

WORK SESSION
JANUARY 8, 2013
MAYOR AND CITY COUNCIL
MARYLAND

HAGERSTOWN,

WORK SESSION – JANUARY 8, 2013

Mayor D. S. Gysberts called this Work Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, January 8, 2013, 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, P. M. Nigh; City Administrator Bruce Zimmerman, City Attorney John Urner, City Attorney William Nairn and City Clerk D. K. Spickler.

One Maryland Broadband

Scott Nicewarner, Director of Information Technology and Support Services, provided a report on the current status of the One Maryland Broadband Project and its potential impact on economic development for the City.

The State of Maryland has been awarded a Federal ARRA Broadband stimulus grant to fund the One Maryland Broadband Network (OMBN) project and as a result, Washington County will have an 18.5 mile fiber optic infrastructure deployed by September, 2013. Many public and private stakeholders of technology within Washington County originally met to discuss potential fiber cable routes through the County, and ultimately the State of Maryland settled on a path that in part will pass from the West End of Hagerstown to the Professional Arts building then follow North Potomac Street to the Department of Social Services. Other areas outside the City that will reap the benefits of this project include Hagerstown Community College, the State Prison complex on Sharpsburg Pike, as well as several outlying public schools.

The latest development in this project is that a “Broadband Impact Study” has been awarded to Design Nine of Blacksburg, Va. It is intended to assist Washington County on how best to maximize the new OMBN fiber infrastructure and optionally leverage the WCPN (Washington County, City of Hagerstown, WCBOE, and Washington County Free Library) fiber assets and the MBC fiber assets and middle-mile services in order to increase broadband availability in the underserved and unserved areas of the county and to increase broadband adoption by the greatest number of County businesses and citizens. This study will establish the best technical, cost efficient design, along with an operations and maintenance approach to reach the maximum number of businesses and residents. This study will research and develop financing and sustainable business plan model alternatives that encourage entrepreneurship and identify possible public/private partners to complete the design/construction. The study is expected to be completed in early Spring 2013.

Mr. Nicewarner indicated similar initiatives in other communities, such as Danville, Virginia, have helped revive the city. They cater to high broadband users.

Councilmember Munson asked if there was significance to the 18.5 miles of infrastructure. Mr. Nicewarner stated this figure is what the State decided on. City officials feel there were some areas in the County overlooked.

The task force members are uncertain whether this will compete with Antietam Cable Television. Representatives from Antietam Cable could choose to be involved in the infrastructure.

Councilmember Brubaker stated it is essential that the City have competitive access to a fiber network. Businesses need to be aware that the City has the capability for Class A office buildings.

Mayor Gysberts asked if the study will include specific sites for economic development. Mr. Nicewarner stated it will not. It will identify opportunities and provide general statements.

Franchise Agreement and Selection of Consultants

Karen Giffin, Community Affairs Manager, Scott Nicewarner, Director of Information Technology and Support Services, and William Nairn, City Attorney, were present to discuss renewal of the franchise agreement with Antietam Cable Television.

The City of Hagerstown and Antietam Cable have agreed in writing to begin the formal renewal proceedings required of the franchise agreement between the two entities. The current agreement will expire on November 1, 2013.

The process of renewal includes subscriber surveys, needs assessments, focus groups, interviews, public hearings, a past performance review, a franchise fee audit, technical evaluation, and an I-Net evaluation. The City of Hagerstown has issued a Request for Proposal (RFP) to obtain bids from qualified contractors/vendors to enter into a contract for consulting services for renewal of cable franchises. Staff is requesting approval to enter into a contractual agreement with CBG Communications for consulting services for the renewal process, in the amount of \$ 89,590.00.

The Franchise Agreement with Antietam Cable Television is non-exclusive, and it allows Antietam Cable Television to use the rights-of-ways with the City to construct, operate, maintain, reconstruct, rebuild and upgrade a cable television system for the purpose of providing cable service to residents of the City. The franchise agreement assists in making sure that the cable services of Antietam Cable meet a variety of cable-related needs and interests of the citizens of Hagerstown. The City has the right to complete performance evaluations during the agreement which could include compliance with technical standards, construction stands, consumer protection standards and financial reporting. It does require Antietam Cable to comply with Customer Service Standards and for the company to keep up with industry standards and standards in other comparable cities. It also requires the company to offer broad categories of programming.

The franchise agreement assists in the City Government and education communications outreach to the citizens of Hagerstown. They provide channel 25 for government, channel 99 for education and, upon request, must activate a third channel for

public access.

The City receives a franchise fee of 5% of Antietam Cable's gross revenues which goes to the general fund. In addition PEG fees are used for capital expenditures for the access or I-Net purposes. During the last four years, the revenue has been approximately \$ 1,402,755 in franchise fees and \$ 198,209 in PEG fees.

Councilmember Brubaker stated service to citizens has to be a major consideration in the contract. If Antietam does not provide adequate service, the City will have to decide how to ensure that the service is adequate.

It was the general consensus to include approval of the contract on the January 22, 2013 agenda.

Exception to Business Revolving Loan Policy – Maryland Theatre

John Lestitian, Director of the Department of Community and Economic Development, and Benito Vattelana, President Board of Directors, Maryland Theatre, were present to discuss a request for a loan.

Staff received a loan request from the Maryland Theatre to cover the cost of required upgrades and repairs to their HVAC system. The loan request cannot be processed through the Community Development Loan programs (CDBG Funds). If a loan were to be made to the Maryland Theatre, the loan would have to be made from the Business Revolving Loan Program.

Staff have reviewed the request and believe that the loan would qualify except that the current policy prohibits Business Revolving Loan Funds from being used by non-profit organizations.

The Maryland Theatre serves as an economic driver in the downtown. The events held at the Theatre arguably assist the downtown businesses. The request from the theatre is to borrow \$ 28,000. The proposed term would be for seven years and the interest by policy would be 3%.

Staff met with the City Attorney who advised that the Mayor and Council could provide a one-time exception from this policy.

Councilmember Aleshire asked if all the hotel/motel tax revenue has been used. He also asked how many bids were received. Mr. Vattelana indicated three bids were submitted.

Councilmember Metzner supports the request for the one-time waiver. He stated the Theatre is a gem and the City should be more interactive with the board. The Weinberg Center in Frederick, Maryland employs three full time professional staff. This is funded by the City of Frederick. Mr. Vattelana volunteers his time to the Theatre and he can't

continue to do it alone. The City needs to be more interactive.

Councilmember Nigh agreed with Councilmember Metzner.

Mayor Gysberts discussed earlier today with Mr. Vettalano how the City can be a more active partner with the Theatre. This may include assistance with securing entertainment.

Councilmember Munson stated, at one time, the Governor included \$ 100,000 for the Theatre in his personal budget. He believes the Theatre is the keystone for downtown and should be preserved.

Councilmember Brubaker pointed out this proposal is a sound financial plan as well.

Councilmember Aleshire asked if the criteria are original to the policy. Mr. Lestitian will provide this information. Councilmember Aleshire would prefer to use Hotel/Motel Tax for the loan.

It was the general consensus to include approval of the one-time exception on the agenda for January 22, 2013.

Community Development Residential Rehabilitation Program Update

John Lestitian, Director of the Department of Community and Economic Development, and Jonathan Kerns, Community Development Manager, were present to provide an update on a two-fold initiative that invests both in mixed-use and residential buildings. The program has been developed over the course of the last year and will be implemented during the current fiscal year. The goal is to have the limited funding available create visible and impactful change. Clustering projects is a recognized best practice in achieving this goal.

The first part of the initiative takes advantage of State and Federal funds to improve the facades of mixed-use buildings. A Community Legacy Grant of \$ 50,000 has been awarded to the City for this program. This funding will be matched with Community Development Block Grant Funds.

The second part of the initiative concentrates residential rehabilitation funds to create visible change. The program is part of the existing rehabilitation loan program. Up to 50% of a qualified loan will be eligible to be a loan-to-grant.

Depending on the size and scope of proposed projects, up to 15 residential projects and 5 mixed use projects may be completed in this fiscal year. This program represents a \$ 300,000 investment in the community.

Initially, eligible projects will be selected from concentrated areas of the unit and 100 blocks of South Potomac Street and Summit Avenue, South Prospect Street and the unit

block of East Antietam Street. The goal is to then expand the area in the next fiscal year.

Staff are working on a separate program to target buildings with marginal units crowded into large historic homes. A draft of this initiative will be ready for review by the Mayor and Council in February, 2013.

Councilmember Brubaker asked if private parties are eligible for these funds. Mr. Lestitian indicated they would be, if they meet the income restrictions and mixed-use criteria.

Staff is working with the Communications Manager to develop notices to make the public aware of this opportunity.

Councilmember Aleshire asked if the marketing materials would indicated certain areas are ineligible for the program, such as the northeast quadrant of the City. Mr. Lestitian stated the program is designed to cluster investments in neighborhoods. The northeast quadrant, from staff's perspective, would be beyond the eligible area. Councilmember Aleshire stated he would not want to exclude a viable project simply because it was outside the targeted area. He would not support a program that excludes good projects. Mr. Lestitian indicated they could review such requests on a case-by-case basis.

Mayor Gysberts asked staff to explain how clustering projects is considered a best practice. Mr. Lestitian indicated with limited and shrinking funds, clustering projects in an area creates a larger visual impact in the neighborhood. Councilmember Brubaker pointed out people may be inspired to do projects if they see others doing things.

Mr. Lestitian stated the program should help with renovation (by offering loan-to-grant options) by property owners who are unwilling to take on significant debt.

It was the general consensus to move forward with the program as outlined.

Proposed Guidelines for Awarding Community Development Block Grant (CDBG) Public Service Grants

Sarah Johnson, Planning Outreach Coordinator, and Jonathan Kerns, Community Development Manager, discussed proposed guidelines for the selection of CDBG Public Service Grant recipients.

According to CDBG regulations, the total amount of CDBG funding obligated for Public Service activities must not exceed 15% of the annual CDBG grant allocation plus the total program income received in the prior fiscal year.

The City of Hagerstown has traditionally utilized nearly all of this 15% for eligible Public Service activities. The majority of these activities are carried out by local non-profit organizations that receive a CDBG Public Service Grant from the City. Because of

the regulatory cap on CDBG public service funding, the total of all requests for Public Service Grants typically far exceed available funding.

The U.S. Department of Housing and Urban Development (HUD) strongly recommends that each entitlement community develop a guideline for review of public service grant applications. Many jurisdictions use a committee to either decide funding or to make recommendations to the governing body.

Staff continue to look for ways to further citizen participation, community engagement, and transparency. In reference to the review of Public Service Grant Applications, staff recommend that three members of the community be selected to join a staff committee comprised of the Community Development Manager, the Planning Director, and the Finance Director to review the applications and make recommendations to the Mayor and Council. Staff recommend that the community members be comprised of:

- 1) A member of the Neighborhoods 1st Leadership Team
- 2) A low/moderate income resident of the City of Hagerstown
- 3) A member of the Faith community

Applications for funding will be reviewed and recommendations made to the Mayor and Council based on the following guidelines:

- 1) Sub-recipients who have previously received CDBG Public Service funding are not guaranteed funding in future years – future funding is dependent of many factors including performance.
- 2) HUD regulations state that public service funding is eligible to only lease, not purchase, capital equipment.
- 3) HUD regulations state the public service must provide new/expanded services responding to critical, identifiable, and unmet needs (continued funding to a public service sub-recipient at the same or decreased level in subsequent years is permitted).
- 4) CDBG allocations are distributed on a reimbursement basis. All agencies receiving funds must demonstrate the financial capacity to operate the proposed project based on reimbursement of actual expenses.
- 5) To be considered for Public Service funding, sub-recipients must be able to demonstrate the following:
 - a. Collaboration with other community service providers
 - b. Leveraging of multiple funding sources
 - c. Clearly stated goals and budget with specific and measureable evaluation criteria
 - d. A focus on sustainable and long-term solutions that serve as a catalyst for change
- 6) The City will not award CDBG funds to an organization for the same project (or substantially similar project) for more than three years, unless the project falls into one of the targeted categories outlined below:
 - a. Youth Development/Youth Services
 - b. Healthcare

c. Elderly Care

Councilmember Aleshire recommended that the guidelines also include providing new and expanding services for unmet needs in the community. The next agenda item is to discuss the purchase of a building to prevent the occurrence of activities the City deems detrimental to the neighborhoods. He wonders if the City has expanded to the brink of instability. He is not certain the efforts to increase opportunities for entitlements and to increase presence in the community are providing the stability in neighborhoods that is wanted. He feels the City has become a destination for government services.

Councilmember Metzner stated he supports continued funding for Holly Place.

Mr. Kerns stated HUD regulations prohibit increasing funding for programs without a change in the provider's program.

Councilmember Aleshire wondered if the community impact would change if the City did not accept funding from HUD.

It was the general consensus to include approval of the guidelines and six person committee on the January 22, 2013 agenda.

Mayor and Council Discussion on the Future of the Midtown/Holiday Motel – 170 W. Washington Street/2-16 North Prospect Street

John Lestitian, Director of the Department of Community and Economic Development, discussed the former Midtown Motel at the intersection of W. Washington Street and North Prospect Street. When in operation, the Midtown Motel was a serious blighting influence on the community both in general as that area serves as a gateway to the City Center and in particular on the surrounding neighborhood. In addition to the conditions of the physical structure the City would frequently receive complaints of prostitution, drug use and vagrants in the area.

An investor had acquired the property and intended to redevelop the site into office condominiums. This redevelopment did not occur and the property has been foreclosed upon by Frederick County Bank (FCB)..

Staff have monitored the property and potential redevelopment. Nearly a year ago, staff had discussions on the possibility of acquiring the property, demolishing the motel portion and marketing the property for redevelopment. At that time, FCB was not interested as they were attempting to recoup as much of their loss as possible. The property has been and remains for sale.

Staff learned on January 7, 2013 that the bank has received a written offer from an investor to acquire the property. The investor plans to re-open the motel. While staff do not know the identity of this out-of-area investor or the details of the investor's plans, staff are seriously concerned about this development. Given the demographics in this area, the current condition of the property and state of the economy, staff believe it is

highly unlikely that the re-opening of the motel would further the city's goals of revitalizing the downtown, protecting existing neighborhoods and area investments.

According to representatives of FCB, the written offer to acquire has not yet been accepted. Staff believe that the City should consider acquisition, site prep and resale of the property. The site prep would include demolition of the motel portion and exterior renovations of the original structure.

If the Mayor and Council authorize staff to negotiate this acquisition, staff ask that a brief executive session be held at the conclusion of the work session to discuss an offer. FCB has indicated that they need to respond to this written offer and as such they need to hear back from the City by Wednesday, January 9, 2013.

Councilmember Munson stated he doesn't like the City purchasing property but this is a different situation. When he was a Senator, he received complaints about the hotel from the Catholic school. The portion previously used as a motel should be removed.

Councilmember Metzner stated the closing of the Mid-Town Motel was one of the best things to happen in Hagerstown. It used to be a nice motel but had declined in recent years. The City needs to have the ability to control how this property is developed.

Councilmember Brubaker stated he has been reluctant to have the City purchase buildings. However; he understands the need to encourage development. He would like to find a way to have private sector investors involved. The Mayor and Council cannot stand back and do nothing for revitalization.

Mr. Lestitian stated the bank has one written offer. The asking price for the building is \$ 100,000. He believes the bank is looking to do the right thing for the community.

Staff have reviewed available funds in the Economic Redevelopment Fund and believe sufficient funds are available for this project.

Councilmember Aleshire pointed out successful cities have identified assets in downtown (such as churches) and protected them. These cities have also removed the buildings with a negative influence.

It was the general consensus to hold an executive session following this meeting.

Delwood Avenue Annexation, A-2012-01

Alex Rohrbaugh, Planner, stated a proposed annexation is scheduled for introduction at the January 22, 2013 Regular Session. The Annexation Plan is also scheduled for adoption at that time. Following introduction, a public hearing on the annexation will

take place, at the February 26, 2013 meeting.

The subject property is located in the cedar Lawn Subdivision north of West Washington Street (MD Route 144). The property is located on the east side of Delwood Avenue and is contiguous to the City via the Snook Annexation from the mid-2000s. The property is owned by Tristate Holdings LLC and contains a single-family detached house that was recently constructed which initiated a request for City water service last year.

The total area of annexation is approximately 0.29 acres which includes 12305 Delwood Avenue and a small portion of unimproved alley right-of-way between the subject property and the Snook Farm. The property is zoned RS (Residential Suburban) in the County, and the annexation petition requests RMOD (Residential-Moderate Density) if annexed. The zoning classifications are consistent with one another; therefore, no express approval of a zoning change is required from the County Commissioners. The Land Use Plan in the 2002 Washington County Comprehensive Plan designated this property as Low Density Residential. The Future Land Use Plan in the City's Comprehensive Plan identifies this area as Medium Density Residential. At its December 12, 2012 meeting, the City Planning Commission recommended RMOD zoning for the property if annexed.

Introduction of the Annexation Resolution and Approval of the Annexation Plan will be included on the January 22, 2012 agenda.

Consideration of Process for Sale of City Owned Real Estate

Bruce Zimmerman, City Administrator, stated from time to time, the Mayor and Council have approved the sale of City owned real estate. Staff is seeking guidance on the process the Mayor and Council wish to use for the sale of City owned property. It is staff's suggestion that the Mayor and Council continue to follow the current process with any enhancements they wish to add.

These transactions are publicly approved through the Mayor and Council's introduction and adoption of an ordinance authorizing the sale. Recent examples would be the following:

1. Sale of the Army Reserve Center to Washington County for a senior citizens center.
2. The sale of three residential properties, the City acquired through the CDBG Single Family Home Ownership Program, to Habitat for Humanity.
3. The sale of 140 South Potomac Street to a private owner for redevelopment.
4. The sale of the former McBare's property to the Maryland Theatre.

Previously, the City has publicly discussed and approved the transfer of City owned buildings to others that now serve as the home of the University Systems of Maryland Hagerstown Center, the Barbara Ingram School for the Arts, the Academy Theatre, and

Bowman Development's Bulls & Bears and Potomac Walk. For many years, primarily before the economic recession, the City operated a CDBG funded program to purchase, rehabilitate, and then sell residential properties for home ownership.

In many cases the City has advertised the sale of property requesting offers from prospective buyers. In other cases, the City has not advertised the sale, and partnered with the State, County, Board of Education, a non-profit agency, or a private developer when there was an opportunity to further a City goal for economic development or neighborhood revitalization. It is also possible for the City to be approached by a prospective buyer interested in a property the City has not previously considered or advertised for sale. These sales have involved property previously used for governmental purposes and operations, and in other instances properties the City had acquired for redevelopment initiatives.

The Mayor and Council have used a combination of executive sessions for the initial negotiations of terms for the sale of the property followed by public meetings and discussions leading to the approval of the sale of the property. The City attorneys have provided guidance for the City's process.

Mayor Gysberts stated this item is on the agenda because of seeming inconsistency in the process for the sale of City property. He asked the Council to consider whether or not a formal, consistent process is needed.

Councilmember Aleshire stated there is a significant difference in considering the sale of properties between the properties purchased by the City with the intent to resell and those that are being used actively for some portion of City operations. A private party looking to purchase City property is different from the School for the Arts or Army Reserve building.

Councilmember Nigh agreed. She stated if one developer is interested in a utilized property, others probably would be too. A request for proposals should be advertised.

Councilmember Metzner stated one consideration should be if it would be better to have the property on the tax rolls. If the City sells prime real estate, the money could be used to acquire property in locations that are not prime locations. He suggested considering whether or not the City is interested in maximizing the price.

Councilmember Nigh pointed out that the City loses control of the use of the property when it is flipped.

Councilmember Brubaker asked if the perspective purchaser of property at public square is planning to continue leases with the CVB and other tenants.

Mr. Zimmerman indicated they plan to continue.

Councilmember Metzner questioned if a policy can be created to deal with the

uniqueness of the property. He does not want a policy to become a definition of bureaucracy.

Mayor Gysberts stated the consensus appears to be that no formal process is needed.

Councilmember Aleshire stated there are many reasons for acquiring property, i. e. right-of-ways. He does not think discussing an offer at an executive session, immediately followed by a formal action is appropriate.

Councilmember Metzner stated pricing is, and should be, discussed in executive session. There has to be an avenue for discussing the negotiation amounts.

Councilmember Nigh stated if an offer is discussed in open session, without discussing the pricing, other potential owners would be aware the property was for sale.

Any property the City rents out is on the tax roll.

Councilmember Metzner suggested discussing offers for City owned buildings/property during open sessions. If the Mayor and City Council decide to move forward, they could put out an rfp. He asked that the sale of a specific property and offer that was made be included on a Work Session soon.

No process was established; however, the general consensus was to discuss offers (without pricing) in open session.

Stadium Discussion

Mayor Gysberts stated this administration has received thousands of pages of information regarding the stadium and other redevelopment studies during their first five weeks in office. He stated this is the first time in 20 years there is consensus in the community that is worth pursuing. He asked each Councilmember to discuss their thoughts on whether to build a new stadium and in what location.

Councilmember Munson does not support a stadium downtown because the majority of citizens he spoke with were opposed to a stadium downtown. Many citizens cited traffic as a main issue. Many support a stadium, but not in a downtown location. Others indicated they did not want to lose the Suns. They want an affiliated team. Most people believe the current site is the best site. He does not want to spend any more money than is necessary.

Councilmember Aleshire stated he is amazed at the amount of information he was not aware of. There is a significant amount of interest in investment that would occur around the stadium and keeping the Suns. The City needs to determine which is the appropriate location and plan. His concerns are affordability and reasonableness to preserve the public's interest. He was surprised to hear Mr. Quinn say the Suns did not want a stadium downtown. He wonders what a reasonable cost to invest in the Suns is. He

believes it is important to set a limit on costs. If the State, County and City each invest \$ 3 million and Mr. Quinn invests what he proposed in December, the total amount would be \$ 18 million. He would not support the project if the City's share goes above \$ 3 million. During the last 10 years, there has been an effort to bring education downtown. This effort should continue. There should be a long term plan for the community.

Councilmember Brubaker stated the costs to build a new stadium would be about the same, no matter the location. He believes an investment of this size should be in a downtown location, with the added hope of spurring development. The private donation for the MUSEC project was a key piece in obtaining funding from the State. There have been no other proposals presented to the City to help fund the stadium project in the last six months. He stated setting a ceiling on the project costs would not provide needed flexibility. If the City is going to spend a significant amount of money, the project should be in a downtown location. He is discouraged there is not other public money available. Some Councilmembers want to build another parking deck. The key to its success would be linking it to another project. He wants to see private investment directly linked to fund the deck, with or without a stadium.

Councilmember Metzner stated he sees unanimous support from the Council for a stadium. There clearly is not unanimous support to build a stadium at any cost. A new stadium would cost about \$ 25 million. With the funding from the State, County and City at \$ 3 million each, the funding is short \$ 7 million. He supported the stadium for various reasons, one of which being downtown redevelopment. The stadium itself was projected to cost \$ 22 million. The other funding would have been used for redevelopment. He does not envision a \$ 30 million project downtown without a stadium. The Suns representatives have said they would not play at Municipal Stadium and that a new stadium must be completed by the 2014 season. He understands there are other professional baseball teams that want to come to Hagerstown. He feels sure the Suns are looking at alternatives. If the stadium is not located downtown, the Mayor and Council need to discuss what to do for downtown. He wondered if an RFP for a baseball team would show more options. He understands there is not enough funding to do what the Suns want the City to do. He would not want to support demolishing Municipal Stadium and building a new stadium at that location without knowing if another team would be interested in playing at Municipal Stadium. He suggested putting out an RFP and talking to minor league baseball officials about what they would be willing to offer toward a stadium project. He stated the previous administration didn't see a way to do the downtown project without the \$ 15 million private donation.

Mayor Gysberts agreed that there is community and business support for keeping the Suns in Hagerstown. He stated he sees the value of having a Nationals affiliation as part of what makes baseball an economic driver in the community. He wants to try to keep the Suns as a partner.

Councilmember Metzner stated there is excitement in the community and if the Council lets the excitement disappear, they have done a disservice to the community. He

believes the support from the Chamber of Commerce is more for the downtown stadium project than the baseball team. The MUSEC project has created an interest in Hagerstown. He hopes the enthusiasm is present for educational facilities downtown, while still pursuing baseball.

Councilmember Brubaker stated he has always said he supported the MUSEC if the funding was in place. The funding was not guaranteed for the project.

Councilmember Nigh asked how far Municipal Stadium is from downtown. Mr. Tissue stated about $\frac{3}{4}$ of a mile. Councilmember Nigh wondered how close the stadium has to be to downtown to create interest. She supports the stadium at the existing site. She stated during the joint meeting with the Washington County Delegation, they offered \$ 10 million for development. Other Councilmembers stated they did not hear the delegation offer this. Councilmember Nigh will talk to Senator Shank. She stated she understands the County Commissioners may not support the project if the stadium is not downtown. She stated they Suns have to come up with the additional money for a new stadium. She believes the best location is Municipal Stadium. Some people think it will not take a lot of money to renovate the existing stadium.

Councilmember Aleshire left the meeting at this time.

Mayor Gysberts has been reviewing the information provided for the MUSEC and other analysis. He doesn't believe there is a consensus for the downtown site but he wants to explore all options. Tax revenue has to be increased, but not by raising the tax rate. The Ripken report makes it clear that the proposed downtown site would possibly generate development. He asked the Council to consider the possibilities at the former Washington County Hospital site. If the East End and downtown could be joined with this project, it would create a number of opportunities. The former hospital site is only four blocks from the proposed MUSEC site. There would be space for ample parking. The downtown decks could be used for parking, with trolley service to the stadium.

Councilmember Metzner stated the City government has been almost frozen for eight months over one issue. He suggested beginning a new discussion about a stadium project with determining how it will be paid for before doing anything else. If there is a choice between spending \$ 500,000 for a stadium or \$ 500,000 for an educational component downtown, he would choose the educational component. He would rather pay for three full time staff members at the Maryland Theatre than something for the Suns. He wondered why the City has to be locked in to the Hagerstown Suns. He wants money to go toward downtown redevelopment. The former hospital property needs to be back on the tax roll. He sees the City being where it was 10 years ago, without a new stadium.

Councilmember Brubaker stated some people think a few million dollars would be all that was necessary to renovate Municipal Stadium and keep the Suns in Hagerstown. Most teams play in new stadiums. He doesn't think the costs will be as low as people think. There is no way to get away from the funding gap.

Mr. Zimmerman stated a funding source had been identified in the form of real estate tax increases. This was based on assumptions from the Ripken report. The County funding model was also identified. Perhaps a study on the feasibility of an investment in downtown would be appropriate.

Councilmember Metzner stated the best time to continue this discussion is during the budget process. There will be solid numbers to consider. When investment groups approach the City about investing \$ 50 million downtown, it is difficult to not discuss the proposal.

Mayor Gysberts stated a stadium discussion is part of a larger economic development discussion, for the entire City. These discussions will continue.

Councilmember Aleshire left the meeting.

Process for Economic Development Stakeholder Feedback

Mayor Gysberts stated he wants to establish a process for getting information to the stakeholders and receiving their feedback. It is important to solicit stakeholders feedback and incorporate it into the Mayor and Council's decision making process. In the coming months, special meetings will be held to gather feedback.

City Administrator's Comments

Bruce Zimmerman, City Administrator, welcomed Andrew Sargent, who is the new Downtown Manager.

Mayor and Council Comments

Councilmember P. M. Nigh had no additional comments.

Councilmember L. C. Metzner had no additional comments.

Councilmember M. E. Brubaker mentioned the Maryland General Assembly session begins January 9, 2013.

Councilmember D. F. Munson stated the work at 140 S. Potomac Street is progressing nicely. This will be a nice facility in the community.

Mayor D. S. Gysberts thanked the Maryland Theatre for hosting the Chinese dance group. He attended the swearing in ceremonies for Delegate Delany and Senator Cardin. It was worthwhile to represent Hagerstown at these events. He will be attending the opening of the General Assembly.

EXECUTIVE SESSION – January 8, 2013

On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by

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voice vote of all members present to meet in closed session to consider the acquisition of real property for a public purpose and matters directly related thereto, #3 (Section 10-508(a) at 7:00 p.m. in the Council Chamber, 2nd Floor, City Hall, Hagerstown, Maryland. The following people were in attendance: Mayor D. S. Gysberts, Councilmember M. E. Brubaker, Councilmember L. C. Metzner, Councilmember D. F. Munson, Councilmember P. M. Nigh, City Administrator Bruce Zimmerman, John Lestitian, Director of the Department of Community and Economic Development, Michelle Burker, Director of Finance, Jill Estavillo, Economic Development Manager, Andrew Sargent, Downtown Manager, and Donna K. Spickler, City Clerk. The meeting was held to discuss authority for a purchase price for acquisition of the Midtown/Holiday Motel at the corner of W. Washington Street and North Prospect Street. No formal action was taken at the meeting. On a motion duly made, seconded and passed, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: February 26, 2013