

WORK SESSION AND EXECUTIVE SESSION – July 7, 2009

Mayor R. E. Bruchey, II called this Work Session and Executive Session of the Mayor and City Council to order at 4:02 p.m., Tuesday, July 7, 2009, in the Council Chamber, 2<sup>nd</sup> Floor, at City Hall. Present with the Mayor were Councilmembers W. M. Breichner, M. E. Brubaker, F. Easton, A. C. Haywood and L. C. Metzner; City Administrator Bruce Zimmerman, and D. K. Spickler, City Clerk.

Senator Donald Munson congratulated the Mayor and Council on being elected. He introduced his assistants, Sondra Funk and Amy Callendrelli. He looks forward to working with the Mayor and Council and there are great opportunities to make the community better, in spite of the economy.

Introduction of Maryland Theatre Executive Director and 2009 Wind Down Program

Sam Young, Board President, introduced Jay Constantz, new Executive Director, to the Mayor and City Council.

Mr. Young thanked the Mayor and Council for their support of the Miss Maryland pageant and he looks forward to continuing the partnership with the City.

Mr. Constantz is excited about working in Hagerstown. Hagerstown is lucky to have an Arts and Entertainment District in place.

Benito Vattelana, Board Member, discussed the Theatre's plans and schedule for the 2009 Wind Down Program. The first Wind Down will be held at the Maryland Theatre on Friday, July 10, 2009. These were very popular events last summer, which were well received and also supported by downtown and local businesses. The public and volunteer support for last year's Wind Down Program was also very strong. The Wind Down events will continue through September 18, 2009.

Mayor Bruchey suggested that the event would be even better if the street was closed.

Concept Plan of Improvements to Mills Park

Rodney Tissue, City Engineer, and Junior Mason, Superintendent of Parks, were present to discuss plans for Mills Park, located at the end of Belview Avenue.

Mills Park is an underutilized City park and is not widely known as a City park. It contains small playground equipment, a 10 space parking lot, and an existing pavilion. Included in the current Capital Improvement Program (CIP) budget is project 07-737 "Mills Park Hiker/Biker Trail." The goal of this project was to provide more public use of Mills Park.

Based on the December direction of the City Council, a survey was sent to all the residents in the area. The survey results were overwhelmingly positive in favor of

constructing a trail throughout Mills Park. Of the 38 replies to the survey, 32 were in favor of adding trail improvements. Of the 6 that were not in favor, the reasons were the trail would be too short, they liked the park as is, or they wanted a dog park there.

Based on the support and input from the community, staff developed a concept plan, showing a system of proposed trails throughout the park. A unique feature of this park is the varying environments from forested to the south, open grass in the center, meadow towards the north, and the aquatic environment along the Hamilton run and the wetlands in the northeast corner.

If the project is endorsed by the Council, staff will seek State and Federal funding for Phase I. The construction of the amenities would be completed in-house, as much as possible. If Council does not support the project, it will be dropped from the CIP list.

The material used on the trail would be the type used for boardwalks. Grants will be sought for funding. Councilmember Haywood suggested exploring the use of LED lighting for the trail. Councilmember Brubaker stated the City of Annapolis has several parks with a lot of community involvement in the maintenance of them.

It was the general consensus to proceed with this project.

#### Partners in Economic Progress (PEP) – Initial Discussion

Bruce Zimmerman, City Administrator, Kathleen Maher, Planning Director, Alfred Martin, Finance Director, Michael Spiker, Director of Utilities, Rodney Tissue, City Engineer, Eric Deike, Public Works Manager, Deborah Everhart, Director of Economic Development, Larry Bayer, Community Development Manager, Doug DeHaven, Fire Marshall, Mike Heyser, Chief Code Official, John Lestitian, Director of Code Administration, and Alex Rohrbaugh, Planner, were present to discuss a new program named Partners in Economic Progress (PEP). This program consists of a series of incentives the City of Hagerstown would offer to support business and residential activity and redevelopment in the downtown area.

The impact of the current economic recession is being felt in Hagerstown, just as it is across the country. As a community, there has been a dramatic slowdown in housing construction and new development, some business closings, and higher unemployment. The impact has been felt throughout the City, by large and small businesses, developers, and the building trades.

An area of special concern is the heart of the City where there are numerous small family owned restaurants and businesses, and vacant space in large old buildings which are challenging to renovate and maintain. As the full economic impact of the recession unfolds this area of Hagerstown could be seriously impacted.

Based on some feedback staff received from developers while meeting with the Code Administration staff, a group of staff from Engineering & Code Administration,

Planning, Community Development, Economic Development, Finance, Utilities, and Fire began meeting in March to consider how the City government can both respond to and prepare for the impact of the economic recession. They discussed the risks and challenges facing businesses, developers, and contractors, due to the current economy, and the related threats to the City because of the City's dependence on business activity and private sector development. The staff group considered how the existing programs, codes, and fees can be changed in recognition of the current serious economic conditions. They also discussed taking on some of the risks to encourage development and taking an aggressive approach that utilizes resources and opportunities to support business during these difficult times. They focused on the downtown area, the heart of the City, where the need for an improved economic climate is strongest. They reviewed reports and media coverage of local governments' efforts to support business during the economic downturn. It was their conclusion that Hagerstown will benefit from a strong visible program that demonstrates the City Government recognizes the seriousness of the current economic situation and does not want to stand by while the community weathers this recession.

The incentives included in PEP place Hagerstown in a stronger position. PEP demonstrates that the City government recognizes the current economic situation and value of business, developers, and building trades to Hagerstown. The program also verifies the City is willing to take substantial steps to address some of the worst economic conditions the country has faced in decades.

The proposed Partners in Economic Progress Program includes the following incentives:

1. New City Property Tax Incentives
2. Utility Benefit/Allocation Charge Assistance
3. A Development Fee Free Zone
4. A Fast Track Construction Program
5. Parking Program Fee Reductions
6. Upper Floor Commercial Space Rent Relief
7. Code Flexibility for Rehabilitation of Existing Buildings
8. Professional Assistance With Historic Tax Credit Programs
9. Creation of City Center Amenities for Residents and Employees
10. Support Through Existing Incentive and Support Programs

To move forward with this program will require staff to further define businesses and projects that would be eligible to participate in PEP. To begin discussions, staff has identified an area from Locust on the east, to Prospect on the west, and Church Street/East Avenue on the north, to Baltimore Street on the south.

To ensure incentives apply to projects that provide high quality construction and uses consistent with Hagerstown's revitalization goals, the PEP Program will utilize eligibility requirements such as the following:

1. Building exteriors and core systems being brought up to code
2. Desired amenities being installed in residential projects

3. Minimum square footage for residential units
4. Ground floor retail/restaurant businesses in mixed-use and commercial buildings
5. Evidence of investment in the project by the applicant.

Mr. Martin stated the tax incentives should help encourage people to feel comfortable investing in downtown. Councilmember Breichner suggested making the tax credit for longer than 10 years.

Mr. Spiker indicated the utility benefit/allocation charge assistance would be offset by the increased daily usage of the new use.

Mayor Bruchey asked if every development permit application could be fast tracked so that everyone is treated the same. Mr. Tissue stated staff attempts to treat everyone the same. Councilmember Brubaker stated people have to understand that plans must meet the specifications in order to be approved.

Mr. Deike stated the parking incentive is one year of non-transferable free parking. This benefit would be offset by parking on-site. Councilmember Breichner suggested reactivating the “park inside” program. Mr. Zimmerman stated downtown parking will be a large issue to alleviate in order to attract development.

Councilmember Metzner is concerned that someone could make a minor improvement and be eligible for these improvements. Councilmember Brubaker suggested setting a clear eligibility amount for improvements that trigger the incentives. Mr. Zimmerman stated the incentives are intended for visible improvements in downtown buildings.

Mr. Tissue stated staff works with people to meet the codes as best they can. It is often difficult to renovate old buildings with new construction codes. It is being recommended that the Mayor and City Council consider applying the International Existing Building Code to renovations of old buildings. This code was adopted by the City several years ago but most local design firms/architects are not applying it. Staff could help educate the firms about the code.

Ms. Everhart indicated professional assistance could be offered for the Historic Tax Credit Program. Ms. Maher stated the tax credit is a credit on income taxes.

There are a number of programs already in place that are not large enough to spur development. These can be used as added extras. The newest of these programs in Hagerstown Advance. Hagerstown Advance is designed to bring new businesses to Hagerstown and to increase downtown use.

Councilmember Breichner asked if the lead paint abatement program is utilized. Mr. Bayer indicated there are two or three projects in the pipeline at any point in time.

Staff reviewed the area targeted for specific buildings that seemed right for this program.

Mr. Zimmerman stated staff would like to review this program with developers to obtain their feedback and determine if the incentives would be helpful. Councilmember Easton suggested talking with the owners of the buildings also.

Councilmember Brubaker thinks this would be a benefit to the County also and they should be involved. Mr. Zimmerman stated the County has supported this targeted area with the excise tax.

Councilmember Metzner suggested moving quickly with implementing this program so developers can start to use it. Mr. Zimmerman suggested meeting with developers in July and discuss the program again with the Mayor and City Council early in August. Formal approval could be scheduled for the August regular session.

#### Urban Greening Initiative Grant and Urban Tree Canopy Goal

Kathleen Maher, Planning Director, and Rodney Tissue, City Engineer, were present to discuss a grant program called the Urban Greening Initiative that makes funding available to Maryland communities for the purpose of expanding the tree canopy cover in urban areas. City staff would like to apply for a \$ 35,000 grant from the Tree Canopy Plan Implementation Track of the Urban Greening Initiative Grant Program. In order to be a participant in this grant program, the City will need to adopt an urban tree canopy goal and develop a plan for achieving that goal. The grant can be matched with the City's Forest Conservation Fund.

The \$ 35,000 grant and matching funds would be used to acquire and plant approximately 250 trees along the streets of Hagerstown in targeted locations of the City. The City's Engineering Department has a list of priority streets for tree planting which will be utilized for this project. Staff has been advised that the grant funds can also be used to plant trees on private property, as long as a maintenance plan is put in place to ensure the continued health of the trees. Staff plans to work with one of the Neighborhood's First groups and a city school on a portion of the tree planting project to involve citizens and school children in planting trees in their neighborhood and at their school.

Staff is seeking authorization to apply for the Urban Greening Initiative Grant Program and approval of an Urban Tree Canopy Coverage Goal for Hagerstown. The Planning Commission recommends a goal of 30% Urban Tree Canopy Coverage by 2050.

Councilmember Brubaker suggested setting incremental goals to help people get excited about it. Ms. Maher stated the goal of 2050 is not binding. Councilmember Metzner would be interested to see how many trees it would take to increase the canopy by 5% or a number of acres. He would prefer the year be 2020.

The grant application can show the Mayor and City Council are working on setting the goal.

#### CITY ADMINISTRATOR'S COMMENTS

*Bruce Zimmerman, City Administrator*, expressed condolences to Lewie Thomas, Recreation Facilities Manager, who's mother passed away recently. The weekly report includes a new brochure promoting recreational and residential walks in Hagerstown. These walks feature historic landmarks and different venues.

#### MAYOR AND COUNCIL COMMENTS

*Councilmember F. Easton* had no further comments.

*Councilmember A. C. Haywood* thanked everyone for their efforts with the fireworks at Fairgrounds Park. Several new businesses have opened downtown.

*Councilmember L. C. Metzner* stated the fireworks were the best yet. He hopes foot traffic increases downtown.

*Councilmember W. M. Breichner* stated former Governor Glendening spoke at the MML convention about smart growth. During the discussion, he mentioned the University of Maryland at Hagerstown. There was another session at the convention about recycling. Frederick County is transferring 81% of their waste outside the County. They are saving their landfills for emergencies.

*Councilmember M. E. Brubaker* stated the theme of the MML convention was "Getting Green Together". Sessions were held about pocket parks, green building codes, and non-point source pollution. He had the opportunity to speak with several state officials.

*Mayor R. E. Bruchey, II* would like to learn more about the prescription program offered through the National League of Cities. Hagerstown is back in the rotation as the location of the MML fall conference. The fireworks event was successful again. Mayor Bruchey announced the executive session has been cancelled.

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 6:13 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: July 28, 2009