

WORK SESSION – October 23, 2018

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 6:02 p.m., Tuesday, October 23, 2018 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, E. Keller, L. C. Metzner, and S. McIntire, City Administrator Valerie Means, City Attorney Jennifer Keefer, and City Clerk D. K. Spickler. Councilmember A. Heffernan was not present at the meeting.

Hotel Licensing Follow-up

Staff Discussion

Kathleen Maher, Director of Planning and Code Administration, Paul Fulk, Neighborhood Services Manager, and Steve Lohr, Fire Chief were present to provide a follow up on the discussions held at the October 2, 2018 meeting on the idea of developing a hotel licensing program.

A couple of topics were brought up as concerns during the October 2nd meeting and staff has made those modifications. They are as follows:

1. Eliminated the requirement of being in good standing with a hotel chain-brand
2. Exemption for newly constructed facility or substantially renovated facility for first year following issuance of Use & Occupancy Certificate
3. No license fee for a Tier 1 Hotel or Bed and Breakfast or Short-term Rental
4. Establish timeline to correct Chapter 64 violations with a Tier 1 license
5. Definitions for Bed and Breakfast and Short-term Rental

Below is the impact on a facility under the proposed hotel license program. Currently, with no program in place, each hotel is inspected by the Fire Marshal once every year and the Planning and Code Administration Department is made aware of any identified Chapter 64 violations.

Tier 1

1. Annual application, no fee, providing up-to-date facility contact information

Tier 2

1. Annual application with \$ 150 building fee plus \$ 10 per guest room, providing up-to-date facility contact information
2. Annual inspection by Planning and Code Administration

Tier 3

1. Annual application with \$ 300 building fee plus \$ 20 per guest room, providing up-to-date facility contact information
2. Biannual inspection by Fire Marshal and Planning and Code Administration

In addition to the goals mentioned in the October 2, 2018 memorandum, the program proposed is to have a minimal impact to the existing facility but hold them accountable for a safe environment for the City's patrons with facilities that meet minimum life safety and building code requirements.

Councilmember Aleshire asked why the requirement of being in good standing with the hotel chain-brand was removed. Ms. Maher noted facilities can operate under a chain brand and get annual inspections but may have some items to be repaired, which keeps them out of the good standing classification.

Councilmember Aleshire asked how a short term rental is different than a Bed and Breakfast. Ms. Maher stated a short term rental is a dwelling unit available for rent, such as an Air BnB property.

Councilmember Aleshire asked if PCAD staff is notified of Chapter 64 violations separately. He wondered how inspection staff will know the Fire Marshal's office appropriately identified violations outside their area of expertise.

Mr. Fulk noted the two departments work closely together now. The Fire Marshal's office and police officers also notify Code when something doesn't seem right in a residence as well.

Mr. Fulk stated a list could be developed for all the items that are inspected within a unit. Ms. Maher pointed out some problems are obvious, such as plumbing that does not work and non-working HVAC systems.

Mayor Bruchey asked if all hotels start with an initial inspection. Ms. Maher indicated neither Bed and Breakfasts nor Air BnB establishments are.

Councilmember McIntire asked how a Tier 3 hotel could move to a Tier 1 hotel since they are not affiliated with a chain brand. She is concerned that implementing hotel licensing will cause hotel owners to locate outside the City limits, where there aren't similar regulations.

Dan Spedden, Executive Director of the Convention and Visitors Bureau, stated the meltdown of the Garden Plaza was handled by multiple City departments and the problem was taken care of. He doesn't think the proposed licensing and inspection program is needed now. The perception of excessive regulation will be impossible to control. It is now known what resources are available to deal with motels in a similar meltdown situation. He noted being classified as a Tier 3 may be offensive to some high-end Bed and Breakfast establishments. Mr. Spedden also presented letters to the group from the Maryland Hotel Lodging Association expressing their opposition to the proposed licensing of hotels in Hagerstown.

Public Input

Raj Patel, 13726 Oliver Drive, Hagerstown, Maryland, and William Wantz, Attorney, 123 W. Washington Street, Hagerstown, Maryland, were present to discuss the Garden Plaza. Mr. Patel is the new owner and Mr. Wantz is his legal representative. Mr. Patel stated a hotel license program is unnecessary. The problems at the Garden Plaza were due to the person leasing the hotel. The Garden Plaza is now classified as a Tier 3 hotel; however, he is trying to secure affiliation with a chain hotel. Mr. Patel stated he has rescued three hotels in Hagerstown. He is working on getting conventions that left because of the conditions back at the Garden Plaza. If the hotel licensing is implemented, he will pay the most of all the hotel owners. He stated they will do the right thing.

Mr. Wantz noted some investors already perform extensive annual fire inspections through third party groups. There should be some consideration given for these inspections. He believes the fees may be a detriment to hotels locating in the City limits. The liability to the owner would be opposite good enterprise practices.

Karen Kenzler, 11836 Boyd Road, Clear Spring, Maryland, has worked at the Garden Plaza property for 20 years, starting when Frank Turner owned the hotel. She has seen great improvements in the condition of the hotel since Mr. Patel purchased it.

Rob Ferree, 10228 Governor Lane Boulevard, Williamsport, Maryland, was at the meeting representing the Bowman Group. He is against the program. Hotel owners compete with other States as well as within the County. This program could be detrimental for hotels within the City limits. This policy is not business friendly. He would like to see some Bed and Breakfasts and boutique hotels downtown but this policy deters that. Maybe more inspections would eliminate the need for a licensing program. He wondered if the City Fire Marshal's office could get assistance from the State Fire Marshal with inspections.

Mayor Bruchey noted there is one State Fire Marshal for the three western Maryland counties.

Marcia Watters, 12719 Ailanthus Drive, Hagerstown, Maryland, is an attorney who spoke on behalf of Mr. Raj Patel. Mr. Patel is a good businessman and a good person. She has represented him in many hotel takeovers. The proposed licensing program started because of the issues at the Garden Plaza. The solution is working with the Fire Marshal's office. They have met with the Fire Marshal many times to discuss the improvements. This additional regulation is not necessary and will hinder development. Her husband wanted to expand White Tiger Martial Arts and couldn't because of so many code requirements. He experienced many closed doors. She is also concerned about the lack of affordable housing in Hagerstown. Her in-laws would be homeless without Mr. Patel's assistance. She asked that this licensing program not be implemented. If it is implemented, it will deter long term housing.

B. Patel, Hagerstown, Maryland, is a hotel owner. He stated they have made extensive repairs to the hotel. It takes time to recoup the expenses.

OCTOBER 23, 2018

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

Jay Romand, Hagerstown, Maryland, manages the Quality Suites. Mr. Raj Patel is his business competitor but he noted the improvements made at the Garden Plaza are highly visible. The rating improvement of the Garden Plaza is impressive. These regulations will hinder any improvements to hotels.

Milton Rathey, Hagerstown, Maryland, completes inspections on their property on a daily basis. They have their own process for inspections.

Gary Gilmon, 51 Dual Highway, Hagerstown, Maryland, lives close to the Garden Plaza. He used to see drug deals and prostitutes in the parking lot at the Garden Plaza frequently. Since Mr. Patel took over ownership of the hotel, these activities have stopped.

Mayor Bruchey stated a Work Session discussion will be scheduled for November 13, 2018.

Councilmember Keller asked if the hotel owners would feel differently about the licensing program if inspections were required but no fees were required.

Mr. Raj Patel indicated he welcomes inspections at any time. They do everything they can to keep people from destroying the property so they complete their own inspections regularly. If there are license fees, they should be the same for everyone.

Councilmember Aleshire clarified that inspection results and potential violations are provided to the Planning and Code Administration office by the Fire Marshal. Chief Lohr indicated that is correct. The Fire Marshal is focused on inspecting per the national fire codes. The focus is always on the health, safety and welfare of the City's residents and visitors. Hotel staff has to know when and how to call 911 in emergencies. Chief Lohr noted implementing or not implementing this licensing program will not decrease the efficiency of or amount of inspections done by the Fire Marshal's office. Any potential violations will be shared with appropriate City departments.

Councilmember Aleshire noted that the issues at the Garden Plaza are not the only reason for considering the licensing program. Other hotels have switched to long term rentals in rooms that were not designed for that use. People staying in other rooms should be aware of living amenities.

The Work Session was adjourned at 6:55 p.m.

Mayor Bruchey left the meeting to attend an unexpected meeting with Senator Andrew Serafini.

54TH REGULAR SESSION – October 23, 2018

In the absence of Mayor R. E. Bruchey, II, City Clerk D. K. Spickler called this 54th Regular Session of the Mayor and City Council to order at 7:00 p.m., Tuesday, October 23, 2018, in the Council Chamber at City Hall. On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, Councilmember L. C. Metzner was unanimously designated to act as the Chair of the meeting. Present with Councilmember Metzner were Councilmembers K. B. Aleshire, E. Keller, and S. McIntire, City Administrator Valerie Means, City Attorney Jennifer Keefer, and City Clerk D. K. Spickler. Mayor R. E. Bruchey, II and Councilmember A. Heffernan were not present.

The invocation was offered by Councilmember Emily Keller. The Pledge of Allegiance was then recited.

Councilmember Metzner announced the Rules of Procedure for this meeting will be followed as adopted December 20, 2016. It was announced that the use of cell phones during meetings is restricted and that all correspondence for distribution to elected officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.

The next scheduled meetings are: Work Sessions beginning at 4:00 p.m. on Tuesday, November 6, 2018, Tuesday, November 13, 2018, Tuesday, November 20, 2018, and the Regular Session on Tuesday, November 27, 2018.

GUESTS

Proclamation: Character Counts! Week

Councilmember Metzner read a proclamation naming October 21-27, 2018 to be Character Counts! Week in Hagerstown. Carolyn Brooks, Founder and Director of Character Counts! accepted the proclamation.

APPOINTMENTS

Councilmember Metzner announced Mayor Bruchey has appointed Terry Wishard to the Hagerstown Housing Authority Board of Commissioners. Mr. Wishard's term will expire August 31, 2023. This appointment is the Mayor's appointment and does not require Council approval.

CITIZEN COMMENTS

There were no Citizen Comments.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator, reminded everyone the annual Alsatia Mummer's Parade will be held on Saturday, October 27, 2018.

MAYOR AND COUNCIL COMMENTS

Councilmember S. McIntire had no additional comments.

Councilmember E. Keller thanked the Pen Mar Board of Realtors for discussing their partnership opportunities.

Councilmember K. B. Aleshire had no additional comments.

Councilmember L. C. Metzner thanked the Fire Department for their efforts to extinguish a fire on Irvin Avenue. They responded quickly and were able to limit the loss to the garage. He is sure the City's fire department responded quicker than a County department could have. Trick or Treat will be held in Hagerstown on Wednesday, October 31, 2018.

MINUTES

On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all member present to approve the minutes, as presented, for the Mayor and Council meetings held on September 11, 2018, September 18, 2018, and September 25, 2018.

CONSENT AGENDA

On a motion duly made by Councilmember E. Keller and seconded by Councilmember K. B. Aleshire, the Consent Agenda was approved as follows:

A. Public Works:

1. Bulk Road Salt – Morton Salt, Inc. (Chicago, IL) \$ 61.95/ton
2. Christmas Garland, Lights, & Shipping- Creative Displays (Stilwell, KS)
\$ 16,712.50

B. Utilities:

1. Wastewater – UV Bulbs and Quartz Sleeves – SUEZ Treatment Solutions (Leonia, NJ) \$ 42,048.10

UNFINISHED BUSINESS

A. Approval of an Ordinance: Smoking in Public Places

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote of all members present to approve an ordinance prohibiting all tobacco products, vaping, electronic cigarettes, and/or the ingestion of vaporized or inhaled aerosol products in all parks of the City of Hagerstown except for designated areas of Municipal Stadium and the Greens at Hamilton Run.

B. Approval of an Ordinance: Prohibiting Sales of Goods and Services

Action: On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve an ordinance to amend the City of Hagerstown Code Chapter 173 to prohibit the sale of goods and services in the parks of the City unless part of an approved concession lease or City-approved special event.

C. Approval of an Ordinance: Prohibiting Soliciting in the Parks

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve an ordinance to amend the Code of the City of Hagerstown Chapter 173-26 to prohibit solicitation in the parks of the City.

NEW BUSINESS

A. Introduction of an Ordinance: Amending Section 173-5 of the Code of the City of Hagerstown – Public Exhibitions at Dangerous Elevations

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote of all members present to introduce an ordinance to amend the Code of the City of Hagerstown, Section 173-5, entitled Public Exhibitions at Dangerous Elevations. The amendment will enable the Mayor and Council to grant an exception to the prohibition against being engaged or concerned in any show or public exhibition by ropes, chains, or apparatus suspended at dangerous elevation above the ground, subject to such restrictions and conditions as the Mayor and Council may impose.

B. Approval of a Resolution: Drinking Water Bond, Series 2018A and Drinking Water Bond, Series 2018B for RC Willson – Traveling Screen Replacement and Pump Station Improvements

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve a resolution providing for the sale, issuance and delivery by City of Hagerstown to

Maryland Water Quality Financing Administration (“MWQFA”) of the City’s (i) Drinking Water Bond, Series 2018A (the “Series 2018A Bond”) in the original principal amount of \$ 765,960 and (ii) Drinking Water Bond, Series 2018B (the “Series 2018B Bond”) in the original principal amount of \$ 255,320, or such lesser amount or amounts as shall be determined by City officials is necessary prior to issuance, in order to finance, reimburse or refinance costs of the projects referenced in “TOPIC” above.

The resolution provides that the Series 2018A Bond shall have scheduled principal installments due on February 1 in the years 2020-2039, inclusive, and shall bear interest at the rate equal to 25% of the average of the Bond Buyer, 11-Bond Index for the month prior to the month of delivery (MWQFA may round down the resulting rate). There is no scheduled amortization for the Series 2018B Bond. The resolution provides that so long as the City does not default under the loan agreement corresponding to the Series 2018B Bond, that bond will be deemed terminated and cancelled 10 years after the date of its delivery, but if the City defaults in such 10 year period MWQFA may demand immediate repayment of such bond with interest at a rate equal to 100% of the average of the Bond Buyer 11-Bond Index for the month prior to the month of delivery (MWQFA may round down the resulting rate). The amortization schedule for the Series 2018A Bond is based on identified expected delivery and project completion dates, and the resolution provides the bonds may have other terms in the circumstances provided for in the resolution.

The Series 2018A Bond is subject to mandatory prepayment in accordance with EPA regulations. The Series 2018A Bond may be prepaid at the City’s option only with the agreement of the Director of MWQFA.

The resolution approves the substantially final forms of two loan agreements to be entered into by the City with MWQFA. The resolution pledges the City’s full faith and credit and unlimited taxing power to payment of the bonds, provides that debt shall be payable in the first instance from water supply system revenues, and acknowledges the pledge of moneys that the City is entitled to receive from the State of Maryland as a security for the two bonds. The resolution fixes or provides for other details relating to the bonds.

Closing on the two bonds shall take place on October 31, 2018 unless City officials and MWQFA agree otherwise. If the bonds are delivered in October 2018 as expected the interest rate on the Series 2018A Bond is 0.80% and the default rate for both bonds is \$ 3.56%.

C. Approval of a Resolution: Maryland Department of Transportation Bicycle Grant Agreement

Action: On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve a resolution authorizing the City to enter into a grant agreement for a “Maryland Bikeways Grant” with the Maryland Department of Transportation. The grant is \$ 48,000 and has a \$ 2,000 match and will continue bicycling-related improvements in the City.

D. Approval of Amendments to Incentive Programs

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote of all members present to approve the following changes to the guideline documents for the following incentive programs:

Partners in Economic Progress (PEP) Program

1. Modification of the Partners in Economic Progress (PEP) Program area to be the City Center-Mixed Use (CC-MU) Zoning District
2. Add the attached list of business categories as eligible for the Rent Assistance Incentive except as prohibited by state and federal guidelines associated with grant funding

Retail and Restaurant Incentive Program

1. Increase the amount of the grant an applicant can apply for to \$ 8,000
2. Allow exceptions where the awarded grant amount can exceed \$ 8,000 on a case by case basis

E. Approval of Funding for a Community Coalition Lobbyist

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote of all members present to approve the expense of \$ 5,000.00 from the General Fund in order to contribute toward hiring John Favaza with the firm of Manis, Canning & Associates, as the Community Coalition Lobbyist. Other committed partners include the Washington County Commissioners, Hagerstown Community College, Washington County Library System, Town of Williamsport, Visit Hagerstown, Washington County Chamber of Commerce, CHIEF (Washington County Industrial Foundation), and Greater Hagerstown Committee.

F. Approval of Invest Hagerstown: City Center Redevelopment Grant Application for 54 S. Potomac Street

Action: On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve the Invest Hagerstown: City Center Redevelopment Grant application for the renovation project at 54 South Potomac street. The total project cost is \$ 2,107,125. The Invest Hagerstown: Redevelopment Grant amount is \$ 250,000. Specifically, this grant application and related development plan meets the City's Vision for the Redevelopment of the City Center and is in compliance with the program guidelines.

Staff are authorized to issue a Letter of Commitment in the amount of \$ 250,000. No funds will be dispersed until staff has verified that all work in the development plan is complete to the City's satisfaction and that a full account detailing the total project cost expenditure requirements have been met. Funding for this grant will come from the Invest Hagerstown line item in the Fiscal Year 2019 General Fund with a project completion deadline of December 31, 2019.

G. Approval of Proposed Stadium Improvements for the 2019 Season

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve of \$ 35,000 for improvements at Municipal Stadium as follows:

1. Replace vertical net behind home plate
2. Replace carpet in Clubhouse
3. Replace field fence
4. Upgrade electric in laundry room to 220V for new industrial clothes dryers
5. Replace HVAC in Team Store
6. Replace roof as determined by staff up to \$ 6,000
7. Replace bowed boards in picnic table as determined by staff

These improvements are consistent with the terms of the lease and amendments.

The Mayor and City Council also authorized staff to compete the work prior to the start of the 2019 Hagerstown Suns Baseball season. Funding for the project is from rent paid by the Suns.

It was further moved to approve an emergency purchase of \$ 15,247.55 to ServPro to clean and repair water damage after the August 21, 2018 flood event. Funding will be taken from the Stadium operating budget.

H. Approval of Invest Hagerstown: City Center Redevelopment Grant Application for 21 W. Franklin Street

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote of all members present to approve an Invest Hagerstown: City Center Redevelopment Grant application for the renovation project at 21 W. Franklin Street. The total project cost is \$ 632,060. The Invest Hagerstown: Redevelopment Grant amount is \$ 100,000. Specifically, this grant application and related development plan meets the City's Vision for the Redevelopment of the City Center and is in compliance with the program guidelines.

Staff are authorized to issue a Letter of Commitment in the amount of \$ 100,000. No funds will be dispersed until staff has verified that all work in the development plan is completed to the City's satisfaction and that a full account detailing the total project cost expenditure requirements have been met. Funding for this grant will come from the Invest Hagerstown line item in the Fiscal Year 2019 General Fund with a project completion deadline of December 31, 2019.

I. Approval of the Utilization of Wastewater Division Funds to Fund the Synagro Wastewater Treatment Plan Sludge Thickening Project and Dryer Rebuild Project

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve the funding of the Synagro Wastewater Treatment Plan Phase 1B Sludge Thickening and Phase 2 Dryer Rebuild Projects. Wastewater CIP 54-CO712 will be utilized to fund the amount of \$ 3,250,000.00 for the remainder of Fiscal Year 19.

J. Approval of City Center Holiday Parking Program

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote of all members present to approve the City Center Holiday Parking Program that allows for free parking each weekend commencing at 5:00 p.m. Friday evenings and all day Saturday and Sunday in the University District Parking Deck and Arts & Entertainment District Parking Deck beginning Friday, November 16, 2018 through Sunday, December 30, 2018. Additionally, free parking will be extended through Monday, December 31, 2018, and Tuesday January 1 2019. Normal parking operations will resume on Wednesday, January 2, 2019.

Parking at the street meters and parking lot meters will continue to be free after 5:00 p.m. weekdays and all day Saturday and Sunday as it is normally throughout the year.

54TH REGULAR SESSION AND WORK SESSION

OCTOBER 23, 2018

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

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 7:23 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: November 27, 2018