

Mayor and City Council of Cumberland

WORK SESSION

City Hall Council Chambers
57 N. Liberty Street
Cumberland, MD 21502

Tuesday, December 3, 2019
3:45 p.m.

PRESENT: Raymond M. Morriss, President; Council Members: Seth Bernard, Richard Cioni, Eugene Frazier, and Laurie Marchini.

ALSO PRESENT: Jeffrey D. Rhodes, City Administrator; Michael S. Cohen, City Solicitor; Marjorie Woodring, City Clerk; Bobby Smith, City Engineer; Kevin Thacker, Code Compliance Manager; CEDC Director Paul Kelly; CEDC Specialist, Matt Miller; Sandi Saville, DDC; William Cochran, Cochran Studios

I. PUBLIC MEETING AGENDA REVIEW

Mr. Rhodes provided background on the tax credit Resolution for the Family Junction, advising that the Annotated Code of MD allows them to make this yearly request.

Mr. Rhodes reviewed each item on the Consent Agenda:

- 1) Reappointment of Dr. Stephen Gibson to the Historic Preservation Commission
- 2) Sole Source Proposal – CI Thornburg (lowest quote of two) – valve insertion on 16” water line on Willowbrook Rd. The work allows the City to place a 16” valve while the line is still in service, rather than a shutting down a 36” pipe line.
- 3) Declaring a 1999 Ford Pickup as surplus equipment for sale or trade-in.
- 4) Authorizing execution of a Release discharging Josh Llewellyn regarding a March 17, 2019 accident at QC Drive and N. Centre St. Mr. Cohen to review this later in the Work Session.

Councilman Cioni questioned the water problem on Willowbrook Rd. Mr. Rhodes advised it was largely a drainage issue. He stated that 20 years ago there had been water leaking from a hilltop cemetery nearby. Mr. Smith advised that the Engineering Dept. has searched the area and can find no leak from the cemetery, and believes it is simply a drainage issue. He stated that the contractor performing the I-68 bridge improvements in that area had run into the same issue, and he said that his best guess is it’s a spring and not a water leak.

II. 400 N. MECHANIC STREET PURCHASE

Mr. Kelly reviewed the potential use of the former Canada Hose House that was discussed at the last meeting and gave background on its specifications; annual taxes, assessed value, etc. He said the CEDC is requesting the City convey the property to them. He stated that the property fulfills a need of new entrepreneurs who want to be downtown, that Mr. Miller

regularly fields calls from. Mr. Kelly advised, though, that they don't want to compete with local retailers, so they have two prospects in a certain class that need a helping hand with buying or starting a business for the first time that would be a nice fit. He advised that the CEDC wants to own the space and lease it to prospective tenants, with the goal being to get them up and running and move them to bigger and better things. Mr. Kelly advised that alternately if the tenant decided the property would be a great home for their business they could purchase the premises from the CEDC.

Mr. Kelly and Mr. Cohen discussed at length the topic of sub-leasing the property, with Mr. Cohen explaining the assets of subleasing and how it can work to their advantage, but with Mr. Kelly stating that the CEDC Board does not want to get into sub-leasing, and has decided that they don't want to go that route, as it adds additional overhead and turnaround time, not to mention the unnecessary red tape regarding insurance.

Mayor Morriss advised that the issue needed to be discussed further, with Mr. Cioni concerned about the timing issue, if someone is ready to move in quickly. Mr. Cohen explained the procedure for transferring property, the time constraints involved, checking the City Charter and state law, and there was more discussion with Council regarding purchase price or zero consideration, an incubator being a viable use of the property, when the tenant's operation can start, improvements to the property, and what's the M&CC's desire as far as ownership of the property.

Mr. Rhodes discussed a marketing study with a Nave's Crossroads incubator 30 years ago, saying statistically they don't last and in all likelihood will get sold down the road either because the business can't afford to move out of it, or for some other reason. He asked that Council think ahead about owning or not owning, because he feels there's a 95% chance it will get sold. He said alternately the City can retain the revenue and designate the property for the CEDC for projects they have. He said one of the thoughts the City had, that they have not pursued was to put the property on the open market. He added that the property is an individually designated property on the historic register. Mr. Rhodes agreed that it's a good idea for an incubator, but with the realization that it most likely will be sold down the road. He said another option would be to see it to the CEDC with a Reverter clause; if it ceases to be an incubator it reverts back to the City.

After checking with the City and State codes, Mr. Cohen advised that the property cannot be sold before 20 days' notice, but it can be leased, with no requirement of notice. He advised on Rights of Reverter: if the City is looking at doing something as fast as possible, they could lease directly to tenants, but with a Rights of Reverter clause, 20 days' notice would be required. Mr. Cohen discussed revenue generation, and all seemed to agree that what they want to see is getting the property on the tax rolls. The tenant leasing to buy was discussed, with Mr. Cohen saying that anything can be put into the lease as long as it doesn't contradict existing law.

There was discussion between Council and Mr. Kelly regarding a lease with control, but with City ownership, with Mr. Kelly stating that the Board was concerned with the time it

would take for himself and Mr. Miller to be property managers, adding that the board didn't want them getting more beaureacratically involved by additional steps. The matter of insurance was also discussed at length.

Mayor Morriss summed up the discussion saying that the general consensus is to sell the property to the CEDC for \$1, adding the Rights of Reverter clause, with the option of offering "lease to own". Mr. Kelly advised he will take the proposal to the Board on the following Tuesday, and he and Mr. Cohen will work out the details.

III. DISCUSSION: COCHRAN: BALTIMORE STREET ACCESS PROJECT

Mr. Kelly provided a brief recap of Mr. Cochran's conceptual design for Baltimore Street. He advised that the CEDC Board and the DDC would like to see Mr. Cochran continue as a participant in process, and added that the CEDC had sent letters out to that effect. Mr. Kelly explained that as a project designer, Mr. Cochran would review engineering drawings and documents to make sure they to make sure they are consistent to what was originally planned, along with consulting with EADS regarding any changes. Mr. Kelly added that Mr. Cochran would be needed to fill in the blanks for contingencies, as well as attending meetings with M&CC, staff, engineering, etc. Mr. Kelly asked if that sounded like what the M&CC wanted. Mayor Morriss agreed, saying that Mr. Cochran's involvement going forward is critical, and that they feel the need for his guidance.

Mr. Smith advised that though the aspirational plan is what the City wants to achieve, other elements to the design have to be factored in; maintenance, ADA requirements, drainage, etc. He added that some things may have to deviate from the plan, but not from the intention of the plan. Mr. Smith stated there has to be a chain of command. EADS' contract is with the City, so changes have to come through Engineering. He further stated that there needs to be one point of contact with EADS, so that he can manage the cost, saying that there is a need to mitigate potential cost and schedule impacts, and they need to know that their engineering firm isn't designing something the City can't afford.

Mr. Smith advised that he had spoken to EADS this afternoon, and things are progressing. He stated that they are hoping to have another submission to SHA in January

IV. UPDATE: BALTIMORE ST. FUNDING SOURCES

Mr. Kelly advised that everything has stayed the same in regards to the project cost at approximately \$9.3M, which includes the EADS estimate, and Cochran Studios cost. He advised that funding-to-date is about \$7.1M, with \$1.2M ARC and \$5.2M TAP. Mr. Kelly stated that they reconciled all itemized things on the project list to see what is applicable. He said that exercise helps mitigate how much the City needs to contribute. Mr. Kelly explained the specifics of maximizing ARC funding.

He also advised that the CEDC is working with rural broadband, the Governor's office and Special Secretary Wendy Peters with Smart Growth. He stated that he is working with all of

them to try and close the \$2.2M gap. In answer to a question by Councilman Cioni, Mr. Kelly advised that if M&CC is willing to spend the money to make the project happen, construction can still begin without closing the gap, and advised there would be two funding cycles to tap into. Mr. Smith advised that construction can begin at a minimum of 18 months for 100% completion, if construction can start in the fall of 2020. Mr. Rhodes advised that they have still not completed their bond sale to acquire funds, and added that it's a relatively lengthy process. He cautioned that if we don't get that number down, and borrow the \$2.2M, that would begin to push up against the ceiling of the General Fund debt.

V. UPDATE: COMPREHENSIVE HOUSING ANALYSIS

Mr. Kelly advised that this project is indeed comprehensive, and is not a low-income project. He added that a minor part of the project is accommodating the Community Development department, which needs to look at what the specific needs are for minorities, folks with disabilities, etc., so it was decided to do the plan together. He explained that for the timeline they have to look at demographics for the minor component, i.e. CBDG impediments to fair housing. He added that the consultant, LSA, Inc. is off and running with that. Mr. Kelly stated that at the end of the day they want a scientific objective analysis of the City's housing conditions, what people want that live here, what do people need that want to move here, and what do businesses want. Mr. Kelly advised that the goal is to have the analysis done by April or May of 2020.

Mr. Kelly said another component of the study is finding out where Cumberland stands in relation to other areas. He also advised that the consultant was directed to not assume any neighborhood should continue to exist as is, and has hopes that the consultant will tell them how best to use the former Memorial Hospital site. He added that this project is well under way, and asked to have two council members sit on that board.

Mr. Kelly suggested to M&CC on behalf of the CEDC that the Community Development historic preservation study that is being considered not be pursued in isolation by itself, saying that it's too premature, given that the City's housing study needs to say what its neighborhoods should or could be. He advised that LSA, Inc. has been asked to look at the City's historic areas themselves. He advised that the CEDC Board asked that the study be tabled at this time. Mayor Morriss and Mr. Rhodes explained that they see the Community Development study as a secondary study to the Housing Analysis study, and advised that they don't see where it examines areas that should be added or taken away from historic districts. Mr. Morriss added that the second study is not opposing, but gives other options, and replied that they will take Mr. Kelly's comments under consideration. The Mayor advised that they would have someone from Community Development get with Mr. Kelly regarding the secondary study.

VI. UPDATE: MARYLAND AVENUE PROJECT WITH CUMBERLAND GATEWAY

Mr. Kelly advised that Ed Scott, Cumberland Gateway Real Estate, is now in control of the property, and said he has had recent conversations with Mr. Scott and his associates. He advised that they are continuing to acquire other properties, have solicited contractors for demolition, and have been in contact with Mr. Thacker. Mr. Kelly added that with now being a number of years into the project, he has heard no complaints or criticism from anyone that sold to the City or the CEDC and has since moved elsewhere.

Mr. Kelly advised that Cumberland Gateway is actively using an engineering firm, and have been working with Mr. Smith regarding storm water management. Mr. Smith advised that they have approved the conceptual storm water plan for Phase I, and they will be moving into the site development stage.

Mr. Thacker gave a quick update on the demolitions so far. He advised that Mr. Scott has 7 properties for demolition to come down next; 5 on Maryland Ave., 1 on Cecelia, and 1 on Emily. He advised that he and Mr. Smith have had conversations with Mr. Scott's engineering firm, and have gone over storm water, setbacks, and site plans. He added that his department has issued all the paperwork to Mr. Scott, but he has not received anything back as yet.

Mr. Kelly advised that Mr. Scott was willing to have a meeting with M&CC to do a status check with him. He added he would get it arranged, and Mayor Morriss agreed.

Mr. Kelly advised that he has gotten calls from homeowners in the Maryland Avenue corridor area who wants to sell to the CEDC, and suggested that the area seems ripe to continue to develop for new stuff in conjunction with Destination by Design. Mr. Thacker noted that in the past month there has been a bit of a disconnect with the developer, and asked if there could be more communication between his office and the CEDC, as he was put in charge of the project and all information goes through him. Mr. Kelly stated that his door was always open, and agreed that there needs to be a single point of presence. He advised that the only thing he doesn't report to Kevin on is business attraction effort, or trouble-shooting. Mr. Thacker stated that all he asks is to be updated on a regular basis. It was discussed and suggested to share weekly updates by email. Mr. Thacker asked that when it comes to the development or permitting process, that Mr. Scott comes to him going forward, especially now as there are site plans that need to be reviewed.

VII. DISCUSSION: ECONOMIC DEVELOPMENT CONSOLIDATION WITH COUNTY

Mr. Kelly advised that it is unanimous that everybody is striving towards a county-wide economic development policy, and added that the natural progression is to consolidate everyone into one space, including tourism. He stated that this discussion has been going on for a while, and is not new. He advised what is new is that it's being talked about more frequently now. He explained that the City supports the CEDC with a fixed budget, and

explained that the County's contribution of one million is what the county is spending now. He advised that discussions were going excellent, and the County is still moving forward with their normal plans. Mr. Kelly added that the CEDC and the County already consolidate on some projects, but not in a formal way, and listed several things that they help the County with. He stated that talks were progressing, and if there is any formal document, Council will get a copy. Mayor Morriss stated keep moving forward, and said he is hopefully optimistic that there will be one organization eventually.

Mr. Kelly advised on a separate discussion that is ongoing that involves a regional effort with 5 counties, spearheaded by Al Delea of FSU, and said it's important to distinguish between what the CEDC and County are doing and the other regional effort that focuses in a different way. He advised that the counties involved are Somerset, Bedford, Mineral, Allegany, and Garrett. Mayor Morriss advised that it's called the I-68 Alliance, which is a subgroup of the Greater Cumberland Committee.

VIII. ADJOURNMENT

With nothing further, the meeting adjourned at 5:31 p.m.

Respectfully submitted,

Marjorie A. Woodring
City Clerk

Minutes approved February 18, 2020