ADMINISTRATOR'S COMMENTS

Scott A. Nicewarner, City Administrator, thanked everyone who attended the business meeting this morning. He is looking forward to great things happening with increased attention to the Main Street and Arts and Entertainment District areas with the addition of Brittany Arizmendi as the Community Engagement Officer and to the staff of the Department of Community and Economic Development.

He thanked Jim Snyder, Information Technology Manager, Dave Gordon, Data Analyst, Tim McCarty, Systems Administrator, Chris Shuman, Systems Administrator, and staff who tested MUNIS, to make the biggest upgrade to the City's financial software in some time. He thanked the community for their patience using the online system.

A public input session will be held at the triangle at Park Circle tomorrow evening to discuss the plans for artwork there, including the Clara Barton Memorial.

Imagine Hagerstown will be held on Friday, July 22, 2022. The headliner is the Randy Thompson Band, with the opening by Promising Leith.

MAYOR AND COUNCIL COMMENTS

Councilmember T. Burnett agreed with Mr. Nicewarner's comments about Ms. Arizmendi's efforts to renew interest in Hagerstown. She attended the business leader meeting this morning and noted it was a diverse group and they discussed ideas together. She hopes everyone will do their part to make downtown what everyone wants it to be.

Councilmember K. B. Aleshire had no additional comments.

Councilmember T. Martinez gave a shout out to Kalim Johnson for getting Lyfe Jennings to the Maryland Theatre. After the show people wanted to stay around and explore downtown.

She welcomed Emily's Chic Boutique to downtown.

The next open mic night at the Black Box Theatre is on Sunday, July 24, 2022.

Councilmember S. McIntire congratulated Councilmember Robert Bruchey on the arrival of his granddaughter today at 4:00 p.m.

Mayor E. Keller thanked everyone who attended the meeting downtown today. She has received messages that people are impressed and encouraged by the City's efforts. It was nice to see so many people attending events downtown last weekend. She wished Councilmember McIntire a happy birthday.

She encouraged everyone to go vote today.

EXECUTIVE SESSION AND WORK SESSION
2022

JULY 19,

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

The City has received a request for a letter of support for Potomac Case Management Services (PCMS) Washington County Local Management Board grant for the Juvenile Diversion Program in Washington County. It was the general consensus to send the letter of support.

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 6:18 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: August 23, 2022