

Mayor and Council

1st Special, Work & Executive Session

December 13, 2016

Agenda

*"A diverse, business-friendly, and sustainable community with clean, safe and strong neighborhoods."
"Providing the most efficient and highest-quality services as the municipal location of choice for all customers."*

"Challenges are what make life interesting and overcoming them is what makes life meaningful."

Joshua J. Marine

4:10 PM SPECIAL SESSION

4:00 PM 1. Introduction of an Ordinance: 2015A and 2015B Bond Programming

4:10 PM WORK SESSION

- 4:10 PM** 1. FY16 Comprehensive Annual Financial Report (CAFR) - *Rana Rose, Accounting Manager; Chris Lehman, SB and Company*
- 4:30 PM** 2. Main Street Hagerstown Program - *Jill Frick, Director of Community and Economic Development; Amanda Whitmore, Downtown Coordinator*
- 4:50 PM** 3. Preliminary Agenda Review
- 5:00 PM** 4. Program Open Space Priorities - *Rodney Tissue, City Engineer*
- 5:10 PM** 5. City Park Dredging Project - *Rodney Tissue, City Engineer*
- 5:20 PM** 6. Proposed Conversion District Amendment - *Jeffrey Crampton, 901 Pope Avenue - Alex Rohrbaugh, Planner; Stephen Bockmiller, Development Review Planner/Zoning Administrator*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Introduction of an Ordinance: 2015A and 2015B Bond Programming

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Motion_-_2015A_2015B.pdf

2016_Hagerstown_SupplementalOrdinance_121316.pdf

Description

Motion

Ordinance

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

DATE: December 13, 2016

TOPIC: Introduction of an Ordinance: City of Hagerstown 2015A and B
General Obligation Bonds Reprogramming

Charter Amendment	_____
Code Amendment	_____
Ordinance	<u> X </u>
Resolution	_____
Other	_____

MOTION:

I hereby move to introduce an ordinance amending and supplementing Ordinance No. O-15-01, originally passed on 02/10/2015, approved on 02/10/2015 and effective on 03/13/2015, which, together with a companion resolution, served as authority for the issuance and sale of the \$8,020,000 City of Hagerstown Public Facilities Bonds, Series 2015A (Tax-Exempt) and the \$1,850,000 City of Hagerstown Public Facilities Bonds, Series 2015B (Taxable) (the "2015 Bonds").

With respect to certain of the original projects intended to be funded from 2015 Bonds proceeds, the City has achieved cost savings, cannot spend 2015 Bonds proceeds quickly enough to satisfy certain federal tax code requirements, or has determined not to fund such original projects either in the amount originally allocated to such projects or from 2015 Bonds proceeds at all. The purpose of this ordinance is to amend and supplement Ordinance No. O-15-01 to reallocate a portion of the 2015 Bonds proceeds to finance or reimburse costs of additional public purpose projects of the City as identified in the attached or to increase the amount of 2015 Bonds proceeds originally allocated to certain original projects.

Staff is hereby directed to work with bond counsel to take all necessary actions to proceed with and develop any resolutions and other documents necessary for the reprogramming of the 2015 Bonds proceeds.

DATE OF INTRODUCTION: 12/13/2016
DATE OF PASSAGE: 12/20/2016
EFFECTIVE DATE: 01/20/2017

ORDINANCE NO. _____

AN ORDINANCE amending and supplementing Ordinance No. O-15-01, passed by the Council of City of Hagerstown (the “City”) on February 10, 2015, approved by the Mayor of the City on February 10, 2015, and effective on March 13, 2015 (“Ordinance No. O-15-01”) in order to in effect authorize the City to apply a portion of the unspent proceeds of the (i) \$8,020,000 City of Hagerstown Public Facilities Bonds, Series 2015A (Tax-Exempt) (the “Series 2015A Bonds”) and (ii) \$1,850,000 City of Hagerstown Public Facilities Bonds, Series 2015B (Taxable) (the “Series 2015B Bonds” and, together with the Series 2015A Bonds, the “2015 Bonds”) issued on April 14, 2015 for the public purpose of financing or reimbursing costs of certain additional projects identified herein as (i) General Fund – City Park Lake Improvements, Prospect Street Wall, and Fairgrounds Grandstand Improvements, and (ii) Property Management Fund – Elizabeth Hager Center Building Roof, in addition to or in substitution for certain of the projects provided for in Ordinance No. O-15-01, and reallocating a portion of the proceeds of the 2015 Bonds to two projects previously authorized by Ordinance No. O-15-01; providing for amendments to Ordinance No. O-15-01 in order to specify the funds from which allocable portions of the debt service on the 2015 Bonds shall be payable in the first instance; authorizing City officials and employees to take certain actions with respect to the 2015 Bonds and the amendments provided for in this Ordinance; providing for the effectiveness of the amendments to Ordinance No. O-15-01 provided for in this Ordinance; providing that this title is a fair summary of this Ordinance for publication and all other purposes; providing that the provisions of this Ordinance shall be liberally construed; and otherwise generally relating to the use of proceeds of the 2015 Bonds.

RECITALS

1. City of Hagerstown, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act identified below (the “City”), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Enabling Act”), and Sections 717 and 719 of the Charter of the City of Hagerstown, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds.

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2. Pursuant to the authority of Ordinance No. O-15-01, passed by the Council of the City (the “Council”) on February 10, 2015, approved by the Mayor of the City (the “Mayor”) on February 10, 2015 and effective on March 13, 2015 (the “Original Ordinance”), the City determined to undertake certain projects identified as line items 1-22 in Section 3(b) of the Original Ordinance (collectively, the “Original Projects”); and the City determined to borrow money for the public purpose of financing, reimbursing or refinancing “costs” (as identified in Section 3(b) of the Original Ordinance) of the Original Projects, and to evidence this borrowing by the issuance and sale from time to time, in one or more series, of its general obligation bonds in an aggregate principal amount not to exceed Nine Million Eight Hundred Seventy-four Thousand Three Hundred Forty-three Dollars (\$9,874,343) (the “Authorized Bonds”). The Authorized Bonds are referred to as the “Bonds” in the Original Ordinance.

3. Pursuant to the authority of the Enabling Act, the Charter, the Original Ordinance, Resolution No. R-15-02, adopted by the Mayor and Council on March 17, 2015 and effective on March 17, 2015 (the “Original Resolution”), and other applicable law, the City issued and delivered on April 14, 2015 a portion of the Authorized Bonds consisting of its (i) \$8,020,000 City of Hagerstown Public Facilities Bonds, Series 2015A (Tax-Exempt) (the “Series 2015A Bonds”) and (ii) \$1,850,000 City of Hagerstown Public Facilities Bonds, Series 2015B (Taxable) (the “Series 2015B Bonds” and, together with the Series 2015A Bonds, the “2015 Bonds”) in order to finance or reimburse costs of the Original Projects as identified in the Original Resolution. The Series 2015A Bonds were issued with the expectation that interest payable thereon would be excludable from gross income for federal income tax purposes. The Series 2015B Bonds were issued with the

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expectation that interest payable thereon would be includable in gross income for federal income tax purposes.

4. The aggregate principal amount of the 2015 Bonds as issued is \$9,870,000, meaning that after giving effect to such issuance, the unused bonding authority under the Original Ordinance is \$4,343. The de minimis amount of such unused bonding authority means that in effect the 2015 Bonds are the only Authorized Bonds or Bonds that have been or will be issued pursuant to the provisions of the Original Ordinance (exclusive of any Refunding Bonds issued pursuant to authority of the Original Ordinance).

5. As provided in the Original Resolution, the City allocated proceeds of the Series 2015A Bonds to finance or reimburse costs of the following Original Projects in the maximum principal amount set forth opposite each (exclusive of any premium realized upon sale or investment earnings that may be applied for such purposes) as follows:

[CONTINUED ON FOLLOWING PAGE]

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	<u>Project Description</u>	<u>Maximum Principal Amount</u>
<u>General Fund</u>		
1	Fire Department Vehicles	\$ 1,000,000
2	Public Works Vehicles	276,743
3	AE/City Park Trail	1,500,000
4	Major Signal Intersection Upgrades	100,000
5	Stormdrain System Upgrades	50,000
6	Parks Vehicles and Equipment	60,000
7	Storm Water Management Implementation	100,000
8	Potterfield Pool Improvements	87,000
9	Marsh Run Walls Rehab	100,000
	General Fund Subtotal	3,273,743
<u>Electric Fund</u>		
10	HLD Admin Office Building	650,000
	Subtotal Electric Fund	650,000
<u>Water Fund</u>		
11	Willson Treatment Plant	340,000
12	Distribution Services Meter Program	2,116,257
13	Distribution Rehab Main Replacement	800,000
	Water Fund Subtotal	3,256,257
<u>Wastewater Fund</u>		
14	Collection System Rehab	300,000
15	WWTP Equipment	275,000
16	Collection System Equipment	90,000
17	Grinder Pump Replacement	50,000
18	Eliminate Pump Station	25,000
	Wastewater Fund Subtotal	740,000
<u>Property Management Fund</u>		
19	Roslyn Building - Windows	100,000
	Property Management Fund Subtotal	100,000
	TOTAL	\$8,020,000

The projects identified above in line items 1-19, inclusive, are collectively referred to in the Original Resolution as the “Tax-Exempt Projects”.

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6. As provided in the Original Resolution, the City allocated proceeds of the Series 2015B Bonds to finance or reimburse costs of the following Original Projects in the maximum principal amount set forth opposite each (exclusive of any premium realized upon sale or investment earnings that may be applied for such purposes) as follows:

	<u>Project Description</u>	<u>Maximum Principal Amount</u>
	<u>General Fund</u>	
1	MELP	\$ 650,000
	<u>Wastewater Fund</u>	
2	Solids Processing-Pelletizer and WWT Plant Imp	200,000
3	Sludge Storage Phase I Improvements	1,000,000
	TOTAL	<u><u>\$1,850,000</u></u>

The projects identified above in line items 1-3, inclusive, are collectively referred to in the Original Resolution as the “Taxable Projects”.

7. As provided in Section 3(b) of the Original Ordinance, the City, without notice to or the consent of the registered owners of the Authorized Bonds, may reallocate the maximum principal amount of the proceeds of the Authorized Bonds (exclusive of any premium realized upon sale or investment earnings that may be applied for such purposes) to be spent among any of the Original Projects in compliance with applicable City budgetary procedures or applicable law. Section 3(b) of the Original Ordinance further provides that it is the intention of the City that proceeds of the Authorized Bonds may be spent on any applicable costs (as defined therein) relating to the Original Projects.

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8. Section 4 of the Original Ordinance provides that the proceeds of the Authorized Bonds:

“ . . . shall be used and applied by the City exclusively and solely for the public purposes described in Section 3 of this Ordinance, unless a supplemental ordinance is enacted by the City to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act, the Charter or other applicable law.”

The term “Projects” as used in the Original Ordinance has the same meaning as the term “Original Projects” as defined in this Ordinance.

9. The City has, as applicable, (i) achieved cost savings with respect to certain of the Original Projects originally intended to be funded from 2015 Bonds proceeds as provided in the Original Resolution, (ii) determined it cannot spend proceeds of the 2015 Bonds with respect to certain of the Original Projects to be funded therefrom as quickly as originally anticipated in the Original Resolution, and/or (iii) determined not to fund from proceeds of the 2015 Bonds certain of the Original Projects authorized to be funded from 2015 Bonds proceeds as provided in the Original Resolution. Accordingly, the City desires to amend the Original Ordinance in order in effect to (1) authorize the use and application of proceeds of the 2015 Bonds to finance or reimburse costs of the additional public purpose projects of the City identified in Section 2(a) hereof (which amends Section 3(b) of the Original Ordinance) as (i) General Fund – City Park Lake Improvements, Prospect Street Wall, and Fairgrounds Grandstand Improvements, and (ii) Property Management Fund – Elizabeth Hager Center Building Roof (collectively, the “Additional

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Projects”), and (2) increase the amount of 2015 Bonds proceeds to be expended on the Original Projects identified as Wastewater Fund – WWTP Equipment and Sludge Storage Phase I Improvements (in both cases by adjusting the allocation of proceeds of the Authorized Bonds set forth in the Original Ordinance as provided for herein).

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF CITY OF HAGERSTOWN, THAT:

SECTION 1. (a) The Recitals to this Ordinance are incorporated by reference herein and deemed a substantive part of this Ordinance. Capitalized terms used in the Sections of this Ordinance that are not defined herein shall have the meanings given to such terms in the Recitals.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the City (the “City Code”) or other applicable law or authority to act in such titled official’s stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting capacity under the Charter, the City Code or other applicable law or authority, (iii) to any person who serves in a “Deputy”, “Associate” or “Assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the City Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the City Code, the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

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SECTION 2. (a) Section 3(b) of the Original Ordinance is hereby deleted in its entirety and inserted in place thereof shall be the following:

“(b) With respect to the projects listed below, the word “costs” as used in Section 2 hereof shall include, as applicable, land and right-of-way acquisition and development; site and utility improvements; demolition and razing; acquisition, construction, expansion, reconstruction, replacement, renovation, rehabilitation, improvement, installation, furnishing and equipping activities and expenses, and related or similar costs; planning, design, engineering, architectural, feasibility, inspection, surveying, permitting, construction management, financial and legal expenses, and related or similar costs; costs of issuance (which may include costs of bond insurance or other credit or liquidity enhancement); interest during construction and for a reasonable period thereafter (whether or not expressly so stated); and any such costs that may represent the City’s share or contribution to the financing, reimbursement or refinancing of costs of any such project. The total Bonds (or BANs, as identified in Section 7 hereof) funds to be appropriated or applied to the costs of such projects (exclusive of any premium realized upon sale or investment earnings that may be applied for such purposes, except as otherwise provided below) shall be allocated among the following public purpose projects in the maximum principal amount set forth opposite each, except as otherwise herein provided:

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<u>Original Projects/Additional Projects¹</u>		Original Maximum Principal Amount, – Original Projects²	Authorized Maximum Principal Amount – Additional Projects³	Net Adjustments⁴
<u>General Fund</u>				
1	Fire Department Vehicles	\$1,000,000	N/A	N/A
2	Public Works Vehicles	276,743	N/A	N/A
3	AE/City Park Trail	1,500,000	N/A	N/A
4	Major Signal Intersection Upgrades	100,000	N/A	-\$ 2,033.11
5	Stormdrain System Upgrades	50,000	N/A	-10,888.67
6	Parks Vehicles and Equipment	60,000	N/A	N/A
7	Storm Water Management Implementation	100,000	N/A	N/A
8	Potterfield Pool Improvements	87,000	N/A	N/A
9	MELP	650,000	N/A	-651,840.62 ⁵
10	Marsh Run Walls Rehab	100,000	N/A	N/A
10A ¹	City Park Lake Improvements	N/A	\$ 74,000.00	+74,000.00
10B ¹	Prospect Street Wall	N/A	99,459.46	+99,459.46
10C ¹	Fairgrounds Grandstand Improvements	N/A	154,000.00	+154,000.00
<u>Electric Fund</u>				
11	HLD Admin Office Building	650,000	N/A	-234,990.70
<u>Water Fund</u>				
12	Willson Treatment Plant	340,000	N/A	N/A
13	Distribution Services Meter Program	2,120,600	N/A	N/A
14	Distribution Rehab Main Replacement	800,000	N/A	N/A
<u>Wastewater Fund</u>				
15	Collection System Rehab	300,000	N/A	N/A
16	WWTP Equipment	275,000	N/A	+25,074.23
17	Solids Processing-Pelletizer and WWT Plant Imp	200,000	N/A	N/A
18	Sludge Storage Phase I Improvements	1,000,000	N/A	+651,840.62 ⁵
19	Collection System Equipment	90,000	N/A	N/A
20	Grinder Pump Replacement	50,000	N/A	N/A
21	Eliminate Pump Station	25,000	N/A	-25,074.23
<u>Property Management Fund</u>				
22	Roslyn Building – Windows	100,000	N/A	-100,296.98
22A ¹	Elizabeth Hager Center Building Roof	N/A	20,750.00	+20,750.00

¹ Original Projects refers to the Projects originally identified in Section 3(b) of Ordinance No. O-15-01, passed by the Council on February 10, 2015, approved by the Mayor on February 10, 2015 and effective on March 13, 2015 (the “Original Ordinance”). Additional Projects refers to the projects identified above as line items 10A, 10B, 10C and 22A that were added to Section 3(b) of the Original Ordinance by amendment. Subsequent to passage of the Original Ordinance, the City on April 14, 2015 issued authorized Bonds in the following aggregate principal amounts: (i) \$8,020,000 City of Hagerstown Public Facilities Bonds, Series 2015A (Tax-Exempt) (the “Series 2015A Bonds”) and (ii) \$1,850,000 City of Hagerstown Public Facilities Bonds, Series 2015B (Taxable) (the “Series 2015B Bonds” and, together with the Series 2015A Bonds, the “2015 Bonds”), thereby using all of the bonding authority provided for in the Original Ordinance except for \$4,343.

² Indicates principal amounts allocated to the Original Projects by the Original Ordinance exclusive of any premium realized upon sale or investment earnings.

³ Includes, to the extent applicable, premium realized upon sale and investment earnings as of October 31, 2016 reallocated from applicable Original Projects to the Additional Projects.

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⁴ Negative amounts reflect reductions in the maximum principal amount of 2015 Bonds originally allocated to the indicated Original Projects, after accounting for, to the extent applicable, any premium realized upon sale and investment earnings as of October 31, 2016. Positive amounts reflect reallocation of 2015 Bonds proceeds together with, to the extent applicable, any premium realized upon sale and investment earnings as of October 31, 2016, to either the identified Original Projects or the identified Additional Projects.

⁵ Notwithstanding the reallocation of the maximum principal amount of 2015 Bonds proceeds, including any premium realized upon sale and investment earnings as of October 31, 2016 as reflected above, originally allocated to the Original Project identified in line item 9 as MELP to the Original Project identified in line item 18 as Sludge Storage Phase I Improvements, the City intends that all or a portion of such reallocated amount shall be applied to the Original Project identified as Sludge Storage Phase I Improvements only when and after the City determines definitively not to apply all or a portion of such reallocated 2015 Bonds proceeds to the Original Project identified as MELP.

The projects identified in line items 1-22A above are collectively referred to herein as the “Projects”. The Projects described in line items 1-22A above are identified by approximately the same names and fund references as such Projects are identified in City budget materials. The City, without notice to or the consent of any registered owners of the Bonds (or the registered owners of any of the BANs, as applicable), may reallocate the maximum principal amount of the Bonds (and of any of the BANs, as applicable) (exclusive of any premium realized upon sale or investment earnings that may be applied for such purposes) to be spent among any of the Projects identified herein in compliance with applicable budgetary procedures or applicable law. Further, it is the intention of the City that proceeds of the Bonds (or of any of the BANs, as applicable) may be spent on any applicable costs (as defined above) relating to the Projects, including as definitions of and/or the scope of activities relating to the Projects may have already been, or may in the future be, amended or modified in accordance with applicable budgetary procedures or applicable law.”

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(b) By undertaking the amendments to Section 3(b) of the Original Ordinance provided for in subsection (a) of this Section 2, the City is in effect (i) providing for a reduction in the amount of the proceeds of the 2015 Bonds allocated to certain of the Original Projects, (iii) increasing the amount of proceeds of the 2015 Bonds allocated to certain of the Original Projects, and (iii) allowing for application of proceeds of the 2015 Bonds to finance or reimburse costs of the Additional Projects, in each case, to the extent applicable, after taking into account any premium realized upon sale or investment earnings as of October 31, 2016 originally allocated to the applicable Original Projects.

(c) All of the projects identified in the chart set forth in subsection (a) above are collectively referred to herein as the “Revised Projects”. From and after the effective date of this Ordinance, all references to the Projects in the Original Ordinance shall be deemed to be references to the Revised Projects, as identified in this Ordinance. From and after the effective date of this Ordinance, the provisions of this Section 2 shall supersede the provisions of Section 3(b) of the Original Ordinance with respect to the application of the proceeds of the 2015 Bonds.

(d) Notwithstanding the foregoing provisions of this Section 2, proceeds of the 2015 Bonds may not be applied to costs of the Additional Projects or be reallocated among the Original Projects unless and until the Mayor and Council adopt a resolution making corresponding amendments to the provisions of Section 3(b) of the Original Resolution in order to allow proceeds of the 2015 Bonds to be applied to costs of the Additional Projects or be reallocated among the Original Projects. Such resolution may reallocate or provide for the reallocation of proceeds of the 2015 Bonds among the Revised Projects in greater detail than as set forth in this Ordinance, including, without limitation, to provide which proceeds of the 2015 Bonds originally allocated to

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specific Original Projects, together with any premium realized upon sale or investment earnings as of October 31, 2016, to the extent applicable, shall be reallocated to specific Original Projects or specific Additional Projects.

(e) Unless the Council determines otherwise in accordance with applicable budgetary procedures or applicable law, including, to the extent permitted, by resolution, it is the intention of the Council that investment earnings with respect to the Revised Projects identified as (i) General Fund – Major Signal Intersection Upgrades, Stormdrain System Upgrades, and MELP, (ii) Electric Fund – HLD Admin Office Building, (iii) Wastewater Fund – Eliminate Pump Station, and (iv) Property Management Fund – Roslyn Building – Windows, that are earned after October 31, 2016 shall be applied to costs of the Revised Project identified as General Fund – AE/City Park Trail.

SECTION 3. (a) Section 9(a) of the Original Ordinance is hereby amended by deleting the first sentence thereof and insert in its place the following:

“(a) That portion of the principal of and interest on any series of the Bonds, the BANs or the Refunding Bonds, as applicable (each, and collectively, the “Obligations”), allocated to the costs of the Project identified in line item 11 under the subheading “Electric Fund” in Section 3(b) of this Ordinance, together with allocable costs of issuance (if applicable), shall be payable in the first instance from revenues accounted for in the Electric Fund, to the extent available for such purpose; that portion of the principal of and interest on any series of the Obligations allocated to the costs of the Projects identified in line items 12 through 14, inclusive, under the subheading “Water Fund” in Section 3(b) of this Ordinance, together with allocable costs of issuance (if applicable), shall be

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payable in the first instance from revenues accounted for in the Water Fund, to the extent available for such purpose; that portion of the principal of and interest on any series of the Obligations allocated to the costs of the Projects identified in line items 15 through 21, inclusive, under the subheading “Wastewater Fund” in Section 3(b) of this Ordinance, together with allocable costs of issuance (if applicable), shall be payable in the first instance from revenues accounted for in the Wastewater Fund, to the extent available for such purpose; and that portion of the principal of and interest on any series of the Obligations allocated to the costs of the Project identified in line items 22 through 22A, inclusive, under the subheading “Property Management Fund” in Section 3(b) of this Ordinance, together with allocable costs of issuance (if applicable), shall be payable in the first instance from revenues accounted for in the Property Management Fund, to the extent available for such purpose; in each case unless otherwise provided in a resolution of the Council.”

(b) By undertaking the amendments to Section 9(a) of the Original Ordinance provided for in subsection (a) of this Section 3, the City is amending or restating, as applicable, the anticipated sources of funding from which that portion of debt service on the 2015 Bonds allocated to each of the Revised Projects as set forth in the Original Ordinance, as amended and supplemented by this Ordinance, shall be payable in the first instance. Notwithstanding the foregoing sentence, given the fact that costs of issuance with respect to the 2015 Bonds have already been paid in full or substantially in full, and certain debt service payments on the 2015

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Bonds have already been made, the allocation of costs of issuance to such funding sources, if applicable, may not end up being exactly proportionate.

SECTION 4. The Mayor, the City Administrator of the City, the Director of Finance of the City, the City Clerk of the City and all other officials and employees of the City are hereby authorized and directed to take any and all action necessary to provide for application of the proceeds of the 2015 Bonds to finance or reimburse the costs of the Revised Projects and to execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith or in connection with the amendment and supplementing of the Original Ordinance provided for hereby.

SECTION 5. From and after the effective date of this Ordinance, the Original Ordinance shall be deemed amended and supplemented as provided herein and all other terms and provisions of the Original Ordinance shall remain in full force and effect.

SECTION 6. The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

SECTION 7. The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

SECTION 8. This Ordinance shall become effective at the expiration of thirty (30) calendar days following the date of its approval by the Mayor or its passage by the Council over the Mayor's veto in accordance with Charter Sections 208 and 209, subject to the petition-to-referendum rights set forth in Section 210 of the Charter.

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INTRODUCED before the Council on the _____ day of _____, 201____,
and passed _____ [as introduced] _____ [as amended] by the Council by a vote of
_____ yeas and _____ nays on the _____ day of _____, 201____.

Donna K. Spickler, City Clerk

(SEAL)

Approved by the Mayor this _____ day of _____, 201____.

Robert E. Bruchey, II, Mayor

Effective: _____, 2017 (31st day after date of Mayor's approval, unless the
effective date is determined in accordance with other applicable provisions of the Charter)

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**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

FY16 Comprehensive Annual Financial Report (CAFR) - *Rana Rose, Accounting Manager;
Chris Lehman, SB and Company*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

FY16_CAFR_Memo_121316.pdf

FY16_City_of_Hagerstown_Board_Report_SBCo.pdf

Description

Memo

Audit Report



CITY OF HAGERSTOWN, MARYLAND

Rana Rose
Accounting and Budget Manager
301-739-8577 X155

To: Valerie Means, City Administrator

From: Rana Rose 

Date: December 13, 2016

Subject: FY16 Comprehensive Annual Financial Report (CAFR)

The Finance Department will be joined by our independent auditing firm, SB & Company, LLC to present the City's Comprehensive Annual Financial Report (CAFR) for FY16. The presentation will provide an overview of SB & Company, LLC's comments and recommendations for our FY16 financial statements audit.

The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department.

The copies of the FY16 CAFR were distributed in November and you can find a copy of the FY16 CAFR electronically on the City's website (www.hagerstownmd.org).

If you have any questions, please let call me at extension 155.

SB & COMPANY, LLC

Knowledge • Quality • Client Service



Presentation to the City Council
December 13, 2016





INTRODUCTIONS

KNOWLEDGE

QUALITY

CLIENT SERVICE



Engagement Team Leadership

SB & Company, LLC

- ❖ **Bill Seymour, Client Service Partner**
- ❖ **Chris Lehman, Engagement Partner**





EXECUTIVE SUMMARY

KNOWLEDGE

QUALITY

CLIENT SERVICE



Scope of Services

- Audit of the June 30, 2016, financial statements
- Performance of Uniform Guidance Single Audit
- Reviewed Uniform Financial Report
- Review of Data Collection form
- Available for year-round consultation



Summary of the Results

- Issued an unmodified opinion on the financial statements
- Discovered no instances of fraud
- Discovered no material weakness in internal controls
- Received full cooperation from management
- Results:

	2016	2015	2014
Changes in Net Position	<u>\$ 5,837,166</u>	<u>\$ 1,797,649</u>	<u>\$ 3,823,413</u>
Net Position	<u>\$ 219,605,573</u>	<u>\$ 213,768,407</u>	<u>\$ 250,625,531</u>

- Audit journal entries
 - No Audit journal entries noted
- Changes to OPEB accounting and reporting



AUDIT PROCESS

KNOWLEDGE

QUALITY

CLIENT SERVICE



FORCAM Audit Approach

"Focus on Risk, Controls and Misstatement"

FORCAM Audit Approach

Focus on Risk, Controls, and Account Misstatement

Agree on Expectations and Deliverables

Planning - Understand the Business & Risk

Client Acceptance • Client Environment • Tone at the Top
Materiality • Initial Risk Assessment • Audit Plan • Client Expectations

Assess & Test Design & Operations of Controls

What Can Go Wrong? • Test Key Controls • Walkthrough
Map Accounts & Transactions • Identify Key Controls

Financial Close & Reporting Misstatement Analysis

Analyze Balances • Financial Close Process
Principles Applied • Management's Verification

Substantive Testing

Negative Account Analysis • Negative Financial Close
Firm & GAAS Required • Significant Estimates
Negative Operating Controls • Unusual Transactions

GAAS Compliance & Reporting

GAAS Checklist • Review Reports • Wrap Up
Draft Board/Management Presentation
Did We Meet Your Expectations?

Goals:

Detect Financial Statement Misstatement Risk
Detect Error

- Accounting Principle
- Estimate
- Information Processing
- Account Balances

Fraud
Business Failure
Business Improvement Opportunities
Client Expectations

Communicate Value Delivered and Measure Satisfaction





Assessment of Control Environment

Area	Points to Consider	Our Assessment
Control Environment	<ul style="list-style-type: none">▪ Key executive integrity, ethics, and behavior▪ Control consciousness and operating style▪ Commitment to competence▪ Exercise oversee responsibility▪ Organizational structure, responsibility, and authority▪ Enforce accountability▪ HR policies and procedures	
Risk Assessment	<ul style="list-style-type: none">▪ Define objectives and risk tolerances▪ Identify, analyze, and respond to risk▪ Assess fraud risk▪ Identify, analyze, and respond to change▪ Mechanisms to anticipate, identify, and react to significant events▪ Processes and procedures to identify changes in GAAP, business practices, and internal control	
Control Activities	<ul style="list-style-type: none">▪ Design control activities▪ Design activities for the information system▪ Implement control activities▪ Existence of necessary policies and procedures▪ Clear financial objectives with active monitoring▪ Logical segregation of duties▪ Periodic comparisons of book-to-actual and physical count-to-books▪ Adequate safeguards of documents, records, and assets▪ Assess controls in place	



Not effective

Suggested improvements

Effective



Assessment of Control Environment (continued)

Area	Points to Consider	Our Assessment
Information and Communication	<ul style="list-style-type: none">▪ Use quality information▪ Communicate internally▪ Communicate externally▪ Adequate performance reports produced from information systems▪ Information systems are connected with business strategy▪ Commitment of HR and finance to develop, test, and monitor IT systems and programs▪ Business continuity and disaster plan for IT▪ Established communication channels for employees to fulfill responsibilities▪ Adequate communication across organization	
Monitoring	<ul style="list-style-type: none">▪ Perform monitoring activities▪ Remediate deficiencies▪ Periodic evaluations of internal controls▪ Implementation of improvement recommendations	



Not effective

Suggested improvements

Effective



Evaluation of Key Processes

Process	Function	A	B	C	D	Design	Operation
Treasury	<ul style="list-style-type: none"> Cash Management Investment Accounting Investment Monitoring Investment Valuation Investment Policy Reconciliation 	✓	✓	✓	✓		
Estimation	<ul style="list-style-type: none"> Methodology Information Calculation 	✓	✓	✓			
Financial Reporting	<ul style="list-style-type: none"> Accounting Principles and Disclosure Closing the Books Report Preparation General Ledger and Journal Entry Processing Verification and Review of Results 	✓	✓	✓			

A	Understand the Process
B	Walk-Through

C	What Can Go Wrong
D	Test of Control

	Not effective
	Suggested improvements
	Effective



Evaluation of Key Processes (continued)

Process	Function	A	B	C	D	Design	Operation
Expenditures	<ul style="list-style-type: none"> Purchasing Receiving Accounts Payable and Cash Disbursement Purchase Card Transactions 	✓	✓	✓	✓		
Payroll	<ul style="list-style-type: none"> Hiring Attendance Reporting Payroll Accounting and Processing Payroll Disbursements Separation 	✓	✓	✓	✓		
Revenue	<ul style="list-style-type: none"> Billing Cash Receipts Revenue Recognition Cutoff 	✓	✓	✓	✓		
Fixed Assets	<ul style="list-style-type: none"> Physical Custody Asset Accounting 	✓	✓	✓			

A	Understand the Process
B	Walk-Through

C	What Can Go Wrong
D	Test of Control

	Not effective
	Suggested improvements
	Effective



AUDIT RESULTS

KNOWLEDGE

QUALITY

CLIENT SERVICE



Financial Statement Highlights

	Governmental Activities			Business-type Activities		
	2016	2015	2014	2016	2015	2014
Current and other assets	\$ 30,810,780	\$ 28,811,441	\$ 26,386,867	\$ 35,193,008	\$ 34,530,151	\$ 28,282,452
Capital assets	81,481,719	78,837,979	78,007,501	201,374,251	203,342,409	204,072,083
Total assets	112,292,499	107,649,420	104,394,368	236,567,259	237,872,560	232,354,535
Deferred outflows	3,776,739	1,366,552	-	2,072,298	1,032,013	-
Long-term liabilities outstanding	55,504,898	53,340,661	17,301,697	61,113,179	62,287,303	49,572,697
Other liabilities	8,381,847	7,904,483	8,103,220	8,287,988	9,138,783	11,145,758
Total liabilities	63,886,745	61,245,144	25,404,917	69,401,167	71,426,086	60,718,455
Deferred inflows	1,102,455	724,338	-	712,857	756,570	-
Net position						
Net investment in capital assets	66,555,727	63,756,574	62,841,007	147,056,392	146,018,608	152,917,402
Restricted	9,170,892	11,415,507	8,917,240	-	-	-
Unrestricted	(24,646,579)	(28,125,591)	7,231,204	21,469,141	20,703,309	18,718,678
Total Net Position	\$ 51,080,040	\$ 47,046,490	\$ 78,989,451	\$ 168,525,533	\$ 166,721,917	\$ 171,636,080



Financial Statement Highlights (continued)

	Governmental Activities			Business-type Activities		
	2016	2015	2014	2016	2015	2014
REVENUES						
Charges for current services	\$ 8,333,770	\$ 8,979,978	\$ 7,927,053	\$ 47,911,999	\$ 49,214,183	\$ 47,528,051
Operating grants and contributions	1,963,246	1,930,908	2,119,193	69,489	51,110	-
Capital grants and contributions	2,034,072	1,807,299	543,261	2,669,305	2,135,780	3,607,284
Property taxes	28,463,400	27,209,882	25,365,054	-	-	-
Other taxes	5,003,437	5,105,039	4,834,311	-	-	-
Other revenue	842,039	279,896	303,832	153,275	146,024	156,910
Total Revenues	\$ 46,639,964	\$ 45,313,002	\$ 41,092,704	\$ 50,804,068	\$ 51,547,097	\$ 51,292,245
EXPENSES						
General government	\$ 10,564,629	\$ 9,672,724	\$ 9,380,546	\$ -	\$ -	\$ -
Public safety	22,889,590	23,566,366	21,088,870	-	-	-
Highways and streets	2,680,585	2,810,855	2,923,564	-	-	-
Waste, collection and disposal	2,000,312	1,971,595	1,950,228	-	-	-
Culture and recreation	2,845,481	2,788,927	2,729,399	-	-	-
Economic and community development	966,551	4,053,605	1,349,844	-	-	-
Interest on long-term debt	540,521	557,668	550,317	-	-	-
Utilities and other proprietary funds	-	-	-	49,119,197	49,640,710	48,588,768
Total Expenses	\$ 42,487,669	\$ 45,421,740	\$ 39,972,768	\$ 49,119,197	\$ 49,640,710	\$ 48,588,768



Changes in OPEB Accounting

- GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans, required to be implemented for fiscal year 2017
- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, required to be implemented for fiscal year 2018. This can be early implemented.
- The accounting and disclosures are similar to the pension standards (GASB 67 and 68)
- Net OPEB liability recorded on the Entity-wide Statement of Net Position
- As of June 30, 2016, the City had an unfunded actuarial accrued liability of approximately \$25.1 million (with a funded ratio of 20.82%)



REQUIRED COMMUNICATIONS

KNOWLEDGE

QUALITY

CLIENT SERVICE



Required Communications

1. Auditor's Responsibilities Under Generally Accepted Auditing Standards (GAAS)

The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provide for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

2. Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.

The significant accounting policies used by management are described in the notes to the financial statements.

3. Auditor's Judgments About the Quality of Accounting Principles

We discuss our judgments about the quality, not just the acceptability, of accounting principles selected by management, the consistency of their application, and the clarity and completeness of the financial statements, which include related disclosures.

We have reviewed the significant accounting policies adopted by the City of Hagerstown (the City) and have determined that these policies are acceptable accounting policies.



Required Communications

(continued)

4. Audit Adjustments

We are required to inform the City's oversight body about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the entity's financial reporting process. We also are required to inform the City's oversight body about unadjusted audit differences that were determined by management to be individually and in the aggregate, immaterial.

There were no passed adjustments identified during the audit process.

5. Fraud and Illegal Acts

We are required to report to the City's oversight body any fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.

Our procedures identified no instances of fraud or illegal acts.

6. Material Weaknesses in Internal Control

We are required to communicate all significant deficiencies in the City's systems of internal controls, whether or not they are also material weaknesses.

There were no material weaknesses noted during the audit.



Required Communications

(continued)

7. Other Information in Documents Containing Audited Financial Statements

None.

8. Disagreements with Management on Financial Accounting and Reporting Matters

None.

9. Serious Difficulties Encountered in Performing the Audit

None.

10. Major Issues Discussed with Management Prior to Acceptance

None.

11. Management Representations

We received certain written representations from management as part of the completion of the audit.

12. Consultation with Other Accountants

To our knowledge, there were no consultations with other accountants since our appointment as the Foundation's independent public accountants.

13. Independence

As part of our client acceptance process, we go through a process to ensure we are independent of the City.

We are independent of the City.



Required Communications (continued)

14. Our Responsibility Related to Fraud

- Plan and perform the audit to obtain reasonable assurance that there is no material misstatement caused by error or fraud;
- Comply with AU-C Section 240: Consideration of Fraud in a Financial Statement Audit
- Approach all audits with an understanding that fraud could occur in any entity, at any time, by anyone; and
- Perform mandatory procedures required by GAAS and our firm policies.

Examples of Procedures Performed

- Discuss thoughts and ideas on where the financial statements might be susceptible to material misstatement due to fraud;
- Understand pressures on the financial statement results;
- Understand the tone and culture of the organization;
- Look for unusual or unexpected transactions, relationships, or procedures;
- Discussions with individuals outside of finance;
- Evaluate key processes and controls; and
- Consider information gathered throughout the audit.



MEETING YOUR EXPECTATIONS

KNOWLEDGE

QUALITY

CLIENT SERVICE



Responsibility for Mitigating Fraud



External Auditor

- Evaluate management programs and controls to deter and detect fraud for identified risks
- Reasonable assurance that financial statements are free of material misstatement due to fraudulent financial reporting or misappropriation of assets
- Compliance with fraud standard (SAS 99)
 - Conversations with finance and operations personnel
 - Disaggregated analytics
 - Surprise audit procedures
 - Journal entry testing

Management:

- CFO/Controller: controls to deter and detect fraud
- General Counsel/Compliance: monitoring

Audit Committee:

- Evaluate management identification of fraud risk
- Evaluate implementation of fraud controls
- Reinforce “tone at the top”
- Conduct special investigations



SBC's Service Pledge to You

We will consistently deliver a **Quality Product** and **Quality Service** so that we have the opportunity to establish a **Quality Relationship** with the City, allowing us to provide you with **Quality Knowledge** for your continual success. Only after we have provided you with the knowledge that enables your business to grow and prosper, we have *hit the bullseye!*

Our commitment to you is the execution of our **Bullseye Philosophy**. We execute this philosophy for every client, on every engagement, *every time*.





ENGAGEMENT TEAM CONTACT INFORMATION

KNOWLEDGE

QUALITY

CLIENT SERVICE



Engagement Team Contact Information



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Engagement Partner

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202.803.2335

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Main Street Hagerstown Program - *Jill Frick, Director of Community and Economic Development; Amanda Whitmore, Downtown Coordinator*

Mayor and City Council Action Required:

Discussion:

At the December 13, 2016 Mayor and City Council meeting, staff and volunteers welcome an opportunity to provide a brief overview on the Main Street Hagerstown program and an introduction of the volunteer work group chairs. The Main Street Hagerstown effort continues to gain momentum. Each workgroup has been meeting regularly once a month in the evenings at various locations throughout the downtown. Additionally, the Main Street work group co-chairs meet for monthly leadership meetings.

Currently there are just over 80 volunteers across the five workgroups with over 25 of those volunteers very active. In fiscal year 2016, these volunteers contributed 614 hours to improving the downtown and have already donated over 400 hours in the first five months of FY17. Main Street Hagerstown is well on its way to giving 1,000 hours of volunteer time to improving the downtown by the June 30, 2017 fiscal year end.

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Main_Street_Update_Memo_12.13.16.pdf

Description

Main Street Update Memo



CITY OF HAGERSTOWN, MARYLAND

Department of Community & Economic Development

TO: Valerie Means, City Administrator

FROM: Amanda Whitmore, Downtown Coordinator

DATE: December 7, 2016

SUBJECT: Main Street Hagerstown: Brief Program Overview & Introduction of Volunteer Work Group Chairs

At the December 13, 2016 Mayor and City Council meeting, staff and volunteers welcome an opportunity to provide a brief overview on the Main Street Hagerstown program and an introduction of the volunteer work group chairs. The Main Street Hagerstown effort continues to gain momentum. Each workgroup has been meeting regularly once a month in the evenings at various locations throughout the downtown. Additionally, the Main Street work group co-chairs meet for monthly leadership meetings.

Currently there are just over 80 volunteers across the five workgroups with over 25 of those volunteers very active. In fiscal year 2016, these volunteers contributed 614 hours to improving the downtown and have already donated over 400 hours in the first five months of FY17. Main Street Hagerstown is well on its way to giving 1,000 hours of volunteer time to improving the downtown by the June 30, 2017 fiscal year end.

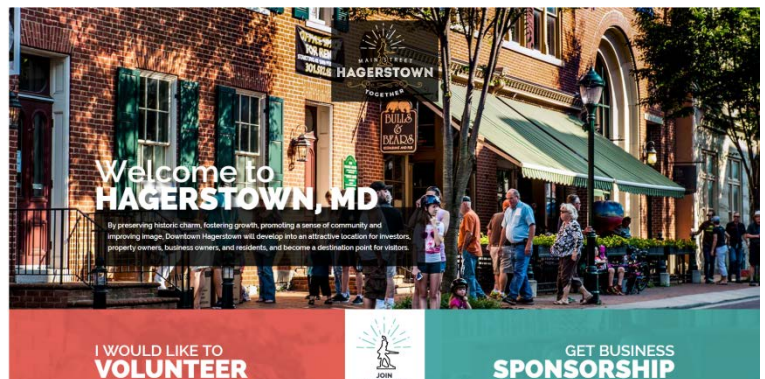
Here are some examples of the efforts for each of the five workgroups to date since the program launched in May 2015:

Organization Workgroup

Chair: Monika Wertman

Next Meeting: 5:45 p.m. Wednesday, February 1st at 28 South

- Creating a brand new website to complement the City's and to help visitors, residents and business owners quickly find information.
- Producing an e-newsletter distributed to over 600 subscribers.
- Developing forms for use by volunteers and sponsors.
- Establishing and building social media presence on Facebook, Twitter, and



Instagram. Facebook has grown from 1,000 likes to over 1,700 likes. Twitter and Instagram pages were just established and we expect the number of followers on those pages to grow.

Promotions Workgroup

Chair: Melanie Anderson

Next Meeting: 5:45 p.m. Wednesday, February 1st at 28 South

- Designed the Main Street Hagerstown Logo, brochure and business cards.
- Developed a marketing strategy that will be used in promoting the work Main Street is doing as well as bring more people and businesses to the downtown.
- Established a new Main Street event, *Second Saturday*. These themed monthly events are aimed at highlighting the existing businesses in Main Street while also partnering with existing downtown events.



Interest in these events has grown from 32 people in September to over 130 people for December's event. The event series is supported by a \$10,000 grant from the Maryland Department of Housing and Community Development.

Design Workgroup

Chair: Aaron Peteranecz

Next Meeting: 5:45 p.m. Wednesday, February 1st at 28 South

- The Design Workgroup is working long-range on a set of design guidelines for continuity in Main Street Hagerstown. Aspects like continuity of storefront signage, sidewalk displays, and approved paint schemes are things they are looking to develop into a guidebook for the Main Street area.
- Designed and installed window scrims on several vacant storefront windows and plan to install additional window scrims.
- Organized a 'Smartphone Photo Tour' of the downtown in order to call attention to the existing architecture of the downtown.
- Designed and installing signage on 53 N. Potomac Street to help brand the downtown as a Main Street community.

Business Relations Workgroup

Co-Chairs: Taylor Bowen and Rob Galieto

Next Meeting: 6:00 p.m. Wednesday, January 18th at 60 West Washington

- Established an ambassadorial committee to welcome new businesses to the Main Street Area when they first open. These members attend ribbon cuttings and then follow up in conjunction with Economic Development staff with the new businesses to make sure they are getting the support they need and connecting them to that support and resources.

- Worked in conjunction with Economic Development staff to refresh the database of businesses for the Main Street area.
- Created a survey that was a follow up to the business survey that economic development staff created in March of 2013.
- Conducted Property Investor Surveys and Contractor Code Surveys.
- Held focus groups with downtown businesses to identify concerns and good things of being downtown business owners and working to improve those areas.
- Created code enforcement working group with city and private members.
- Working with City staff to brand and promote the 1GB internet fiber opportunity in the downtown as a business recruitment marketing strategy.

Clean, Safe and Green (CS&G)

Co-Chairs: Joanne Ballengee and Sean Griffith

Next Meeting: 5:45 p.m. Wednesday, February 1st at 28 South

- CS&G worked with City Engineering staff to bring combined recycling/trash containers to the Main Street area.
- The workgroup worked with City Code staff to find ways for residents to more easily store their recycling and trash containers out of sight when it is not time to set them out for pickup.
- Organized a street cleanup and fall planting day along East Franklin Street.
- Hosted a Crime Prevention Through Environmental Design workshop and looking to pursue seating and updated lighting in the Public Square area.



c:

Jill Frick, Director of Community & Economic Development
Main Street Hagerstown Co-Chairs

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Preliminary Agenda Review

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Dec_20_2016_Prelim.pdf

Description

Agenda



**2ND REGULAR SESSION
MAYOR & CITY COUNCIL
DECEMBER 20, 2016
AGENDA**

Preliminary Agenda

7:00 p.m. REGULAR SESSION – Council Chamber, 2nd floor, City Hall

- I. CALL TO ORDER** - Mayor Robert E. Bruchey, II
- II. INVOCATION** - Mayor Robert E. Bruchey, II
- III. PLEDGE TO THE FLAG**
- IV. NEW BUSINESS** – Adoption of Rules of Procedure
- V. ANNOUNCEMENTS**
 - A. Rules of Procedure – *Adopted December 20, 2016*
 - B. Use of cell phones during meetings is restricted.
 - C. All correspondence for distribution to Elected Officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.
 - D. Meeting Schedule
 - 1. Tuesday, January 10, 2017 – Work Session at 4:00 p.m.
 - 2. Tuesday, January 17, 2017 – Work Session at 4:00 p.m.
 - 3. Tuesday, January 24, 2017 – Work Session at 4:00 p.m.
 - 4. Tuesday, January 31, 2017 – Regular Session at 7:00 p.m.
- VI. CITIZEN COMMENTS**
- VII. PUBLIC HEARING**

Proposed Conversion District Amendment – Jeffrey Crampton, 901 Pope Avenue
- VIII. CITY ADMINISTRATOR COMMENTS**
- IX. MAYOR & COUNCIL COMMENTS**
- X. MINUTES**

(November 1, 2016, November 15, 2016, and November 22, 2016)

XI. CONSENT AGENDA

A. Fire:

1. Emergency Repairs to Ladder Truck 11 – Red Storm (Gainesville, VA) \$ 21,999.03

B. Public Works:

1. Change Order to Install Additional Roofing at Elizabeth Hager Center – USA Construction Services, Inc. (Beltsville, MD) \$ 131,533.00
2. Purchase of Ford F550 Dump Truck with Salt Spreader and Snow Plow – Keystone Ford (Chambersburg, PA) \$ 88,403.00

XII. UNFINISHED BUSINESS

- ✓ A. Approval of an Ordinance: 2015A and 2015B Bond Reprogramming

XIII. NEW BUSINESS

- ✓ A. Introduction of an Ordinance: Conversion District Amendment – Jeffrey Campton, 901 Pope Avenue
- B. Introduction of an Ordinance: Quit Claim of Portion of Alley 4-48
- C. Approval of a Resolution: Street Acceptance: Portion of Meridian Drive
- D. Approval of a Rental Contract Renewal with NIST – Elizabeth Hager Center
- ✓ E. Approval of Lake Dredging Contract and Project Management Contract
- F. Acceptance of Narcotics Task Force Vehicle to Hagerstown Police Department

XIV. ADJOURN

✓ *Items that have been discussed and reviewed previously or are of a routine nature and, therefore, additional information may not be attached to this agenda.*

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Program Open Space Priorities - *Rodney Tissue, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

POS_-_annual_program.2016.pdf

Description

Program Open Space
(POS) - Annual Program



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

December 13, 2016

TO: Valerie Means, City Administrator

FROM: Rodney Tissue, Director, Parks and Engineering
Mark Haddock, Parks & Recreation Manager

RE: Program Open Space (POS)
Annual Program

Attached you will find our recommendation for the Program Open Space funds for FY 2018 and beyond. We request that Council review the list, especially the FY 2018 portion, and provide comments. At the December 20th Regular Session, staff will request that Mayor & Council approve the priority list for FY 2018. We need to send our list to Washington County by January 6, 2017.

Staff will be present to review the proposal with Mayor & Council.

Attachments: * County request letter
* Proposed FY 18-23 Plan

c: Cathy Beach
Mark Haddock

CITY OF HAGERSTOWN
5-YR POS PROPOSED PLAN FY18-23 (Listed By Priority)
Last Revised 12/2/16

FY	CIP #	Project	Location/Description	Total Project Cost	POS Fund Request	City Match
2018	C0237	City Park Play Equipment	South end of City Park, replaces piece removed for safety reasons	\$100,000	\$90,000	\$10,000
2018	C0237	Park Amenities for various parks	Portable Bleachers, Park Benches, Picnic Tables, Trash Receptacles	\$40,000	\$36,000	\$4,000
2018	C0522	Lake Fountain	City Park: purchase fountain for lower lake after dredging	\$15,000	\$13,500	\$1,500
FY 2017 Priority				\$155,000	\$139,500	\$15,500
2019	C0140	Hagerstown Cultural Trail	Funds for developing triangle park near Park Circle or funds for work near City Center to support downtown project	\$200,000	\$180,000	\$20,000
2019	C0812	Lake Reconstruction	Pangborn Park: dredge lake, install "natural" lake edge, construct fishing pier, improve lake inflow/outflow, restore adjacent Hamilton Run with natural techniques	\$500,000	\$450,000	\$50,000
2019	C0439	Amenities for Train Museum	City Park Train Museum: for a new pavilion, purchase train themed amenities such as benches, tables, trash receptacles, etc	\$20,000	\$18,000	\$2,000
2020	C0825	The Greens at Hamilton Run Improvements	Course improvements such as cart paths, tee box and green improvements	\$100,000	\$90,000	\$10,000
2020	C0822	Replace Pool Whitecoat	Potterfield Pool: replace whitecoat in deep end of main pool	\$50,000	\$45,000	\$5,000

CITY OF HAGERSTOWN
5-YR POS PROPOSED PLAN FY18-23 (Listed By Priority)
Last Revised 12/2/16

FY	CIP #	Project	Location/Description	Total Project Cost	POS Fund Request	City Match
2020	None	BMX Lights	Fairgrounds Park: Lights around perimeter of track for night races	\$40,000	\$36,000	\$4,000
2021	C0522	Parking Improvements	City Park: upper lot by tennis court, pavilion and softball fields	\$310,000	\$279,000	\$31,000
2021	C0522	Parking Improvements.	City Park: Upper lot near Mansion House	\$250,000	\$225,000	\$25,000
2022	C0626	Parking Improvements.	Fairgrounds Park: Rear lot below BMX	\$250,000	\$175,000	\$25,000
2022	C0626	Soccer Field Lights	Fairgrounds Park: add lights to soccer field for evening use	\$170,000	\$63,000	\$107,000 by others
2023	C0548	Gatekeeper's House Renovation	Fairgrounds Park	\$500,000	\$450,000	\$50,000

H:\parksrec\Grants\POS\POS 5-yr list FY17.wpd



Washington County

M A R Y L A N D

DIVISION OF PUBLIC WORKS

HAGERSTOWN REGIONAL AIRPORT | HIGHWAYS | PARKS & FACILITIES | TRANSIT

MEMO

RECEIVED
NOV 17 2016
BY: _____

TO: Mayors of Municipal Corporations in Washington County
Hagerstown Community College
Washington County Board of Education

FROM: James L. Sterling, Director of Public Works *fin*

RE: Annual Program Open Space–Acquisition & Development Program FY 2018

DATE: November 1, 2016

The Program Open Space Annual Program for Acquisition and Development Projects for FY 2018 are required to be submitted to the State Department of Natural Resources by July 1, 2017. As in past years, projects will be reviewed by the Washington County Recreation and Parks Advisory Board prior to a recommendation being made to the Board of County Commissioners for adoption of the annual program.

Please submit by Friday, January 6, 2017, requests for acquisition or development project funding in the FY 2018 Annual Program to the Washington County Department of Public Works, 100 West Washington Street, Hagerstown, Maryland, 21740. A completed application is required for each project, along with a map showing the location of the project. If no projects are submitted by January 6, 2017 then it will be assumed that you do not have any projects for consideration for the 2018 fiscal year. Please attempt to use realistic estimates when determining project costs and please do not submit more projects than may reasonably be expected to be completed in a fiscal year.

As with last year's submittal, we are also requesting with the submission of projects for the annual program, a list of projects for which you may be considering requesting POS funding in FY 2018 – FY 2022 (next 5 years).

The list should include the following information preferably in the following format if possible. See following examples:

Year	Project	Location	Est. Cost	POS Funds Requested
FY 2018	Pavilion	Snook Park	\$20,000	\$18,000
FY 2019	Land Acquisition	Regional Park	\$100,000	\$100,000

We would like this list whether or not you intend to submit for project funding in FY 2018. The list will help with long range recreation planning and will assist in developing a picture of the long term funding needs for recreation and how the amount of funding available each year could be best utilized to address future requests. Not listing a project would not eliminate it from future consideration. The annual program will still be developed on a yearly basis as required by law. We understand that priorities change from year to year and that new projects not conceived today will become high priorities in the future. If you do not have any future projects identified at this time, that is fine or if you would like the County staff to work with you to develop a list of projects, we will be happy to assist you.

After all applications are received, a time will be assigned to you to make your presentations to the Recreation and Parks Board. Presentations should be limited to 10 - 15 minutes. It is anticipated that presentations will take place during the February and March meetings of the Recreation and Parks Board.

Once presentations are completed, the Recreation and Parks Advisory Board will recommend an annual program to the County Commissioners. This program will be reviewed and adopted subject to additions, deletions or changes approved by the Board of County Commissioners.

After action is taken by the Board of County Commissioners, you will be notified as to what projects have been approved for funding and the copies of the submitted applications will be returned.

Thank you for your past cooperation and support in development of the annual POS program and we look forward to working with you in the future. If you have any questions regarding these changes or the POS program, please contact me at 240-313-2252.

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

City Park Dredging Project - *Rodney Tissue, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Dredging_City_Park_Lower_Lake.2016.pdf

Description

Dredging City Park Lower
Lake



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

December 13, 2016

TO: Valerie Means, City Administrator
FROM: Rodney Tissue, City Engineer *R. Tissue*
RE: Dredging City Park Lower Lake

Attached you will find a September 13, 2016 memo that outlines this project. On Wednesday of this week, we received three bids and they are as follows:

Charles J Merlo Inc.	Mineral Point, PA	\$1,069,200
Edwin A & John O Crandell, Inc.	West River, MD	\$1,074,801
Milton Stamper Builders	Hagerstown, MD	\$1,289,379

We are unfamiliar with the two low bidders and they have significantly different approaches to completing the work. Therefore we need additional time to discuss the project with them and to review their experience and company integrity. We plan to make a recommendation to the Mayor and Council at the work session on Tuesday, December 13th with the anticipated award on December 20th. This way, construction can start in January 2017 and complete the majority of the work by May, in the "off-season" of the park.

Regardless of which firm we award the contract to, we will stay within the \$1,100,000 budget for both construction and the fee from our design engineer for project construction management that is required by the Dam Safety Administration of the Maryland Department of the Environment.

Attachment: 9/13/2016 memo
CIP 047 Form

Cc: Mark Haddock
Bayland Consultants

CAPITAL IMPROVEMENT PROGRAM

FY '17 *thru* FY '21

City of Hagerstown, Maryland

Project # 45-C0047

Project Name City Park Lake Improvements

Type Improvement

Department Parks

Useful Life 25 - 50 years

Contact Tissue

Category Land Improvements

Priority Planned Improvement

Location: City Park

Year Submitted: Ongoing

Status Active



Description

The 7.1 acre lower lake needs to be dredged to remove 100+ years of sediment. Plan to design extent of dredging in FY16 and acquire permits and waste site approval. Construction targeted for FY17 in December 2016 through March 2017. No grant sources were found for lake enhancements.

Replacement of walls around perimeter of upper and middle lakes, associated sidewalk improvements, and landscape enhancements. Repairs to lower lake walls as they deteriorate will be completed by Park Division staff.

FY20: Upgrades to upper lake

The lower lake walls were reconstructed in three phases:

1995: Phase I- Key Street end

1998: Phase II- Virginia Avenue side

2004: Phase III- Museum Drive side

Justification

The goal is to improve deteriorating facilities and provide necessary maintenance. In addition, City Park was recently rated one of the most beautiful municipal city parks in America. Last, the preservation of the lake helps to maintain the beauty of the lake, which is visited by tens of thousands of people each year.

Budget Impact/Other

Less than \$5,000 would be saved on maintenance costs as the wall needs to be fully replaced and is not worthy of patching or repairing.

Based on a 20 year term, preliminary annual debt service impact for the 2017 general fund supported bond issue of \$1.1M is \$80.6K.

Expenditures	FY '17	FY '18	FY '19	FY '20	FY '21	Total
Construction/Maintenance	1,100,000			500,000		1,600,000
Total	1,100,000			500,000		1,600,000

Funding Sources	FY '17	FY '18	FY '19	FY '20	FY '21	Total
Bond Financing (General Fund)	1,100,000			500,000		1,600,000
Total	1,100,000			500,000		1,600,000



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

September 13, 2016

TO: Valerie Means, City Administrator
FROM: Rodney Tissue, City Engineer *R.T.*
RE: City Park Lower Lake Dredging Project

1. Background

City Park was created 100 years ago. There are three (3) lakes in City Park but the most visible is the lower lake adjacent to the Museum of Fine Arts, Key Street, and Virginia Avenue. This lake has never been dredged although we did rebuild the perimeter walls about 20 years ago.

In 1974, there was a botulism outbreak that killed over 100 waterfowl in City Park. At that time the City studied the lake in detail by surveying the lake and developing an elevation plan of the lake bottom.

In October 2015, the Mayor & Council authorized that the City contract with *Bayland Consultants and Designers Inc* from Hanover, MD to begin the design and permitting of a project to dredge the lower lake. In January of this year, *BayLand* completed a survey of the lake bottom and developed a comparison of the accumulated sediment between January 2016 and the 1974 survey data. The accumulated sediment over that 42 year period is approximately 7000 cubic yards or an average of only 162 cubic yards per year. This sediment is from leaves, waterfowl and fish waste, and minor erosion of lake banks.

Based on their probes into the lake bed, *Bayland* estimated the original bottom elevations for the lake based on sudden change in soil type from very soft silt to hard soils and hit refusal of hand auger. Based on this, they determined in the 58 years before 1974 the sedimentation rate was higher and approximately an additional 25,000 cubic yards of sediment had accumulated in the lake prior to 1974. Total volume of accumulated sediment in the lake is estimated to be 32,000 cubic yards.

The current annual sedimentation is low but over a long period of time it resulted in the lake becoming quite shallow. The average depth is now 2.4 feet, with a significant area of the lake less than 1.5 feet deep and the deepest part of the lake is only 3.8' at the spillway near Key Street. As the lake continues to get shallower, this has resulted in the following:

- general deterioration of water quality of the lake,
- a fountain can no longer be operated on the lake,
- sailboat activities have caused us to increase the lake elevation of the lake up on the sidewalk,
- limits what additional activities can be done on the lake.

2. Mayor & Council Action Requested

The purpose of this presentation is to provide the Mayor and Council a briefing on the scope and extent of the proposed dredging project. Staff is seeking any comments the Mayor & Council may have. Our intention is to bid the project in the next month and bring a dredging contract to the Mayor & Council for approval in December 2016.

3. Discussion

Engineers from *BayLand* will attend the work session with me and will review the attached PowerPoint. I would like to highlight a few of the major issues regarding this project:

A. Silt/sediment Removal

The staff has worked to stay within the \$1,000,000 budget that is in the FY16/17 budget. This directly impacts the amount of sediment that can be removed. To stay within that budget, we are estimating up to 18,000 cubic yards of silt can be removed, which will result in a lake that is approximately 4.5' deep.

Three alternative dredging methods were evaluated:

- Option one was to dewater the lake and use conventional equipment,
- Option two was to hydraulically dredge and mechanical dewatering, and
- Option three was mechanical dredging.

Option three, mechanical dredging, was selected because it was the most cost effective option with minimal impact to the community and natural resources. This means the sediment will be removed while the water remains in the lake. *Bayland* will elaborate on this during their presentation.

B. Silt/sediment Disposal

One of the major considerations of this project is the disposal of the silt. We are very pleased to have received the cooperation of the Washington County Department of Solid Waste and they developed plans and approved the deposition of the dredged material at the Washington County landfill. This material will be used as daily cover or as topsoil on the finish slopes of the landfill. The landfill staff also provided us with the very important area for the water to drain or decant from the dredged material. Trucks used to haul the silt to the landfill will be sealed to prevent leakage onto the roads.

C. Timeframe

Since most of the permits are in hand and the plans are being finalized, staff is proposing that we put the contract out to bid in October and review the dredging bids with the Mayor & Council in December 2016. We anticipate starting the dredging in early January 2017 and completing the project by spring 2017.

D. Wildlife

Since water will remain in the lake during dredging, this will decrease smell and impact on waterfowl and fish. The dredging is planned for winter to further minimize impacts to wildlife. Once the dredging is complete the deeper lake elevations will provide improved water quality and habitat.

E. Benefits

Dredging will directly improve the items listed in #1 above and specifically:

- general improvement of water quality,
- we can plan for a new fountain on the lake,
- sailboat activities will be unimpeded
- staff can keep the water surface off the sidewalks
- additional activities can be developed for the lake with City Council approval
- improve appearance of the lake
- remove trash and debris scattered on bottom of the lake

F. Oversight

One of the project permits is from Maryland Dam Safety who require the oversight of the design engineer along with our inspection staff. We anticipate daily monitoring of the silt excavation and regular progress meetings.

G. Repair of Walls

Staff recommends we earmark \$100,000 for the repair of the perimeter stone walls around the lower lake. This needs to be done in addition to the dredging, but they are not similar projects, so we do not see the walls being part of the dredging contract. Rather we would propose it would be part of the Marsh Run wall repair project that we plan to do in the spring. City staff may also do repairs as their schedule allows.

Staff and *Bayland* engineers will be present at the next work session to discuss this project in detail.

Attachments: * Dredging Plan
 * *Bayland* PowerPoint presentation

RAT:jj

c: Bayland Consultants
 Julie Pipple, WaCo
 Dave Mason, WaCo
 R M Lane, Washington County Museum of Fine Arts
 Mark Haddock
 Amy Riley
 Jim Bender
 Jarl Wathne, MD

City Park Lower Lake Dredging Project

Mayor and City Council Briefing

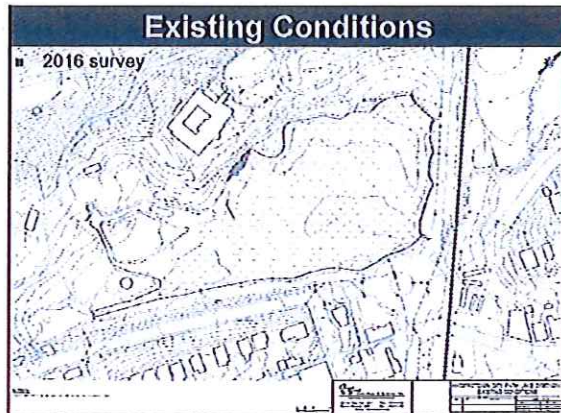
September 13, 2016

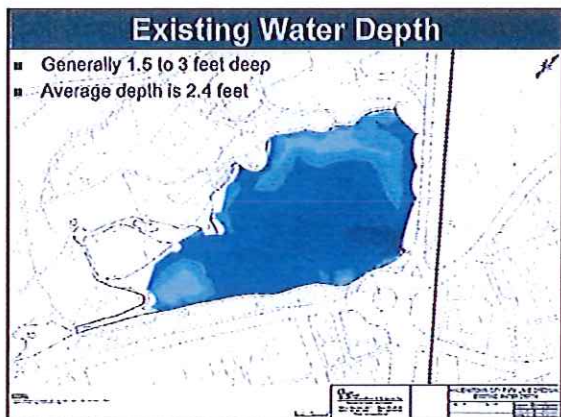
Background

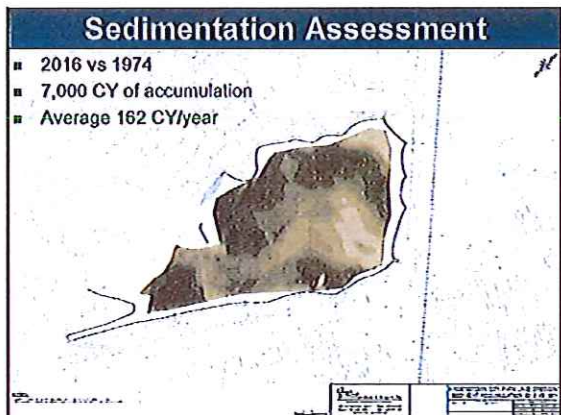
- Man-made lake constructed in 1916
- 7-acre surface area
- 5 to 7 feet deep (estimated)
- Primary use
 - Recreational
 - Wildlife habitat
 - Scenic

Historic Depths

- Oldest survey available is from 1974
- Average depth was 3 feet

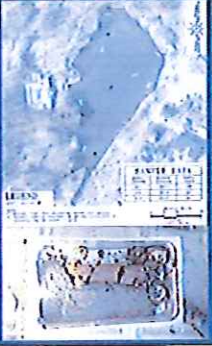






Sedimentation Assessment


- Performed borings
- Estimated original bottom elevations
- Calculated 32,000 CY has accumulated over the past 100 years



The image shows an aerial map of a water body with a legend and a data table. The legend includes 'Original Bottom Elevation' and 'Current Bottom Elevation'. The data table has columns for 'Station', 'Original Elevation (ft)', 'Current Elevation (ft)', and 'Depth (ft)'. The map shows a significant area of sediment accumulation in the center of the water body.

Dredging Options


- Option 1 – Dewater and Excavate
 - Requires long drying period
 - Major impacts to habitat
 - Disturbance to community
 - Potential permitting complications



The top photograph shows a large area of excavated sediment being dewatered in a pond. The bottom photograph shows a close-up of the excavated sediment, which appears to be a mix of sand and silt.

Dredging Options

- Option 2 – Hydraulic Dredging
 - Requires on-site dewatering prior to disposal
 - Can be very costly



The top left photograph shows a hydraulic dredger operating in a water body. The top right photograph shows a large pile of excavated sediment. The bottom left photograph shows a close-up of the dredging equipment. The bottom right photograph shows a large area of excavated sediment being dewatered in a pond.

Dredging Options

- Option 3 – Mechanical Dredging (Recommended)
 - Uses conventional excavating equipment from floating barge
 - No need for on-site dewatering
 - Material can be removed from site immediately
 - Can be accomplished with minimal on-site impact



Material Placement Site

- Washington County Landfill
 - Temporary stockpile and dewatering area has been permitted
 - Dredged materials tested and approved for placement
 - Dredged material to be reused in landfill operations

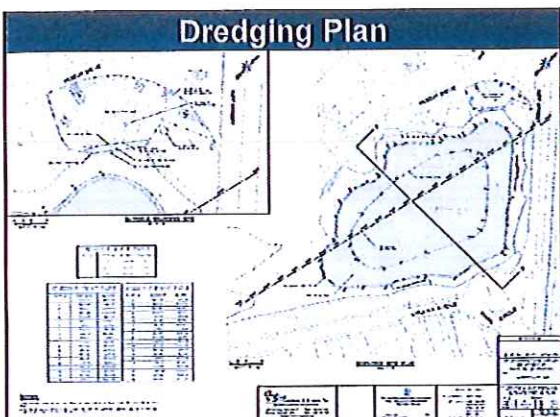


Dredging Plan

- Objective:
 - Maximize dredging within available budget
 - Remove surface visible debris
 - Enhance recreational opportunities
 - Minimize impact to community and wildlife
 - Improve overall health of lake

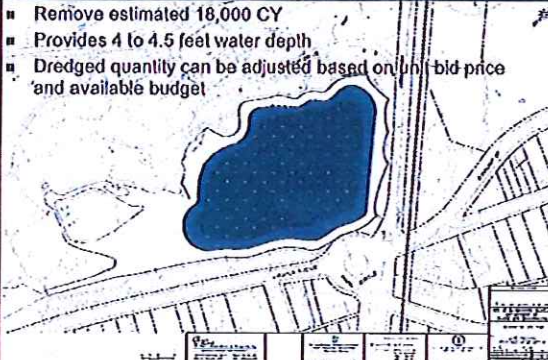
14

Dredging Plan



Dredging Plan

- Remove estimated 18,000 CY
- Provides 4 to 4.5 feet water depth
- Dredged quantity can be adjusted based on bid price and available budget



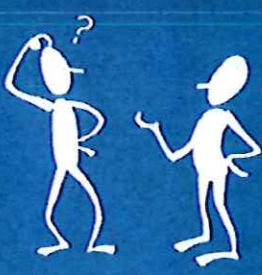
The map shows a water body with a blue-shaded area indicating the dredging site. The area is irregularly shaped and located near a shoreline with some buildings and roads. A scale bar and north arrow are visible at the bottom of the map.

Schedule

- Currently in the final stages of permitting
- Advertise for bidding – October 2016
- Review bids with Mayor and the City Council – December 2016
- Construction start – January 2017
- Completion – Spring 2017

17

Question and Answer Session



The illustration shows two white stick figures on a blue background. The figure on the left is standing with its head tilted back and a question mark above its head. The figure on the right is standing with its arms crossed and a question mark above its head.

18

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Proposed Conversion District Amendment - Jeffrey Crampton, 901 Pope Avenue - *Alex Rohrbaugh, Planner; Stephen Bockmiller, Development Review Planner/Zoning Administrator*

Mayor and City Council Action Required:

A Public Hearing has been scheduled for the December 20th Regular Session for the proposed Conversion District overlay amendment of 901 Pope Avenue. Following the Hearing, Staff requests the Mayor & City Council keep the record open for 10 days and introduce the ordinance for rezoning.

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

December 20 – Public Hearing

December 20 – Introduction of Rezoning

January 17 – Follow-up Discussion with Staff in Work Session

January 31 – Approve or Deny Rezoning

ATTACHMENTS:

File Name

ZM201603_MCC_Memo_12-08-16.pdf

Description

Rezoning Memo and
Background Information



CITY OF HAGERSTOWN, MARYLAND

Planning and Code Administration Department

MEMORANDUM

TO: Valerie Means, City Administrator

FROM: Alex W. Rohrbaugh, AICP, Planner
Stephen R. Bockmiller, AICP, Development Review Planner/Zoning Administrator

DATE: December 8, 2016

SUBJECT: ZM-2016-03: Conversion District Amendment – Jeffrey Crampton, 901 Pope Avenue

Action Requested

A Public Hearing has been scheduled for the December 20th Regular Session for the proposed Conversion District overlay amendment of 901 Pope Avenue. Following the Hearing, Staff requests the Mayor & City Council keep the record open for 10 days and introduce the ordinance for rezoning.

Purpose of Conversion District

The purposes of the Conversion District are to stimulate the adaptive reuse of existing, nonresidential, multi-story structures, to maintain and increase the City's assessable base, to expand business and employment opportunities, and to protect residential neighborhoods from excessive traffic odors, fumes, noise, and light. The Conversion District provides an alternative development concept for underutilized structures while protecting the general health, safety, welfare, and aesthetics through the commitment to an approved development concept plan. Such structures must be in existence prior to October 1, 1956.

Site and Zoning History

The property is located at 901 Pope Avenue and is situated south of Rose Hill Cemetery and east of a CSX railroad line. The property is approximately 2 acres in size and was built as an industrial use around 1890. The property was originally zoned Industrial Restricted (IR) in 1977 and still carries that underlying classification today.

In 1991, the property was approved for a Conversion District Overlay to allow office uses in the existing building with the intent of "providing a transition between the industrial district and residential district to the east".

In 1998, the Conversion District Overlay for this property was amended to convert existing office spaces into 12 residential units.

Zoning Proposal

The owner and applicant, Jeffrey Crampton, has filed an application to amend the Conversion District and add to the list of approved uses for the property in order to make the property more flexible for re-use. An amendment to a Conversion District is processed as a rezoning. Uses below are listed as written in the Land Management Code; however, the text in CAPITAL LETTERS in #2 was specifically added for this application). The proposed uses are as follows:

1. Tanning and Depilatory Salons (812199)
2. Retail and wholesale trade (44-45) excluding auto and other motor vehicle dealers unless all vehicle storage is indoors and excluding adult businesses – up to 5,000 square feet in net floor area per business. This provision shall also include retail bakeries (311811) and retail confectioneries (311320). Regulation of specific trade uses that are found elsewhere THE ZONING ORDINANCE shall prevail. NO MORE THAN ONE SUCH USE SHALL BE PERMITTED IN THIS CONVERSION DISTRICT. (Note: This is recommended due to the limited amount of parking on-site)
3. Hair, nail and skin care stores, ear piercing services, hair replacement services, permanent makeup salons (81211) and dog grooming establishments
4. Visual and Performing Arts Studios
5. Catering kitchens, for preparation of food for off-site delivery and associated office and storage use (722320)
6. Professional, scientific & technical services (54), except veterinary services
7. Fitness and Recreational Sports Centers
8. Artist Live-Work Space in large former commercial, industrial or institutional buildings
9. Personal and household goods repair and maintenance (8114)

The Planning Commission held a Public Review Meeting for this proposal on October 26th. The Planning Commission took testimony from the applicant at the Meeting, and no others from the Public spoke in favor or against the rezoning. The record was held open for 10 days and Staff did not receive any additional public comment.

At its November 9th meeting, the Planning Commission recommended to the Mayor & City Council approval of the Conversion District overlay amendment, subject to the following site plan condition: *Any trash dumpsters, existing or proposed, that are located along the Pope Avenue side of the building be provided with dumpster enclosures in accordance with the requirements of the Ordinance.*

Financial Impact

The Conversion District Overlay district allows for some commercial uses, which could positively affect the property's value and tax assessment.

Staff Recommendation

At the December 20th Regular Session, following the Public Hearing, Staff recommends holding the record open for 10 days and introducing the Ordinance for the rezoning amendment. This would expedite the rezoning process by one month while still allowing for public review and comment.

Action Dates

December 20 – Public Hearing

December 20 – Introduction of Rezoning

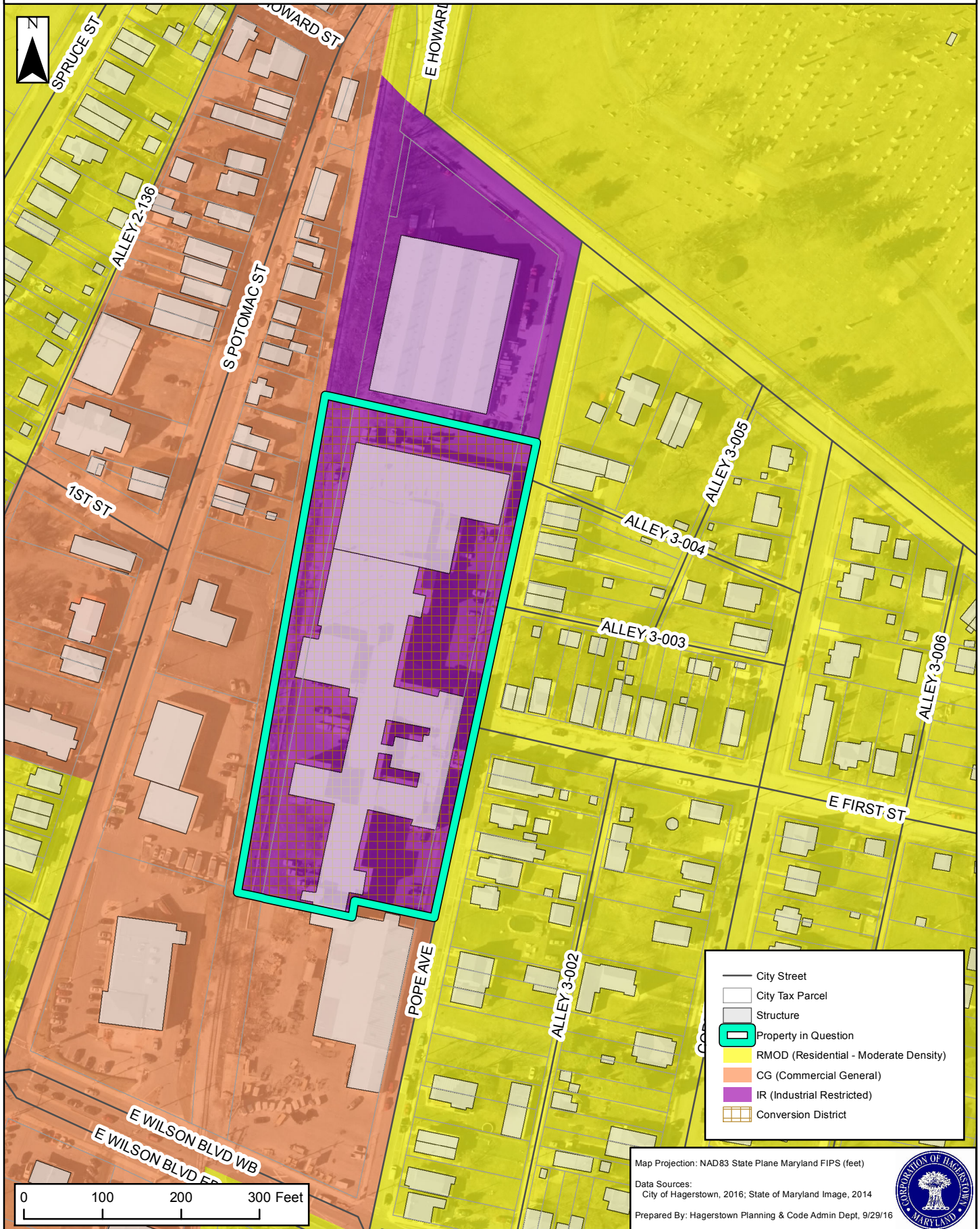
January 17 – Follow-up Discussion with Staff in Work Session

January 31 – Approve or Deny Rezoning

Attachments: Vicinity Map, Staff Report, Application for Rezoning

C: Kathleen Maher, PCAD Director
Jennifer Keefer, City Attorney
Jason Morton, City Attorney

ZM-2016-03: Conversion District Amendment - 901 Pope Ave





CITY OF HAGERSTOWN, MARYLAND

Planning and Code Administration Department

City of Hagerstown

Conversion District Overlay Zoning Amendment Request

ZM-2016-03: 901 Pope Avenue

Staff Analysis

Applicant/Owner:	Jeffrey Crampton 261 Frederick Street Hagerstown, MD 21740
Request:	Amend existing Conversion District overlay to permit additional uses within existing building
Location:	901 Pope Avenue
Existing Use:	Mixed-use building (residential and business offices), formerly an industrial building
Lot Area:	3 acres
Building Size:	136,961 square feet
Existing Zoning:	Industrial Restricted (IR) zoning, with Conversion District overlay zone

Analysis

The purposes of this district are to stimulate the adaptive reuse of existing, nonresidential, multi-story structures, to maintain and increase the City's assessable base, to expand business and employment opportunities, and to protect residential neighborhoods from excessive traffic odors, fumes, noise, and light. The Conversion District provides an alternative development concept for underutilized structures while protecting the general health, safety, welfare, and aesthetics through the commitment to an approved development concept plan. Such structures must be in existence prior to October 1, 1956.

Staff comments are in bold italics.

Site and Zoning History:

The property is located at 901 Pope Avenue and is situated south of Rose Hill Cemetery and east of a CSX railroad line. The property is approximately 3 acres in size and was built as an industrial use around 1890. The property was originally zoned Industrial Restricted (IR) in 1977 and still carries that underlying classification today.

In 1991, the property was approved for a Conversion District Overlay to allow office uses in the existing building with the intent of "providing a transition between the industrial district and residential district to the east".

In 1998, the Conversion District Overlay for this property was amended to convert existing office spaces into 12 residential units.

According to the 2016 *Polk City Directory*, the property currently contains residential apartments, as well as approximately 11 businesses.

Zoning Proposal:

The owner and applicant, Jeffrey Crampton, has filed an application to amend the Conversion District overlay and add to the list of approved uses (and corresponding NAICS codes) for the property in order to make the property more flexible for re-use. Uses below are listed as written in the Land Management Code; however, the text in CAPITAL LETTERS in #2 was specifically added for this application). The proposed uses are as follows:

1. Tanning and Depilatory Salons (812199)
2. Retail and wholesale trade (44-45) excluding auto and other motor vehicle dealers unless all vehicle storage is indoors and excluding adult businesses – up to 5,000 square feet in net floor area per business. This provision shall also include retail bakeries (311811) and retail confectioneries (311320). Regulation of specific trade uses that are found elsewhere in this chart THE ZONING ORDINANCE shall prevail. NO MORE THAN ONE SUCH USE SHALL BE PERMITTED IN THIS CONVERSION DISTRICT.
3. Hair, nail and skin care stores, ear piercing services, hair replacement services, permanent makeup salons (81211) and dog grooming establishments
4. Visual and Performing Arts Studios
5. Catering kitchens, for preparation of food for off-site delivery and associated office and storage use (722320)
6. Professional, scientific & technical services (54), except veterinary services
7. Fitness and Recreational Sports Centers
8. Artist Live-Work Space in large former commercial, industrial or institutional buildings
9. Personal and household goods repair and maintenance (8114)

The Land Management Code lists general requirements for the establishment of a Conversion Overlay District (Article IV, Section J.2.e.):

1. The area proposed for a conversion district shall be in one (1) ownership, or, if in several ownerships, the proposal shall be filed jointly by all the owners of property included in the development plan. **The application has been filed by Jeff Crampton, the owner of the property.**
2. The development shall be for an existing, nonresidential structure containing at least two floors within which all proposed uses, except parking, will be contained. **The building is at least two floors tall.**
3. The owners or developers must indicate that they plan to begin construction of the development within two years after final approval. If construction does not begin within two years, the zoning of the site shall revert to its previous classification unless a time extension is requested by the

developer and agreed to by the Planning Commission. ***If no development occurs within two (2) years of final approval, and the applicant fails to request an extension, this amendment to the existing conversion overlay is no longer valid.***

4. A site plan in accordance with Section S. for entire area to be utilized shall be reviewed and approved by the Planning Commission prior to the use of the property. ***The applicant will need to submit a site plan prior to newly-allowed uses being occupied by the building.***
5. A concept plan, as required in Subsection f, (2), below, shall be submitted with the application for a conversion district. ***A concept plan is attached to the rezoning application.***

Height (Section J.2.g.)

The height of any approved additions shall be in accordance with the height limitation of the base zoning district. ***The maximum height allowed in IR zoning is 60 feet. The height of the existing building does not exceed 60 feet.***

Off-Street Parking (Section J.2.h.)

Off-street parking shall be as required under Section O, except that during review of the site plan, the Planning Commission may permit variation from the number of spaces required, provided such variation relates to the shared use of the parking spaces and is consistent with the approved conversion district concept plan and the special design requirements of this district. ***There are currently +/- 44 parking spaces provided on the property.***

Special Design Requirements (Section J.2.i.)

1. In a residential district, commercial uses shall only be allowed when mixed with residential uses unless otherwise approved by the Mayor and City Council. The total floor area used by all commercial uses, whether principal permitted or by special exception, shall not exceed 50% of the existing structure's gross floor area, unless otherwise approved by the Mayor and City Council. In commercial and industrial districts, residential uses are only permitted when mixed with non-residential uses. ***Not applicable, property is not located within residential zoning district.***
2. Additions shall be designed consistent with the architectural theme of the structure and shall be located in the space least visible to the general public. ***None proposed.***
3. The CL maximum square footage requirements for retail trade and restaurants shall only apply where the underlying zoning district is Residential or CL. ***Not applicable, property is not located within residential or CL zoning districts.***

Lot Area Requirements (Section J.2.j)

1. The minimum lot area for a Conversion District shall be 20,001 square feet. ***The property is approximately 3 acres in area. The size of the building is approximately 136,961 square feet.***

OTHER CONSIDERATIONS AND REQUIREMENTS:

Compatibility of Existing and Proposed Development.

This proposal is to amend the Conversion District overlay and add to the list of approved uses for the property in order to make the property more flexible for re-use. The additional uses are listed

above under “Zoning Proposal” The building has traditionally been an industrial building which was converted to a mixed use building with offices and residential (along with uses permitted in the underlying IR zoning). The additional uses as proposed should have minimal impact on the property, and no compatibility issues are anticipated.

Population Change

Not applicable.

Can the site be adequately served with public water and wastewater facilities?

Water and wastewater service currently exist.

The site shall be located adjacent to adequate highway facilities, capable of serving existing and anticipated traffic.

The building fronts on Pope Avenue, which is functionally classified as a Local Street and carries less than 2,500 trips per day. On-street parking exists on both sides of Pope Avenue, in addition the existing parking provided on the property. However, it is assumed that some of the on-street parking on the east side of Pope Avenue is used by the adjacent single- and two-family dwellings.

Relationship to the Comprehensive Plan.

The 2008 Comprehensive Plan identifies this property and adjacent properties to the north, south, and west as “Commercial General” future land use. Commercial General indicates land designed to accommodate a broad range of commercial purposes, especially retail uses and personal services, ranging from individual stores to shopping centers.

The property has a Conversion District overlay which is consistent with the Comprehensive Plan’s recommendations to making buildings more attractive for adaptive reuse (Action 8-7) and creating more flexibility to the Conversion District overlay zone (Action 8-2).

Planning Commission Recommendation:

On 11/9/2016, the Planning Commission voted to recommend approval, with the following site plan condition: any trash dumpsters, existing or proposed, that are located along the Pope Avenue side of the building be provided with dumpster enclosures in accordance with the requirements of the Ordinance.

HAGERSTOWN DEPARTMENT OF PLANNING

Hagerstown, Maryland

REZONING APPLICATION AND REVIEW CHECKLIST

SUBMISSION REQUIREMENTS: THIS ORIGINAL AND SEVENTEEN (17) COPIES OF THIS FORM, WITH A COPY OF THE REZONING EXHIBIT AND ANY OTHER SUBMITTED MATERIALS ATTACHED TO THIS FORM AND EACH OF THE REQUIRED COPIES. This application will not be accepted for processing unless the checklist found on the remaining sheets of this form is completed.

EFFECTIVE JANUARY 1, 2004, NO REZONING APPLICATION WILL BE ACCEPTED FOR PROCESSING UNLESS ACCOMPANIED BY A COMPLETED COPY OF THIS REVIEW CHECKLIST FORM

Munis # 2016 2670

For Planning Department Use Only

Rezoning Case File ZM- 2016- 03

Accepted:

SUBDIVISION NAME: _____

SECTION: _____

DEED REFERENCE: _____ LIBER: _____ FOLIO: _____

ZONING DISTRICT: IR w/ Conversion
over write

LOCATION OF PROPERTY: 901 Pope Ave Hbg. MD.
21740

TRACT SIZE: _____

RELATED PLANNING DEPARTMENT FILE REFERENCES (SITE PLANS, PRELIMINARY PLATS, BZA CASES):
(If none, state so)

PROPOSED USE (NUMBER AND TYPES OF DWELLINGS, AREA & USE OF COMMERCIAL & INDUSTRIAL BLDGS.):

Amend the existing conversion district to permit additional uses (see attached list)

ENG./SURVEY COMPANY: _____ PROJECT CONTACT PERSON: _____

MAILING ADDRESS: _____

TELEPHONE: _____ FAX: _____ E-MAIL: _____

DEVELOPER: Jeffrey N. Crampton PROJECT CONTACT PERSON: Jeff Crampton

MAILING ADDRESS: 2061 Frederick St. Hagerstown, MD. 21740

TELEPHONE: (301) 739-0933 FAX: (301) 745-4225 E-MAIL: _____

OWNER OF PROPERTY: (301) 573-4175 Jeffrey N. Crampton

MAILING ADDRESS: Same ↑

TELEPHONE: Same ↑ FAX: Same ↑ E-MAIL: _____

This Chart for Staff Use Only	1 st Review	2 nd Review	3 rd Review
Date Accepted for Processing:			
Review Date:			
Returned to Design Firm on:			

INSTRUCTION TO ENGINEER/SURVEYOR:

In the column marked "Engineer/Surveyor", identify each page which the required item appears on the plan. For items that appear on each page of the plan, use "All". If not applicable, provide a note on the plan stating this and list in the column below the page of the plan on which the note is located. Individual requirements may be waived by the Planning Department for landmark designation overlays.

Ordinance Requirements	Engineer/ Surveyor	1 st Review	2 nd Review	<div>REVIEW KEY</div> <div> <div>✓</div> <div>I</div> <div>N/A</div> <div>U</div> <div>OK</div> <div>Incomplete</div> <div>Not Applicable</div> <div>Unacceptable</div> </div>
Sheet size: 24" x 36"				
Scale shown and labeled				
North arrow				
Copy of deed or deeds and purchase option (if applicable)				
Owner authorization, if different than applicant				
Vicinity map with scale of 1" = 2,000' or greater				
Vic. map shows municipal boundaries				
TITLE BLOCK				
Name and address of land owner				
Name, address and telephone number of engineer/surveyor				
City tax map number (1 - 77)				
Current zoning district				
Proposed zoning district				
Election district				
Original drawing date				
Subsequent revision dates				
Location (address, city, state)				
Tract area				
Area of parcels where multiple parcels comprise tract to be rezoned				
Plan shows remaining lands of tract				
Plan shows owners, their addresses of record, and zoning of adjoining lands (see end of checklist)				
Boundary of tract to be rezoned shown in heavy solid line				
All existing buildings within tract, with addresses and current use				
All existing easements on tract				
Width of ex. utility rights of way				

INSTRUCTION TO ENGINEER/SURVEYOR:

In the column marked "Engineer/Surveyor", identify each page which the required item appears on the plan. For items that appear on each page of the plan, use "All". If not applicable, provide a note on the plan stating this and list in the column below the page of the plan on which the note is located. Individual requirements may be waived by the Planning Department for landmark designation overlays.

Ordinance Requirements	Engineer/ Surveyor	1 st Review	2 nd Review	REVIEW KEY
				✓ OK I Incomplete N/A Not Applicable U Unacceptable

Location of ex. public rights of way				
Width of ex. public rights of way				
Location of ex. railroad rights of way				
Width of ex. railroad rights of way				
Location of ex. drainage rights of way and 100-year floodplain				
Width of ex. drainage rights of way				
FOR PUD OR OTHER PROPOSAL-BASED REZONINGS, A CONCEPT PLAN SHOWING THE FOLLOWING FEATURES				
Proposed rights of way for public streets				
Proposed uses, showing maximum number of dwelling units (broken down by type), and/or square footage of industrial, office and retail space				
Conceptual lot or project layout				
Conceptual location of forest preservation/aforestation areas				
Location and list of proposed amenities (parks, recreation facilities, school sites, etc.)				
Proposed location of major regional stormwater management facilities				
Plans folded to be able to fit into an 11x9 file				
Planning Department Map Amendment File Number (ex. ZM-2003-01) on bottom right hand corner of the first page.	NA	NA		Can only be added after plat has been submitted and case file number assigned. This will not be required if this addition will be the only change required after initial staff review.
Addressed Engineering comments?		NA		
Addressed Water Dept. comments?		NA		
Addressed Sewer Dept. comments?		NA		
Addressed Light Dept. comments?		NA		
Addressed all other Department comments?				DO NOT SUBMIT REVISED PLANS UNTIL COMMENTS FROM ALL REVIEW AGENCIES HAVE BEEN COLLECTED AND ADDRESSED.
Are all applicable fees paid in full?				
Three review copies for Planning Commission provided?				
Colored exhibit provided?				

Jeffrey N. Crampton
261 Frederick Street
Hagerstown, MD 21740
301-739-0933 Phone
301-745-4225 Fax

Attachment

Proposed expanded list of uses for Conversion District. Language is as in the use chart (Section Z) of the Zoning Ordinance, unless otherwise edited (omission appears in ~~strikeout~~, new text in *CAPITALIZED ITALICS*). :

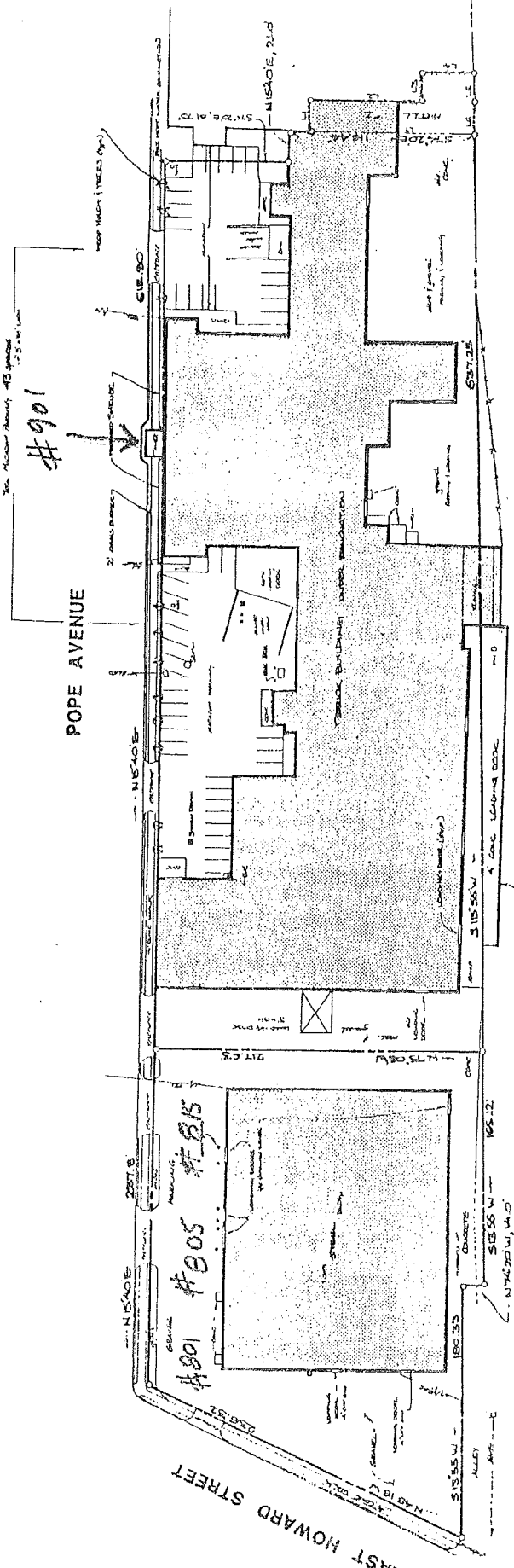
1. Tanning and Depilatory Salons (812199)
2. Retail and wholesale trade (44-45) excluding auto and other motor vehicle dealers ~~unless all vehicle storage is indoors~~ and excluding adult businesses – up to 5,000 square feet in net floor area ~~per business~~. This provision shall also include retail bakeries (311811) and retail confectioneries (311320). Regulation of specific trade uses that are found elsewhere in ~~this chart~~ *THE ZONING ORDINANCE* shall prevail. *NO MORE THAN ONE SUCH USE SHALL BE PERMITTED IN THIS CONVERSION DISTRICT.*
3. Hair, nail and skin care stores, ear piercing services, hair replacement services, permanent makeup salons (81211) and dog grooming establishments
4. Visual and Performing Arts Studios
5. Catering kitchens, for reparation of food for off-site delivery and associated office and storage
6. Professional, scientific & technical services (54), except veterinary services
7. Fitness and Recreational Sports Centers
8. Artist Live-Work Space in large former commercial, industrial or institutional buildings
9. Personal and household goods repair and maintenance (8114)

#901

POPE AVENUE

EAST HOWARD STREET

BALTIMORE & OHIO RAILROAD



- 1. 54' 0" x 120' 0"
- 2. 54' 0" x 120' 0"
- 3. 54' 0" x 120' 0"
- 4. 54' 0" x 120' 0"
- 5. 54' 0" x 120' 0"
- 6. 54' 0" x 120' 0"
- 7. 54' 0" x 120' 0"

PLOT - PLAN

CONVERSION OVERLAY DISTRICT

JEFFREY CRAMPTON

CLARK & YORK AND S. HOLLAND STREET, BALTIMORE, MD

FREDERICK SEIBERT & ASSOCIATES, INC.

CIVIL ENGINEERS-SURVEYORS-LANDSCAPE ARCHITECTS-PLANNERS
135 SOUTH POTOMAC STREET, WASHINGTON, D.C. 20004

DISTRICT	II	IN MAP SHEET
DRAWING NO.	1001	
DESIGNED BY	JEFFREY CRAMPTON	
CHECKED BY	JEFFREY CRAMPTON	
DATE	9-19-90	

