

5TH SPECIAL SESSION AND WORK SESSION – February 12, 2013

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Mayor D. S. Gysberts called this 5th 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 K. B. Aleshire 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.

John Lestitian, Director of Community and Economic Development, stated a question had been raised about which section of the City Code was being cited to acquire this property. City Attorney Mark Boyer recommends citing Chapter 235 of the City Code for the acquisition. The ordinance has been revised, with the contract remaining the same as reviewed previously.

Introduction of an Ordinance: Approval of Purchase Agreement to Acquire the Property Known as 170 West Washington Street and 12 North Prospect Street, in Downtown Hagerstown, Maryland pursuant to Chapter 235 of the City Code

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember M. E. Brubaker, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance authorizing the purchase of properties located at 170 West Washington Street and 12 North Prospect Street for the sum of \$ 27,500. The Ordinance stipulates four (4) findings. The findings are that: (1) The property has deteriorated to such an extent so as to constitute a serious and growing menace to public health, safety and welfare, (2) the structure is likely to continue to deteriorate unless corrected, (3) the continued deterioration will contribute to the blighting or deterioration of the area surrounding the structure and (4) the owner has failed to correct the deterioration.

The acquisition is to be in accordance with all terms and conditions outlined in the Purchase Agreement. Funding for this acquisition is from the Economic Redevelopment Fund.

Approval of Stadium Project Alternative Site Analysis

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 authorize Ripken Design to complete the alternative site analysis for possible minor league baseball locations in the City of Hagerstown, as reviewed during the February 5, 2013 work session. This analysis will focus on the market demand and economic

impact of locating the stadium at the current site of Municipal Stadium or adjacent sites in that immediate area and the former Washington County Hospital site. The cost of this site analysis will be \$ 11,250, which will be funded by the City's Capital Improvement Program fund balance.

Discussion: Councilmember Munson asked that renderings be included in the analysis.

Councilmember Brubaker pointed out this study will provide facts for the sites stated. It will not provide a recommendation for a site.

Mr. Zimmerman stated the previous renderings were fit drawings that were completed as a result of the previous analysis.

Councilmember Aleshire does not envision either the former hospital site or the current Municipal Stadium site as being a location of choice. He envisions a project in the east end of Hagerstown. He does not want to limit the analysis to just these two sites.

Councilmember Metzner stated the Suns have indicated they don't think Municipal Stadium would be feasible.

Councilmember Brubaker stated he is voting in favor of this contract in order to have sites evaluated. His support does not indicate he favors an east end site.

Councilmember Aleshire stated he is not interested in a downtown site.

Councilmember Nigh wants to know if Municipal Stadium can be renovated. Mayor Gysberts indicated there are a number of manmade problems at Municipal Stadium. He stated flooding is a major issue.

On a motion duly made, seconded and passed, the Special Session was closed at 4:18 p.m.

WORK SESSION – February 12, 2013

Task Force Report – Relocation Board of Education Downtown Task Force Presentation of Draft Report

In April, 2011, the City of Hagerstown received permission from the Washington County Board of Education (BOE) to work with a task force established by the Greater Hagerstown Committee to explore the possibility of relocating the BOE Central Office to Downtown Hagerstown.

Since April, 2011 the Task Force has gathered needs data from the BOE, evaluated 12 potential sites, and identified four sites as having the best potential. The Task Force report focuses especially on the four locations and the perceived benefits and estimated costs associated with relocating the BOE Central Office to each of these four site options.

In addition to the BOE's needs assessment, the Task Force has considered issues related to parking for BOE employees and visitors, infrastructure, technology resources, the condition of downtown properties, cost, the proximity of sites to other governmental and educational facilities, and opportunities for this project to support the revitalization of downtown and strengthen the community.

The Mayor and Council are scheduled to meet with the BOE in public session on February 19, 2013 to share the Task Force report and present the City's proposal to assist the BOE to relocate their central offices downtown. It is important to note that at this point in time, the BOE has not reached a decision on any future relocation of their central offices to downtown.

Tim Henry and Jim Kercheval, Greater Hagerstown Committee, BOE Downtown Task Force, presented the results of the study. Mr. Henry stated the study took 22 months to complete.

Goals of the Task Force were to provide:

1. An in-depth review of the feasibility of relocating the Central Office to the downtown core.
2. The BOE with current needs assessment data for use in evaluating this and other options.
3. The City with a framework for future conversations with larger corporate client prospects.
4. A better understanding of possible sites for large-scale development efforts in the core.
5. Identification of additional incentives that may be needed to make the City more competitive in attracting new businesses to the downtown core.

The task force established a study area in the downtown core the boundaries of which roughly align with the City's PEP (Partners in Economic Progress) Zone and mixed use zoning areas. The task force gathered data on needs from the BOE and evaluated 12 potential sites in the study area against criteria established by the committee with input from BOE staff. Four sites were determined to have the best potential. A more thorough review of these locations, including a cost and feasibility study was completed for each of these four sites. From a cost perspective, all four sites were comparable ranging in price from \$ 16.8 to \$ 18.25 million. It should be noted that the construction cost methodology employed by the task force varied slightly from that used in the recent BOE sponsored study. The task force followed the Professional Procedures Manual as required by the State of Maryland Department of General Services in developing the cost estimates. These figures include the total cost of construction as well as estimates for land acquisition and demolition. The main difference in the four sites was due to property acquisition and demolition costs on the downtown properties. If you remove the costs for land acquisition and demolition, the prices range from \$ 15.1 to \$ 15.7 million.

These numbers compare favorably to the recently completed Harry Reynolds study commissioned by the BOE. That study estimated construction costs at \$ 15.75 million for new construction on the existing site.

Of the four sites reviewed, site L (combination of property at 103 S. Potomac Street plus the property at 105-109 S. Potomac Street and 25-37 W. Antietam Street), and site F/G (combination of the properties at 59 W. Washington Street and 43-53 W. Washington Street) were viewed by the committee as having the most to offer as potential locations for a new Central office.

The study shows that developing a facility to house the administrative offices for Washington County Public Schools in downtown Hagerstown is both physically and economically feasible. It also shows that both the City and county taxpayer benefits when the right facility is put in the right location to leverage taxpayer dollars to everyone's maximum benefit.

The current building was constructed in 1938, with additions in 1966 and 1969. There is 68,000 sq. ft. of office space, 16,000 sq. ft. of garage space, and 1,600 sq. ft. for the planetarium, for a total of 86,000 sq. ft. on 11.2 acres. There are approximately 200 employees.

There is nearly \$ 5 million in deferred maintenance. A recently commissioned report by Harry Reynolds estimates \$ 11.6 million to renovate the current building. There is grossly inefficient energy usage due to poor building conditions. A new facility would save over \$ 130,000 per year.

A portion of Commonwealth would likely be retained for the maintenance garage and bus parking. The Facilities Department, located on Frederick Street, would not move to a new office. The building would require a loading dock for deliveries and fiber capabilities. Administrative personnel at other locations may be relocated to a new building. The Planetarium would not be located in a new office building, though a downtown partnership (i.e. Discovery Station) could be considered.

Approximately 300 parking spaces will be needed at the start. During prime time hours, 275 conveniently located spaces would be needed. Another 25 spaces are needed for WCPS fleet vehicles.

The Finance Subcommittee looked at four funding options, including:

1. Traditional financing – some combination of pay-go funds and general obligation bonds
2. Public Private Partnerships (P3)
3. Special Assessment Districts
4. Tax Incremental Financing (TIF's)

The last two options were deemed to have limited potential in this particular type of project based on the current struggling economy, political climate, time table, and overall economic impact of one office building.

Overall, there are three main areas where incentives may be needed to offset higher costs and attract the Central Offices to downtown. These include cost of land and demolition, cost of parking for WCPS staff and property taxes (if P3's are utilized). Overall, incentives offered should compensate for any added costs associated with

building in the downtown core and make a downtown project as cost neutral as possible versus other options. Other incentives to consider include donation of land, absorbing cost of demolition and reduce the cost of parking.

Benefits to the WCPS would be a new facility with the latest technology with no renovation related compromises. Parking in adjacent or nearby parking decks, owned by the City, provides protected parking from inclement weather and heat. In addition, it saves WCPS the cost of ongoing maintenance of parking lots (snow removal, striping, etc.) as occurs at the current location. Close proximity to the City and County administrative offices would improve collaboration between staff and elected officials that work together on a regular basis. Locating the Central Offices downtown would expand the educational footprint of the downtown. The new educational space would also be used to support BISFA or collaborate with USMH. Another benefit is the proximity to the new Regional Library. Proximity to City amenities, such as restaurants, shops, post office, bus transfer station, University Plaza, Maryland Theatre, etc. is also a benefit.

A vibrant, thriving downtown plays a critical role in attracting the companies that provide high paying jobs for graduates. If we are spending millions of dollars to provide a quality education to our children, we should complement those efforts by working together to create a living environment attractive to a young, progressive workforce in order to prevent “brain drain” in the community. A new location in a vibrant downtown will assist in attracting new teachers, administrators and other educational professionals.

Benefits to the community include removal of blight with construction of a state-of-the-art facility. It brings more people with disposable income to downtown. It would help build investor confidence, spurring revitalization in the area of the City with the highest concentration of incentives. Revitalization in a depressed area will promote a stronger tax base. Location in downtown aligns with recommendations in the recently completed Economic Development Strategic Plan for Washington County.

Mayor Gysberts thanked the volunteers who served on this task force.

Councilmember Munson asked if the task force members believe the BOE would be willing to move downtown, if the City provides incentives. Mr. Henry stated it is the BOE’s decision, with no influence from the task force report.

Mayor Gysberts stated he believes the BOE will have a proposal of what incentives the City can provide to them for relocating the central office downtown.

Councilmember Brubaker stated the central offices should be in a central location in Washington County. There are advantages for the Board, the County and the City in having the central offices downtown.

Mr. Henry pointed out the vibrancy of the City is extremely important to the County as a whole. Mr. Kercheval stated there must be vibrant living opportunities to attract people to downtown. He believes the City will need to aggressively present this idea to the BOE.

Councilmember Metzner stated the timing of the task force report completion is appropriate. The community wants and is ready for downtown revitalization. This administration is focusing on educational facilities rather than a multi-use stadium. He stated it is clear that parking is a major consideration for the BOE. He stated it may be time to seriously consider a third parking deck.

Councilmember Aleshire stated, for him, relocating the BOE's central offices downtown is the next logical step. He stated the report analyzed several sites but he thinks the right thing to do for the BOE offices is to purchase the PNC bank building. The City can offer incentives, as well as affordable utilities. Hagerstown needs to look at the downtown like Frederick did. A sense of urgency needs to be expressed to the private sector.

Mr. Henry stated he believes property owners will be encouraged by the City's enthusiasm and excitement for downtown revitalization.

Yale Drive Extension Project Update

Greg Snook, President of Hagerstown-Washington County Industrial Foundation, Inc. (CHIEF), was present to provide an update of the Yale Drive Extension Project. The project started in October, 2011, with a final review being completed in December, 2012. Between December, 2012 and February, 2013, Washington County applied for and received notice they were eligible for a \$ 1 million matching grant from the Appalachian Regional Commission. This additional funding increased the scope of the project, extending the design for the next 600 to 700 feet of Professional Court. Construction time is estimated to be 16 months.

Mr. Snook noted the following environmental impacts were considered:

1. Noise Analysis – determined no significant increase in noise levels for the surrounding properties.
2. Air Quality Analysis – determined to meet conformity under the current Transportation Improvement Plan Air Quality Model.
3. Maryland Historical Trust – Mt. Aetna Farm was determined not eligible for listing in the National Register of Historic Places. Antietam Hall is on the National Register of Historic Places but is not affected by the project.
4. Archaeological Investigation – no intact archeological resources within the proposed alignment were identified. Further investigations are not warranted.
5. Maryland Department of the Environment, Maryland Department of Natural Resources, US Fish & Wildlife – no rare, threatened, or endangered species within the boundaries of the project site and no major stream or wetlands impact.

Yale Drive will have 8 foot wide sidewalks and will tie into Hagerstown Community College. The curvature of the road will slow traffic. There are no planned signals on Medical Campus Drive.

Councilmember Aleshire stated a presentation had been made to the Mayor and City Council about the fiber optic service the State plans to bring to Hagerstown. He wondered if this service will be available for commercial uses.

Mr. Snook stated fiber service is needed for state of the art businesses.

Progress reports will be provided to the Mayor and City Council as work continues.

Water/Wastewater Cost of Service Study Update

Michael Spiker, Director of Utilities, stated the last rate approval for water and wastewater customers will expire on June 30, 2014. The following are the operational/financial adjustments that benefitted the Water and Wastewater Divisions through the adoption of the 2008 Cost of Service Study:

1. Institution of an approved 5 year rate structure eliminated the need for annual approvals and diminished the dependence of the use of benefit charges to fund outstanding debt.
2. Adoption of an inclining block rate structure to promote conservation for residential customers.
3. Increased the fixed charges to capture the true cost of the billing and revenue collection process.
4. Maintained a utility rate bases for setting Outside City rates
5. Established a Repair, Renewal, and Replacement (3R) Reserve Fund for aging infrastructure expenditures that are growth related
6. Increase Fire Line charges by 15%.

The factors considered in the approved five year rate plan are the same as the factors that plague all utilities. An aging and failing infrastructure requires constant vigilance and sometimes unexpected expenditures. Regulatory and Environmental requirements that are mandated by governing agencies, i.e. wastewater treatment upgrades, the removal of Inflow and Infiltration from the collections system, the construction of water storage vessels, new water disinfected byproduct parameters, etc., are all capital intensive projects. The Capital Improvement Projects all require some sort of long term financial commitment, hence accumulated growth in the debt service. All of these factors drove the request for the initial Cost of Service Study and associated rate increases.

The initial Cost of Service Study was bid and awarded to Municipal & Financial Services Group (MFS) of Annapolis, MD in the amount of \$ 65,500.00 on August 24, 2004. On July 31, 2007, Mayor and Council approval was given to spend \$ 18,000 to update the Study to reflect the adjustments in the items mentioned at the beginning of the discussion. The Utilities Department has continually supplied financial information to MFS on a regular basis in order to keep the Study up to date at a cost of approximately \$ 4,000 per year per Division. Staff requests that they continue with the process of utilizing Municipal & Financial Services Group, and will bring to the Mayor and Council for approval, a definitive cost to finalize the projection for another five years.

Mr. Zimmerman indicated water and wastewater rates are not regulated by the Public Service Commission. However; the rates can be appealed to the PSC.

Councilmember Aleshire asked for information regarding the average customer usage.

Public Facilities Bond of 2013

Michelle Burkner, Director of Finance, stated staff is seeking permission to move forward with the bond sale process with the financial advisor and bond counsel. Prior to the sale of the bonds and to allow this bond financing, staff will return to introduce and obtain approval of enabling ordinances. So that the City can sell and close on the bonds, staff will also return to obtain approval for a resolution outlining the details of the bond sale. Staff would like to move forward with financing the Capital Improvement Program (CIP) project needs that were approved in the FY 2012/13 CIP budgets.

The project listing reflects amounts identified in the FY2012/13 budget document as needing bond proceeds as a source of funding. The anticipated total amount to be issued for the Public Facilities Bond of 2013 is \$ 4,154,427, as summarized below:

General Fund	\$ 1,024,427
Parking Fund	100,000
Water Fund	1,905,000
Wastewater Fund	<u>1,125,000</u>
Total	\$ 4,154,427

The General Fund bond request includes \$ 250,000 toward the demolition, site work and purchase of old MELP property, \$ 346,000 which represents at 50% down payment for the replacement of Engine 1 Fire Truck, and \$ 428,427 for other projects and emergency repair needs. Included in the Parking Fund request is \$ 100,000 for structural rehabilitation and caulking at the North Potomac Street Deck.

The Water Fund includes \$ 1.17 million for the continuation of the meter replacement program, \$ 415,000 to begin upgrading the Breichner Plant SCADA, \$ 250,000 for the continued replacement of Distribution System infrastructure, and \$ 70,000 for other equipment replacements. The Wastewater Fund includes \$ 580,000 for vehicle and equipment replacements that have been deferred for 3 years, and the remaining \$ 545,000 is for other infrastructure and equipment replacements, repairs or upgrades.

Mr. Zimmerman pointed out the list does not include any funding for a stadium or major downtown project.

The following schedule is proposed: February 26, 2013 Introduction of the enabling bond ordinance, with the ordinance being adopted by the end of April, 2013. The Mayor and Council would then review, and possibly approve, the bond resolution outlining the details of the bond sale, prior to June 30, 2013.

Hagerstown Crime Data

Chief Mark Holtzman, Hagerstown Police Department (HPD), provided information about crime data in Hagerstown and future plans for addressing the results of the data.

In 2012, the HPD handled over 61,000 calls for services, over 8,000 incidents and arrested 2,703 individuals.

HPD is using a hybrid approach to policing in 2013, a combination of intelligence-led policing and community-oriented policing. This approach will enhance their ability to apprehend criminal offenders while sharing information with the public.

Goals and Objectives:

1. To reduce the number of robberies with a firearm
2. To reduce the number of robberies with a dangerous weapon/other weapon
3. To maintain or improve the department's overall Part I crime rank relative to the other five departments used for comparison purposes (Annapolis, Cambridge, Cumberland, Frederick, and Salisbury)
4. To maintain or improve the department's violent crime ranking relative to the other five departments used for comparison
5. Establish a baseline of Citizen Satisfaction relative to police service

Lt. Thomas Alexander reported the HPD receives many grants, with currently more than \$ 1.8 million grant funding being used for programs and services. Current grant funds include Gun Violence Reduction, Federal Byrne Justice Assistance, COPS Technology, Coverdell Forensic Science Improvement, Federal Bulletproof Vest Program, COPS Hiring, MD Safe Street and Forensic Interviewing training. Chief Holtzman pointed out Dr. Alexander has secured approximately \$ 9 million in grant funding in the last few years.

Councilmember Aleshire left the meeting.

HPD uses partnerships to enhance services. The Hagerstown Community College Police Academy replaces the HPD's Western Maryland Police Academy, which ran for nearly 30 years. The HHC Academy will hold its first class beginning on March 18, 2013. The academy supports recruiting efforts for new officers. It is self-sponsored like a normal college course.

The CompStat program is unique to the Department. Meetings are held bi-weekly and participants discuss ideas to solve problems with a community plan. Maps of the areas are available to everyone at CrimeReports.com. Residents can report what is happening in neighborhoods and in Hagerstown. This information is updated daily.

Lt. Paul Kifer stated the Safe Streets program is designed to encourage information sharing. It is offender based. The goal of the program is to reduce crime through extensive interagency collaboration, focusing on a core group of offenders who commit the majority of local crimes.

Hagerstown is the first city in Maryland to adopt the Crime Free Multi-Housing Program. The program teaches owners how to protect their investment by creating a stable, more satisfied tenant base. There is increased demand for rental units with a reputation for active management. There is also improved personal safety for tenants, landlords, and managers.

CopLogic is an online police reporting program. Types of crimes to report include identity theft, lost property, motor vehicle complaint, solicitor complaint, thefts and vandalism. A free copy of the report is provided. Each crime reported online saves 30 minutes of an officer's patrol day.

The Neighborhoods 1st program helps to re-establish ownership of the residents of their neighborhoods. These venues are used to address problems that are unique to specific neighborhoods.

Lt. Thomas Langston reported the use of cameras is important in fighting crime. All the cameras are integrated, which allows for 24/7 monitoring.

Sgt. Curtis Wood stated there are 300 validated gang members in Washington County. There were 359 gang related arrests in Washington County in 2012. Motorcycle gangs are problematic.

Open-air drug markets are a thing of the past. Dealers are turning to new technologies such as cell phones and using public venues for meeting. There were more than 10 Spice overdoses last year.

Detective Jeff Kercheval reported the crime lab is able to offer immediate support for investigations. Because there is no quality control for heroin, they are seeing up to five or six components in the substance.

Sgt. Jim Hurd reported the current crime trends include robberies, burglaries, thefts and thefts from motor vehicles. The common motive is money for drugs. In the past two months, there have been 17 reported robberies.

Chief Holtzman stated narcotics drives crime in Hagerstown. There is a strong heroin presence. Officers have found community involvement helps reduce the number of crimes.

Future discussion items include ordinances regulating spice, excessive calls for police service and second hand shops.

The Officer of the Month program is a good way to recognize the good work of HPD staff.

Councilmember Nigh asked if the increase in robberies and theft of copper is a result of the economic downturn. Chief Holtzman indicated most offenders are drug addicts.

Others in attendance were Kathy Santiago and Mr. Stein, who both manage apartments buildings that participated in the crime free housing program. Officer Gerard Kendle oversees this program.

Mayor Gysberts stated this presentation shows the importance of community in neighborhoods.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember P. M. Nigh asked for information regarding requirements to transfer registration of vehicles in Maryland. Mr. Zimmerman will have Chief Holtzman provide this information.

Councilmember L. C. Metzner had no additional comments.

Councilmember M. E. Brubaker thanked everyone for the information provided during this meeting.

Councilmember D. F. Munson had no additional comments.

Mayor D. S. Gysberts thanked those that made presentations today. He congratulated the McAfee family, J & M Grill, who celebrated the 40th anniversary of the restaurant earlier today.

EXECUTIVE SESSION – February 12, 2013

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 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)4) at 7:25 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 Community and Economic Development, Andrew Sargent, Downtown Manager, and Donna K. Spickler, City Clerk. The meeting was held to discuss the potential acquisition of 43-53 W. Washington Street. No formal action was taken at the meeting. On a motion duly made, seconded and passed, the meeting was adjourned at 7:51 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: March 26, 2013

