

89TH SPECIAL SESSION, WORK SESSION, AND EXECUTIVE SESSION – May 3, 2016

EXECUTIVE SESSION – May 3, 2016

On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember M. E. Brubaker, the Mayor and City Council unanimously agreed by voice vote to consult with counsel to obtain legal advice, #7, (Section 3-305(b)), and 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)) on Tuesday, May 3, 2016 at 3:06 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland.

Councilmember Aleshire was not present for the vote but was in attendance during the meeting.

The following people were in attendance: Mayor D. S. Gysberts, Councilmember K. B. Aleshire, Councilmember M. E. Brubaker, Councilmember L. C. Metzner, Councilmember D. F. Munson, Councilmember P. M. Nigh, City Administrator Valerie Means, City Attorney Mark Boyer, Attorney Paul Rose, Miles and Stockbridge, LC, Michelle Hepburn, Director of Finance, Karen Paulson, Director of Human Resources, Michael Spiker, Director of Utilities, and D. K. Spickler, City Clerk.

The meeting was held to discuss the status of the MELP property, to discuss potential membership for the Board of Code Appeals, Planning Commission, and Economic Development Commission, and various personnel issues. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the Executive Session was adjourned at 4:08 p.m.

89TH SPECIAL SESSION AND WORK SESSION – May 3, 2016

Mayor Gysberts announced that the Special Session is being postponed until all signatures are obtained on the anticipated settlement agreement regarding the MELP property.

Mayor D. S. Gysberts called this Work Session and Executive Session of the Mayor and Council to order at 4:19 p.m., Tuesday, May 3, 2016, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, D. F. Munson, and P. M. Nigh, City Administrator Valerie Means, and City Clerk D. K. Spickler.

Urban Improvement Project – Maryland Theatre Design Funding

Gregory Murray, County Administrator, was present to discuss an urban improvement project, known as the Hagerstown City Center Arts & Entertainment Complex Urban Education Campus.

Washington County, in partnership with the City of Hagerstown, Washington County Board of Education, Maryland Theatre, and USMH is supporting several key projects that tie into revitalization of the urban core. The projects are as follows:

1. Expansion and renovation of The Maryland Theatre in the downtown Arts and Entertainment District – This project will reconstruct the 4 story addition in the front of the Theatre, allowing for office and performance space for the Maryland Symphony, performance and dining areas for the general public and school system, office and classroom space for education partners, and a center for other arts related programs. This project also increases needed space for concessions, back stage improvements for larger, more notable shows and current users, and VIP areas for event viewing and engagement, all the while providing additional sustainable sources of income for the Theatre itself to continue self-sufficient operations. This then ties in with other program expansions/student housing/business development in that area fostering jobs, tax base, and foot traffic in the urban core. The estimated cost of this project is \$ 11 million.
2. Urban educational complex expansion – This expansion is being completed in conjunction with the Maryland Theatre and USMH projects, and lies between the Theatre and existing Barbara Ingram School for the Arts. This complex will facilitate educational program expansion incorporating specialized opportunities for students in Washington County. STEM programming will facilitate construction of wet labs at USMH that will also be used by the USMH for their curriculum expansion, reducing their project cost and providing funding for cooperative educational opportunities. The Maryland Theatre component will allow for office space, additional classroom/performance space, dining areas and other training space for the educational project, reducing overall cost for the educational project itself. The estimated cost is \$ 13 million.

These two core projects then tie in with other program expansions/student housing projects proposed by the USMH in other blighted buildings to be rehabilitated in that area through private developer initiatives.

Design will also include the rear of the project area (including rear of the County Office Building) to be reshaped into a multi-use plaza that allows vehicular traffic as necessary during designated times, pedestrian movement, and group use for scheduling of events. This then gives a multi-faceted approach to the project area, expanding availability for revenue generating productions (Wind Down Fridays, Blues Fest, etc.)

while encouraging additional business engagement. Also tied in with future student housing, this area can become an additional hub of City Center activity.

All this is done in partnership with the City of Hagerstown, designated as a Sustainable Community, to facilitate downtown revitalization accompanied by business development and job creation in the urban core.

The County and City are anticipated to monetarily support design of the components addressed by the Theatre expansion. The City of Hagerstown has discussed \$ 1.5 million dedicated to projects in the core that facilitate revitalization of City Center, the benefits of which have been shown by the City Center Plan which identified eight strategic projects to be accomplished. It is anticipated that \$ 500,000 would come from these funds to match \$ 500,000 in County funding and complete the architectural work on the project. Debt service for completion of the project will then be discussed and is anticipated to be funded beginning in fiscal year 2019.

Financing for the Urban Education Campus component will be from developers, and from the County, the Board of Education, and State of Maryland through cash investments and grants. It is anticipated that the educational campus is on target or completion along with the Theater expansion to provide maximum impact to City Center by facilitating anchor institutions that provide a mechanism to increase the tax base with resulting return on investment to the taxpayer.

The plaza will be completed in conjunction with developer participation during construction in the project area. Outdoor programming of space will be through the Theater architectural design. Mr. Murray mentioned that the plaza could be used as alternate performance spaces during BluesFest.

Mr. Murray indicated the Maryland Theatre needs to be at a level that is consistent with the Board of Education's plans so construction of both projects can be completed around the same time. The intended architect specializes in revitalization and expansion of theater spaces.

The first students to graduate from the Barbara Ingram School for the Arts (BISFA) will be graduating from college this year and potentially returning to the area. This project will provide more entertainment and activities to draw young adults to downtown.

Funding for the remaining \$ 10 million project cost would be discussed later. The County's engineering department would provide structural review of the project. The Maryland Theatre is beginning a fundraising campaign for the project. If there is a deficit in funding, some type of revenue bond may be needed. Payments on the bond could be shared by the County and the City. The County could continue to move forward with the educational complex, providing \$ 4 million in funding. The Board of Education would be supporting the funding as well. The State of Maryland is being asked to significantly support the project.

A portion of the funding for the plaza is anticipated to be from developers.

Mr. Murray noted the annual funding provided to the Maryland Theatre by the City and County could be redirected to other projects if the Maryland Theatre continues to be self-sufficient.

Mayor Gysberts indicated a group has been meeting to discuss the multiple components of this project and to discuss how to highlight the potential benefits of the project. He clarified that the requested commitment from the City of Hagerstown is \$ 500,000. Mr. Murray indicated that is correct and that this project is a once in a lifetime opportunity.

Councilmember Munson stated this is a great opportunity for a partnership including the City of Hagerstown, the Washington County Commissioners, the State of Maryland, and private investors to make good things happen in Hagerstown.

Councilmember Brubaker pointed out he has supported using the Theatre as the anchor for a revitalization project for some time. He asked if the funding is identified for the design work, would the construction be bond funded.

Mr. Murray indicated the amount to be requested won't be known until the project begins.

Councilmember Aleshire stated this project meets the parameters of the \$ 1.5 million the City included in the budget. He asked if a parking deck has been considered as part of this plan.

Mr. Murray indicated the group has not forgotten about the possibility of a third parking deck. Mayor Gysberts hopes the State would support a third parking deck because it would support both Court Houses.

Councilmember Metzner thanked the Commissioners for developing a good plan to move forward with revitalization in downtown.

It was the general consensus to support determining how to fund the \$ 500,000 request.

Proclamation: Bicycle Month

Mayor Gysberts read a proclamation naming May, 2016 as Bicycle Month in Hagerstown, Maryland. Joyce Martin and Dick Cushwa, Bicycle Advisory Committee, accepted the proclamation.

The Ride With the Mayor bicycle ride is being held on May 14, 2016. New bicycle routes are being developed throughout the City of Hagerstown.

2016 Bicycle Master Plan Update

Rodney Tissue, City Engineer, Alex Rohrbaugh, Planner, and Matt Mullenax, Director of the Hagerstown/Eastern Panhandle Metropolitan Planning Organization (HEPMPO), were present to provide an update of the 2016 Bicycle Master Plan.

The plan was prepared by Michael Baker International, Inc., a consultant to the HEPMPO.

The Bicycle Master Plan (BMP) is an update to the City's 2010 plan and represents a collaborative effort on behalf of the City of Hagerstown and the HEPMPO. The BMP evaluated the city's existing bicycle environment (safety, connectivity, policies) and proposes a variety of new improvements over the next ten years. These plan recommendations include physical improvements, such as bike lanes and trails, and policy initiatives, such as safety programs and bicycle events.

The City of Hagerstown added approximately 10 miles of bicycle facilities from 2010 to 2015. These improvements include bike lanes, shared-lane markings (sharrows), and multi-use paths.

The plan relied on data analysis and public input to evaluate bicycle needs. A bicycle-level-of-service (BLOS) tool was used to assess bicycle comfort and a bicycle demand tool was used to gauge where potential bicycle demand is highest. The public provided key input through an interactive, web-based survey, while the BAC offered guidance throughout the planning process and was critical in helping to prioritize investments.

The BMP recommends a variety of on-road, off-road, and policy-oriented improvements to help cultivate a healthier bicycle environment. For example, the BMP recommends road diets on Northern Avenue and S. Burhans Boulevard, which would reduce the number of travel lanes and use the newly available space for bike lanes (buffered bike lanes, in the case of S. Burhans). The plan also recommends safety and policy initiatives to help generate interest/awareness for cycling and ensure that cyclists and motorists understand their roadway responsibilities.

The BMP includes an Implementation Plan that priorities investments based on a data-driven process, which examines projects' varying proximities to schools, parks, trails, housing, and jobs. The Implementation Plan also considers construction costs, sequencing, and anticipated funding constraints.

The City is designated a bronze-level Bicycle Friendly Community by the League of American Bicyclists. The BMP may help raise the City to a silver-level Bicycle Friendly Community. The Hub City Bike Loop is a signed 10-mile bike loop around the City, utilizing on-street bike lanes and multi-use paths.

Recommendations include:

1. Learn to Bike programs to promote safety
2. Design streets for 20 mph traffic
3. Helmet give-away programs
4. Bike to School day
5. Recommendations on infrastructure
6. Amenities for bike racks

Further study is needed for several of the plan recommendations, including the proposed trail along Antietam Creek and the proposed bike lane on Bethel Street/Randolph Street.

The City has been successful in obtaining grants for many bicycle friendly projects. The projects included in the BMP could be eligible for grant funding.

The required MPO comment period on the plan is open through May 6, 2016. Mayor and Council approval of the final plan is anticipated to be on May 24, 2016.

The Mayor and Council thanked the members of the Bicycle Advisory Committee for their commitment to bicycle safety and improvements for riders in the City.

Community Development Block Grant (CDBG) Public Service Funding Allocations

Jonathan Kerns, Community Development Manager, and Sarah Nelson, Planning and Outreach Coordinator, were present to review the proposed FY 17 CDBG Public Service funding allocations.

In order to foster transparency and strengthen Community Development programming, the Mayor and City Council created the CDBG Public Service Citizen Review Committee. Public Service agencies submit applications for CDBG funding and after application review by the committee and City staff, application rankings are forwarded to the Mayor and City Council for final approval.

The Public Service Citizen Review Committee has met and provided insight on all CDBG Public Service funding requests for FY17. The committee's rankings were provided. Based on the rankings, the recommended funding scenario is to maintain level funding for the agencies who received funding in FY16.

After review and Mayor and Council approval of the CDBG Public Service funding allocation, staff will complete all regulatory steps to finalize the FY17 CDBG Budget and Annual Action Plan. The full CDBG budget will be reviewed during work session budget discussions. Final approval of the CDBG Annual Action Plan will occur in June.

FY 2016/17 Budget Review

Michelle Hepburn, Director of Finance, and Rana Rose, Accounting Manager, were present to continue review of the FY2016/17 budget.

Hagerstown is an entitlement grantee under the Community Development Block Grant Program (CDBG). Entitlement grantees receive an annual allocation of CDBG funds directly from the U. S. Department of Housing and Urban Development (HUD). These funds must be used for community based programs and activities that meet one of the three CDBG National Objectives.

Due to Federal Budget cuts, the City's entitlement has been reduced by approximately 40% when compared to past entitlements. The entitlement amount for FY17 is estimated to be \$ 600,000. This amount is approximately \$ 41,000 less than the FY16 entitlement and continues the trend of reduced entitlements to the CDBG program.

Ms. Rose stated there will be carry-over from this year's CDBG program. Jonathan Kerns, Community Development Manager, indicated the carry-over is a result of unknown administrative costs at the beginning of a project. All loans through the CDBG program are tracked regularly.

The FY17 budget includes funds for moving forward with several initiatives in the Strategic Plan and the Community's City Center Plan including creation of Neighborhood Parks, various Neighborhood Improvements, and Homeowner Acquisition and Resale projects.

The Economic Redevelopment Fund includes several major initiatives in the budget. The two primary initiatives are the strategic acquisition and resale projects at 170 West Washington Street and 43-53 West Washington Street. The funding source for most of the fund is build up of General Funds.

In order to stimulate redevelopment and investment in Hagerstown, the Mayor and City Council created multiple incentive programs under the Invest Hagerstown initiative. Each incentive program offered substantial City incentives for commercial redevelopment, mixed-use redevelopment, and residential investment. These successful programs were funded with General Fund Reserves and all program funding has been expended or committed to capacity.

Councilmember Aleshire wondered if the Mayor and Council would want to increase the funding levels, since the programs are successful. Considering additional funding should be a specific discussion with the Department of Community and Economic Development about the incentive programs, both commercial and residential.

Economic Redevelopment Funds have been used to purchase properties, with the intent to eventually turn them over to new owners. Those properties are 170 W.

Washington Street, 43-53 W. Washington Street, 278 S. Prospect Street, and the Massey Property on W. Baltimore Street.

Councilmembers Aleshire would like to review a list of properties held by the City that are not being used for City operations, including the Alms House.

Currently, the Golf Course receives a subsidy from the General Fund. It will be necessary to continue this subsidy through FY2020/21 based on the projects and trends. It is expected that the subsidy necessary to operate the Golf Course will remain relatively the same in future years and range from \$ 203,000 to \$ 224,000.

The last rate increases implemented at the Golf Course were on July 1, 2012. There are no other rate increases included in the projections through FY2020/21. However, higher revenues are expected as a result of adding tournaments and leagues and increased promotions and advertising efforts.

Councilmember Aleshire pointed out 28,000 rounds would have to be played at the golf course in order to break even. The course could not accommodate that many rounds. He estimated 16,000 rounds would be the best that could be anticipated.

Councilmember Brubaker reminded everyone the golf course does has quality of life amenities.

Ms. Hepburn reported the loss at the municipal swimming pool is between \$ 85,000 and \$ 100,000 annually. Councilmember Nigh believes better promotion and marketing is needed. Rodney Tissue, City Engineer, stated staff has worked hard to address promotion of the pool. New radio stations have been added to the notification list. They are looking at other ways to advertise.

Overall, rental revenue projections in the Property Management Fund are estimated to decrease by 11.6% due to NIST (14 N. Potomac) lease expiring in FY2015/16 and City Ballet School (14 N. Potomac Suite B-2) relocating to another location in FY2015/16. At this time, there are several areas that are occupied for just \$ 1.00 per year or for no cost (Fire Police Headquarters on Valley Road, City of Hagerstown Police Auxiliary, and Hagerstown Neighborhood Development Partnership Home Store). Additionally, the current lease with the Department of Labor, Licensing, & Regulation expires July 2017 so no future rent is included in the projections beyond this date.

Total operating expenses (excluding depreciation) are expected to decrease by 2.0% over the FY2016/17 budget. This decrease is a result of a position being unfunded that was originally included in the FY2015/16 budget which will result in lower expenses for FY2016/17.

Ms. Hepburn pointed out that business type funds are intended to be self supporting. If any of the properties are sold, they should be treated as a business transaction and

considered as sold at a loss. The trend of having fund balance to cover expenses will soon end. Staff will return for further discussion of the properties owned by the City and their anticipated use. The General Fund is not able to support another fund.

There were no other questions about the budget. Introduction of the ordinances to set the tax rate and the budget will be scheduled for May 10, 2016, with approval of the ordinances scheduled for May 17, 2016.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember L. C. Metzner attended the Memorial Day for Workers event recently, along with Councilmember Brubaker. He also attended the Kiwanis Park ribbon cutting and grand opening ceremony.

Councilmember P. M. Nigh stated a Korean restaurant will be opening soon on E. Franklin Street. She asked if the new abatement position is working out. Ms. Means reported the employee is busy completing abatements.

Councilmember M. E. Brubaker thanked Mr. Murray for the presentation he provided earlier in the meeting. A project of this impact is encouraging. Significant community support will be needed, in addition to government support. He is concerned that trains carrying chemicals are being relayed through Hagerstown. This should be monitored.

Councilmember K. B. Aleshire thanked the Barbara Ingram School for the Arts and the Maryland Theatre for the great production of The Little Mermaid.

Councilmember D. F. Munson stated the Arbor Day program was memorable. Kiwanis Park is a beautiful, 5 acre park that offers access to the Antietam Creek for kayaks and canoes. A Monarch Butterfly way station is also located at Kiwanis Park.

Councilmember Nigh is concerned that the State of Maryland is planning to close the Western Maryland Hospital Center. The dialysis department has already moved and the radiology department is closing.

Councilmember Munson stated the Center is valuable to the community. This is not the first time the threat of closing has been stated. During his time in the Senate, the General Assembly stopped it from being closed.

Mayor D. S. Gysberts thanked staff for planning the Kiwanis Park grand opening and Arbor Day recognition. Kiwanis Park is an example of a private/public partnership that

was successful. Bluesfest will be held June 2-6, 2016. Tickets are now available. The Taste of the Arts event will be held on May 12, 2016.

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 6:44 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: June 21, 2016