

EXECUTIVE SESSION, SPECIAL SESSION (63RD VOTING SESSION), AND WORK SESSION
MARCH 21, 2023
MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND
EXECUTIVE SESSION, SPECIAL SESSION (63RD VOTING SESSION), AND WORK
SESSION

SPECIAL SESSION (63RD VOTING SESSION) – March 21, 2023

Mayor T. Martinez called this Executive Session, Special Session (63rd voting session), and Work Session of the Mayor and City Council to order at 3:02 p.m., Tuesday, March 21, 2023 in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, R. E. Bruchey, II, T. Burnett, S. McIntire, and M. J. Schindler, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler.

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 Special Session at 3:02 p.m. Councilmember R. E. Bruchey, II was not present at the time of the Special Session.

Appointment of Councilmember Matthew J. Schindler

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember T. Burnett, the Mayor and City Council unanimously agreed by voice vote of all members present to appoint Matthew J. Schindler as Councilmember, effective March 21, 2023.

Councilmember Schindler is being appointed to fill the vacancy and complete the remaining term created by the resignation of Councilmember Tekesha Martinez. Councilmember Martinez's resignation was effective February 7, 2023 upon her appointment as Mayor and the Mayor and City Council do hereby accept said resignation.

Mayor Martinez then administered to Oath of Office to Councilmember Schindler.

The Special Session was closed at 3:04 p.m.

EXECUTIVE SESSION – March 21, 2023

Mayor Martinez called the Executive Session to order at 3:07 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 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 21, 2023 at 3:07 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland. Councilmember Bruchey was not present at the time of the vote.

The following people were in attendance: Mayor T. Martinez, Councilmember K. B. Aleshire, Councilmember R. E. Bruchey, II, Councilmember T. Burnett, Councilmember S. McIntire, Councilmember M. Schindler, City Administrator Scott Nicewarner, Michelle Hepburn, Chief Financial Officer, Jill Thompson, Director of Economic and Community Development, Kathleen Maher, Director of Planning and Code Administration, Margi Joe, Community Development Manager, Kameron Shives, Business and Community Development Finance Specialist, Christopher Siemerling, Economic Development Specialist, Doug Reaser, Economic Development Manager, Yanique Myers, Administrative Coordinator, and City Clerk Donna K. Spickler.

The meeting was held to discuss membership of the Planning Commission and a business proposal. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:37 p.m.

WORK SESSION – March 21, 2023

Mayor Martinez called the Work Session to order at 4:09 p.m.

Proposed Bond Anticipation Note Financing for the 3rd Park Deck Project

Michelle Hepburn, Chief Financial Officer, Lindsey Rader, Funk & Bolton, P.A., and Susan Ostazeski, Davenport & Company, LLC, were present to discuss a proposed bond anticipation note financing for the third parking deck project.

Ms. Rader stated that, for over a year, the City has been discussing the need to finance two capital projects that are generally referred to as (1) General Fund – Hagerstown Field House (the “Field House Project”) and (2) Parking Fund – Parking Facilities – 3rd Parking Deck (the “Parking Deck Project”). Originally, the City anticipated issuing a single series of taxable general obligation bonds to finance costs of both projects in either calendar year 2022 or calendar year 2023. Given the anticipated size of the borrowing, it has been expected that the City would sell the bonds by public sale at competitive bid, which method of sale generally results in the lowest true interest cost for issues of a certain size in comparison with a direct purchase by a bank or a negotiated underwriting. However, because the City is seeking other sources of funding to cover a portion of the costs of the Field House Project, it is not ready to move forward with financing the Field House Project in calendar year 2023 but wishes to finance the Parking Deck Project this year.

Rather than selling a series of general obligation bonds for the Parking Deck Project in the first half of calendar year 2023 and a separate series of general obligation bonds for the Field House Project later in the year or in calendar year 2023, Davenport & Company LLC (“Davenport), the City’s registered municipal financial advisor, has recommended that the City pursue general obligation bond anticipation note (“BAN”) financing for the Parking Deck Project in the first half of this calendar year. BAN financing is a method of interim financing authorized by Sections 19-211 through 19-223 of the Local Government Article of the Annotated Code of Maryland (the “BAN Act”). BAN financing is akin to “construction financing” a person may obtain when building a new

home and bonds are akin to the “permanent financing” a person obtains when the new home is completed. Once the maximum aggregate principal amount of bonds to be authorized for the Field House Project has been determined, the Council will enact an ordinance authorizing bonds for that project and it is expected that a single series of taxable general obligation bonds will be issued to (1) prepay the BAN issued for the Parking Deck Project and (2) finance the Field House Project.

BANs generally mature between one and five years after the date of issuance, depending on the construction period of the project(s) being financed on an interim basis. BANs may not be issued in an aggregate principal amount in excess of the authorized amount of the bonds in anticipation of which the BANs are issued. BANs are generally structured such that interest only is due during the amortization period, with all principal due at maturity or upon prior prepayment in whole. BANs are generally set to mature some 9-12 months after the expected project completion date in order to allow for delays in project construction. Upon issuance of the bonds in anticipation of which BANs are issued, proceeds of the bonds, together with cash (to the extent needed), are used to prepay or pay at maturity the outstanding principal amount of the Bans plus accrued interest due on the BANs from the last interest payment date to the date of maturity or prepayment in whole. If the purchaser of the BANs is amenable, BANs may be structured in draw-down form; otherwise, the entire principal amount of the BANs is disbursed to the issuer at closing. A series of BANs is typically structured as a single BAN.

In order to reduce costs of issuance, Davenport has recommended that the Ban financing for the Parking Deck Project be sold to a financial institution in a direct purchase transaction. (Costs of issuance for a direct purchase transaction are typically substantially less than for a public sale at competitive bid.) In an effort to achieve the best results for the City, Davenport has recommended that the purchaser of the BAN issue be identified through a request for proposals (“RFP”) process. The RFP process is considered a method of private sale that is authorized by the BAN Act. (The BAN Act would allow the City to negotiate solely with a single bank for the purchase of the BAN.) While the RFP will state the City’s preferred terms for the BAN, responding financial institutions may propose terms different than those outlined in the RFP. (This flexibility contrasts with a public sale at competitive bid in which the only variables bidders respond to are the stated interest rate for each maturity of the bonds and the premiums at which they will purchase the bonds.).

BANs are authorized by the same ordinance under which the bonds in anticipation of which the BANs are issued are authorized. The City has historically enacted a “parameters ordinance” for its general obligation debt obligations that (1) authorizes a maximum aggregate principal amount of general obligation bonds to be issued for one or more projects, (2) authorizes a maximum aggregate principal amount of general obligation BANs to be issued for such project(s), (3) authorizes (by formula) a maximum aggregate principal amount of general obligation refunding bonds to be issued in order to currently refund or advance refund any of the bonds that are actually issued, (4) provides that details of any authorized bonds, BANs or refunding bonds will be determined or provided for by resolution, (5) pledges the City’s full faith and credit and unlimited

taxing power to be authorized bonds, BANs and refunding bonds, and (6) provides that any of the authorized debt obligations may be consolidated with other general obligation debt obligations separately authorized by the City and issued as a single series. The consolidation features of the ordinance for the Parking Deck Project and the ordinance for the Field House Project will allow the City to issue a single series of bonds to provide long-term financing for both projects.

The proposed schedule for the BAN financing for the Parking Deck Project is as follows:

March 28, 2023	Introduce authorizing ordinance
April 4, 2023	Council passes authorizing ordinance
April 18, 2023	Davenport distributes RFP to potential respondents
May 5, 2023	Effective date of authorizing ordinance
May 9, 2023	RFP responses due to Davenport
Week of May 15, 2023	Working group negotiates with respondents as needed and makes decision on most beneficial proposal
May 23, 2023	Council adopts resolution fixing details of the BAN
June 6, 2023	Pre-close the BAN issue
June 7, 2023	BAN Closing

Ms. Hepburn noted this schedule will allow the City to have the cash in hand in early June, which fits nicely with the timing of the projects. By using this process, the City will not have to go to the rating agencies twice. The amount of the bond will be \$ 10.5 million to \$ 10.8 million.

Councilmember Aleshire clarified the City will be searching for the best line of credit and rates to move forward with the Deck construction, which will then be rolled into a bond for the Field House later. He asked if part of the consideration for this BAN is associated with the potential of funding partners being unknown at this time. Ms. Hepburn stated the goal is to still move forward with the Field House even though the timing is not definite. The Deck is anticipated to be completed by September, 2024.

Councilmember Aleshire noted the City should look at locking in the amount for as long as possible in order to avoid pre-payment interest. Ms. Hepburn stated the intent is to only move forward with the Parking Deck with a cost of \$ 10.6 - \$ 10.8 million. Funding sources may be more specifically determined a year from now.

Ms. Rader noted that if a bond is issued for both projects and the City received more grants than anticipated, prepayment would not be permitted for 10 years.

Councilmember Bruchey asked how the interest rates are now. Ms. Ostazeski indicated they are not as good as 2 years ago but not terrible. The long term rate at this time is about 4.75%, which is about the average over the last 20 years. It is more difficult to gauge what the interest rates will be for a BAN since it is a function of what banks are interested in at a specific time. The Treasury market has been very volatile recently.

Ms. Hepburn indicated if the City is not ready to go with the Field House in 12 – 18 months, they will move forward with the long term bond for the Parking Deck. There are other projects coming as well.

Ms. Rader stated some banks have been willing to extend the current rate on a taxable BAN.

Councilmember Aleshire stated it is important to note that even though the City is looking to borrow \$ 32 million, both projects are considered Enterprise Operations. The Parking Deck will pay down its debt service over time. The same is true for the partnership for the Field House. The debt service will not be from general fund revenue.

It was the general consensus to move forward with the issuance of BAN financing as presented, following the schedule outlined.

Surrey, LLC 535 Summit Avenue Redevelopment Project Update

Christopher Siemerling, Economic Development Specialist, Alexis Blakely and Valerie Sanderlin, Surrey, LLC (Surrey Hospitality) were present to provide a project update of the redevelopment of 535 Summit Avenue.

The proposed project at 535 Summit Avenue includes the conversion and expansion of the existing 25,000 sq ft property that has been vacant since 2016 into a destination boutique hotel across from City Park. Renovation of the property and 10,000 sq ft expanding of the commercial buildings includes a 26 room boutique hotel, luxury spa, and a public restaurant. Renovation work also includes relocating the required parking to the Summit Avenue side of the property. The project will create 60 jobs within two years. The total project cost is estimated to be \$ 24.8 million, with an approximate completion date of late 2024.

The project's financing is tentatively grouped into three sources - member equity, bank loan, and public incentives/grants.

Surrey Hospitality is a joint venture led by Washington DC-based developers, Valerie Sanderlin and Alexis Blakely. Together, they have over 20 years of relevant real estate expertise. They are excited about the diversity across their team. Black women represent less than 1% of hotel owners and contractors.

Ms. Blakely stated the building, constructed in 1907, has been part of the community for a long time. Prior to purchasing the property in 2021, they reviewed the City Center Plan and discussed the project with staff of the City's Department of Community and Economic Development. The building is beautiful and its history will be respected. This is more than a hotel project. There will be a private entrance for guests. A public entrance is included for the restaurant and the spa. The restaurant will be upscale with seating for 70 and will include a terraced outdoor dining area. The first rate spa will have 4 to 5 treatment rooms. A restaurant is needed in this area. They are neighbors with the Museum of Fine Arts and close to the stadium project, which is underway. They hope

people will want to stay in Hagerstown a little longer and explore the area. She thinks the spa will be a destination space.

Ms. Sanderlin stated the design schedule is on track. The site plan is moving through the approval process. They anticipate starting the permit process within the next 90 days. Ground breaking ceremonies are tentatively planned for October, 2023.

Councilmember Bruchey stated this is a great use for the property.

Mayor Martinez thanked the Surrey Hospitality Group for choosing Hagerstown for this project.

Donation of Outdoor Exercise Equipment

Rodney Tissue, City Engineer, and Jennifer Younker, Bester Community of Hope, were present to discuss the donation of outdoor exercise equipment.

Bester Community of Hope (BCoH), an initiative of San Mar is proposing to donate outdoor exercise equipment on the southern end of the Hagerstown Housing Authority (HHA) property adjacent the Cultural Trail.

Ms. Younker stated San Mar Family and Community Services is pleased to continue to support the health and well-being of children and families in the South End through the Bester Community of Hope initiative.

Over the past five years, they've provided a variety of essential community services in the health arena. This is the final year of this grant opportunity through federal funds at the Health Resources and Services Administration, through the Healthy Tomorrows Partnership for Children Program, and they are going to build the bridge from school focused health services to sustainable community wellness infrastructure. They worked with the City's Parks and Recreation team to design long lasting and user friendly equipment. BCoH is prepared to fully fund the installation of the concrete pad and related groundwork from Chuck Harrell Construction, commercial grade outdoor exercise equipment from TriActive, and related costs to minor beautification to the space. Once completed and installed, they will hand over all of this to the City of Hagerstown to maintain as an asset related to the Cultural Trail. The Hagerstown Housing Authority will work with the City to provide the appropriate use of the land.

It was the general consensus to include approval of a 20-year easement with the Hagerstown Housing Authority on the March 28, 2023 agenda. This easement to the City will allow the public to use the equipment and area.

Preliminary Agenda Review

Mayor Martinez announced that Citizen Comments for the March 28, 2023 Regular Session will be welcome either in person or by submitting comments by email to councilmments@hagerstownmd.org by 5:00 p.m. that day. If by email, the submitter's

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.

Mayor Martinez informed the group that a Planning Commission appointment will be added to the agenda for March 28, 2023.

- A. Engineering:
 - 1. Stormwater Drainage System Evaluation – WSP (Wood) (Chantilly, VA)
\$ 73,380.00

- B. Finance:
 - 1. DebtBook 2 Year Software Renewal – information pending

- C. Police Department:
 - 1. Dual Purpose Patrol and Narcotic Detection Dog – Tri-State Canine Services (Warren, OH) \$ 14,500.00

- D. Public Works:
 - 1. 2023 Ford F-550 Truck with Rear Loader Packer – Keystone Ford (Chambersburg, PA) \$ 121,875.00

Mr. Nicewarner stated the County Commissioners and County staff have been invited to attend a joint meeting at the R. C. Willson Water Treatment Plant on Thursday, April 27, 2023. No confirmation has been received at this time.

This completed the Preliminary Agenda Review. There were no additional questions about any items. All items, unless noted, are scheduled for approval on March 28, 2023.

2023 Summer Camp Grant Program

Eric Deike, Director of Public Works, was present to review the 2023 Summer Camp Grant program. For over 25 years, the City has funded local agencies to provide recreation services for children in the community by providing summer play camps. In February 2021, the City Council approved a new policy for awarding the grant funds (Policy PF-103). Potential camp organizations were contacted to submit their applications for review.

Staff reviewed the four agency proposals and ranked them based on the policy. A detailed summary of the proposals was provided. Staff recommends funding the camps as follows:

Hagerstown YMCA	\$ 18,000.00
Boys & Girls Club	\$ 15,000.00
Girls, Inc.	\$ 18,000.00
Beacon House	\$ 9,000.00

Funding for the camps is provided in the operating budget of the Recreation Division of Public Works. There is \$ 75,000.000 earmarked for various agencies to support summer camps. This is a significant part of the Recreation Division budget and this program represents over 20% of all recreation dollars spent by the City.

Mayor Martinez and staff recently met with the Board of the Robert W. Johnson Community Center (RWJCC). The Board assured the Mayor they were committed to providing a summer camp program for 2023. There is currently \$ 15,000.00 set aside for this camp that would be held at Wheaton Park. This dollar amount would match their 2022 funding request.

As of this date, the RWJCC has been invited to speak with the Council about their summer camp program and funding at a future work session.

Individual contracts will be developed for each agency based on their specific needs and funding requests. A sample of one of these contracts was included in the meeting material.

Councilmember Aleshire asked what happens if the RWJCC does not submit an application. Mr. Deike indicated the funding will be available to potentially distribute to the other groups. Councilmember Aleshire stated there should be a set deadline for the application to be received. Mr. Nicewarner stated RWJCC was asked to return their application as soon as possible.

Mayor Martinez asked if the funding is based on the number of children served. Mr. Deike indicated that is one of the many considerations.

Councilmember McIntire asked if other organizations submitted applications. Mr. Deike stated no others had and requests for proposals were only sent to these groups.

The City Council discussed dividing the funding between the other groups if RWJCC does not submit an application.

Approval of the resolutions and the agreements will be scheduled for the Regular Session on March 28, 2023.

Arts and Entertainment Board Restructure

Brittany Arizmendi, Community Engagement Officer, was present to review the Arts and Entertainment Board Restructuring.

In 2022, an A&E Advisory Council was created to oversee the A&E District. With only a few members to this council and 1-2 attendees at each meeting, City staff decided to restructure in January, 2023. The Office of Community Engagement established an Arts and Entertainment Management Board to oversee the Hagerstown Arts and Entertainment District. The A&E Management Board consists of 36 selected members from the arts and entertainment community. Within the board, there are four different

work groups: Entertainment, Marketing and Branding, Professional Development and Grants, and Public Art and Design. Each member has selected a work group. The Board meets every other month and work groups meet as necessary.

This model has proven to be effective over the past 3 months in comparison to the former A&E Advisory Council. The goal of this board is to foster involvement from the arts and entertainment businesses, community members, and key stakeholders in order to activate the entire community into planning and hosting events versus City staff overseeing all efforts.

With the retirement of the City Engineer, members of the former Public Art Commission will now be part of the Public Art and Design work group.

Ms. Arizmendi distributed a downtown flyer with a listing of City events. It does not include all the other events City staff works with. Bloom Alley focuses on how to create a community art space that includes studios and contemporary art space. Bloom Alley is currently hosting the group. This idea was borne out of the larger A&E Management Board and then refined during the smaller meetings. It is exciting that people are taking ownership of their ideas and succeeding.

Invest Hagerstown Update – FY22 and FY23

Christopher Siemerling, Economic Development Specialist, and Kameron Shives, Community/Business Development Finance Specialist, were present to provide a final report on FY22 for the Invest Hagerstown program, and to provide an update on the Invest Hagerstown Program for the current FY23.

For FY22, \$ 819,000.00 was budgeted under the Invest Hagerstown program. With redirecting forfeited funds and transfers from previous years, \$ 855,165.72 was committed providing the following results:

1. \$ 12.1 million worth of investment
2. 97 jobs created
3. 36 new apartments created
4. 39 apartments renovated
5. 15 new homeowners

For FY23, \$ 855,000.00 was budgeted under the Invest Hagerstown program. This year, \$ 806,508.70 of grant funding has been either disbursed or committed for redevelopment resulting in the following:

1. Approximately \$ 10.3 million worth of encouraged investment
2. 82 jobs expected to be created within the next 2 years
3. 20 new apartments created
4. 6 existing apartments renovated
5. 19 new homeowners – primarily first-time homebuyers.

Staff is seeking direction related to the current total remaining balance of funding of

\$ 78,000.00 and any forfeited/transferred funds from the current and past fiscal years, excluding any forfeited City Center Redevelopment Grants. Staff seek the ability to use this funding across any of the program components on a first come, first served basis for the remainder of FY23.

Mr. Nicewarner pointed out any leftover funds can be rolled into the next year. Ms. Hepburn stated the money to invest through this fund is restricted for just this program. It cannot be used anywhere else unless directed by the elected body.

Councilmember Aleshire noted that in just about every block in the City, there is a house or apartment that needs to be fixed up or is vacant. He pointed out this funding can be used for projects all over the City and there is no restriction on the cost of a potential home purchase.

Councilmember Schindler would like this program advertised more so citizens know it is available. Mr. Nicewarner stated it would be nice to see the projects identified on a map of the City.

Councilmember McIntire thinks it would be nice to recognize the new homeowners. Councilmember Bruchey suggested asking them to attend a Mayor and City Council meeting.

Mr. Siemerling noted staff is working on the project mapping Mr. Nicewarner mentioned. Staff is also working on additional marketing. He stated this program has encouraged investors and developers to come to Hagerstown from other areas. They are coming here because of the Invest Hagerstown program.

It was the general consensus to use the remaining funding for any of the program components on a first come, first serve basis as requested by staff.

A-2023 01 Bostetter Properties Annexation Plan

Joanna Wu, Planner, and Kathleen Maher, Director of Planning and Code Administration, were present to discuss the potential annexation of Bostetter Properties on Broadfording Road.

Planning staff received the annexation petition on March 7, 2023 from The Bostetter Group to annex the property at 17601 Broadfording Road into the City. The property is contiguous to the City and within the Medium Range Growth Area and fronts McDade Road and Broadfording Road. The annexed area is approximately 80 acres, with proposed City zoning being RMOD (Residential-Moderate Density), which is the City's closest zoning to the existing RT zoning on the property.

The developer plans to build a single-family home community at a density allowed in the RT. The zoning is consistent between the County and City. The Historic Farmhouse on the property will be annexed into the city as a potential landmark.

The Annexation Petition includes specific language regarding taxing. To protect the owner from a developer backing out of the project, they have requested for the property to be taxed based on the pre-annexation assessment value in SDAT until the first of the following occurs: 1) The tract is sold, 2) Recordation of Final Plat dividing the property into multiple new lots for development and sale, or 3) ten years have passed since the effective date of the Annexation Resolution. The Unger Annexation did result in loss of the developer and a large increase in the tax assessment.

Staff has conferred with the Washington County Public Schools regarding school capacity. Water will be served by the City and the applicant has requested an amendment to the JSSA for wastewater services. This annexation will not involve taking ownership of the County roads. Public safety services will be by City Police, City Fire, and Community Rescue Service. Electric utility service is provided by Potomac Edison. The property adjoins Jonathan Hager Elementary, which includes a playground open to the public.

The Planning Commission reviewed the Annexation Plan on March 8, 2023 and recommends the proposed zoning of RMOD.

There were no questions from the Mayor and City Council at this time.

Acceptance of the Petition for Annexation, introduction of the Annexation Resolution, and adoption of the Annexation Plan will be scheduled for consideration during the March 28, 2023 Regular Session.

A-2023-02 Blaine Properties Annexation Plan

Joanna Wu, Planner, and Kathleen Maher, Director of Planning and Code Administration, were present to discuss the potential annexation of Blaine Properties on McDade Road and Swann Road.

Planning staff received the annexation petition on February 24, 2023 from Burkentine Real Estate Group to annex the property on McDade Road and Swann Road. The property is contiguous to the City and within the Medium Range Growth Area. The annexed area is approximately 28 acres, with proposed City zoning being RMED (Residential-Medium Density). Current zoning in the County is RT (Residential Transitional) zoning. Washington County will need to grant express approval for the zoning change since RMED allows uses not permitted in RT and at higher densities.

The developer plans to build a luxury townhome community. The zoning is not consistent between the County and City, but an argument can be made as RT zoning may not be appropriate given the adjacent zoning.

Staff has conferred with the Washington County Public Schools regarding school capacity. Water will be served by the City. Wastewater service would either be 1) the County with the new main being built on McDade or 2) by upgrade to the pump station in Hager's Crossing (JSSA amendment). This annexation will not involve taking in the

County roads. Public safety services will be by City Police, City Fire, and Community Rescue Service. Electric utility service is provided by Potomac Edison. The property adjoins Jonathan Hager Elementary, which includes a playground open to the public.

The Planning Commission reviewed the Annexation Plan on March 8, 2023 and recommends the proposed zoning of RMED. The Commission felt there was merit to the applicant's argument that the County's least dense residential zoning is perhaps no longer appropriate given its proximity to the Hager's Crossing PUD in the City and the County's Planned Industrial zoning across the street. Additionally the applicant's plan for development is at the density of what the County's RS allows for semi-detached dwellings.

There were no questions from the Mayor and City Council at this time.

Acceptance of the Petition for Annexation, introduction of the Annexation Resolution, and adoption of the Annexation Plan will be scheduled for consideration during the March 28, 2023 Regular Session.

Hagerstown Field House Lease

Rodney Tissue, City Engineer, was present to discuss the lease for the Hagerstown Field House.

As the City moves forward with the design of the construction drawings, the project is closer to being "shovel ready". Accordingly, the Lease needs to be finalized for the operation of the facility once it is complete.

A copy of the draft lease with Eastern Sports Management (ESM) to operate the facility was provided. Some highlights are as follows:

Financials:

1. The lease term is 20 years
2. Basic Rent is \$ 1 annually
3. Additional Rent is any sums paid as Payment in Lieu of Taxes, Admission and Amusement taxes and any profit sharing
4. Revenue Sharing is equivalent to fifty percent (50%) of the Net Operating Income (Total Revenue less the defined Eligible Operating Expenses) for each quarter
5. Minimum Payment Commitment: In the event that the collective annual sum of Rent, Additional Rent, Admissions and Amusement Taxes, and Revenue Sharing does not exceed \$ 250,000 annually, ESM will pay the difference. This \$ 250,000 will be used by the City as debt service on the construction bond.
6. Capital Reserves: ESM shall create, fund, and maintain a Capital Reserves Account as a separate account that shall be used for capital expenses, including but not limited to roof repair and replacement and parking lot repaving, regardless of the party responsible for such expenses under the

provisions of this Agreement Tenant shall obtain consent of the City for all expenditures made from this account. Tenant shall add at least \$ 125,000 to the Capital Reserves annually with a 20 year total estimated at \$ 2.2 million.

Operations:

1. The City will own the facility and maintain the building walls, roof, foundation, stormwater management, major building operating systems and site landscaping per Section 5.1
2. ESM can sell the building “Naming Rights” and the funds will be placed in the Capital Reserve Fund per Section 5.3
3. ESM will submit a monthly financial statement to the City’s Chief Financial Officer per Section 4.6
4. The facility will have food and beverage sales including alcohol per Section 5.4
5. Default remedies are outlined in Section VIII

Councilmember Aleshire is not in favor of selling the naming rights for the building itself. Any name has to be representative of the City of Hagerstown. There will be plenty of opportunities for naming rights inside the facility if ESM wants to sell those rights. The recognition of the building needs to be associated with this community. Other Councilmembers agreed with Councilmember Aleshire.

Mr. Tissue stated ESM has a portfolio of agreements they use in other areas and they are comfortable with the terms in the City’s agreement.

Councilmember Aleshire thinks the planned restaurant adds an ambience that many other facilities don’t have. He thinks that will contribute to how much families and kids want to spend time there, even when they aren’t involved in a game.

Mr. Nicewarner stated one of the goals of the amenities is to provide visiting teams an opportunity to eat on site.

Councilmember Aleshire has been approached by both North Hagerstown High School and South Hagerstown High School representatives asking if the field house will have enough seating for fans for high school basketball and volley ball games. They are having difficulty finding a space to accommodate the spectator turnout. They have not been able to schedule any games at the Athletic, Recreation, and Community Center (ARCC) at Hagerstown Community College.

Mr. Tissue stated there is enough space but bleacher seating is very limited. Mr. Nicewarner stated he doesn’t see how the field house design would accommodate a large group of spectators.

Councilmember Bruchey pointed out games could be held in the new stadium if the weather is good. Councilmember Aleshire stated that would be a possibility if there is a court. Mr. Tissue pointed out preliminary plans show use for football and other sports.

The agreement will be amended to reflect the naming rights change. Staff will continue working with ESM and review an updated draft with the Mayor and City Council at a Work Session.

Public Art Proposal – Remainder of the City-owned Land Near Park Circle

Rodney Tissue, City Engineer, was present to review a proposal for public art. In February, 2022, when the City Council approved the Agreement for the construction of the Clara Barton Memorial, the motion specifically directed staff to develop a concept plan for the rest of the City-owned triangular-shaped lands for the possible inclusion of interactive art related to the innovation/history of the City. Based on public input, the plan was finalized and endorsed by the Council in June of 2022. Staff have since prepared the construction drawings to improve the triangle as well as developed a “call” for artists.

Working with the Arts Council, the City received four responses to the “call” and the Public Art Commission interviewed the artists and shortlisted two. The two artists presented their designs to the Commission earlier today.

The Art Commission is unanimously recommending selection of Train of Thought by Mary Ann Meers. The art consists of two tracks with color shapes on each. Each shape will feature a quote from a children’s book specifically related to trains. The art will be interactive with kids. Ms. Meers is hoping to develop a partnership with the library to increase literary interest, which is also a subtle hint of the themes the City has discussed – the bookmobile, the library, and interaction.

Councilmember Aleshire stated this is a great incorporation of what the Mayor and City Council talked about.

Mr. Tissue indicated staff will apply for a Maryland State Arts Council (PAAM) Implementation Grant to create and install the art if authorized to do so. If the grant is obtained, an agreement with the artist will be developed and the installation would be in the spring of 2024.

It was the general consensus to endorse the selected design and to authorize staff to apply for Public Art Across Maryland (PAAM) grant funding for the art concept.

CITY ADMINISTRATOR’S COMMENTS

Scott A. Nicewarner, City Administrator, congratulated the Hagerstown Lions Club on the 100th anniversary of their Charter. The event was a nice evening to recognize their contributions to the community.

The vibrancy of downtown during the St. Patrick’s Day run was amazing. He thanked staff who participated with the event. He congratulated his wife Tressa who walked a full mile, even though it is just shy of a year ago she had open heart surgery.

He intends to create a group of 35 year old and under employees to discuss what drew them to local government and what the City can do to keep them here. He hopes to bring a proposal to the Mayor and City Council in late summer or fall.

MAYOR AND COUNCIL COMMENTS

Councilmember S. McIntire welcomed Councilmember Schindler to the table. She is looking forward to working with him.

Councilmember R. E. Bruchey, II congratulated Councilmember Schindler. He is looking forward to productive work sessions.

Councilmember T. Burnett also congratulated and welcomed Councilmember Schindler.

Councilmember K. B. Aleshire also welcomed and congratulated Councilmember Schindler. He thinks the Council made the best selection through the interview process.

Councilmember Aleshire stated the Maryland International Film Festival is featuring the film Extra Innings which is a story of Linn Hendershot's life. The film will be shown on March 24, 2023 at 2:00 p.m. at the library. Councilmember Aleshire had the privilege to serve on Council for 4 years with former Councilmember Hendershot. Former Councilmember Hendershot is probably the most interesting and courageous man he had the pleasure of meeting and working with. Former Councilmember Hendershot did not sleep on any issue. He had a list of 100 things he was still working on when he passed away. Councilmember Aleshire hopes he has been able to complete some of those things on the list.

Councilmember M. Schindler thanked everyone for the welcome. He appreciates the opportunity to serve on the Mayor and City Council. Mayor Martinez has said Hagerstown is good ground and that is the truth. He hopes the work done at this table plants the seeds and makes Hagerstown attractive.

Mayor T. Martinez welcomed Councilmember Schindler. She announced student films will also be shown at the library on Thursday as part of the International Film Festival. She and other Councilmembers will be attending the red carpet event.

Spit Your Peace will be held on Sunday, March 26, 2023 at the Black Box Theater. Anyone can sign up to speak and attend.

She thanked her friends for the celebration at the Maryland Theatre this past weekend.

Mayor Martinez urged parents and adults to talk to their young people about bicycle safety. A lot of kids on bikes are blocking traffic, cussing, and causing issues. They are putting themselves in harms way by doing those things.

EXECUTIVE SESSION, SPECIAL SESSION (63RD VOTING SESSION), AND WORK SESSION
MARCH 21, 2023
MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Mayor Martinez received a request for a letter of support for the investors and other interested parties for the Surrey Hospitality project. It was the general consensus to provide the letter as requested by the Department of Community and Economic Development staff.

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 5:47 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: April 25, 2023