

EXECUTIVE SESSION, WORK SESSION, AND SPECIAL SESSION (72ND VOTING SESSION)
JULY 18, 2023
MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND
EXECUTIVE SESSION, WORK SESSION, AND SPECIAL SESSION (72ND VOTING
SESSION) – July 18, 2023

EXECUTIVE SESSION – July 18, 2023

Mayor Martinez called the Executive Session to order at 3:02 p.m.

Councilmember R. E. Bruchey, II made a motion to meet in closed session to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State; (#40 (Section 3-305(b)), and to consult with counsel to obtain legal advice; (#7) (Section 3-302(b)), on Tuesday, July 18, 2023 at 3:02 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland. Councilmember M. J. Schindler seconded the motion.

Motion carried with Councilmember K. B. Aleshire voting No.

Mayor Martinez announced the Executive Session agenda item to consult with the City Attorney is being removed from the agenda.

Participating with the Mayor were Councilmembers K. B. Aleshire, R. E. Bruchey, II, and M. J. Schindler, City Administrator Scott Nicewarner, Michelle Hepburn, Chief Financial Officer, Kathleen Maher, Director of Planning and Code Administration, Chris Siemerling, Economic Development Specialist, Joanna Wu, Planner, and City Clerk Donna K. Spickler. Councilmember T. Burnett and Councilmember S. McIntire were not present.

The meeting was held to discuss a business proposal. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:36 p.m.

WORK SESSION AND SPECIAL SESSION (72ND VOTING SESSION) – July 18,
2023

Mayor T. Martinez called this Work Session and Special Session (72nd voting session) of the Mayor and City Council to order at 4:01 p.m., Tuesday, July 18, 2023, in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, R. E. Bruchey, II, and M. J. Schindler, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler. Councilmember T. Burnett and Councilmember S. McIntire were not present.

Preliminary Agenda Review

Mayor Martinez announced that Citizen Comments for the July 18, 2023, Regular Session will be welcome either in person or by submitting comments by email to councilcomments@hagerstownmd.org by 5:00 p.m. that day. If by email, the submitter's name, address, and a summary for 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. Engineering:

1. AutoCAD Renewal Subscription for FY23 – DLT Solution LLC (Herndon, VA) \$ 10,260.13
2. Purchase of Blue Recycling Totes – Rehrig Pacific Company (Los Angeles, CA) 4 26,859.00

B. Human Resources:

1. Liability and Property Insurance – Local Government Insurance Trust (LGIT) (Hanover, MD) \$ 637,438.00

C. Public Works:

1. 2020 John Deere ProGator Sprayer – Finch Turf, Inc. (Eldersburg, MD) \$ 36,995.00
2. Handrailing at City Park and Pangborn Park – Long Fence (Ijamsville, MD) \$ 26,200.00
3. Replace Roof at Fairgrounds Park Concession Stand – Advance Construction, LLC (Hagerstown, MD) \$ 20,450.00
4. Open Container Exemption for Anniversary of Hip Hop – University Plaza, August 19, 2023

D. Utilities:

1. Water – Peerless Pump Rotating Assembly – Shafer, Troxell & How, Inc. (Frederick, MD) \$ 26,710.00
2. Water – IFIX GE Software Support Renewal – GE Digital, LLC (San Ramon, CA) \$ 10,741.79
3. Wastewater – Effluent Process Analyzer – ChemScan, Inc. (Waukesha, WI) \$ 87,263.00
4. Wastewater – HVAC Systems – MS Johnston CO., Inc. (Hagerstown, MD) \$ 72,390.00
5. Wastewater – US Filter Scrubber Chemicals – Source Technologies, LLC (Lexington, KY) \$ 28,800.00
6. Wastewater – Replacement Ballast and Control Cards for Ultraviolet Power Station Units – Veolia Water Technologies Treatment Solutions USA, Inc. (Leonia, NJ) \$ 14,882.35
7. Wastewater – Pelletizer Operations Contract (July 1 – September 23, 2023) – Synagro (Baltimore, MD) \$ 420,000.00
8. Wastewater – Pump Station 8 Wet Well Lining Change Order # - Pleasants Construction, Inc. (Clarksburg, MD) \$ 25,900.00

**Approval to Apply for the BJAG – CRO/COAT OT Grant,
Approval to Accept the Community Program Fund Grant
Approval to Accept the Maryland Criminal Intelligence Network Grant**

Captain Thomas Langston stated the Hagerstown Police Department wishes to apply for and/or accept three separate grants. One grant will cover the cost of extending the City-wide camera program to the King Street area. Other grant funding will fund a community resource program and a crisis outreach team to specifically address homelessness and vagrancy.

Councilmember Bruchey asked the status of hiring part-time employees to address juvenile issues. Captain Langston stated this has been discussed with the Department of Human Resources and comments from the AFSCME 3373 union are anticipated.

This completed the Preliminary Agenda Review. There were no additional questions about any items. All items, unless noted, are scheduled for approval on July 25, 2023.

50th Anniversary of Hip-Hop Celebration

Eric Deike, Director of Public Works, and Kalim Johnson, The African American Aggregate Association, were present to discuss the 50th Anniversary of Hip-Hop Celebration. Mr. Deike, Director of Public Works, stated he has worked with Mr. Johnson and Jay on a number of successful events.

Mr. Johnson stated the anniversary of Hip Hop is a new event this year. He understands some concerns about potential violence have been expressed. He is requesting the use of University Plaza for the event instead of Wheaton Park because alcohol is allowed there. Another reason to not hold the event in Wheaton Park is that the artists were robbed there several years ago, and they don't want to go back. It is his responsibility to find the best place for the event for the artists and the audience. He anticipates about 15 vendors and about 875 attendees. Ticket sales opened on Friday and the event was sold out by Sunday. This event will be run the same way they always run events.

Mr. Nicewarner stated 5,000 people showed interest in the Facebook post and that was concerning. How Mr. Johnson handled the ticket sales is how City staff wishes all organizers would handle events. He would like to see the event increase in popularity because it is too large for University Plaza.

Mayor Martinez thanked Mr. Johnson for how he collaborates with and engages people around Hagerstown. She appreciates how he engages people who haven't felt they are part of the artist community. She thanked him and his wife for their professionalism and outreach.

911 Memorandum of Understanding (MOU) Discussion

Scott Nicewarner, City Administrator, provided a review of the proposed 911 MOU. Today, the Washington County Board of County Commissioners approved the MOU submitted to them by the City earlier this year regarding payment of the County for 911 services, with some minor modifications. The highlights of the MOU are as follows:

1. The parties agree the \$ 1,216,890 arrearage identified by the County will constitute the County's contribution to the Hagerstown Sportsplex (aka Fieldhouse) with no money changing hands.
2. The City will pay the County the following amounts to satisfy obligations and contributions staffing the 911 enter to be paid on July 1 of the fiscal year as follows:
 - a. FY24: \$ 304,500
 - b. FY25: \$ 203,000
 - c. FY26: \$ 102,500
3. Upon the FY26 payment, the City's obligation is satisfied and extinguished. The County will staff, maintain, and operate the 911 Center at their own expense.

Mr. Nicewarner stated staff would like to thank the City Council, former County Administrator Martirano, Interim County Administrator Gordon and the County Commissioners for the contribution to the fieldhouse and to the commitment towards resolution to this issue.

It was the general consensus to include approval of the MOU on the July 25, 2023, Regular Session agenda.

Field House Update

Michelle Hepburn, Chief Financial Officer, Jim Bender, City Engineer, Eric Deike, Director of Public Works, and John Wack, Eastern Sports Management, were present to provide a status update of the Hagerstown Field House.

The City's partner, Eastern Sports Management (ESM), continues work to finalize all documents needed to bid and start construction. As a reminder, two phases of planning have been completed and are currently in the final phase of the architecture and construction drawings. A Development Agreement has already been completed and executed during the February 28, 2023 Regular Session. Lease Agreement discussions continue with ESM staff, ESM attorneys, City staff, and City attorneys and hopefully will be ready for Mayor and Council discussion by September. ESM applied for building permits on July 13, 2023. A draft Request for Proposals (RFP) is being compiled and reviewed by ESM staff. A complete draft will be sent to City staff to review with ESM during the week of July 17, 2023.

A schedule that outlines the various funding sources related to this project was provided with the meeting material. The total anticipated cost is \$ 15,361,535 and

funding is from a combination of grants, future bonds, and other local funds. The remaining amount to be secured is \$ 9.3 million. Staff has been proactive in trying to find funding from other sources.

One component is a State Capital Grant. The City is waiting to get approval through the Department of General Services (DGS) and Board of Public Works (BPW) for the 2022 grant of \$ 500,000. The project was on the May 17, 2023 Board of Public Works Agenda. It was pulled at the last minute. DGS reached out to City staff last week and said a revised agreement was required as it was originally for \$ 1 million and it can only be for \$ 500,000. The pre-agreement has been submitted. A signed resolution for the Mayor and City Council and the grant agreement is required before DGS will even consider placing the grant on the BPW agenda. The following list is a timeline of the process for the grant:

1. City send paperwork to DGS staff and MHT – completed in November 2022
2. DGS staff reviews and sends grant agreement to City – completed in February 2023
3. City executes grant agreement – March, 2023
4. DGS coordinates approval on BPW agenda – initially scheduled on May 17, 2023, and was removed. A revised application was sent to DGS staff on July 13, 2023. A revised grant agreement is scheduled for acceptance later in this meeting. Anticipate that signed grant agreement will be returned to DGS on July 18, 2023 to await a new meeting date on BPW agenda.
5. City and ESM can place RFP- must be placed for at least 30 days to be compliant with State capital grant procurement regulations
6. City and ESM simultaneously prepare Mayor and Council award and route paperwork to DGS staff for necessary BPW approval of vendor selected – per DGS staff, BPW agenda and approval could take up to 60 days
7. Construction and reimbursement of costs

Due to the changes that were required by the State after pulling the City's initial grant paperwork from the BPW, it is necessary to adopt a revised grant agreement. A copy of the original agreement is attached with the memo for reference and the new revised documents are included in the packet for adoption later today. The only change within the grant agreement is that the amount has been changed from \$ 1 million to \$ 500,000, as the City did not meet the restrictions placed in the legislative document regarding adaptive reuse of the old stadium site and notification of all parties listed in the legislative document "Grantee may use grant funds for the following purpose only ("Project"): for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the Hagerstown Field House, provided that \$ 500,000 of this authorization may not be encumbered or expended until Preservation Maryland, Eastern Sports Management, and the Hagerstown-Washington County Convention & Visitors Bureau conduct a historical survey and study of the adaptive reuse of Municipal Stadium prior to the demolition of Municipal Stadium located in the City of

Hagerstown. The findings of the historical survey and adaptive reuse study shall be submitted to the budget committee by December 1, 2022 and the budget committees shall have 45 days to review and comment (Washington County).”

Mr. Wack will attend the August 8, 2023 Work Session for a more in-depth discussion with timelines, merchandising, and logo options. The developer’s agreement was approved on February 28, 2023. ESM and staff continue working through the lease agreement and there are 2 exhibits needing final information. The attorneys are reviewing the agreements. Approval will be scheduled no later than September in order to meet the established completion schedule. Permits are under review and an RFP will be released in mid-August, with a submission date in mid-October.

Staff are recommending moving forward with the construction vendor selection and approval through the BPW at the same time the grant is being scheduled before the BPW.

Councilmember Aleshire appreciates the Board of County Commissioners recognizing this is not a City of Hagerstown project. The reality is this is a venue space that will be utilized by the kids in the community who currently travel to other facilities to play. He believes the field house will be used every day. It will be critical to have the County’s buy in to create the success that is going to happen. He thinks the State has seen the importance of this type of project to keep in the State and not traveling to Pennsylvania or West Virginia. The Hagerstown Field House will draw players from Cumberland, Maryland, Chambersburg, Pennsylvania and other locations. One of the hardest things will be that ESM will struggle sooner rather than later to keep it affordable and available for all the different types of activities that kids and families will want in the community. He thanked the Governor’s office and State Legislature for the support of the project. He thanked Delegate Grossman for her assistance where it was needed for removing the unfortunate politics that created the delay in funding for a very simple project. He has faith in Mr. Wack and his crew and City staff that they will expedite the timeframe. He noted the amount ESM anticipates paying back to the City has increased with every review of the project because they think it will be successful too. People say this is his project but it isn’t really. It was an answer to what could be done with the former stadium site to meet the needs for the community. He pointed out the Softball League at Fairgrounds Park has been extremely successful with hotels and restaurants being filled during tournaments.

Approval of the required resolution of support for the grant application is scheduled for later in this meeting.

Yiftee – Downtown Gift Card for Main Street Program

Brittany Arizmendi, Community Engagement Officer, was present to provide information on Yiftee, a downtown gift card. Several Maryland Main Street communities use this gift card to help increase traffic at local retail shops and restaurants, especially during the holiday season.

There is no cost to the City for the program. Yiftee sets up the website. The City sets the boundaries, typically geographically, which will be unique to Hagerstown. A person can purchase a \$ 100 gift card and the recipients will be able to spend it at multiple places. Ms. Arizmendi stated this will modernize the gift card experience and how downtown operates.

Councilmember Schindler asked if any business within the City limits can apply to participate.

Councilmember Aleshire asked if a gift card can be used at the Farmers' Market.

Ms. Arizmendi stated both are good questions. She does not have a definite answer at this point.

It was the general consensus to approve the program and authorize the contract with Yiftee to be completed.

2023 Vintage Markets

Brittany Arizmendi, Community Engagement Officer, and Jen Mulledy Graybash, Foundry Pop-Ups, were present to discuss an idea for an event.

Ms. Graybash, The Foundry Pop-Ups, 6 N. Potomac Street, Hagerstown, Maryland, is interested in hosting an outdoor monthly Vintage Market in the Elziabeth Hager Center Parking Lot. The Foundry will be hosting their first Vintage Market on Saturday, July 22, 2023. If successful, they would like to host this on a monthly basis. She stated they have 20 paid vendors for the first event, with 20 more expressing interest.

Ms. Graybash is seeking approval from the Mayor and City Council to utilize the Elizabeth Hager Parking Lot one Saturday a month through November, 2023. The goal is to increase foot traffic downtown and offer additional retail options. The market hours are from 9:00 a.m. to 3:00 p.m.

Councilmember Aleshire asked if the first level of the parking deck could be used in case of inclement weather. This will be researched.

It was the general consensus to permit the market to be held as described.

Ms. Arizmendi noted the Wednesday MDWK Music and Market continues this week with music, artisan market, beer garden, and food. Thursday Morning Storytime at University Plaza features Bings and Pots this week. The Farmers Market will be held on Thursday at 25 W. Church Street. There will be a bounce house there and free freeze pops. Watches and Whiskey is being held on Saturday and Sunday at the Potomac Walk on South Potomac Street. The previously discussed Vintage Market will be held on Saturday.

Annexation of 13-17 Western Maryland Parkway

Joanna Wu, Planner, was present to review annexation of 13-17 Western Maryland Parkway. It is a goal of the Mayor and City Council to ensure that the City of Hagerstown has a diverse, business-friendly economy that supports the community's needs. In order to implement that goal, the Mayor and City Council have prioritized the review of pre-annexation agreements and the exploration of new possibilities for annexation opportunities. Annexation, particularly of properties utilizing City services, is a fiscally responsible way to grow the assessable base and ensure that the customers and citizens continue to benefit from high-level municipal services and outstanding quality of life.

As a result of this initiative, the two office buildings at 13 and 17 Western Maryland Parkway are recommended to be annexed into the City. This property is contiguous to the City via annexation of 2 Western Maryland Parkway, which became effective July 1, 2023. These properties are subject to annexation under the terms and conditions of the 2005 pre-annexation agreement (WS-2005-01). A letter was sent to the property owners on July 1, 2023 informing them of this annexation.

The area of the property is approximately 10.59 acres. The proposed City zoning is I-MU. The current County zoning is ORT. It is within the City's Medium Range Growth Area (MRGA), the County's Urban Growth Area (UGA), and the State's Priority Funding Area (PFA). Water and Wastewater service is provided by the City. Electric service is provided by Potomac Edison. Maintenance of the rights-of-way will be performed by the State Highway on Western Maryland Parkway and the County on West Washington Street. The assessed value of the two properties is \$ 26.35 million (as of July 1, 2023).

The Planning Commission reviewed the annexation plan and reviewed the proposed zoning on July 12, 2023 and recommends the proposed zoning of I-MU.

The next steps would be approval of the annexation plan and introduction of the annexation resolution. It was the general consensus to include both these actions on the July 25, 2023 Mayor and City Council Regular Session agenda.

Proposed Invest Hagerstown/PEP Guidelines Update

Chris Siemerling, Economic Development Specialist, was present to review proposed guideline updates to the Invest Hagerstown and Partners in Economic Progress (PEP) Programs. The updates are proposed to respond to market changes and to ensure the programs are updated in a timely manner.

The following updates are proposed:

1. PEP: Clarification that PEP Funding is utilized after any and all Local/State/Federal commercial rental assistance programs and not just Project Restore cases.
 - a. Change of lease terms may be required for applicants utilizing these programs

2. PEP: Proposed expansion of Commercial Tenant Rental Assistance PEP benefit to include storefronts for retail/restaurants.
3. PEP: Proposed increase of the total maximum Commercial Tenant rental Assistance PEP benefit incentive from the existing \$ 24,000, to a maximum of \$ 30,000
4. PEP: Proposed addition of a time limit of five years for Commercial Tenant Rental Assistance PEP benefit and Permit Fee Waivers for tenant fit out after project completion.
 - a. Effective for new applications if approved by Mayor and Council
 - b. Existing approved buildings past the 5-year timeline will receive a letter detailing eligibility status.
5. IH City Center and PEP: Proposed requirements of a property Code Analysis and building permit for the entire building.
 - a. This would be a proactive approach to ensure the entire building is brought up to Code, and no confusion regarding required work takes place.
 - b. This would be a condition of the PEP agreement, and not an additional submission requirement by the developer.
6. IH: Proposed requirement of walkthroughs of applicant properties with projects that are defined as “In Progress”, with no more than 15% of total work completed by cost, excluding contractor deposits, at time of application for the proposed scope of work they are applying for.
7. IH: Proposed change for Invest Hagerstown projects that are in-process. The applicant will be required to demonstrate expenditures equal to the grant and required match to work that was completed within 30 days prior to date of approval and the required date of completion.
 - a. This would change from the current 90 days prior to date of arrival.
8. IH City Center and PEP: Proposed requirements of providing “As-Build” drawings upon project completion.
 - a. This will assist with the administration of PEP benefits.
9. IH City Center and PEP: Clarification of Core Systems to include:
 - a. All floors shall be flat and non-trip.
10. IH: Proposed requirements that if applicant is not the owner of the property, a lease is a required attachment. Applicants must then demonstrate they are responsible for the expense of the scope of work proposed.

Councilmember Aleshire asked if the building permit requirement in Item #5 applies to projects that are currently in the PEP process. Mr. Siemerling stated those projects fall under the previous guidelines. This requirement will allow staff to help identify concerns for new projects before finalized plans are made.

Councilmember Aleshire asked what the benefit is of changing the time frame for expenditures to be submitted in Item #7. Mr. Siemerling stated this requirement will allow project reimbursements to move forward in a timelier manner.

Councilmember Aleshire asked if the lease will be in lieu of the affidavit from the owner stating the tenant has permission to complete the project. Mr. Siemerling stated a Letter of Intent, or a lease provides enough information to review the project through the Invest Hagerstown program. Many leases include tenant improvement language so if a developer is proposing they are taking on a percentage of the cost it would not be attributed to the tenant. Councilmember Aleshire clarified this will prevent someone from applying in multiple ways for the same project.

Councilmember Bruchey asked if Item #5 would require a tenant, who doesn't own the building, with a project within their space, to be responsible for the entire building to meet all Code requirements. Mr. Siemerling stated most tenants would not take on the large expense for property they don't own. To date, only property owners have applied for the PEP program because of the large investment threshold in order to qualify for the funds. Staff expects that to continue. The requirement is to ensure there are no code issues that have not been addressed.

Councilmember Bruchey asked if a property owner who wanted to apply for the PEP program with a project to be completed in phases would be required to make the entire building compliant before PEP funds could be used. Mr. Siemerling stated the building would have to be in shell condition, not necessarily in fit out condition. Councilmember Bruchey expressed his concern that the requirement would prohibit the owner from renovating space for a confirmed tenant.

Councilmember Aleshire pointed out the proposed guidelines do not specifically state this. Mr. Siemerling stated the existing guidelines for Invest Hagerstown City Center and PEP programs already includes the requirement for the building to be in shell condition.

Councilmember Schindler clarified that the requirement is that the building has to be in shell condition is already included in the guidelines and now the requirement is the building is brought up to code. Mr. Siemerling indicated that is correct.

Councilmember Aleshire stated there are many buildings in Hagerstown that would require a complex renovation plan, such as the former YMCA building. Some areas would be easier to make usable than others.

Mr. Siemerling stated some of the PEP benefits further incentivize bringing the building to full status to be eligible for tax credit benefits.

Mr. Nicewarner asked if there was a particular reason this was included. Mr. Siemerling stated there have been other projects where the level of work was completed for one part of the building without addressing other code issues. If all the code issues had been addressed at the same time it would have caused less frustration for everyone.

Councilmember Aleshire is not in favor of including the language proposed for Item #5.

Kathleen Maher, Director of Planning and Code Development, stated the PEP program requires that the entire building be brought up to Code. The challenge for staff is when someone presents a project that is not a full gut but more tinkering around and a piecemeal project. PEP cannot be done in layers. The building has to be in a specific condition before it is eligible for tax incentives.

Councilmember Schindler asked if Item #5 only comes into play when the two incentives are used. Mr. Siemerling noted most Invest Hagerstown programs include the same requirements.

Councilmember Bruchey thinks Item #5 is an attempt at a proactive approach to ensure the entire building is brought up to code.

Councilmember Aleshire asked if the requirements for the entire building being code compliant are the same for both the PEP program and Invest Hagerstown. Mr. Siemerling stated it would be an and/or situation.

Mr. Nicewarner recommended allowing staff to work on language for Item #5 for further review.

Councilmember Bruchey stated he understands and applauds staff for the intent. He is concerned the proposed language will stifle progress. He agrees there has to be standards, but he doesn't want those standards to discourage development.

Mr. Siemerling noted there are a number of different programs that can assist with large property developments. Only two are awarded each fiscal year because of the large financial commitment. The programs are intended to encourage large redevelopment projects.

Mr. Siemerling stated PEP standards are encouraged so a future business can move in the space as well and be assured there are no code issues.

Ms. Maher stated if a Code Analysis isn't completed with the first project in a building people aren't aware of the issues. Requiring the Code Analysis in the PEP standards ensures everyone knows at the beginning what is needed.

Jill Thompson, Director of Community and Economic Development, stated the Code Analysis is a tool that allows a developer to understand the condition of the building upfront. Both the City Center and PEP programs include core requirements that the building be brought up to minimum standards. The Code Analysis simply says that as soon as the applicant receives the approval letter, staff asks them to engage an architect or professional analyst so the developer is aware of what is required.

Mr. Nicewarner stated staff will draft language for Item #5 for further review when there is a full Council present.

Review of Lease Holdover Extension for DLLR

Doug Reaser, Economic Development Manager, was present to review a lease holder letter with the State of Maryland.

The Maryland Department of Labor, Licensing and Regulation, Division of Occupational Health (DLLR) currently leases approximately 11,140 square feet located at 2-6 N. Potomac Street (Elizabeth Hager Center) from the City. The Department of General Services (DGS) has requested an additional extension of a holdover request of the lease from January 29, 2007. This will be the second holdover request as the 6-month term was from February 1, 2023 to July 1, 2023. The new term will be from August 1, 2023 to January 31, 2024.

The current rent is \$ 167,100 per year (\$15/ft). The State and County are acting in good faith and all rental payments are current. The City is working the DGS and DLLR to extend the lease for 10 years. The City has a signed letter of intent. The extension of the holdover will enable additional time to get finalized drawings of proposed tenant improvements and a lease executed.

It was the general consensus to move forward with a letter to extend the lease holdover.

Tax Sale Properties

Paul Fulk, Neighborhood Services Manager, and Kathleen Maher, Director of Planning and Code Administration, were present to discuss tax delinquent properties withheld and vacant land properties not sold at the recent tax sale held by the Washington County Treasurer's Office on June 6, 2023.

During the 445th session of the Maryland General Assembly this year, HB779/SB518 Tax Sales – Revisions bill was passed by the House and Senate. Governor Moore approved the legislation on April 11, 2023 with an effective date of June 1, 2023. The legislation authorizes the governing body of a municipal corporation to file a motion with a court to request a certificate of sale to be assigned to the governing body if the holder of the certificate of sale forfeits rights to acquire the certificate of sale. The bill also authorized the governing body of a municipal corporation to withhold properties from tax sale if the municipal corporation intends to demolish vacant and blighted buildings.

Staff identified 6 properties to withhold from this year's tax sale as the structures have been vacant and blighted in the community for several years. The purpose behind the properties being withheld is for the City to acquire the tax certificates under this current law. Once acquired, the goal is to demolish the blighted structures and resell the land through the Competitive Negotiated Sale (CNS) program.

The City adopted Chapter 224, Tax Sale Property Repurpose Program, in January 2020. The purpose of this chapter is to facilitate the repurposing and renovation of

vacant, abandoned tax sale properties. Qualifying properties must be tax delinquent and be included in the Washington County tax sale process for at least two tax sale cycles with no transfer of ownership. There are four categories of eligible properties for repurposing and they are:

1. Vacant and undevelopable land
2. Vacant and developable land
3. Structure in need of rehabilitation
4. Structure requiring demolition

The 2023 tax sale resulted in 30 City parcels meeting the criteria for the Tax Sale Property Repurpose Program. There are 19 vacant lots and 11 parcels with improvements. Staff are suggesting to focus on the vacant land parcels not sold during the recent tax sale. Staff would follow the process for vacant land per Chapter 224-5 and 224-6 of the adopted program.

Code Administration issues approximately 3-5 abatement notices for each parcel annually for a majority of the vacant land properties. Abatement costs range from \$100 to \$200 per occurrence.

Listing of the 6 parcels withheld from tax sale and the 19 vacant land parcels not sold during the recent tax sale were provided in the meeting packet material.

Staff is seeking authorization to acquire these properties. This authorization will also permit staff to work with the Washington County Treasurer's Office to waive the outstanding taxes owed to the County reducing the acquisition cost for the city. Staff will work with the City Attorney to acquire the tax certificates. If all City and County taxes are waived, costs to acquire the properties would be the state tax due plus attorney fees.

Councilmember Aleshire thanked Delegate Brooke Grossman for pushing one of the two critical pieces of legislation that the City has been presenting for a number of years. The structures on the list are falling down and have been vacant for decades. No one is being removed from any residence.

It was the general consensus to move forward with acquisition of the properties as discussed.

Special Session (72nd Voting Session)

On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember M. J. Schindler, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in Special Session at 5:40 p.m.

Approval of a Resolution: Revised Grant Agreement for Hagerstown Field House

Action: On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember K. B. Aleshire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve a resolution to authorize the execution of a revised grant agreement with the state of Maryland Board of Public Works for up to \$ 500,000 grant for the Hagerstown Field House. This rescinds and replaces the motion approved by the Mayor and City Council on March 28, 2023.

The Special Session was closed at 5:42 p.m.

CITY ADMINISTRATOR'S COMMENTS

Scott Nicewarner, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

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

Councilmember K. B. Aleshire heard that parents of children attending the Barbara Ingram School for the Arts (BISFA) were notified if they want to continue playing sports they have to participate at South Hagerstown High School next year, no matter what school district they live in. This seems odd to him and he wonders how it relates to him as a representative of the City. BISFA is not part of South High. South High is the most over-capacity school in the County. Forcing students at BISFA to participate in sports at South High will cause many kids to not have a chance to participate as there will be many kids wanting to play. Mr. Nicewarner stated he was informed that all students at BISFA who wish to play educational sports will play at South High.

Councilmember M. J. Schindler thanked staff for their efforts in providing information to the Mayor and City Council as they review proposals and issues.

Councilmember S. McIntire had no additional comments.

Mayor T. Martinez noted there seems to be confusion about how to contact her. She asked people to call her with concerns. She loves the complete Hagerstown. She is not ignoring the black community or any community. All 43,000 residents deserve to have the best quality of life possible. She is not unreachable and she is willing to discuss anything with anyone. She does not respond to social media posts.

She appreciates what the owners of the Updegraff Building are doing.

She recently met with Andrew Keller who created the MyCity app that gives visitors information about Hagerstown. He is starting the app with promoting Hagerstown.

EXECUTIVE SESSION, WORK SESSION, AND SPECIAL SESSION (72ND VOTING SESSION)

JULY 18, 2023

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

Mayor Martinez talked with Miss Leslie who has noticed a difference in her community. People are out walking and doing healthy things. She met with local author

Bill Yount recently. She thanked Patrick Ryan, News 103.7, for the weekly Mayor interview each week. She thanked Captain Tom Langston for responding to her calls. People are getting the feeling that they are being heard and understood. The Citizens Police Academy is phenomenal.

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 5:55 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: August 22, 2023