

WORK SESSION – September 17, 2013

Mayor D. S. Gysberts called this Work Session of the Mayor and City Council to order at 4:06 p.m., Tuesday, September 17, 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, City Attorney John Urner, and City Clerk D. K. Spickler.

Presentation of LGIT Training Grant to Hagerstown Police Department

Tim Ailsworth, Executive Director of Local Government Insurance Trust (LGIT), presented a check in the amount of \$872.00 to the Hagerstown Police Department for driver training. To date, LGIT has awarded approximately \$ 10,000.00 in training grants to the Hagerstown Police Department.

Preliminary Agenda

Mayor Gysberts recommended reviewing the order of the agenda for Regular Sessions. He thinks having City Administrator and Mayor and Council comments immediately after Citizen Comments would be appropriate for prompt responses to Citizen Comments and concerns. It was the general consensus to amend the Rules of Procedure to reflect the change.

Consent Agenda

- A. Public Works: Bulk Road Salt Contract Extension – Cargill, Inc. – Current pricing \$ 67.52/ton
- B. Department of Utilities:
 - 1. Wastewater – Repair of Nitrate Recycle Pumps – Apparatus Repair & Engineering, Inc. (Hagerstown, MD) \$ 28,508.00
 - 2. Wastewater – VFD Purchase of In-plant Pumps – Apparatus Repair & Engineering, Inc. (Hagerstown, MD) \$ 37,107.00
 - 3. Wastewater – ENR Filter Airlift – Parkson, Inc. (Fort Lauderdale, FL) \$ 45,380.00

There were no questions about any item on the preliminary agenda. This completed the preliminary agenda review.

Revisions to RFP for Economic Analysis and Implementation Plan for Hagerstown’s Sustainable Community Plan

Kathleen Maher, Planning Director, and Jill Estavillo, Economic Development Manager, were present to discuss revisions to the RFP for the Economic Analysis and Implementation Plan for Hagerstown’s Sustainable Community Plan.

At the August work session discussion of this proposal, the Mayor and City Council instructed staff to seek input on the draft RFP from local stakeholders. Staff made that request to the Downtown Alliance and the Washington County Economic Development Commission (EDC). The comments received dealt more with packaging of the proposal than actual substantive changes to the approach. As a result of these comments, staff made the following revisions to the RFP:

1. Project title was changed from an “Economic Assessment” to an “Economic Analysis”.
2. The community engagement exercise has been broadened to include further development of tactics and strategies to implement the Sustainable Community Plan’s objectives.
3. The Project title was broadened to include “Implementation Plan”.
4. The analysis of catalyst projects has been changed from an “Economic Impact Analysis” to a “Cost Benefit Analysis” as suggest.
5. Maps have been attached illustrating designations referenced in the RFP.

As initially discussed in August, staff’s intent is to seek bids from qualified consultants in October, 2013. The scope of the work for the RFP has been refined to include an economic analysis of Hagerstown’s 2012 Sustainable Community Plan, a community engagement exercise to further develop tactics and strategies to implement the plan’s objectives and build community support for the downtown vision, a cost benefit analysis of identified catalyst projects to spark revitalization of Hagerstown’s City Center, and an implementation plan to achieve the vision for downtown. The budget is the \$ 100,000 Maryland Department of Business and Economic Development (DBED) grant and the project is anticipated to be completed by the end of June, 2014.

Councilmember Munson and Councilmember Brubaker thanked Delegate John Donaghue for his assistance with the plan. This document includes good information about Hagerstown and the community.

Councilmember Munson stated several people have ideas for downtown. He would like to have a venue for them to express their ideas.

Councilmember Aleshire stated a key component will be an assessment of existing uses for buildings. The assessment would include a determination if the use is a good representation of what is desired for downtown.

It was the general consensus to authorize staff to accept a non-matching \$ 100,000 grant from DBED for a downtown planning project and authorize staff to advertise a request for proposals for an economic analysis and implementation plan for Hagerstown’s Sustainable Community Plan. It is anticipated the RFP contract would be awarded by the end of November, 2013.

Maryland Theatre Request for City Funding

Benito Vattelana, President of the Board of Directors, Jessica Green, Operations Manager, and Rich Daughtridge, High Rock Studios, were present to discuss the Maryland Theatre's 24 Month Capital Infrastructure Improvement Plan.

Mr. Vattelana thanked the Mayor and Council for the City's support of the Theatre. Most recently the City assisted with funding for the new sound system that was recently installed.

The Maryland Theatre will celebrate its 100th anniversary in September, 2015. In anticipation of the celebration, the Board has developed a capital improvement program to be completed prior to the anniversary. Projects include replacement of the HVAC system, replacement of seating and lighting, internal restoration and expanding the facility to the street. These enhancements will improve the patrons' experience. Future plans also include the creation of a Cultural Arts Center.

Attendance increased 16% from 2012 to 2013. The Board has been focusing on the financial and business stewardship. There is a positive cash flow and revenue is improving. There are improved business operations at all levels. They are looking to develop strong partnerships with businesses and local arts organizations.

Mr. Vattelana stated a "big name" artist usually requires an advance payment six months prior to the performance. It is difficult to dedicate \$ 50,000 to \$ 100,000 toward a future performance. The Board hopes to create a performance budget that would include funding for this type of commitment.

Councilmember Nigh has wondered how the City and County could assist the Maryland Theatre, which she considers a jewel for Hagerstown. Big name entertainers are needed to draw people to Hagerstown.

Councilmember Brubaker pointed out there is hotel/motel tax funding set aside for Economic Development.

Councilmember Munson supports creating a performance fund so that more famous entertainers can be booked.

Mr. Vattelana mentioned the Theatre has helped other groups sell tickets for their events, i.e. tickets for the Alsatia Mummer's parade. The Board wants the Theatre to be a good partner in the community.

Mr. Daughtridge, High Rock, is working on the seat replacement project. Seating will be reduced by about 150 so that more space is created. The height of the seats will be increased, making a more comfortable seat. A new seating arrangement is being considered, which includes a VIP experience.

Councilmember Munson stated the artwork on the front of the Theatre is a great enhancement.

Mayor Gysberts pointed out that Mr. Vattelana, Ms. Green and Mr. Daughtridge are volunteering their time to develop the long range strategies and to implement them.

It was the general consensus to continue supporting the Maryland Theatre, especially as plans develop.

The agenda was revised to discuss the Alexander House at this time.

Alexander House – 7 East Washington Street

John Lestitian, Director of Community and Economic Development, and James Carmichael, Housing Preservation, Inc., were present to discuss the Alexander House.

Mr. Carmichael is an investor whose firm is in the process of acquiring the Alexander House at 7 E. Washington Street, Hagerstown, Maryland. His development firm is based in Memphis, Tennessee. He owns and operates 21 projects, most with Section 8 housing. His plan for the Alexander House is the same as for a property he owns in Baltimore, Maryland, which is the purchase of the apartment complex. He knows how to fix the resident issues and how to fill the retail space.

Mr. Lestitian stated he and Mr. Carmichael discussed the concentration of Section 8 housing in the City's core.

Councilmember Metzner asked if the plans are for the residents to be senior citizens. Mr. Carmichael stated that would be his preference, rather than the current dynamic. He is not set up to manage disabilities of residents.

Councilmember Metzner wondered if the current board has the authority to limit residency to senior citizens.

Mr. Carmichael stated fair housing rules must be followed. He stated it is easier for a management company to fill apartments with disabled tenants than with elderly tenants. He will not be able to change the dynamic overnight. There will be new rules and screening practices.

Mayor Gysberts asked if Mr. Carmichael will seek a Payment in Lieu of Taxes (PILOT) status from the City. Mr. Carmichael indicated he will be applying for low income housing tax credits. If the existing PILOT is extended, the taxes will stay level at \$ 120,000 per year. He will need the PILOT to create a basis for the leverage he needs for rehabilitation. He would like to extend the PILOT for 30 years.

Councilmember Aleshire asked if other entities that have PILOTs are set to expire,

i. e. Washington Gardens Apartments. He would like a status report of the current PILOT agreements and the payment history over the last 35 years.

Mr. Carmichael indicated they have paid. This environment is heavily regulated. A third party audit is required before a plan is submitted to HUD.

Councilmember Aleshire stated de-concentration has been a consideration for the downtown.

Mayor Gysberts stated a cornerstone building in downtown should not be subsidized housing. The concentration of these residents changes the perception of downtown.

Mr. Carmichael is interested in ending the current affordable housing agreement and creating a new, 20 year agreement. This would preserve the affordability of the community.

Councilmember Brubaker would like assurances that there will be capital investments made at the Alexander House, including the anticipation that the housing demographic will be 90% elderly.

Mr. Carmichael indicated he has provided a synopsis of his plan, but he can't provide a guarantee. He wants to be a good business partner for the City. With tax credits, rehabilitation could begin. The retail establishments can't operate with people sitting outside smoking. His goal is to preserve and protect buildings. He suggested extending the PILOT and adding performance clauses.

Councilmember Metzner stated there has already been more discussion with the potential owner than there has been with the current board members. He suggested having staff work with Mr. Carmichael's group to make this project the best for all concerned. There will never be market rate housing downtown unless the demographics change. He also suggested looking at other projects that Mr. Carmichael has completed.

Mr. Carmichael stated he will provide a list of projects and the attorneys he's worked with on these projects to the Mayor and Council. He indicated the communication towers on the roof of the building provide enough income to cover the losses.

Councilmember Munson asked if the elderly residents in the Alexander House have to be eligible for Section 8 housing. Mr. Carmichael indicated they do. There are currently 90 eligible, elderly residents. Councilmember Munson would like a commitment from Mr. Carmichael that there will be no bail bond businesses, no tattoo shops and no hookah lounges in the commercial spaces in the Alexander House. Mr. Carmichael stated these businesses do not fit with his expectations.

Mayor Gysberts reported there have been many calls for public safety services at the Alexander House. Community resources are expended there on a routine basis. Mr.

Carmichael stated tenant safety is his top priority and he will do what is necessary to ensure their safety.

Councilmember Brubaker stated assurances are needed in an agreement.

Councilmember Nigh stated what Mr. Carmichael is offering is good.

Councilmember Aleshire stated the existing agreement should not be assigned to a new owner without an in-depth review. Discussions should be held with the people a new agreement would affect.

Mayor Gysberts suggested that Mr. Carmichael continue discussing the project with staff. He would like to be part of the discussion. He anticipates a plan/agreement would be provided to the Mayor and Council for consideration. He thanked Mr. Carmichael for attending the meeting.

Reunion and Remembrance – Hagerstown Honors Her Civil War Veterans – Saturday, September 21, 2013

Stephen Bockmiller, Development Review Planner/Zoning Administrator, Civil War Sesquicentennial Project Manager, and Karen Giffin, Community Affairs Manager, were present to discuss the second of the City's three events to commemorate the 150th anniversary of the Civil War. This event will be held at Rose Hill Cemetery/Washington Confederate Cemetery at 11:00 a.m. on Saturday, September 21, 2013. Lieutenant Governor Anthony Brown will be the keynote speaker. Master of Ceremonies will be Fox News Channel weekend co-host Kelly Wright. Maryland Department of Veterans Affairs Secretary Edward Chow, Jr. will also be attending.

A program has been created that honors the courage and sacrifice of all veterans of the Civil War period. The event will consist of four elements at two locations, connected by a procession through Rose Hill Cemetery, as follows:

1. Rededication of Washington Confederate Cemetery
2. Unveiling of the recently renovated grave marker of Jacob Wheaton. Wheaton is believed to have been the first African-American to vote in Maryland after the Civil War. Wheaton is buried within feet of the Confederate cemetery.
Procession through Rose Hill Cemetery
3. Rededication of the Reno Post #4, GAR Memorial (constructed in 1923)
4. Unveiling and dedication of the new Lyon Post #31, GAR Memorial. Lyon Post was a small post of African-American veterans of the "United States Colored Troops."

Other participating groups include Rohrersville Cornet Band, the Ebenezer A.M.E. Church Choir, Marine Corps League and the AMVETS.

As a prelude to the event, prominent Maryland Civil War historian Daniel C. Toomey will be giving a talk entitled “Old Men in Blue and Gray: Maryland’s Civil War Veterans” in the Council Chambers on Friday, September 20, 2013 at 7:00 p.m.

2013 Citizen Recognition Award/Board and Commissions Luncheon

It was the general consensus of the Mayor and City Council to hold the annual Boards and Commission Luncheon on Friday, November 22, 2013 at the Academy Theatre.

Street Closure Request for December 21, 2013

Karen Giffin, Community Affairs Manager, and Officer Nick Varner, Police Athletic League, were present to discuss a street closure request for December 21, 2013. PAL is asking that streets be closed on a loop from Public Square to Fairgrounds Park on Saturday, December 21, 2103 at 9:00 a.m. for a Reindeer Run and Walk.

PAL selected City Center Hagerstown so that they could build their event annually as a family activity. They are requesting street closures for the event and use of the Elizabeth Hager Center Lot for a range of activities. Officer Varner stated they hope to expand the event next year, possibly adding ice sculptures.

The Hagerstown Police Department is working with PAL on the coordination of police services. The other city services will be funded through the current Public Functions budget. PAL will work with the City of Hagerstown to notify residents and businesses of the street closures. PAL will also provide a certificate of insurance.

It was the consensus to approve the requested street closures for this event.

Update on Residential Component of Invest Hagerstown

John Lestitian, Director of Community and Economic Development, and Jonathan Kerns, Community Development Manager, were present to provide an update on the residential component of the Invest Hagerstown initiative previously discussed during the June 4, 2013 work session.

The FY 14 budget includes \$ 300,000 for the residential component of the Invest Hagerstown initiative. During the June 4, 2013 work session, the Mayor and Council provided feedback to staff on the initial Invest Hagerstown residential program concept and expressed a desire to see the program shift focus to vacant homes in City neighborhoods and finding ways to incentivize homeownership for these structures.

Staff concentrated on the following goals when developing an updated program concept:

1. Targeting structures that have been vacant for an extended period of time
2. Supporting and strengthening City neighborhoods
3. Encouraging homeownership

Based on these goals, staff propose to utilize the available funding in two ways:

1. Creating a down payment assistance and rehabilitation loan to grant program for vacant homes City-wide:
City-wide Down Payment/Rehabilitation – The proposed down payment assistance program would have no income restrictions and would provide a loan to grant of up to \$ 7,500 to be used for down payment, select home repairs, or a combination of both. In order to be eligible, applicants must be purchasing a structure built prior to 1960 that is currently vacant and has been vacant for at least 12 months. Homeowners utilizing the program would be required to maintain the structure as their primary residence for at least five years. \$ 150,000 would be allocated for this program. This would allow up to 20 homebuyers to take advantage of the incentive.
2. Strengthening the existing down payment assistance component of the City Center Residency Initiative program with more attractive incentives for homebuyers.

City Center Residency Initiative-Down Payment Assistance Program – The current program guidelines for this component of the City Center Residency Initiative provide either a \$ 2,500 or \$ 5,000 loan to grant for down payment assistance to eligible homebuyers purchasing a home in the City Center. Eligible applicants for the program include: recent college graduates, active military, USHM employees or students, government employees, degree-holding professionals, or households with income exceeding 80% of the area median. With the additional funding available, the amount of assistance would be increased to \$ 10,000 per applicant and allow funds to be used for down payment, select home repairs, or a combination of both. \$ 100,000 would be allocated to this program. This would allow up to 10 homebuyers to take advantage of the incentive.

The remaining \$ 50,000 in the budget is being reserved for potential enhancements to the rental subsidy component of the City Center Residency Initiative. Staff are currently reviewing these guidelines along with all of the current housing programs and initiatives. A housing work group consisting of multiple housing professionals from the community will be assisting staff in the review of these programs.

Councilmember Aleshire pointed out that the benefit of providing assistance for the purchase of vacant homes is the occupancy of the home. Vacant homes detract from the stability of a neighborhood. He stated universal rental lease language should be considered for renters.

It was the general consensus of the Mayor and City Council to approve this part of the Invest Hagerstown program.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember M. E. Brubaker thanked the members of John Wesley Methodist Church for investing in downtown and for rehabilitating their stained glass windows. He noted there were eight positive items on today's agenda.

Councilmember L. C. Metzner had no additional comments.

Councilmember P. M. Nigh stated Historic Heights Neighborhoods 1st did an excellent job with the Porchfest event. She is concerned about the number of large groups of people that have been gathering in certain neighborhoods. It seems there are more police calls for fights, thefts and property damage. She urged citizens to report suspicious activity to the police. Landlords should be held accountable for the actions of their tenants.

Councilmember K. B. Aleshire had no additional comments.

Councilmember D. F. Munson received a call from someone who was concerned about crime on Antietam Street. He attended a concert by Euge Groove that was a fundraiser for the South High Band. Euge is Steve Grove, a South High alumni and famous saxophone player.

Mayor D. S. Gysberts pointed out great things are happening, including the Porch Fest. Interaction between residents creates more pride in the neighborhoods. The first Color Splash event was held at Fairgrounds Park on September 14, 2013. This event was a great success. He also thanked John Wesley Methodist Church for their efforts.

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 6:39 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: November 26, 2013