

EXECUTIVE SESSION – August 7, 2018

Councilmember L. C. Metzner made a motion to meet in closed session to consult with counsel to obtain legal advice, #7, (Section 3-305(b)), on Tuesday, August 7, 2018 at 3:05 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland. Councilmember A. Heffernan seconded the motion.

The motion carried 4-0. Councilmember K. B. Aleshire was not present at the time of the vote.

The following people were in attendance: Mayor R.E. Bruchey, II, Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, and L. C. Metzner, City Administrator Valerie Means, City Attorney Jennifer Keefer, Kathleen Maher, Director of Planning and Code Administration, and Stephen Bockmiller, Zoning Administrator/Development Planner. Councilmember S. McIntire and City Clerk D. K. Spickler were absent from the meeting.

On a motion duly made, seconded, and passed, the Executive Session was adjourned at 3:30 p.m.

WORK SESSION – August 7, 2018

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, August 7, 2018 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, and L. C. Metzner, and City Administrator Valerie Means. Councilmember S. McIntire and City Clerk D. K. Spickler were absent from the meeting.

Proclamation: National Farmer's Market Week

Mayor Bruchey stated the first item on the agenda this evening was to recognize National Farmer's Market Week. He welcomed Emma Lewis, Events and Programs Assistant & Farmer's Market Coordinator and Kitty Clark, Community Events Coordinator, along with several other guests in the audience. Mayor Bruchey called up Cori Rohrer who is the manager of Valley Co-Op, along with various vendors of the City Farmer's Market. Mayor Bruchey read and presented a proclamation recognizing National Farmer's Market Week. On behalf of Valley Co-Op, Cori Rohrer thanked the Mayor & Council for allowing them to be in the City Farmer's Market. She said she is very grateful to Emma Lewis for her help in coordinating the events. She said everyone has been participating and they are anticipating one event every quarter. She said the Fall event will be held in October.

Mayor Bruchey stated that Gretta Likens had submitted a letter to Kitty Clark and had asked the letter be read aloud. The letter read:

I have been working at Jeff & Deb's Grill for almost 10 years. Jeff and Debbie are considered family and the City Market is like home. I have watched babies grow into young, almost teenagers. If I don't work for a few weeks, I start to miss everyone. I don't have to work at the Farmer's Market, I do it because I love the people...the people who come in faithfully every single week and have been for years. Jeff and Debbie treat me and everyone that sits down for breakfast just like

family. We are blessed to have such an awesome family and the best breakfast stand you will find in the area.

Mayor Bruchey thanked them all for attending.

2017 County Hazard Mitigation Plan

Mayor Bruchey stated the next item on the agenda was the 2017 County Hazard Mitigation Plan. Kathy Maher, Director of Planning & Code Administration, and Tom Brown, the County's Department of Emergency Services, came forward to speak on the topic.

Kathy Maher stated the County hired a consultant and a committee of representatives to work on the five year update to the 2012 County Hazard Mitigation Plan. She stated that the City was involved along with other towns in the County. As being part of this, it makes the City of Hagerstown eligible for FEMA money in the event of a disaster and we seek federal assistance.

She said the County's consultant along with the committee representatives submitted the Draft 2017 County Hazard Mitigation Plan to FEMA and MEMA and it was approved earlier this year. Last month the County Commissioners approved the Plan. Ms. Maher stated that now all the municipalities must move to adopt a resolution stating their city/town is also following the 2017 County Hazard Mitigation Plan, which again, would make the City of Hagerstown eligible for FEMA money in the event of a disaster. She stated that a link to this document is available on the City and County's webpage.

Mayor Bruchey asked what has changed in this revised Plan. Tom Brown stated the Plan now addresses the hazards of opioid use (opioid epidemic) and also includes updates on the statistics and mapping, and also provides a new ranking of hazards by jurisdiction.

Mr. Brown stated that in order for the City of Hagerstown to be eligible for FEMA money (for when disasters happen and after disasters happen), the jurisdiction must have this Plan adopted. He said that 10% of the total disaster money that is spent throughout the State is available back in mitigation project money, so if the jurisdiction adopts the Plan, then they are eligible to apply for that funding reimbursement.

Councilmember A. Heffernan asked if there is FEMA money available for an opioid crisis. Mr. Brown stated the hazard mitigation money that is available after that 10% he referenced, be used to set up a project to fight the opioid epidemic as it is part of this Plan. Therefore, there should be money available for that. The Council agreed that is a good thing.

Councilmember A. Heffernan added that the next time the Plan is updated he would like to see Hagerstown identify the opioid epidemic as hazards needing mitigation.

Councilmember K. Aleshire stated he had one question. On the staff memo under Hazard Risks, it identifies Hagerstown's top hazard risks. He said item one stated continuation of Rental Licensing and Fire Department neighborhood smoke detector programs and then the second item stated upgrade requirements to fire stopping systems in buildings

during renovations. Councilmember K. Aleshire stated that he was assuming those two items encompass abandoned and vacant buildings as well. K. Maher stated that they do. The goal being as safe from fires as possible. Those types of programs that help the City monitor the buildings. These are just examples of ways the City can be working towards the risks that they identify.

Mayor Bruchey stated they would look to adopt a resolution at the end of the month.

Invest Hagerstown Grant Programs

Jill Thompson, Director of Community & Economic Development, stated she was present to provide a follow-up from the July 10, 2018 Work Session to provide information on the Invest Hagerstown Grant Programs. She stated the grant money for this program was divided into four components. She would like to review the guidelines and application form for each of the four components. Afterwards, she is recommending Mayor and Council approval at a Special Session on August 21, 2018. Once approved, they can announce the programs and begin accepting applications.

The guidelines were developed based on the original First Third Program in 2013. Mayor and Council directed staff to name the program Invest Hagerstown so the guidelines and forms all carry that branding name. The Review Committee that helps to review the Partners in Economic Progress (PEP) and other grant program applications helped in developing the guidelines and reviewing them for the Invest Hagerstown Program. Various City staff and members of the Review Committee assisted in preparation of this information.

Ms. Thompson stated that pages 3 and 4 provide a summary of the guidelines. Pages 5-29 provide the full guidelines and application forms which would be presented to customers. Page 2 is the chart which was reviewed on July 10th and the funding levels Mayor & Council designated in each of the four components.

Ms. Thompson stated the first item staff would like Mayor & Council to consider is dropping the minimum grant level on the City-wide grant from a \$10,000 to a \$5,000 level. As we developed guidelines, staff felt consideration should be given to allow smaller projects to participate.

Guidelines and conditions of the three redevelopment rehab grant programs including (1) City Center Redevelopment Grant Program (2) City-Wide Redevelopment Grant Program, and (3) Rental Rehabilitation Grant Program were then discussed.

Ms. Thompson stated that guidelines that apply to all three of the components, such as:

- Projects that are not non-profit projects (which would be ineligible).
- Acquisition costs would not be considered a part of the project cost (so it would not count towards the match).
- Grant approval to be obtained prior to the start of a project.

- A project could be defined as planned or in a pre-development or pre-construction phase. She stated that is an important guideline that helps in the administration of these grants as it is difficult to look retroactively at those that may already be underway.
- Would issue an approval letter that is provided to the applicant that helps them to secure project financing.
- The grant is disbursed after the project is completed. So it is a back-end grant and it requires the 2 to 1 match on all three of these components.

Ms. Thompson stated the requirements are for both the City Center and City-Wide Grant Program. Both require commercial and mixed-use projects. In the original First Third Grant program, 100% residential projects were ineligible, so they kept that in. There is a correction to the document in that we are not requiring enterprise zone participation. This is important to the PEP Program because one of the benefits is a grant equal to taxes paid less any other tax credits. Because the benefits of these programs don't have tax credit components, we are not requiring they participate in the enterprise zone however we will encourage them to participate because they can layer these incentives with other incentives.

In looking at just the City Center Grant Program which is the larger grants of \$150,000 to \$250,000, and the amount of grants for larger projects that range up to \$750,000, there is a priority funding area identified as a one block radius from Public Square. This was again part of the First Third Program. It doesn't require prioritization but gives the ability to prioritize projects that are closer to the Urban Improvement Project and closer to Public Square.

Councilmember K. Aleshire asked if this was the same map which was used for the First Third Program. Ms. Thompson stated it is. Councilmember K. Aleshire stated he finds it odd that the block was split. Ms. Thompson stated staff could take a look at the rationale of the map again.

For City Center Only Grants, the property's core systems need to be upgraded to the same standards of the City's PEP Program so that when we are looking at the larger grants we are asking for the upgrades of the HVAC system, lighting, fire suppression, and accessibility to the same level as we do for our PEP program. The core systems include a requirement for sprinkler systems.

With City Center Grants, because of the larger scale of grants, the applications are first reviewed by a committee. City staff will then bring recommended applications to Mayor and Council for approval.

Looking at City-Wide Grants, unlike City Center, these do not require the core systems like the PEP program and it does not require the sprinklers. Some of these items might be required based on a building permit and the project, but it is not a requirement of the grant. In this case, all the same guidelines apply. Applications will be reviewed by the committee and the committee makes the approval for the smaller grants.

That is how we did it with the original First Third Grant Program.

The Rental Rehab is a new component. This provides grants of \$7,500 with a \$15,000 match or a \$22,500 or above projects. The goal of rehab of rental properties is to market rate rentals. Clarification that these are grants of \$7,500 not up to \$7,500. General guidelines are the same as noted earlier. Some specific guidelines in this component include:

- Existing rental properties are eligible and they must be registered in the City's Rental Licensing Program.
- Can be mixed use properties (where all upper floors are residential and only first floor is commercial).
- Grants can be limited to one per development per fiscal year.

Councilmember K. Aleshire questioned limiting grants to developers by allowing them only one year. He asked if an exception can be made for those developers who may be considering doing contiguous properties. It was suggested that it be up to three contiguous properties. Ms. Thompson stated that such an exception could be added.

- Projects which are currently owner occupied and are looking to convert to rental properties would be ineligible.
- Following the renovations, provide lead paint certificate for properties constructed prior to 1978.
- Recommendation that the Committee makes approvals following their review of the applications for this size grant.

The fourth component is the Home Ownership Grant Program. This Program provides \$7,500 grants for downpayment or for select types of repairs to the home. It is available city-wide. It was part of the original First Thirds Grant Program and most recently has been continued through some State grant funding. There have been two changes to previous program since the July meeting.

- Elimination of city center vs. city wide components. So there is no longer qualifiers for City center...it is simply city-wide.
- Addition of a unit reduction component. This requires purchase of a single family dwelling built before 1960 and vacant for 12 months or requires a rental dwelling consisting of two or more units and upon purchase by program application will be converted to a single family, owner occupied dwelling unit within six months of the date of settlement. Unit reduction of existing rental units that are not in conjunction with a purchase of property for homeownership would not be eligible for this program. The grant is a loan secured by a mortgage and then forgiven after the owner occupies it as their primary residence for five years. The

applications for these grants would be reviewed by DCED staff. DCED staff would also handle approvals of these grants.

Ms. Thompson said that these are the highlights of the proposed programs. She stated she will:

- Make the change indicating that grants can be limited to one per development per fiscal year with the exception for those developers who may be considering doing up to three contiguous properties.
- Review the rationale of the map boundaries.
- Adjust the minimum grant level on the City-wide grant from a \$10,000 level to a \$5,000 level.

She will bring back updated Program for Mayor and Council consideration of approval at the August 21st Special Session.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator, stated the meeting is short this evening due to National Night Out being held 5:30-8:30 p.m. at Fairgrounds Park.

MAYOR AND COUNCIL COMMENTS

The Mayor and Council had no comments.

With no further information to discuss, the meeting was adjourned at 4:35 p.m.

Respectfully submitted,

Original signed by D. L. Frye

Danielle Frye
Acting City Clerk
(from the video)

Approved: September 25, 2018