

4TH SPECIAL SESSION – February 5, 2013

Mayor D. S. Gysberts called this 4th Special Session and Work Session of the Mayor and City Council to order at 4:05 p.m., Tuesday, February 5, 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 and P. M. Nigh; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler.

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 meet in Special Session at 4:05 p.m.

Introduction of an Ordinance: Approval of Purchase Agreement for 170 West Washington Street and 12 North Prospect Street

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance authorizing the purchase of properties located at 12 North Prospect Street and 170 West Washington Street for the sum of \$ 27,500 and in accordance with all terms and conditions outlined in the Purchase Agreement. Funding for this acquisition is from the Economic Redevelopment Fund.

Discussion: Councilmember Metzner thanked the bank for selling this property to the City at a substantially lower price than offered because they wished to be good community citizens.

Councilmember Brubaker stated this action highlights the need for a process for re-selling properties like this one.

On a motion duly made, seconded and passed, the Special Session was closed at 4:08 p.m.

WORK SESSION – February 5, 2013

Black History Month Proclamation

Mayor Gysberts read a proclamation recognizing February as Black History Month. Wendi Perry, Doleman Black Heritage Museum, was present to accept the proclamation. Ms. Perry announced that a fundraiser will be held at the Maryland Theatre on February 23, 2013.

Neighborhoods 1st Month Proclamation

Mayor Gysberts read a proclamation recognizing February as Neighborhoods 1st Month. Representatives were in attendance from several of the Neighborhoods 1st groups.

2013 BluesFest Announcements

Karen Giffin, Community Affairs Manager, Carl Disque, Blues-Fest Chairman, and Mary Ann Burke, Executive Director of Washington County Arts Council, were present to discuss the annual BluesFest, which will be held from May 31, 2013 to June 2, 2013. The Cabin Fever concert will be held on March 7, 2013 at the Maryland Theatre.

The artist of this year's poster was unveiled. The artist is Erin Mettel. Ms. Mettel is a senior at the Barbara Ingram School for the Arts. Her artwork will be featured on the Blues Fest advertisements this year.

Police Technologist Grant Funded Position

Susan Delauter, Human Resources Administrator, Scott Nicewarner, Director of Information Technology and Support Services, and Police Chief Mark Holtzman, were present to discuss a police technologist position.

The City hired a part-time Information Technology Integrator in August, 2011. This position was created to work on Information Technology tasks specific to the installation and maintenance of the HPD camera systems and peripheral technology within the Police Department. The position was funded by the CopsTech grant. The grant involved the development of a Public Safety Grid which includes the integration of several new programs designed to enhance the coordination of information available to the Police Department and increase the efficiency of police operations and information sharing with the community. This grant has been extended through December 15, 2013.

The Information Technology Integrator position has been approved through the COPS Technology Grant as a full-time grant-funded position effective in January, 2013. The costs of this position, including wages, benefits, taxes, unemployment insurance and workers compensation is fully funded through this grant. The grant runs through December 15, 2013 and at that time the position may be eliminated or if approved, will become a full-time position in the Information Technology Department. Staff is requesting that this one full-time employee be added to the IT Department effective February 1, 2013 through December 15, 2013 and dedicated for the support of Police Department Operations. Mr. Nicewarner will be requesting the continuation of this position after December 15, 2013 during the budget review process.

Councilmember Nigh asked if the Safe Speed for Students revenue could be used to fund this position. This may be eligible.

It was the general consensus to include approval of the position on the February 26, 2013 agenda.

Pony League Loan Agreement

Rodney Tissue, City Engineer, Jack Miller, President of the Hagerstown Pony League, and Russ Robinson, Hagerstown Pony League, were present to discuss a request to waive the Pony League's outstanding \$ 6,000 balance of the original \$ 20,000 loan they received from the City in 2006. The Pony League submitted a formal request to waive this amount.

The loan was provided so the Pony League could install new fencing at the Funkhouser Park facility. Payments are due in September and the 2012 payment has not been made to-date. The Pony League's request is due to the costs they incurred sending players to the "Pony League World Series" and tournaments for the 13 and 14 year olds. A waiver of the loan balance will help offset these costs. Mr. Miller has provided staff a "confidential" balance sheet that shows they have no financial assets.

Mr. Miller indicated the request is being made so that any fundraising revenue could be used to support the players.

Councilmember Munson thanked Mr. Miller and Mr. Robinson for their many years of service to the Pony League. He wondered if advertising on the fence could be used as a fundraiser.

Councilmember Brubaker appreciates what the Pony League offers to youth. He stated a waiver of this amount would eliminate all of the current liability. He asked how the league would keep this from happening again. Mr. Robinson stated they will continue the traditional fundraisers but will look for new ones as well.

Councilmember Metzner is not opposed to granting the request. He does not believe City funding should be used for travel for the players. He is more supportive of requests for physical improvements and capital issues. He suggested establishing a policy stating City funding will not be used to pay travel expenses for teams.

Mr. Robinson stated the request is being made due to a decline in fundraising amounts as well. It is not solely because of travel expenses.

Mayor Gysberts would view the \$ 6,000 as a donation the City made toward the fence, which the Pony League built.

Councilmember Aleshire does not agree with waiving the amount. He would agree to extend the repayment period to six years, with a \$ 1,000 payment due annually. This satisfies the agreement he made with the citizens.

Councilmember Brubaker agreed that a deferral of the amount due would be appropriate.

Mr. Robinson stated any change will help, but a complete waiver would be better.

Mayor Gysberts would support a policy prohibiting City funding from being used for travel expenses.

Consideration of the request will be included on the February 26, 2013 agenda.

Ripken Group Alternative Stadium Site Analysis

Mayor Gysberts stated there is information from Ripken design to expand the study of baseball sites in the meeting packet.

In 2012 Ripken Design completed a feasibility study that demonstrated the market demand for, and economic impact of, a downtown multi-use sports and event center in Hagerstown. Recently, the City has expressed interest in examining two additional sites to the Downtown location that was given in the initial feasibility study: The current site of Municipal Stadium and the former Washington County Hospital site. Ripken Design will complete an analysis of these sites, reviewing the ability of each to support a new baseball stadium and/or multi-use center, and the financial and economic impact that new facility will have. Methodology will be consistent with the work done in the initial feasibility study, so that an “apples to apples” comparison of the sites can be easily made.

The fee to complete the site alternatives and economic impact analysis is \$ 11,250.00.

Councilmember Brubaker wondered if the same capital assumptions would be made with the additional site analysis.

Mayor Gysberts stated there weren't parameters for the downtown site so there should not be limits for the two additional sites. He stated the waterways in the east end should be taken into consideration when looking at the surrounding area.

Councilmember Metzner stated the “big picture” is that the Mayor and City Council want to do something. He noted the original Ripken analysis was not put out for bid, nor should it have been.

Councilmember Aleshire believes the east end clearly lends itself to new development. He is not interested in pursuing a project if more than \$ 3 million would have to be included in the bond issue for the City's portion of the project.

Councilmember Munson stated the report will add credibility to a final decision. It may also assist with funding requests to the State of Maryland.

It was the general consensus to move forward with having Ripken Design complete a site analysis. Approval of funding for the report will be included on the February 12, 2013 agenda.

Hagerstown Suns Requests: Non-Game Event and Maryland Lottery

Rodney Tissue, City Engineer, stated based upon the lease amendment, the owners of the Suns are requesting approval for two non-game events that involve alcohol. The Suns are also requesting to add KENO games; and this requires the City's approval as the owner of Municipal Stadium.

The Suns have proposed the following:

1. Hagerstown Suns Dublin at the Diamond – On Saturday, March 16, 2013, the Suns would like to hold “Dublin at the Diamond” and invite the community to join them for a festival like those found in Dublin, Ireland. The event will begin at 11:00 a.m., shortly after the City’s 2nd annual St. Patrick’s Day 5K. The event will feature local musicians, dance troupes, food, drinks and activities for all ages.
2. The Suns are requesting to add the Maryland State Lottery Keno to the bottom of their video board during games. They have contacted the Maryland Lottery Commission and would be granted Agent status after Mayor and Council approval.

It was the general consensus to approve these two events.

2012 Hagerstown Ice & Sports Complex Annual Report

Rodney Tissue, City Engineer, and Kim Rodenburg (Board Chair) and Jim Blaylock (General Manager) of the Hagerstown Youth Hockey Association (HYHA), were present to discuss the Sports Complex.

Mr. Tissue stated the \$ 1.2 million mortgage was paid off last year and the Line of Credit will be paid off in June, 2013. The operating agreement expires on June 30, 2013. Mr. Tissue stated staff is seeking direction from the Mayor and City Council on whether or not to negotiate a new agreement with the HYHA.

Ms. Rodenburg stated the HYHA has reached their goal of filling all ice times. Groups who use the Hagerstown Ice & Sports Complex include the Hagerstown Bulldogs, Hagerstown Adult Hockey League, and Hagerstown Edge.

Mr. Blaylock stated capital expenses include concrete on the area that had been gravel, new showers and a new weight room. New replacement lights over the ice are being requested. The cost is estimated at \$ 27,000 and will be included in the City’s CIP budget.

Mr. Blaylock stated HYHA would like to add an upper level to the ice rink. This will allow expansion of the services offered at the rink. The estimated cost is \$ 153,000. HYHA would like to use the funds currently allocated to the repayment of the loan (paid off June, 2013) to fund the completion of the addition. Future improvements include a second sheet of ice. This would require an additional building. It would be nice to offer public skate time in the evenings.

They are requesting a five year extension of the existing operating agreement. Staff will provide a draft agreement for the Mayor and City Council’s review in April or May. Mr. Zimmerman stated Ms. Rodenburg and Mr. Blaylock deserve a lot of credit for making this center successful.

A five minute recess was observed.

Stormwater – Watershed Implementation Plan Update

Rodney Tissue, City Engineer, and Jim Bender, Assistant City Engineer, were present to discuss regulations for stormwater management. Over the past five years, the Environmental Protection Agency (EPA) and the Maryland Department of the Environment (MDE) have issued a series of regulations intended to improve the health of the Chesapeake Bay. Staff has been working with Washington County’s Watershed Implementation Plan (WIP) team to develop plans and strategies to meet the EPA/MDE requirements. The City’s efforts have been focused on methods to decrease pollutants in stormwater runoff.

The Washington County Phase II WIP was submitted to MDE in June 2012. Some of these strategies include:

1. Continue (and possibly expand) the street sweeping program
2. Continue the City’s street tree planting/reforestation programs
3. Identify and develop plans for additional stream restoration projects
4. Implement an Urban Nutrient Management program on City-owned properties, and consider expanding this program to include private properties in the future.
5. Identify opportunities to retrofit existing stormwater facilities (or build new facilities) to improve runoff water quality areas that are currently undermanaged.

The City is already implementing some of these strategies. The street sweeping program is continuing, and is continually being refined to provide better service (particularly in the City Center area). Likewise, the City will continue its successful street tree planting program, aiming to plant 150-200 trees in FY 13/14. The Pangborn Park Lake/Hamilton Run restoration project is in its design stage, with construction anticipated to begin in FY14. Also, in January, Council awarded a contract to a consultant that will provide preliminary analysis for potential stormwater retrofit projects. Staff plans to discuss a potential Urban Nutrient Management plan with the Council later this year; as of now, there is uncertainty on how much pollution reduction credit EPA/MDE will recognize for these programs.

Using guidelines provided by MDE, the WIP Committee was able to prepare cost estimates to fully implement the strategies and reach the mandated pollutant reduction goals by the 2025 deadline. The total cost to Washington County and its member municipalities is calculated to be \$ 1.1 billion. Of that total, the City’s estimated cost to implement the required urban stormwater pollutant reduction is approximately \$ 210 million. To meet that level of expenditure, the City would have to dedicate its entire Capital Improvement Program budget to stormwater pollutant reduction for each of the next twelve years. Knowing the “impossibility” of this, another dedicated funding stream must be developed.

In 2012, the Maryland General Assembly approved legislation that required larger, more urban counties and municipalities (known as Phase I communities) to begin charging a fee to cover the costs required to meet these stormwater program costs.

Hagerstown and Washington County are designated as Phase II communities, and were not required to implement these fees. The Washington County delegation indicated that it was unlikely that a bill would be introduced during the current General Assembly session mandating that Phase II communities begin charging this fee; however, municipalities throughout Maryland may be forced to impose these fees (without a legislative mandate) in order to fund their stormwater programs. MDE has recently acknowledged that municipalities may need State and Federal funding assistance to meet their pollutant reduction goals; however, no such funding streams have been identified at this point.

Stormwater fee schedules can be developed in several different ways. Some communities charge a flat fee to each property owner. While this simplifies administration of the program, it's not a very equitable way to apportion costs. A more common (and equitable) method is to base the fee on the amount of impervious area on each property; the more impervious surface, the greater the amount of storm runoff from the property. The fee charged to property owners varies from municipality to municipality. This is because the costs to operate stormwater programs will be different in different communities. Staff, through limited research on the Internet, found that the nationwide average for annual stormwater fees is in the range of \$ 36 – \$ 48 per Equivalent Residential Unit (ERU). Based upon experiences in other communities, staff anticipates that the process to develop a stormwater fee schedule and adopt the necessary legislation would likely take 12-18 months to complete.

Councilmember Munson asked how much impact street sweeping has on stormwater plans. Mr. Bender stated the model gives credit for street sweeping, but not for sweeping more often.

Mayor Gysberts asked what improvements would be included in the estimated \$ 210 million. Mr. Bender stated improvements could include planting trees, constructing stormwater treatment facilities and detention ponds. One issue for Hagerstown is that the areas that require stormwater programs are typically already developed.

Mayor Gysberts suggested opening some of the water ways in Hagerstown, such as Town Run and Hamilton Run. Mr. Bender stated the Town Run watershed is the downtown area and there are no treatment facilities prior to Town Run. Mayor Gysberts wondered if creating a retention pond as an amenity would be worth considering, similar to Carroll Creek in Frederick, Maryland. Mr. Bender stated the model provides higher credit for removing impervious surfaces.

Councilmember Nigh asked what pollutants are the most common. Mr. Bender stated nitrate and phosphorus are the most common pollutants. Nitrogen is typical from agricultural uses. Phosphorus occurs from eroding rocks and natural materials. Councilmember Nigh wants storm drains to be cleared of debris on a weekly basis.

Councilmember Aleshire assumed a stormwater utility fee for individual property owners is not being included in the FY14 proposed budget. Mr. Zimmerman indicated this has been removed from the projections.

No action is required at this time. However, given the projected costs to fully comply with these regulations over the next twelve years, Council should keep this issue in mind during review of the City's FY 14 budget.

Potential Sale of City Property 11, 12, 15 and 16 Public Square

John Lestitian, Director of Community and Economic Development, was present to discuss several downtown properties. He stated settlement for 140 S. Potomac Street is complete. Renovation should be complete in three to four weeks.

In April, 2012, staff reported to the Mayor and Council that multiple prospects had expressed interest in purchasing City-owned office suites at 11 Public Square. Part of the initial dynamic was a business retention effort for one of the interested parties. At the time, one suite was vacant and the second was scheduled to be vacant pending a move of City staff from that site to City Hall. The move of City operations has been completed and both office suites remain vacant. The storefront spaces are occupied by the Hagerstown-Washington County Convention and Visitors Bureau and the Rhubarb House restaurant.

The Mayor and Council authorized staff to explore an office condominium concept for the eventual sale of these office suites. In the months that followed, staff were then authorized to contract with a law firm which specialized in condominium conversions. Initial legal work was completed and City staff began work on a site plan to create the condominium spaces.

While staff were working towards a condominium conversion, a prospective buyer inquired about purchasing the entire structure. Staff have received a confidential letter of intent to purchase the entire building. In light of the Letter of Intent to acquire the entire structure staff have suspended work on the condominium conversion. Staff seek direction from the Mayor and Council as to whether the City is willing to sell this structure in whole or in part. Additionally, staff ask that if this structure is sold that the Mayor and Council consider directing any proceeds towards other redevelopment projects in the downtown.

Councilmember Metzner and Councilmember Munson are willing to pursue selling this structure. Councilmember Aleshire wants more information. Councilmember Brubaker asked for information about projections with the current tenants. Councilmember Nigh is not in support of selling this property.

Mr. Lestitian indicated a statement regarding the current tenants could be incorporated into an agreement.

Councilmember Aleshire asked if this discussion is about the exact property of 11, 12, 15 and 16 Public Square or property in general. He would like to review financial information about the property before making any decision.

Mayor Gysberts stated the Council had discussed whether they wanted a blanket policy for the sale of City owned property previously. Because the Mayor and Council

want transparency with their actions, they agreed they did not want a blanket policy.

Councilmember Nigh asked how much the property is worth. Mr. Lestitian stated a sales comparison approach places the value at \$ 500,000, while an income approach places the value at \$ 250,000 or less. The building appraised at \$ 1.5 million.

Councilmember Brubaker pointed out each property has unique considerations. He would like to move forward with the sale of City owned properties such as this one.

Staff propose that the prospective buyer be requested to provide a firm proposal. Councilmember Aleshire stated he thought the Mayor and Council had agreed to advertise this property for sale and to request offers. Mr. Lestitian cited examples of how other cities handle sale of properties. Chicago, Illinois elected officials first determine what properties are for sale. Then proposals are accepted and reviewed.

Councilmember Metzner recommends accepting staff's proposal for the sale of this property.

Councilmember Aleshire asked if the offer is above market value for the property. He is not willing to discuss this issue in executive session. Mr. Lestitian stated the offer is below the sales comparison approach and above the income approach.

Councilmember Metzner stated something needs to be done. He would support advertising for 30 days. He wondered if a discussion of the individuals if multiple proposals are presented would take place in open session. Councilmember Aleshire stated it should be discussed in open session, with numbers assigned to the proposers.

Mr. Lestitian asked if a notice should include 36-40 North Potomac Street, which the City is rehabilitating into artists lofts. Councilmember Metzner suggested including this property in a future work session discussion of all City properties that are for sale.

Councilmember Brubaker and Councilmember Metzner supported staff screening the proposals.

Councilmember Nigh expressed concern that potential purchasers will ask the City to assist with improvements, etc.

Mayor Gysberts summarized the discussion as consensus to advertise this property for sale on the City's website and Channel 25 for 30 days. A discussion will be scheduled for discussing other City properties that are for sale. It is good to have a public process with transparency. He stated the City should not be a developer or in the real estate business.

Strategic Property Acquisition and Prep for Sale/43-53 W. Washington Street

John Lestitian, Director of Community and Economic Development, was present to discuss the property at 43-53 West Washington Street. Staff initiated a review of this structure as a potential strategic acquisition in the spring of 2012. Staff view this as a

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

potential strategic acquisition because of the building location, building condition, impact on public and private investments, and impact on the image of the downtown. Staff have had conversations with the representatives of the building owner as well as initial contact with the owners of the sole business located in a portion of the building. Following discussions with the Mayor and Council, staff received approval for Community Legacy funds to assist with this potential project. Staff along with a local architect have toured the entire building.

The building is situated directly across the street from the University System of Maryland and is on the walk route for the students from the Barbara Ingram School for the Arts. This building is in the City of Hagerstown's Community Development Target Investment Area. This designation was created to allow for ease of use of Community Development Block Grant (CDBG) funds for the elimination of blighting conditions in a concentrated area.

The street view of this building gives the impression that there are two separate and distinct buildings. This is not the case. The buildings were originally built separately and at some point connected physically and combined onto one parcel. There are three store fronts (two of which are vacant and uninhabitable). The largest store front area houses the Potomac Bead Company. This business is extremely important to the downtown generally and to the future of West Washington Street specifically.

Two of the store fronts are in need of extensive renovation. A rear portion of the structure needs to be demolished. On the interior, a section of the roof collapsed and was subsequently removed. Conditions represent significant barriers to redevelopment and re-use of this structure.

If acquired, the plan is to demolish a rear portion of the structure, renovate the front façade/store fronts, address structural issues, create access to the rear portion of the structure via a walkway and prep the site for re-sale. An important element would be to work with the owners of Potomac Bead Company to ensure that a lease agreement is in place which would survive the sale of the building to a private investor.

The grant application originally approved by the Mayor and Council has been approved by the State. As a result, the City has received approval of \$ 100,000 in State of Maryland Community Legacy funds. In the current approved budget, \$ 265,000 CDBG funds are designated for a commercial redevelopment project. Staff have anticipated utilizing these funds on this project. Other potential sources of funds include assistance from CHIEF, \$ 100,000 in CDBG funds in FY14, and proceeds from the sale of other City owned buildings.

Staff are developing a marketing strategy for City redevelopment projects. The goal is to return buildings to the private market in a timely fashion.

In the most recent discussions with a representative of the owner, staff were requested to seek a confidential discussion with the Mayor and Council on potential terms of the acquisition.

Councilmember Munson wanted to move forward with acquisition of this property.

Councilmember Metzner agreed, stating investors are not going to purchase properties like this one or be willing to do the renovation work necessary. Continual deterioration of properties is a problem. He would like to see this property included in the Sora group's plan. It is time to let the community know the City is serious about taking care of this community.

Councilmember Brubaker hasn't seen any indication that the Sora group knows what to do with these buildings either. He appreciates that staff is looking at these properties.

Councilmember Aleshire stated this area provides some opportunity for the relocation of the Board of Education administrative offices. He has ideas and visions for this street, and this decrepit building is a liability. He understands and respects the owner's desire to have a confidential discussion with the Mayor and City Council.

Councilmember Munson stated the condition of this property may discourage people from attending the University of Maryland.

Councilmember Aleshire stated the issue for him is securing the property. If downtown partners have ideas, he asked them to come forward.

Three Councilmembers support discussing acquisition costs in an executive session, to be scheduled for February 19, 2013.

Hagerstown Redevelopment Authority

Mayor Gysberts asked for clarification of the current level of activity for the Hagerstown Redevelopment Authority (HRA). He stated the name of this board does not seem to reflect their purpose.

Mr. Lestitian stated the HRA is established in the City Code. The Board reviews loan applications and makes the decision for the loan approval or denial. Staff is working with the City Attorney to revise the language for the purpose and responsibilities of this board.

Current members of the HRA include Leory Burtner, Randy Catlett, Doug Stahl and Michael Metz. Mr. Metz may be resigning due to new employment. There are currently two vacancies on the board.

Revised language for the HRA will be presented to the Mayor and City Council for further review.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember P. M. Nigh had no additional comments.

Councilmember L. C. Metzner had no additional comments.

Councilmember M. E. Brubaker had no additional comments.

Councilmember K. B. Aleshire had no additional comments.

Councilmember D. F. Munson expressed condolences to the family of Hattie Harrison who passed away last week. Ms. Harrison served in the House of Delegates since 1973. She was important to Washington County in helping change laws so that Citicorp could relocate to Washington County.

Mayor D. S. Gysberts thanked Councilmember Munson for his service as well, as Delegate and Senator. He attended the ribbon cutting for the University System of Maryland – Hagerstown expansion. The State of the County was well attended. He thanked the County Commissioners for their recognition of the City. The State of the City will be held on March 5, 2013.

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 7:12 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: January 22, 2013