

Mayor and City Council of Cumberland

WORK SESSION

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

Tuesday, May 14, 2019
4:30 p.m.

PRESENT: Raymond M. Morriss (arrived late), President; Council Members: Seth Bernard, Richard Cioni, and Eugene Frazier. Councilwoman Laurie Marchini was absent.

ALSO PRESENT: Jeffrey D. Rhodes, City Administrator; Michael Cohen, City Solicitor; Marjorie Woodring, City Clerk; Paul Kelly, CEDC Executive Director; Matt Miller, CEDC Economic Development Specialist

I. RECAP FROM LAST SESSION

Paul Kelly, Executive Director of the Cumberland Economic Development Corporation, discussed Cumberland Gateway, LLC, and gave a summary of the last Work Session meeting, saying everything was on target, and the group is working well with Engineering. He added that they are still working to acquire properties in that area. Mr. Kelly discussed creating a developer check-list.

II. DESTINATION BY DESIGN

The Mayor and City Council confirmed the predominately commercial use for the development area. The CEDC's procurement of housing analysis was discussed, and they advised that they had applied for a technical grant and will apply for an ARC grant. They also met with the civil engineer last week, and the rest of the demolition will be going out for bids. They advised that there is no set timeline for shovels in dirt. The next step is the submission of the development plan, which is well underway and prepared to submit within 30 days.

III. BALTIMORE STREET ACCESS PROJECT

There was discussion on written confirmation from the state that cursory reviews showed no impediment from SHA on the street design prepared by Cochran Studio. They offered to continue working with the CEDC as a guide to match up the line items of work with particular funding sources. There will be more detail with the final plans.

A meeting is scheduled for tomorrow with Engineering and Cochran where unresolved questions in terms of implementation will be discussed; example: whether the committee had recommended electrical outlets at the bottoms of each lamppost and each tree, or just one or the other.

The preliminary timeline:

1. May 20th – EADS gives preliminary cost estimate
2. Aug. 15th – EADS finalizes and provides plans, specs, and estimates
3. Nov. 15th – Hopefully SHA completes review of plans
4. Dec. 1st – RFP issued
5. Feb. 1st, 2020 – Recommended for award to SHA
6. Mar. 1st – Concurrence and award comes back
7. Apr. 1st – Notice to proceed to contract

It was discussed that this is an aggressive timeline; however, the SHA review can take up to six months – this compresses it to three months. Mr. Kelly stated that they are being pushed to make sure dirt is flying in 2020. A question was asked about what point in the process would staff want to be assured that funding was in place, or available, to meet the April 1st notice to proceed. Mr. Kelly replied that the goal is to obtain as much funding as possible, stating the City has agreed through TAP to a 10% or 20% match. He added that additional funds from ARC do not require a match. He further stated that the Deputy Director Beckett has received word from the Governor to find sources throughout the state. He said the City now has 3.5 Million, with the potential of ARC to expand on that.

Mr. Rhodes stated that it depends on what cost estimates the City gets and whether the CEDC can get funding, and said the City has other capital improvement projects coming up which will take a substantial amount, so Baltimore Street would have to be included in that.

There was more discussion on funding and when the City will have a definitive answer on that so as to move forward with the decision. The timing of the market and interest rates was discussed, and also checking with City financial advisors.

Mr. Kelly advised that he spoke with Kathy Mckenney regarding leftover funds from the parklet next to Ottaviani's, and they agreed to order some furniture for that area, (bench, trash receptacle, bike rack), and have it match what is being recommended for Baltimore Street so they can test it out and see how it weathers. He consulted with Cochran and matched up the correct color.

Mr. Kelly stated that it has become evident to him that William Cochran would be a really good resource moving forward because questions keep popping up regarding what is being recommended, etc. Mr. Kelly advised that he is now in negotiations with Cochran for an on-going consulting contract on an hourly basis, paid by the CEDC. He further advised that he purposely delayed hiring a secretary, which was in the budget, to instead save the money for carrying costs on the M&T building and William Cochran. He added that he will keep staff informed. He mentioned down the road using him on the Destination by Design work.

IV. M&T REDEVELOPMENT PROJECT – 118 BALTIMORE STREET

Mr. Kelly advised Mayor and Council on information about the M&T Bank building:

1. Contract of Sale in place
2. Effective date April 15, 2019
3. Purchase price \$500K
4. Assessed at \$1.6M
5. Closing on or before June 30, 2019
6. CEDC has to procure an appraisal – already ordered
7. DGS (administer of funds) has to get concurring appraisal
8. Board of Public Works has to approve grant agreement – any meeting between now and June 30, 2019
9. DGS has to release funds.

He advised that one of the other things the CEDC is working on is preparing a budget to hold the land for a period of time, which will include retrofitting locks, lighting continued, inspection of premises, security, etc., which will have a price tag attached. He added that the CEDC is due some additional money this budget year, so they will use that to offset these costs.

Mr. Kelly advised that the plan is to develop the premises in conjunction with Baltimore Street, but are waiting for details on construction, because it would be hard to have a hotel there without a road going to it. He stated that they have had a number of serious inquiries from downstate; hotel developers, real estate developers, etc. He said they will issue an RFP for development of the premises for any and all uses, with an emphasis on a hotel, and then vet all the responses. He added that they would ask inquirers if they wanted an outright purchase from the CEDC, or to be an equity partner, and would also ask them specifically about plans to incorporate hospitality management programs with Allegany College and FSU.

V. CONNECTIVITY & URBAN PLANNING WITH DESTINATION BY DESIGN

Mr. Kelly advised that the committee now has 25-26 people, and mirrors what was happening with the Baltimore Street Design Committee. He stated that it represents all levels of government, with Robin Summerfield agreeing to come on board today. Mr. Kelly added that a number of business owners downtown are also in the committee. He spoke of the meeting that occurred on May 7th between the committee and Destination by Design, saying they provided a PowerPoint presentation showing design concepts and held a round table discussion about the need for connectivity, catalyst projects, housing projects, sidewalks, roads, bikes, etc. Mr. Kelly advised they would meet again on May 29th. He said they also discussed how best to make the most of all of the gateways into Cumberland, including Amtrak and the GAP trail.

Mr. Kelly stated that they would meet again as a group with Destination by Design on May 29th, where they provide some of their preliminary concepts, with the final design concepts to be presented to the group on June 26th. Destination by Design then wants a formal presentation on July

9th with Mayor and Council where they will provide their recommendations, with a packet sent out ahead of time to go review.

There was discussion on who from Council was attending the meetings with the CEDC. Mr. Kelly advised that Councilman Cioni sat in on the last one, but said that at least two from Mayor and Council should attend if possible. Councilman Cioni stated that Destination by Design was a pretty impressive group, and liked the many ideas they had, as well as their enthusiasm.

Mr. Kelly stated that he and Matt Miller meet weekly with the County Administrator or his staff on Economic Development matters, with almost daily contact on recruitment effort and getting data from them. He also advised of the CEDC's meeting with Secretary Holt on May 31st, where they will give a presentation of the work accomplished on Baltimore Street, then dovetail into the preliminary information for Destination by Design, introduce housing study concepts and other economic development efforts. He then stated that Secretary of Commerce Shoals will be coming to Cumberland tentatively on July 23rd to do a listening tour of the City, and she will have an itinerary of places to go. He stated they will have a chance for a conversation with her, and stated Mayor and Council could attend as well.

VI. VERSO MITIGATION EFFORTS

Mr. Kelly stated that he and Matt Miller attended the Verso Job Fair, saying that there were a lot of folks there, no parking close by when they got there, and it was a very sobering experience, and gave a summary of the day's events there. He said he felt it was a success as there were lots of hungry employers in attendance (over 90 employers and resources on site), lots of folks giving good advice, community support, healthcare and retirement was covered, and there were investment advisors.

Matt Miller also discussed his part in the employer outreach effort through his contacts, adding that with just a few emails sent out, it spread like wildfire to employers, with so many contacting them they had to turn some down due to space limitations. He also spoke of partnering with the County, who formed a website that became a portal for employees to go on, enter their information, and then be fed continuously updated information on job opportunities. He stated that it's sort of becoming a one-stop-shop for job availability. He added that it was an eye-opener as to the kind of community support there is when things like this happen, and said they plan to have another job fair at a larger facility in the future.

There was discussion about which corporations were at the job fair, Northrup Grumman being a strong presence, having a good turnout from non-local employers - many from up and down the I-81 corridor, as well as the US Capital Police Department along with many other PDs.

Mr. Miller advised that employers are discovering there is a very skilled, willing and capable workforce now available. He will come in to see the Mayor and Council on another day to explain business retention efforts. He explained that through the portal the County created, they will be able to get a sense of the number of former Verso workers living in the City. He added that the

ripple effect on the closure will be felt here very heavily, in ways they haven't even thought about right now.

Mr. Rhodes discussed the trickle-down effect of the closure, saying he hasn't heard any numbers from the County, and the City has not analyzed the effect yet. He added that his opinion is it will have a different impact on the communities of Westernport, Piedmont, Luke, and Lonaconing. He said it could have some impact in Cumberland as far as County dollars – having fewer resources to help the City, as well as more houses for sale, lower tax dollars, etc.

VII. ADJOURNMENT

With nothing further, the meeting adjourned at 5:30 p.m.

Respectfully submitted,

Marjorie A. Woodring
City Clerk

Minutes approved July 2, 2019