

STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S CONFERENCE ROOM
STATE HOUSE
ANNAPOLIS, MARYLAND

February 27, 2002
10:00 o'clock, a.m.

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P R E S E N T

GOVERNOR PARRIS N. GLENDENING, Presiding;

HONORABLE WILLIAM DONALD SCHAEFER, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

SHEILA C. MCDONALD, Secretary, Board of Public Works;

PETA N. RICHKUS, Secretary, Department of General Services;

THOMAS K. LEE, Deputy Secretary, Department of Budget and Management;

JOEL LEBERKNIGHT, Chief of Procurement, Department of Budget and Management;

MICHAEL NELSON, Assistant Secretary, Department of Natural Resources;

GREGORY PECORARO, Assistant Secretary, Department of Transportation;

MICHELE THALHEIMER, BPW Administrator, Department of General Services; and,

MARION J. BOSCHERT, Administrative Assistant, Board of Public Works.

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P R O C E E D I N G S

GOVERNOR GLENDENING: Good morning, ladies and gentlemen.

THE AUDIENCE: Good morning, Governor.

GOVERNOR GLENDENING: If we could, before we start, we have a number of very distinguished legislators here that we want to get to as well, but I'd like to take a moment first and thank everyone for your kind congratulations on my wedding, which I appreciate very much. Your notes and letters and everything was very, very helpful, and we certainly appreciate that. I also want to thank you for your well wishes during my cancer surgery. I'm coming along well, a good prognosis. Both Jennifer and I, certainly, thank you for that.

Let me also just comment publicly what I have said privately and what I'll say again tonight at the Morgan thing, but my great compliments to Richard Dixon for the work that he did. I intended to be here, but, unfortunately, was off for surgery, but he did a great job as Treasurer. He did a great job serving his

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country, serving his county, and the Legislature, and then the State. And we also know his great pride that he took in his professionalism, and so that it would only be the most severe of illnesses that would have caused him to vacate that position. So we all owe him a great debt of gratitude, and I'll be with the Morgan people tonight as we comment on that as well.

And then, third, if I might, I want to give, again, publicly as I did privately, a special welcome to our new Treasurer.

(Applause.)

GOVERNOR GLENDENING: I've known Nancy Kopp for a number of years, and, in fact, when I was a lowly County Council member and County Executive, she was very, very helpful in resolving a number of issues, and we served on some statewide panels early on, has extraordinary service to the Legislature representing Montgomery County, but perhaps in a quiet way, not as well known, her great involvement in moving education head, both "K" through 12 and higher education in the State, and her fiscal expertise as well.

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As much as we hate to lose Richard, it does show the depth of the team that we have someone as extraordinary to step in as Nancy Kopp. And, Nancy, we want to welcome you, and congratulations to you.

MS. KOPP: Thank you.

GOVERNOR GLENDENING: And if I could, I thought what we might do is to do this in a nice way as well.

(Governor Glendening presented the Treasurer with flowers.)

(Applause.)

MS. KOPP: Thank you, Governor, Comptroller.

GOVERNOR GLENDENING: Unless you need these blocking your view, I'm going to have our staff bring these to your office.

MS. KOPP: That would be lovely. Excellent. Thank you, Comptroller, Governor. It's a pleasure to join you. An honor.

GOVERNOR GLENDENING: Let me ask, Madame Treasurer, at this time, would you like to have any opening comments?

MS. KOPP: No. Only to join you in your remarks concerning Richard Dixon, my former colleague in the House of Delegates, as well as former Treasurer, and it's a great honor to be elected to fill his shoes, and I look forward to working with you and hope to make you and the State proud. Thank you.

GOVERNOR GLENDENING: Thank you very much. Mr. Comptroller, do you have any comments you'd like to add at this time?

MR. SCHAEFER: I've got quite a bit. First, I'd like to welcome Nancy. Already she sat one Board member -- one meeting of the Board and asked very intelligent questions and also sat at the Retirement Board and showed her concern.

I've got some questions that I want to ask about, first of all, where we're going to get the money to pay for the TERMS -- T-E-R-M-S -- Transportation Emission Reduction Measures. Tommy -- pardon me -- Mr. Lee, where are we going to get that money?

MR. LEE: Mr. Comptroller, I'm not really aware of that issue, but I'd be happy to look into it

and get back to you on it.

MR. SCHAEFER: You just don't -- shouldn't continue to spend money we don't have.

MR. LEE: We'll get back to you on it.

MR. SCHAEFER: We own one-sixth of the total land in the State of Maryland -- the State. I think that's a lot of land. Today, we're going to try to spend another 4.6 million for land.

MR. NELSON: Yes, sir.

MR. SCHAEFER: With a budget that's 400 million dollars in the deficit, we're going to spend this money, and it doesn't -- I don't quite see how we can continually buy Open Space land, when we're cutting back on mental health and we're cutting back -- we're not paying the Retirement Board, and we continue to buy outrageously high-cost land.

MR. NELSON: Comptroller Schaefer, like all agencies of State government, we are reducing our financial programs, and Program Open Space and the Capital Programs of the Department of Natural Resources are too. For example, in prior appropriations, we

will, basically, make available for cost containment 30 million dollars -- prior appropriations. The proposal before the Legislature right now --

MR. SCHAEFER: Wait a minute. Let me understand this. You're stopping 30 million dollars worth of proposals?

MR. NELSON: Yes, sir.

MR. SCHAEFER: Then why are you putting more on?

MR. NELSON: Because we're not terminating the program; we're just reducing it, and I'd argue, dramatically.

MR. SCHAEFER: You're reducing it and adding a couple million dollars' worth of debt today. That makes a lot of sense to me.

MR. NELSON: Well, no, these are special funds that were collected specifically for this purpose. And all I'm saying is --

MR. SCHAEFER: I understand that. I understand that. Was your Department reduced in funds?

MR. NELSON: That's what I'm trying to say

is, 57 million dollars is on the table right now from the funds of the Department of Natural Resources. The Legislature is probably considering a much larger amount right now. For example --

MR. SCHAEFER: How much money is in your program right now?

MR. NELSON: At this point, there is about 55 million dollars available to local governments, and there's about 30 million dollars available to the State of Maryland for its purchases. However, within those two numbers -- I just said 30 million -- 15 is going to come from the State side, and 15 is going to come from the local side -- prior appropriations.

MR. SCHAEFER: And buying this land is more important than mental health?

MR. NELSON: That's -- I'm not prepared to make that decision. I'm just saying we have made dramatic reductions in spending.

MR. SCHAEFER: Where's the dramatic reductions when you're putting a couple -- you've got one on here that the appraised value is something like

48,000, and you're suggesting 1,500,000. I don't quite follow how you figure that, even though they're great projects. I understand they're great projects, but I don't understand the reason.

MR. NELSON: I guess what I'm trying to say is that we've made reductions, and there still is a lot of support for what we are trying to accomplish with the money that remains. And a lot of folks are here today to explain to you why these transactions --

MR. SCHAEFER: Oh, I'm for spending money if we have it. You remember what Charlie Benton used to say? Them that spends money that's not hison (phonetic) goes to prison.

(Laughter.)

MR. NELSON: We're a full -- I think we are a full participant in cost containment that the State of Maryland is facing.

MR. SCHAEFER: Makes a lot of sense, when you're cutting back 30 million, to add another couple million today. That makes sense to me.

MR. NELSON: Well, the other way to look at

this is that we represent about one percent of the State's budget, yet, when you look at how we're going to cure cost containment, we're 16 percent of the solution. So I guess what I'm trying to suggest is that land conservation is on the table.

MR. SCHAEFER: Is what?

MR. NELSON: Land conservation has been reduced, by virtue of the poor economy.

MR. SCHAEFER: You, certainly, reduced it today. With an appraisal of something like 48 or -- 80,000 against a one million dollar project. Now, how do you justify --

MR. NELSON: All of theses purchases are supported by appraisals?

MR. SCHAEFER: By what?

MR. NELSON: All of these purchases are supported by appraisals. You may disagree with investing --

MR. SCHAEFER: Wait a minute. That one that's a million dollars is --

MR. NELSON: I'm sure we'll get to it on the

Agenda. I'm not sure which one it is, but --

MR. SCHAEFER: You know which one it is.
It's the one out in Western Maryland.

MR. NELSON: Well, I think it's supported by appraisals.

MR. SCHAEFER: Okay. We'll take a look and see.

MR. NELSON: Okay.

MR. SCHAEFER: I have a lot more, but I'll wait. I want to know about the Hippodrome, whether it's still -- whether it's in danger. I think we ought to know about that, and I think there's -- and the tax credit cap that is in danger. And then there's one, in particular, where Cummings Power Company -- and I want to make sure I don't miss this one on the Agenda. This is where you're buying Mass Transit new buses, and you decided to eliminate Cummings and only allow Detroit services. I want an explanation of why that -- why did we eliminate Cummings? I want to know that. Okay. That's all.

GOVERNOR GLENDENING: Board members, if we

might, we do have a number of our very distinguished legislators here with us this morning, and I know they're trying to start Session as well, and so if we could perhaps accommodate their issues first. And I'd like to ask if we might turn to Item seven of the Department of Natural Resources, and Delegate Busch and D'Amato are here on this issue as well, and perhaps -- I'm sorry -- and Delegate Clagett.

DELEGATE BUSCH: And we'd like to come in alphabetical order, Governor.

GOVERNOR GLENDENING: And if I could ask just, first, if we could have the Department comment real quickly on it and then turn to you all.

MR. NELSON: Governor, thank you very much. We are proud to represent today an item that would make Program Open Space funds available to an unbelievable community-based preservation effort out on Bay Ridge. This property is next to the CBF property -- Chesapeake Bay Foundation property, which we purchased an easement on, and we are now creating an important block of preserved land in a densely-populated community.

One of the things you need to realize here is that POS is investing \$450,000. We will get a perpetual easement in return valued at more than two million dollars, so we think it's a great transaction. And in addition to the Delegates that are before you, we also have with us the Executive Director of the Maryland Environmental Trust and folks from the Bay Ridge Trust and Bay Ridge Civic Association to answer any questions you may have.

DELEGATE BUSCH: Good morning, Governor. First of all, let me add my congratulations to my former colleague, and I know Delegate Clagett and Delegate D'Amato want to do that. I think we're the first legislators to be in front of you.

MS. KOPP: Indeed you are, Mr. Chairman.

DELEGATE BUSCH: And it is, certainly, a historic moment for us, but --

MS. KOPP: Thank you.

GOVERNOR GLENDENING: And you appreciate now all the times that you were so nice and kind to her in the Legislature.

(Laughter.)

MS. KOPP: I do have to recognize my former subcommittee member, most particularly, as well as the Chairman and Delegate. It's nice always to see you.

DELEGATE BUSCH: Thank you, Madame Chairman. It's good to be here. We're here -- and I think Mike Nelson did a very good job of describing the piece of property we have the opportunity to preserve out in Bay Ridge at the end of Annapolis Neck, which is a highly congested area, and it's been a beautiful piece of waterfront, as well as a guarded woods for years.

I think the investment is a very good one. It's valued at 4.1 million dollars. We're going to make an investment of 450,000 for the easement to keep that in perpetuity and we believe that it's a great investment for the State and for our County and for that community. And Delegate D'Amato and Delegate Clagett.

DELEGATE CLAGETT: Thank you. Just building on that, I also think you'll hear about the rather enlightened way that the community is addressing this

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funding too. They are putting an awful lot of their own money, and I think this is the way of the future. I understand Comptroller Schaefer's problems, and we have the same problems, but when the community steps forward like this, I think it's a very, very valuable assistance, and so I just put that to you all. Thank you.

DELEGATE D'AMATO: Thank you, Governor. Just a comment. Not only do we represent the Bay Ridge residents, but I also happen to live in that community, and it's a community with a wide mixture of retirees, young families, local tradesmen, professional sailors, commuters, local businessmen, teachers, Chesapeake Bay Foundation headquarters, and some very famous local reporters live out there as well. It has a long history of public access. For 50 years, the Bay Ridge Inn serviced this community, and now that we invited the Chesapeake Bay Foundation to come in, a whole variety of numerous public events occur at its facilities on a regular basis. Hundreds of members of this community contributed thousands of dollars each to

purchase this land, so the community, itself ponied up more than a million dollars of funds and pledges to purchase this land. And, in addition, the majority of the community voted, as a taxing district, to be taxed over the next few years to repay the loans that we're getting as part of the package.

So the community is really vested. A large majority voted to do this. If the State government wants to find community leaders and a community prepared to pull more than its own weight in conserving and preserving critical lands, bird refugees, creeks and beaches, Bay Ridge can serve, in many ways, as a model for other taxing districts.

I might say that negotiations with the owner and with the developer that occurred over the last couple of years were very, very difficult for the community leaders, and I must say that they served the community in an uphill battle very well. Now the community is asking for the State to pitch in a piece in the way of an Open Space grant, which comprises a

minority percentage of what the residents have contributed and have committed to out of their own pockets.

I encourage favorable support of this grant, because we feel sure it will serve as an incentive to other taxing districts and serve as a model to them and boast communities to take the initiative to help preserve our open spaces. We cannot hope to rely totally on government officials to find open spaces, but if the communities, themselves, can locate them and build a partnership with the State, I think we'll have a model that will serve us well for the future. So we hope that you vote favorably on this grant. Thank you very much.

GOVERNOR GLENDENING: Are there questions for the Delegates?

(No response.)

GOVERNOR GLENDENING: Does a representative from the community wish to speak as well? You said we have our President here?

MR. NELSON: Yes, Governor. We have a

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representative from the Civic Association, the Bay Ridge Trust, and John Bernstein with the Maryland Environmental Trust -- come on up -- who, in fact, constructed this transaction with Alex McCrary.

GOVERNOR GLENDENING: Let me, as they are coming forward, also recognize that Deputy Chief of Staff Gene Lynch is here, and it's been a very complicated undertaking -- very innovative as well. And Mr. Lynch was one of the key people to help pull that together. Gene, we appreciate your work.

MR. MCCRARY: Governor, Treasurer, Mr. Comptroller, we want to thank you all very much for the opportunity to come here on behalf of the community of Bay Ridge and the project that we've been working on, in fact, for over 12 years.

There's been a great deal of effort in our community over that period of time, which has intensified over the last two-year period, to negotiate with a very difficult landowner, who, in fact, we went into litigation with for about a year over an effort of his to throw out a county subdivision regulation and

overdevelop the property, and we prevailed in that. We think that -- also, we want to thank this Administration for its commitment to Open Space and to preserving the environment and its leadership in that area. We think what our project does is really highlight those Administration goals.

This is a project about neighborhood preservation. It's a project about environmental conservation. It's a project about quality of life in Smart Growth areas. And we hope, in addressing the Comptroller's earlier remarks, that this serves as a model for other communities, as well as for the county government and State government, in terms of how land can be conserved in an economically prudent manner.

I mean, this is a situation where our community has come forward with millions and millions of dollars and are asking the State for a last critical piece to help the project move forward. Again, this has taken about two years for us to put this together. We've litigated it. We put together an exciting and viable business plan and collected over 1.3 million

dollars in cash. Of that money, about \$140,000 comes from Anne Arundel County from a Land Conservation Fund, and then from the communities of Bay Ridge -- the members of the Bay Ridge community, itself, we've contributed over 1.15 million dollars of our own money into the project, in addition to taxing ourselves on a 2.25 million dollar loan. So our commitment from the community approximates about 3.5 million dollars, this overall project.

Additionally, several hundred members of the Annapolis -- Greater Annapolis Neck community outside of Bay Ridge have contributed, and we're proud and thank them for their support. So, once again, we want to thank you, Governor, Treasurer, Mr. Comptroller, for the possibility here to make something happen that's really been the heart -- the community has really put its heart and soul into. Thank you.

GOVERNOR GLENDENING: Okay. Thank you.

MR. BERNSTEIN: I'm John Bernstein. I'm the Director of the Maryland Environmental Trust, which, as you know, is the primary State agency involved with

holding conservation easements. The deal has been summarized very well. I'd say that we support it strongly. One of our staff members, Nick Williams, is here and has spent hours and hours putting the deal together. Our Board has approved it. And, other than that, I'm here to answer any questions you may have.

MR. SCHAEFER: Why couldn't you have paid -- you're giving 300,000; is that right?

MR. BERNSTEIN: That's correct, sir.

MR. SCHAEFER: Why couldn't you have also put in the other 450, so that the State, which hasn't any money at all, wouldn't be put on the spot like this?

MR. BERNSTEIN: In fact, as you know, Mr. Schaefer, this money comes from a revolving fund, which the Maryland Environmental Trust maintains, which is funded by reimbursements, and we don't have enough money in that to pay the full amount.

MR. SCHAEFER: Well, you've been doing this for 12 years -- you've been trying to do this for 12 years. Who are they buying this from?

MR. BERNSTEIN: Bay Ridge Properties,

Incorporated, which is the landowner that, I believe, developed Bay Ridge originally in the '30's. And --

MR. SCHAEFER: Who is Bay Ridge?

MR. BERNSTEIN: Who's the landowner back -- I don't know. We'd have to call on someone else to answer that.

MR. SCHAEFER: Do they live in the area?
Does the owner of the property live in the area?

MR. MCCRARY: No, sir. Bay Ridge Properties, Inc. is a corporate entity that owns the land in Bay Ridge. It's about a third of the land area of our community. It's a small, closely-held family corporation owned by a brother and sister who live in Washington, D.C.

MR. SCHAEFER: What's the appraised of this?

MR. MCCRARY: The appraised value of the land, itself, is \$6,050,000.

MR. SCHAEFER: And the easement?

MR. MCCRARY: The appraised value of the easement is, I believe, just over 2.3 million dollars.

MR. SCHAEFER: And you're going to spend 400

million?

MR. NELSON: 450,000.

MR. SCHAEFER: 400 what?

MR. NELSON: 450,000.

MR. SCHAEFER: We're going to spend 450?

MR. NELSON: Yes.

MR. SCHAEFER: No, I mean the total price.

MR. BERNSTEIN: Right. So the grant is less than ten percent of the appraised value of the property and under 20 percent of the appraised value of the easement.

MR. SCHAEFER: I thought the purchase price was 4.1 million.

MR. BERNSTEIN: That's correct, but that represents a bargain sale, if I'm not mistaken.

MR. SCHAEFER: A what?

MR. BERNSTEIN: That's correct, but that represents a bargain sale, if I'm not mistaken.

MR. SCHAEFER: A bargain sale when the appraised value is 2.3 --

MR. BERNSTEIN: Well, there's two appraisals.

One of them is listed here.

MR. SCHAEFER: 2.3 for the appraised -- the easement?

MR. BERNSTEIN: Right.

MR. SCHAEFER: Where's the bargain?

MR. MCCRARY: We have several discounts involved here, and, again, I think it reflects the value that the State's receiving for its investment, but the -- again, as Mr. Bernstein's noted, we are purchasing a six million dollar tract of land for 4.1 million dollars. We are providing to the State and the Bay Ridge Trust a conservation easement with a value of 2.3 million dollars for approximately 1.6 million dollars, if this grant is approved.

MR. SCHAEFER: Will this land be taxable after this?

MR. BERNSTEIN: It will not be taxable.

MR. SCHAEFER: Is it taxable now?

MR. BERNSTEIN: I'm sure it is, but I would imagine that, like any other large tract, it receives a preferential assessment.

MR. SCHAEFER: But it does pay something, even if it's a dollar.

MR. BERNSTEIN: It pays something -- in the hundreds probably.

MR. SCHAEFER: In the hundreds, yeah. I see where you're going to sell some house lots for \$900,000. You're going to buy this land, and yet you're going to sell land for housing.

MR. MCCRARY: That's correct. The --

MR. SCHAEFER: You know, the editor in The Sun paper today, which I was given a copy of just a moment ago, they played a game. They say it's a great idea, but why should the State pay money for an affluent organization like yours -- why should the State be called upon to pay the money. It is an interesting question. Then, of course, so to protect themselves, they say it's a great idea. It is a great idea. If you had the money, it would be a wonderful idea, but when you don't have any money -- now, this will, undoubtedly, pass, but I want you to know, I think this is wrong. You're -- it takes 12 years and

you finally get around to it and Bay Ridge -- why couldn't they add another four million to their -- to the bank loan -- I mean, 400,000 to the bank loan?

MR. MCCRARY: That simply would put it out. Again, we are not an affluent community. We're not a gated community.

MR. SCHAEFER: You're not a -- you've got some nice houses down there.

MR. MCCRARY: We're a community with a great deal of economic diversity, and so in taxing ourselves, which is the way the loan is being paid off, we want to insure that the taxes that we were charging on the residents' more modest means were affordable for them, because we did not want to change the economic diversity of our community.

GOVERNOR GLENDENING: Let me just commend everyone, in terms of pulling this together. I've gone out and looked at the property personally, and it's just a beautiful and important -- ecologically important piece of property. And we are going to have to look, increasingly, all across this country for

different combinations of funding. And to have a community step up voluntarily with both contributions and self-assessment, I think, is tremendous, and that's part of the reason you have the strong support from our legislative leaders, so I compliment you.

MS. KOPP: Governor, I have one question, if I could. As I understand it -- what proportion of the land is in the easement area?

MR. BERNSTEIN: Well, about 80 acres of the total 111 acres will be subject to easement, maybe more, but that's the minimum that our agreement required.

MS. KOPP: And then where -- you're talking about perhaps recouping the money by selling some lots outside of the easement area.

MR. BERNSTEIN: That's correct. The layout of this land is such that there are several large contiguous blocks which form the area that's of primary interest to protect, and then there are multiple parcels that are scattered here and there. And if you're going to try to sell off some land to make your

deal work, that's the stuff to sell and that's the stuff that really doesn't have much public value.

MS. KOPP: So is that, in fact, basically, the plan of the Civic Association, to pay back the loan and the bank loan through selling these off-easement properties?

MR. BERNSTEIN: I think it's really --

MR. MCCRARY: No, ma'am. Again, we're purchasing approximately 110 acres.

MS. KOPP: Right.

MR. MCCRARY: We're selling five building lots, of which, I believe, the acreage is maybe two or three acres.

MS. KOPP: So that is set, that you're selling five building lots? Because this says --

MR. MCCRARY: It's between four and six building lots.

MS. KOPP: Oh, because this says four to 12. That's what --

MR. MCCRARY: Well, has time has gone on -- and, again, the four to six estimate is optimistically

hoping for approval of the money that we're talking about here today. But as this project has gone on, what we're trying to do is to conserve as much of the environmental area as possible, and so the entire project is -- and to preserve our community -- the entire project has been driven to minimize the amount of development in the community, so we've been successful in minimizing that.

But to go back and just address your question about where the easement will go, with the Maryland Environmental Trust, we will be putting a perpetual conservation easement on 80 of the 110 acres. We'll only be selling perhaps five building lots, which are just two or three acres.

Then the remainder of the land will be put under a second conservation easement, which will be subordinated to the bank mortgages, so that the bank will have collateral for the deal. So by the end of the day, all but two or three acres of this property will be perpetually conserved.

MS. KOPP: And how long does this special

taxing district, or whatever you call it in Anne Arundel, last?

MR. MCCRARY: The taxing district has been in place for decades and decades.

MS. KOPP: Oh, this is just an add-on to that?

MR. MCCRARY: This is an add-on, and it's costing each community member \$250 per year, is what we thought was an affordable way, given the economic diversity within our community, to pay off the loan.

MS. KOPP: And the Environmental Trust will be paid off in four years?

MR. BERNSTEIN: Four years.

MS. KOPP: Thank you.

MR. MCCRARY: Yeah. So the community has actually got a long-term loan it will be paying for a 20-year period. We'll be paying off the loan to MET over a four-year period.

MS. KOPP: And then you'll be in hoc to the bank.

MR. MCCRARY: Yes, ma'am (unintelligible) in

hoc to the bank.

MS. KOPP: And you'll be holding some of this property as collateral, plus the taxing increment.

MR. MCCRARY: That's correct. We'll provide some of the land as collateral for the loan, and then the taxing -- we'll tax ourselves to pay off the loan over the next 20 to 30 years.

MR. BERNSTEIN: But we should note that the bank will not have the right to overturn the easement in search of collateral. The easement will be private. The bank will be subordinate.

MS. KOPP: The easement on that piece.

MR. MCCRARY: Yeah, the easement on the environmentally sensitive area, the 80-acre contiguous forest, will be a perpetual easement.

MS. KOPP: No, I understand, but the easement on the other --

MR. BERNSTEIN: Well, that's actually not Maryland Environmental Trust transaction.

MR. NELSON: That's correct.

MR. MCCRARY: Yeah. Again, the other area

will be preserved as long as we don't default on the loan, but we need to -- with any bank, you have to provide collateral, and so we've got --

MS. KOPP: So, I mean, that's not an easement, if the bank has to take it back. That can be developed then.

MR. MCCRARY: That -- it could be, but it could be developed only to the extent of maybe 15 additional houses, and the sensitive area is preserved through the easement with MET.

MS. KOPP: Yeah. Thank you, Governor.

MR. SCHAEFER: Nothing has been done with this for 12 years. You've been working on it for 12 years, and Lynch has been working on it, and all of a sudden, everything falls in place this year.

MR. MCCRARY: It has been a very long, difficult, involved process, yes, sir.

MR. SCHAEFER: Has the property value in the area decreased, while you've been working on this?

MR. MCCRARY: No, sir.

MR. SCHAEFER: No. And how many lots you got

left to sell? It says 12 here. You were talking about four at \$900,000? It says \$900,000, Bay Ridge Civic Association will sell four to 12 lots. How many lots you got to sell, and what's the purchase price?

MR. MCCRARY: Again, if it's four lots, it will be approximately 900, maybe 1.1 million, somewhere in that area.

MR. SCHAEFER: For four lots?

MR. MCCRARY: For four lots, correct.

MR. SCHAEFER: That's quite a heavy cost, isn't it?

MR. MCCRARY: One of the lots is a waterfront lot; it's a valuable lot. The other lots are just the price for land in the community.

MR. SCHAEFER: I'll ask Mr. Nelson. What's the value of those lots?

MR. NELSON: I'm not -- I don't know the value of the land. They have not been marketed or put on the market.

MR. SCHAEFER: So you don't know whether they're worth 900,000 or 90,000.

MR. NELSON: What -- no, I don't exactly, but what I do know is the easement that we are making a grant for has a value of more than two million dollars, and we're investing 450, so in terms of our return on investment, I think it's pretty strong.

MR. SCHAEFER: It is. We're getting a two million dollar easement on a four million dollar project.

MR. NELSON: Correct. And --

MR. SCHAEFER: That's good business.

MR. NELSON: -- the State of Maryland has a very aggressive program in acquiring easements.

MR. SCHAEFER: Yeah, I'll say you have. You own one-sixth of the land in the State now, and you're spending money like we had it. You know, it would be fine if we had this money. And the Governor will be gone when the chickens come to roost, you know. You, of course, know that.

MR. NELSON: Yes, sir.

MR. SCHAEFER: And -- okay. That's all.

GOVERNOR GLENDENING: Thank you, gentlemen.

As a courtesy to the legislators, if we could have a separate motion on this item. Do I hear a motion for approval?

MS. KOPP: So moved.

GOVERNOR GLENDENING: Do I hear a second?

(No response.)

GOVERNOR GLENDENING: I'll second.

Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

MS. KOPP: Aye.

GOVERNOR GLENDENING: Aye. 2-0-1 vote.

Thank you.

MR. SCHAEFER: I abstain.

GOVERNOR GLENDENING: 2-0-1 vote. If we could also -- I see Delegate Edwards here. The Speaker has not yet arrived, has he? Delegate Edwards is here on Item 14 --

MR. NELSON: It's 14-RP on the --

MS. RICHKUS: On the DGS Agenda.

GOVERNOR GLENDENING: -- on the DGS Agenda.

MS. RICHKUS: Yes, requesting your approval of an agreement of sale to purchase property in Garrett County for the use of the Department of Natural Resources.

MR. NELSON: Governor, members of the Board, this project would allow the Department to acquire and then convey to Garrett County 550 acres on Mars Mountain, which is in the center of the -- near the WISP Ski Resort. This property runs down to the Youghiogheny River, the State's only scenic and wild river, and it does two things. Garrett County is trying to maximize, from a tourism standpoint, its tremendous potential of its outdoors. They propose to create an Adventure Sports Center on top of the mountain, and this acquisition is critical to initiating that project.

Garrett County, represented by Commissioner Holliday, has put money into it. There is interest from other State agencies at DBED to help this effort along, and the Department of Natural Resources is delighted to be able to preserve 550 acres near the

Youghiogheny River and the tributaries that feed it. So, with that, I'll introduce Delegate Edwards and Commissioner Holliday from Garrett County.

GOVERNOR GLENDENING: As Delegate Edwards gets ready to speak, let me also note that the Speaker, Cas Taylor, has indicated his very, very strong support and wanted to be here personally and still hopes to be able to pop his head in, but did express his strong support for the project as well.

DELEGATE EDWARDS: Thank you, Governor. Governor, Comptroller, Treasurer, it's a pleasure to be here. I don't come before this august Board very often. I'm especially privileged to be here this morning -- to be second. If you can't be first, second's, I guess, all right in a lot of things. Nancy and I served together for 19 years, one-and-a-half months, I guess, on Appropriations, and had a lot of good times, and congratulations on your new position.

MS. KOPP: Thank you, George.

DELEGATE EDWARDS: I look forward to working with you. I'm here in support of the project. Mike

explained it very well. This is very important to my part of the State. It's a project that will preserve 550 acres in a very fast-growing part of the County, which is Deep Creek Lake, so it will keep it from being developed into housing lots, and, in turn, it will help us bring together a block of money to build an Adventure Sports Center Complex, which we believe will be the only kind of complex maybe in the whole country but, at least, east of the Mississippi River, and move forward.

This land will not be developed. It will have some trails on it that will be utilized by this facility to help make it work and function. We have a good working relationship with the private developers in the area. And when the whole project, including what the Adventure Sports Center, Inc. is doing, as well as the private side, when it's fully built out, we're talking in the neighborhood of around 400 million dollars of investment, several hundred jobs on site, around 400 jobs off site in conjunction with it. And just the people who have put the numbers together, C.B.

Richard Ellis, being the last one, projects that over a period of about four or five years, the tax returns that are generated by this project will run in the 18 to 20 million dollar range and continue from that point on. So the State, when this is fully built out, and the County will generate a fair amount of tax revenues from the project.

We think it's a very good project, and we hope you do, and this land will be preserved. Even though it's an area of the State where the State owns 25 percent of the land, we think this is one of those times that we need to preserve a little more, because, if you're familiar with Deep Creek, you've seen all the development there, and, Comptroller, we'd tell you some of the lots there are selling for as much as some of them down here on the Bay, so we need to try to preserve some there. And if I may, I have Commissioner Holliday, who -- we wanted to have the atmosphere. He brought part of the winter down here with the cold air, but he left the snow in Garrett County where they had a two-hour delay this morning in school.

GOVERNOR GLENDENING: George, let me just, before you finish, compliment you on your leadership in Adventure Sports' activities. I went by the center, as you know, at the Community College, and I must tell you, in candor, I wasn't even aware that there was a whole industry of Adventure Sports until you started aggressively working and helping on this. I just want to commend you for your contribution.

DELEGATE EDWARDS: Thank you very much. And we'd also like to say, we're working with the Community College, who does have a degree program in Adventure Sports for two years; then you can go to Frostburg to get a four-year degree. It's the biggest and fastest-growing program that they have, so it's all -- and we're working with them on this whole thing. It's flowing together. And we do have some area photos and some drawings we'd like for you to look at, if you'd like. And just to solidify, the Speaker does support this, and I'm sure he's down there voting on some bills protecting our interests.

(Laughter.)

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COMMISSIONER HOLLIDAY: Good morning, Governor, Comptroller, Treasurer. It's an honor to be here today and request your support on this project. It's very important to Garrett County. We, the Garrett County Commissioners, support this project 100 percent.

I would like to say that I served as Mayor for almost 16 years in Grantsville, and it was a wonderful experience to be able to serve that small community. At that time, it was only 500 people. Now, it's up to 600, so Garrett County is growing, and Grantsville happens to be the fastest growing -- I enjoyed working with the Comptroller, then the Governor, in getting our wastewater and water systems in, so that we had water.

This project, as I said, is very important to us. It will preserve 550 acres that sheds into the Yough Corridor. And you do own 20 percent plus in Garrett County, but this is one section that we think needs to be. It is in the Deep Creek area, and development there is tremendous, and we would like to hold that back. And I submitted this in to you in

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writing this morning, which your staff has, and if you'd look at it, I'd, certainly, appreciate your support on this project.

GOVERNOR GLENDENING: Thank you.

DELEGATE EDWARDS: I would say that the County has committed \$1,250,000 to this project.

COMMISSIONER HOLLIDAY: Excuse me a second. No pun intended, but there was two-and-a-half inches of snow there this morning, so it was an adventure just coming down.

GOVERNOR GLENDENING: Great. And I see our very distinguished former Commissioner, John Bradsky (phonetic), here representing the Department as well. John, do you have anything you want to add on this?

MR. BRADSKY: I'm just here to try to answer any questions that you all might have.

GOVERNOR GLENDENING: Thank you.

MR. SCHAEFER: Yeah, I have a few questions. What was the original cost of this land?

MR. BRADSKY: The original cost?

MR. SCHAEFER: Yeah.

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MR. BRADSKY: For the 3,000 acres, I'm not sure. The D.C. Development, which bought the land was -- originally bought 3,000 acres, and I'm not sure what the total cost of that was.

MR. SCHAEFER: As I understand it, we're going to give you -- give them 1,900,000.

MR. BRADSKY: We're going to give that to the County, and the County --

MR. SCHAEFER: To the County?

MR. BRADSKY: Then the County, with that 1.9 million dollars, is going to reinvest it into the Adventure Sports Center, which is --

MR. SCHAEFER: In other words, what we're doing is giving Adventure Sports a million nine.

MR. BRADSKY: We're giving the County 1.9 million, who then is going to invest that money into the Adventure Sports Center.

MR. SCHAEFER: Let me see if I can understand that again. We're going to spend a million nine, give it to the County, right?

MR. BRADSKY: Correct.

MR. SCHAEFER: The County's going to give it right to the owners.

MR. BRADSKY: Not to the owners; it's to a nonprofit that will be developing the Adventure Sports Center.

MR. SCHAEFER: Is it the same group?

MR. BRADSKY: It's not the same group, no, sir.

MR. SCHAEFER: Who's this group? I understood yesterday it was the same group.

DELEGATE EDWARDS: No. D.C. Development is a private group that bought the 3,000 acres, who now bought the WISP and own the WISP and has spent millions of dollars to upgrade that. The 550 acres is owned by Adventure Sports Center, Inc. --

MR. SCHAEFER: Right.

DELEGATE EDWARDS: -- which is a 503 nonprofit organization.

MR. SCHAEFER: Right. And who's on that --

DELEGATE EDWARDS: I happen to be, at this time, the Chairman of that Board. Former Commissioner

Bradsky is on that Board. Mr. Yoder's on that Board. We have Mr. Parsons, I think, who's here somewhere, from Whitewater, is an ex-officio member of the Board. Commissioner Greg. We have 12 members. The bylaws call for 15 members. We have 12 members, at this point, who are on the Board.

MR. SCHAEFER: Who's going to run this project?

DELEGATE EDWARDS: The Board will run the project. We are in the --

MR. SCHAEFER: Where's the expertise on the Board?

DELEGATE EDWARDS: We're in the process of bidding for an Executive Director.

MR. SCHAEFER: To do what?

DELEGATE EDWARDS: The RFP is out now to attract people to apply for this position, and we will go through those when we get them and hire an Executive Director to help --

MR. SCHAEFER: Aren't you a little premature in asking for this money?

DELEGATE EDWARDS: We don't think so.

MR. SCHAEFER: Well, I sort of think so. You don't have any management team. You don't have an Executive Director. You have no plans for it, other than --

DELEGATE EDWARDS: Well, we do have plans. We paid C.B. Richard Ellis thousands of dollars to do a plan for us.

MR. SCHAEFER: Well, let's see, where is the plan?

DELEGATE EDWARDS: We worked with a company named Edaugh (phonetic), who we spent thousands --

MR. SCHAEFER: Where's the plan?

DELEGATE EDWARDS: Well, the plan's a thick book that, I apologize, I don't have it with me.

MR. SCHAEFER: Well, you have a map though. You've got a project --

DELEGATE EDWARDS: We have some drawings that they did, along with Edaugh, which is a nationally known company who does these things.

MR. SCHAEFER: Well, bring it up here so we

can see it. I want to get the management company and who's going to do it. The Board of Commissioners can't do it, the Board of Directors can't do it, then you have nobody to manage this thing, and you're paying -- you're taking one million nine and you're giving it right back to almost the same group.

DELEGATE EDWARDS: Not the same group, Comptroller. It's a separate group.

MR. SCHAEFER: Made up of different people?

DELEGATE EDWARDS: Yes.

MR. SCHAEFER: Who is the owner?

DELEGATE EDWARDS: There is nobody from Deep Creek Development on the Board of Adventure Sports.

MR. SCHAEFER: Who owns it now?

MR. BRADSY: This is owned by the nonprofit.

DELEGATE EDWARDS: This 500 acres is owned by the nonprofit.

MR. SCHAEFER: Who are they?

MR. BRADSKY: Don Stork's (phonetic) is on it. Delegate Edwards is on it.

DELEGATE EDWARDS: The Board -- 12-member

Board right now, a 501-C-3 (phonetic).

MR. SCHAEFER: George, I hate to do this to you, but, you know, this is premature. This is way ahead of time. You don't have any management at all. You've got a little scheme up there that is speculation -- total speculation.

DELEGATE EDWARDS: Well, I beg to disagree with you. We do have a plan put together by a well known group called C.B. Richard Ellis that --

MR. SCHAEFER: And this is the plan?

DELEGATE EDWARDS: No, this is the drawing. Yeah, this is where the proposed sites would be, but they have a book yea thick that talks about the whole project.

MR. SCHAEFER: All right. Well, let me -- what are you going to -- what's going to start first?

DELEGATE EDWARDS: The phase one, which we're calling phase one, will be right in the middle, which will be an amphitheater surrounded by a white circulating whitewater course.

MR. SCHAEFER: For what?

DELEGATE EDWARDS: For people to do whitewater.

MR. SCHAEFER: To do what?

DELEGATE EDWARDS: Whitewater and canoes and kayaks and those kind of things.

MR. SCHAEFER: That's in preparation for --

DELEGATE EDWARDS: If we get the 2012 Olympics, this is where the Olympics will be held, right here, because you can't rely on the Savage River or others. When you get a drought, there's not enough water.

MR. SCHAEFER: And you've got the plans for that all drawn?

DELEGATE EDWARDS: This is all drawn.

MR. SCHAEFER: I'd like to see it.

DELEGATE EDWARDS: We've worked with -- the people who did the Australian one have worked with us on this. We're going to build -- in phase one will be the amphitheater, the whitewater course, and a building for the Adventure Sports Hall of Fame. We're going to do an international Hall of Fame for Adventure Sports

kinds of activities, which there is none.

GOVERNOR GLENDENING: That's the report that you brought in about a year ago --

DELEGATE EDWARDS: Yes, sir. Yes.

COMMISSIONER HOLLIDAY: It's a preliminary report and --

MR. SCHAEFER: Oh, brought you a report a year ago? I don't remember seeing it.

MR. BRADSKY: We'll get you a copy, Comptroller.

MR. SCHAEFER: Oh, you've been working on this with the Governor for a year.

DELEGATE EDWARDS: Well, you've got to start somewhere, I guess is a way to say it.

MR. SCHAEFER: Oh, that's right. I see.

DELEGATE EDWARDS: Yeah.

MR. SCHAEFER: Oh, yeah. That's very interesting.

COMMISSIONER HOLLIDAY: One thing it would also do, it would help enhance our tourism destination. It would make it more of a year-round attraction for

us, if we provide all of the adventure sports.

MR. SCHAEFER: What was the appraised value of this?

MR. BRADSKY: 1,960,000 was the recommended appraisal from DGS.

MS. KOPP: Why is there such disparity between these two appraisals? It seems extraordinary.

MS. RICHKUS: We can try to answer that question, Madame Treasurer. Steve Cassard heads up our Office of Real Estate for the Department of General Services and can explain the two approaches taken for these two appraisals. Steve.

MR. CASSARD: Yes, members of the Board, thank you. There were two appraisals; one by Jim Turlington for 1.96 million. Mr. Turlington's assumptions were that this property could be developed -- approximately 260 acres of this property could be developed for residential subdivision. And as we know in Deep Creek, these days, development pressure is increasing, values have increased. His assumption, based on a range of sales between 5,000 and \$10,000,

was that the adjusted price per acre for this particular parcel should be \$6,200. That came to a final figure of 1,600,000.

On the remaining 290 acres, Mr. Turlington did a review of sales of recreational land. He came to a range of between 1,200 and \$1,300, and he decided 1,250 was the right number. Recommended that times 290 acres, so that's 360,000. You add them together, he came to a final value of 1,960,000.

The second appraiser, Terry Dunkin, reviewed the same property, the same assumptions. He did not recommend a residential subdivision in the near future; acknowledged that it could be, but suggested that, in the near term, the value of the property would be strictly based on recreational value.

MS. KOPP: I see.

MR. CASSARD: He came to a range of anywhere between \$900 and \$2,300. And as appraisers do, adjusting for various features, came to a final conclusion of \$1,500 an acre times 550 total. His final value was 825. Both of these appraisals were

reviewed, and the review appraiser agreed that Mr. Turlington's assumptions, based on the potential subdivision, were more valid and had more weight.

MS. KOPP: That makes sense.

MR. SCHAEFER: Your appraisers had more weight for spending a million nine?

MS. RICHKUS: We felt that the validity of the developable price had more validity. I'm sorry. I didn't say that --

MR. SCHAEFER: Did you know how much they needed to do this?

MS. RICHKUS: That wasn't how the appraisal was derived, Mr. Comptroller.

MR. SCHAEFER: I asked you, did you know how much they needed or did anybody in your group know how much they needed? They needed a million nine.

MS. RICHKUS: No, I don't believe so.

MR. SCHAEFER: You just came up with a million nine, so that's what it is.

MR. CASSARD: Yes, sir. These appraisers --

MR. SCHAEFER: That's the exact amount that

they need to start the project.

MR. CASSARD: I don't know if that's the exact amount they require. That's the exact amount --

GOVERNOR GLENDENING: Go ahead.

DELEGATE EDWARDS: If I may, this one-nine is just a small piece of this project, Comptroller. It's not --

MR. SCHAEFER: A small piece?

DELEGATE EDWARDS: Yes, sir.

MR. SCHAEFER: Where are you getting the rest?

DELEGATE EDWARDS: Well, we hope to get some -- we have a grant application in to EDA, which we sent in the final request, and we should get an answer in April, and they are positive --

MR. SCHAEFER: How much is that?

DELEGATE EDWARDS: That's two million dollars.

MR. SCHAEFER: Two million. Okay. Where else?

DELEGATE EDWARDS: With the idea that we can

come back for another million in two years. The County is putting in 1,250,000. Excuse me?

MR. SCHAEFER: You're going to ask for another million in two years?

DELEGATE EDWARDS: From EDA.

MR. SCHAEFER: How about from the State?

DELEGATE EDWARDS: Hopefully, this 1.9 million, and we're working on whatever avenues we can work on to get money, like anybody else does on these kind of projects.

MR. SCHAEFER: You know, I've been interested in out there and I know enough (unintelligible) we'd get a little something out there as far as Deep Creek and Rocky Gap and the rest -- all of them favorable to this, but I just think what you're doing -- you're buying the land at an agreed price, which was one-nine. You're going to turn the money right over to this developer.

DELEGATE EDWARDS: Well, it doesn't go -- again, it doesn't go to the developer; it goes to the nonprofit who's building this facility. It's not an

agreed-to price. They had two appraisals done, if I remember, several years ago, but because there was a two-year limit, they had to get two new ones, which are before you.

MR. SCHAEFER: George, this was turned over to a nonprofit? You're not -- this isn't a profit-making proposition?

DELEGATE EDWARDS: No.

MR. NELSON: Comptroller Schaefer, the deed for this 500 acres will be held by Garrett County. This will be in public trust, so the 550 acres --

MR. SCHAEFER: And how are they going to --

MR. NELSON: -- is not being turned over to the private owners. We, in fact, are going to convey it to the County, and they will be responsible for it, and --

MR. SCHAEFER: For developing it.

DELEGATE EDWARDS: No. Let me just, if I may, very quickly --

MR. SCHAEFER: Who's going to develop it?

DELEGATE EDWARDS: The 550 acres will be part

of this whole thing. The only thing going to be developed on there is some trails, and there's a trout stream down through there that they want to try to develop. The buildings, as you saw on there, the circulating whitewater course, et cetera, sits off of that 550 acres, and Deep Creek Development will donate that land to the Adventure Sports Center, Inc. private nonprofit group, so that we can put our facilities on that land that we own.

MR. SCHAEFER: Who is this Adventure group? Who are they?

DELEGATE EDWARDS: That's the Board, which is myself, Mr. Bradsky, Mr. Yoder, Mr. Parsons, and Commissioner Greg. There's 12 on the Board. The Board is allowed to go to 15.

MR. SCHAEFER: I think they're all good people. I agree that they're all good people, but as I said yesterday when I went over this thing, you haven't got any management potential. You have nobody to -- you can't manage this. You can't manage this, George.

DELEGATE EDWARDS: That's why we're out now

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with an RFP to hire an Executive Director to help us to do this. We do have some expertise on this Board that I think is as good as any in the State to do these kind of things.

MR. SCHAEFER: George, I won't argue with you on that. Bradsky; he's a member of Open Space, part of the State. Mr. Greg is part of the State.

DELEGATE EDWARDS: Part of the County.

MR. SCHAEFER: County. Lan Minor (phonetic) is the Principal of one of the companies that's involved in it. Jerry Gessler is the Manager of WISP involved in it. Jerry Randolph (unintelligible) I don't know him. Peter Stanton of Stanton Communications.

The only thing I think -- now, don't get me wrong. I think it looks like you've got a good project. I think you're premature. I don't think you have a plan. I think you got a little map. I don't think you have an Executive Director. I don't think you know where you're going to go as far as managing the money.

DELEGATE EDWARDS: We'll get you a copy of the plan that we have. Hopefully, that will change some of your thought process, that we do have a direction that we're going, and I think we have the right way to get there.

MR. SCHAEFER: Okay. Do you think the State -- I didn't think we had a lot of money.

MS. KOPP: George, I would like to see a copy of the plans.

MR. SCHAEFER: Just bring them on in, son. Bring them in. We'll approve them for the next couple of months.

GOVERNOR GLENDENING: Are there other question on this item?

(No response.)

GOVERNOR GLENDENING: As a courtesy to the Delegate and the Speaker, could we entertain this separately? Do I hear a motion for approval?

MS. KOPP: So moved.

GOVERNOR GLENDENING: It's been moved. I'll second. Discussion?

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MS. KOPP: Contingent upon receiving a copy of the plan.

DELEGATE EDWARDS: You'll have it immediately.

GOVERNOR GLENDENING: George might even get it to you this afternoon.

DELEGATE EDWARDS: We'll see if we can get it from Garrett County now.

GOVERNOR GLENDENING: Gene, you have our copy, don't you?

MR. LYNCH: Yes.

MR. SCHAEFER: Well, if you got it, why don't we see it now, Mr. Lynch?

MR. LYNCH: I'd have to go pull it out of --

MR. SCHAEFER: You what?

MR. LYNCH: I'd have to go pull it out. I don't have it with me, and I don't have it in my immediate office.

MR. SCHAEFER: Well, what is the plan?

MR. LYNCH: We'll get it to you -- we'll get you the full copy --

MR. SCHAEFER: No, what is the plan?

MR. LYNCH: You want me to describe the plan?

MR. SCHAEFER: Well, if you wouldn't mind.

MR. LYNCH: I'd be happy to do that. What C.B. Richard Ellis did, which is, as was described, a very well known firm that looks at the feasibility of these kind of projects, is they laid out how do you go about creating a place which has a center that people who are interested in Adventure Sports want to go to.

The analysis starts with the WISP itself, which, as you know, has been in operation for quite a few years. The first thing that needed to be done was that that facility needed to be upgraded. A private group got together, put their own money in to buy it and to pump several million dollars into upgrading the facility. In addition, they bought some 3,000 acres surrounding the facility.

Then you needed two other pieces to make it continue along to fruition. One was you needed an entity which would host -- which would be able to construct and host events that people who do Adventure

Sports, which range from things like ice climbing to whitewater rapid paddling to other things, which I, frankly, have not a whole lot of knowledge about, but things that there is a large market for.

C.B. Richard Ellis looked at how big is this market; it's large and it's growing. They said, well, here's the set of facilities that you need to attract these people, and that goes with gymnasiums and all the sort of things that people who are interested in these kind of activities are going to want; places to put your canoes -- or not canoes -- whatever they call it -- kayaks -- that sort of process. You'll also need certain people who know how to teach and know how to guide people in these events, and that's part of why the trails is. You'll need a certain amount of open space through which people can walk, they can do the hiking, they can do the ice climbing, they can do the cold-water fishing; all the rest of the things which people at both Frostburg as well as the Community College have quite a bit of expertise. As the Delegate mentioned, there are places where you can actually get

degrees in this. Now, I have to admit that, when I first heard about this two-and-a-half years ago, I didn't know you could get degrees in something like that. I didn't even know it existed, but it does, and it is, in fact, a fast and growing area.

Then their plans says, so the way you do this is a private company buys the WISP, buys the 3,000 acres. They, then, give 550 of the acres, plus another I think it's 200 for the immediate area where the buildings go, to a nonprofit structure. That nonprofit structure hires an Executive Director to manage and to begin the construction of the buildings that sits on not the 500 acres but the 200-and-some-odd acres.

The 500-and-some-odd acres that rings it will never be developed. It will be available for people to do -- have the physical places to do the kind of sports that I described, such as ice climbing and the hiking, et cetera. Around that, the private party will develop housing. Now, as you know, Deep Creek Lake is a very desirable place to be for a lot of different reasons, and the private party believes that they will be able

to recoup their investment that they made both in purchasing the WISP and the upgrading of the WISP, as well as the acquisition of the land around it, because, eventually, when the Center is a place where people want to go, they'll be able to sell development in the ring around it. That is, essentially, the C.B. Richard Ellis plan.

Now, it goes into the details of the various steps that one needs to take, such as, of course, the first step is to have some working capital, which is what this acquisition provides to the nonprofit, and to hire an Executive Director who is familiar with this. Now, I've put together a lot of different packages, a lot of different kinds of businesses, but, frankly, I'd be, for instance, a very wrong person to hire for that, because I don't know anything about ice climbing. So they will hire somebody who knows about ice climbing, and they have, frankly, two of the good resources in the area, Frostburg and the Community College -- particularly, Frostburg -- that have people on their staff that are far more knowledgeable about this than

-- I think the Delegate pointed out, it would eventually become the largest facility on the East Coast. I think that's right. And I think that between Frostburg and the Community College, you have some of the -- you have one of the only degree-granting places in the entire country in this area.

So that is the overall plan. And as I said, we can -- as soon as we can put our hands on it, we'll get you a copy of the C.B. Richard Ellis written explanation.

MR. SCHAEFER: Well, you convinced me of one thing. We turned over a million nine to a group that doesn't know how to operate this yet, and just say, okay, we'll give you the money. We can't do anything until we get the State's million nine.

MR. LYNCH: Well, I think we have great confidence in the Board of Directors of the nonprofit that they will proceed prudently. However, from the State's direct point of view, even if this matter -- if that was not the case, we are receiving real value for --

MR. SCHAEFER: What are you receiving?

MR. LYNCH: We're receiving 1.9 million dollars' worth of land, and we will hold the title to the -- or excuse me -- the title to the land will be held --

MR. SCHAEFER: You're not. You're not.

MR. LYNCH: Excuse me.

MR. SCHAEFER: You're not holding the land.

MR. LYNCH: We will grant the title of the land to the County.

MR. SCHAEFER: Yeah.

MR. LYNCH: The County government will hold the title, very similar to the way that the State, for a very long time, has acquired land, and we do that all the time. So government will continue to own the land, and it will be open and available to the public.

MR. SCHAEFER: Well, you're emboggling (phonetic) on a very risky proposition. You have no Executive Director. You've got -- all of a sudden, the plan appears. I couldn't get it yesterday. The Board of Directors are very nice, very fine people -- no

developer on there that I can see -- Secretary Gessler. Well, it won't make any difference anyway. It's one of those things that will pass. All right.

GOVERNOR GLENDENING: We have a motion for approval. Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

GOVERNOR GLENDENING: Aye.

MS. KOPP: Aye.

MR. SCHAEFER: Abstain.

GOVERNOR GLENDENING: 2-0-1 vote. Thank you. If we could, as one last consideration, I see the very distinguished President of Morgan State University here with us, and that is Item 17 of the Department of General Services. Earl, would you like to comment on this, and then we'll go back to the regular schedule?

DR. RICHARDSON: Thank you very much.

MS. RICHKUS: This is Item 17 on the DGS Agenda.

GOVERNOR GLENDENING: Madame Secretary, would you like to add something first, and then we'll turn to

the President?

MS. RICHKUS: This action relates to condemnation proceedings for the Northwood Shopping Center, which is of great interest to the University.

GOVERNOR GLENDENING: I might add that, in addition to the persistent strong support on this from Senator Blount and others, that this was one of the last requests -- official responsibility in the meeting I had with Treasurer Dixon, who has had a great strong interest in trying to make this work as well. Mr. President.

DR. RICHARDSON: Good morning, Governor, Comptroller Schaefer, and Madame Treasurer. Thank you so very much for allowing me the opportunity to speak on behalf of this acquisition.

The Northwood property is adjacent to Morgan State University. As you know, like many urban campuses, Morgan State University is virtually landlocked. It has very few options to grow and to develop. And over the last 10 years, we have grown some 40 percent, in terms of enrollment. The

enrollment now is about 6,600. Five years ago, we developed a Hospitality Management Program, which is now underway, and we're working very hard to grow that program. Hospitality Management happens to be one of the fastest growing industries in the Baltimore-Washington area.

We have been fortunate, over the past, to acquire various pieces of land. Comptroller Schaefer, when he was Governor, helped us acquire the Montebello property, which is about 16-and-a-half acres of land. And then, of course, under Governor Glendening, we've been able to acquire the Pentridge, which is another 13 acres. And this is approximately seven-and-a-half to eight acres of land, which we hope to allow us to develop a Hospitality Management Conference Center to house the Hospitality Management Center, as well as to provide accommodations for the community -- the Northeast Baltimore Corridor.

I suppose that, over the last 15 years, at least -- 18 years, we have been interested in this piece of property. Of course, when I came to Morgan,

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we were interested in it as a part of future flexibility. Today, it is a need now, in terms of providing the housing for the Hospitality Program. In addition to that, we have a very shortage of space on the campus now for classroom space, and this will provide additional classroom space.

Right now, the Hospitality Management Program is housed within the School of Business, and it is later to develop into a School of Hospitality Management. The School of Business is approximately 1,300 students. And a few years ago, we got the Legislature to support the renovation and development of the Business Building, and already it is too small to accommodate the classroom space there. So the University is growing very rapidly, and we need this space.

The other thing, we believe that Morgan State University and Good Samaritan Hospital are, in fact, the linchpins of Northeast Baltimore. The extent to which we are able to develop Morgan State University and Good Samaritan will be the extent to which the

Northeast Baltimore Corridor will prosper. And we believe that this is absolutely essential, not just for the academic part of the University, but also for our role in developing the community.

We are very, very proud of the Fine Arts Center that has been developed at the University, thanks to the Governor and the Legislature and all of those that were involved -- the Comptroller when he was Governor. That has added a great dimension to our campus, and that, too, is not just housing for the academic program, but it is, indeed, a part of providing cultural enrichment for the Baltimore region. We believe that it will pay an even greater part, as it brings together the various communities to Northeast Baltimore.

Right now, I think we all know that if you want to go for cultural enrichment in Baltimore, you go downtown. Well, this is one of the first times that you will be able to come to Morgan State University, the Northeast Corridor of Baltimore, and enjoy that same cultural enrichment.

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The Hospitality Management Center, we believe, will be a natural compliment to that Fine Arts Center, because it will have both housing, conference center, and instructional space there. And we believe that that's going to be very, very important. We believe that, not only just for the immediate community, but we think that if we develop this center, as we have laid it out, that it can also be a conference center for the State and its State agencies in Baltimore. And so we think that this is absolutely important now.

When we first started talking about the acquisition of the Northwood property, several things were at work at that particular point in time. At that particular point in time, Morgan's enrollment was fluctuating. We didn't know where it was going. Of course, now it has grown 40 percent, as I have said to you, and continuing to go upward, only limited by space and faculty. The second part of that was, once we did stabilize the enrollment, then long-term leases were taken on the property by Hechinger's and Burlington,

and in just the last few months, all of that has changed, and the conditions, I think, are ideal for the acquisition of the property. Burlington, as you know, has gone Chapter 11, and so has Hechinger's, and now the property is available, I think, for us to acquire. And I would just ask the consideration of the Board in acquiring that property.

GOVERNOR GLENDENING: Questions from Board members?

MS. KOPP: I have a question. I don't know -- Mr. President, I remember many discussions on this property, and I don't have any question about how good it would be for the University. The plans for the building, however, are an entirely separate issue, correct?

DR. RICHARDSON: Yes, that's correct.

MS. KOPP: The other thing is -- this is just a question, Governor. I don't understand. The Board of Public Works' approval is requested to pay relocation, moving, and lease buyouts without any amount attached to it. Is that part of the -- I mean,

how do you know how much money you're talking about?

How does this work?

MR. LYNCH: The --

GOVERNOR GLENDENING: Gene, you want to introduce yourself?

MR. LYNCH: Yes, I'm sorry. My name is Gene Lynch. I'm the Deputy Chief of Staff to Governor Glendening. Madame Treasurer, the way that the process works is that, once we file condemnation, the State is then obligated to do a series of things. We are obligated to continue to negotiate in good faith, which, of course, we will do. We are also obligated to produce our judgment of the fair value of the property for the owner.

In addition, we must be willing to pay fair prices to any tenants and others that may have an interest that our condemnation might extinguish. So, for instance, if an individual -- and I'm not talking about this property in particular, but in general -- if an individual had a leasehold in a piece of property that said that they got to stay there for ten years at

a certain price, and we were going to buy the property and they would have to leave, then their argument would be that they have to go somewhere else and rent something else, so we have to pay them to physically relocate, because we are forcing them to move, as well as the difference in the real economic value between what they have in their present arrangement and what they would have in a fair market future arrangement.

Now, the language you described is the standard language. The particular facts of this case will be determined, ultimately -- as to relocation, et cetera, will be determined, ultimately, by a court, if we get there, or by negotiation, if we can achieve it beforehand, but we have to pay both the owner, as well as any others who might have a legitimate interest.

GOVERNOR GLENDENING: And the final approval, of course, comes back to the Board for the final purchase.

MR. LYNCH: Yes, sir. Once the -- if we go through the -- well, in either circumstance, whether we reach a negotiated agreement, which, of course, we will

try very hard to do, that would have to come back to the Board for final approval, or if we went all the way through court and there was a determination by the judge and the jury, that matter also would come back to the Board for a final decision.

MS. KOPP: So when it says, "Number two. Board of Public Works approval is requested," this isn't the request --

MR. LYNCH: This request is for the approval to file. We are asking for the approval to go forward and file.

MS. KOPP: That's not what this says.

MR. LYNCH: The filing -- I'm sorry. You're talking about to pay. We need to know -- we need to have, when we say to the court and we say to the property owner and the tenants, we have the approval to move forward with this.

MS. KOPP: But not any specific amounts.

MR. LYNCH: But not in the specific amount. That -- the -- excuse me. The appropriation of the actual dollars to do all of this will have to come

back, actually, both before the Legislature and the Board, because the dollars will have to be appropriated also. I'm sorry. I didn't make that clear enough.

GOVERNOR GLENDENING: Other questions on this?

MR. SCHAEFER: Uh-huh. Is there any vacant land out in Morgan that this building could be built on?

DR. RICHARDSON: Mr. Comptroller, I don't believe there is. We're always in search of additional land, but I don't think there is.

MR. SCHAEFER: Down near the parking lot, there's land down there.

DR. RICHARDSON: Right now, the "Q" parking lot, I think you're talking, near the Engineering Building, is more than used. For a while there, it wasn't being used properly. It is being used now. Plus, in the future, there's a request in our Budget five-year plan to build a second building there that will house the (unintelligible) Environmental Studies, the School of Architecture, and Civil Engineering.

MR. SCHAEFER: Now, this -- the old Hechinger building, do they still have a lease on the building, and does Burlington still have leases?

MR. CASSARD: Steve Cassard. The Burlington lease, I believe, has several months left until the closure of the bankruptcy. The Hechinger lease has expired.

MR. SCHAEFER: So there's no leases on the property, for all intents and purposes.

MR. CASSARD: That can change every day. There was a flea market that was being leased there that was in the parking lot that was a weekend event.

GOVERNOR GLENDENING: Much to the chagrin of the University.

MR. CASSARD: Well, yes, it caused some parking issues all around the community. That lease has gone away. But, again, sir, it is being marketed for lease, and potential tenants could come along. But, again, the Burlington situation is --

MR. SCHAEFER: Burlington's out. Hechinger's out.

MR. CASSARD: That's correct; Hechinger's is out.

MR. SCHAEFER: And there's a bunch of other leases that may be out there.

MR. CASSARD: There may be some small ones we're not aware of at this time -- some very small ones. And there's another portion of this that's a strip center next door that's not a party to this property.

MR. SCHAEFER: This is a request for condemnation, and our appraisals are four million dollars. If they come in with a seven million dollar return, what happens?

MR. CASSARD: Meaning a jury award of seven million dollars?

MR. SCHAEFER: Yeah.

MR. LYNCH: In the event that the jury were to disagree with us and say the price was seven million, then the options are one of two. We would bring it back to the Board, and we would bring it back, of course, to the Legislature.

The Legislature and the Board would have an opportunity to say, we will pay that seven million dollars -- that that is the judgment of the impartial jury and we will pay it, in which case, we own the property. The alternative to that is to say we will not pay it, in which case, we owe them, and it would serve effectively as a court judgment; we owe the owner reasonable costs and expenses.

MR. SCHAEFER: How much usually is that?

MR. LYNCH: That's pretty hard to answer that question. Most of the condemnations that I have done, we have negotiated prior to actually going to court. I would not like to speculate as to what a --

MR. SCHAEFER: A million dollars?

MR. LYNCH: I don't think it will be anywhere near that, but I -- you know, judges award -- judges decide what is reasonable and what is not reasonable. I really can't say what --

MR. SCHAEFER: Can we put a top on this and say that we'll pay the highest appraisal, which is 4,425,000, and if the jury comes in with higher than

that, that we just automatically say no?

MR. LYNCH: Sir, under the condemnation laws of the State and the procedures that have been in place for quite a very long time, that is not the way that the procedure works.

MR. SCHAEFER: I know that isn't the way, but can we do that, huh, Mr. Lynch? There's no reason why we can't do that.

MR. LYNCH: I can know that your judgment is that the maximum that we should ever pay, under any circumstance, is 4.5 million dollars. I can know that. It is not possible to file a condemnation, except under the circumstances I've described. We go forward in good faith and they go forward in good faith to try to ascertain what is the fair market value. At this juncture --

MR. SCHAEFER: Well, our fair market value is 4.4.

MR. LYNCH: Correct. And a requirement --

MR. SCHAEFER: Why couldn't we say that that's --

MR. LYNCH: Because the requirement of negotiating in good faith is that you are open --

MR. SCHAEFER: Sorry, Mr. Lynch. I didn't mean to interrupt you.

MR. LYNCH: Did I interrupt you, sir? I didn't mean to.

MR. SCHAEFER: No. We sort of interrupted each other.

MR. LYNCH: Okay. Would you like me to go ahead?

MR. SCHAEFER: Yes. Yes.

MR. LYNCH: A requirement of --

MR. SCHAEFER: I really want to hear what you have to say.

MR. LYNCH: I'm sorry. I couldn't hear you, sir.

MR. SCHAEFER: I really want to hear what you have to say.

MR. LYNCH: Okay. A requirement of going forward in good faith negotiation is that we are open to their explanation and convincing arguments they may

be able to make about why our analysis of what the property is worth is wrong. I don't, at this moment, know, other than what our appraisals say.

They have an appraisal that says seven million. They believe their appraisal, I would imagine, and they get, in good faith negotiations, the right to try to convince us, as we will try to convince them, at least at this point, that our number is correct. But if we judged today that the number was "X" and that's all it was under all circumstances, then we couldn't go forward in good faith and negotiate.

MR. SCHAEFER: Well, why can't we just say that we're going to spend 4.4 million?

MR. LYNCH: In order --

MR. SCHAEFER: That's -- our people are experts and our appraisals are always right, and we always take the high appraisal. Why can't we just say, okay, this is our appraisal and we're going to court and if you go above that, we're not going to buy the land.

MR. LYNCH: If we are to go forward with a condemnation procedure, which would give us certainty

that the property will come into our ownership, then we must afford the property owner the opportunity for an additional period of good faith negotiation. If we cap -- if we say this is the maximum we will consider under any and all circumstances, then we could not enter a good faith negotiation. We must be open to their position.

MR. SCHAEFER: Well, we think that 4.4 is a fair value.

MR. LYNCH: Yes, sir, we do think that.

MR. SCHAEFER: Well, why do we have to pay more for it?

MR. LYNCH: I didn't say we did have to pay more for it.

MR. SCHAEFER: No, well, can't we just say it's either 4.4 or go sell it to someone else?

MR. LYNCH: That would be a different judgment than what we are asking the Board to make. We are asking the Board, at this point, to make a judgment to go forward with the condemnation, to allow us to enter into a period of good faith negotiation, and if

that is not successful, to ask a judge and a jury to render their opinion as to value.

Anywhere along that time, we may reach an agreement and we may come back to the Board, at which point the Board and, in fact, the Legislature would be able to judge whether they agreed or disagreed with the position that we might take at that time. At this point, we believe the only way to secure this property is to move forward with the condemnation.

MR. SCHAEFER: How much will it cost to rehabilitate this building?

MR. LYNCH: I will ask the University to answer, although I think they intend to take the buildings down.

DR. RICHARDSON: Yeah.

MR. SCHAEFER: Take the buildings down?

DR. RICHARDSON: Yes, Mr. Comptroller. We're going to take them all down and build a new structure on it, which would then constitute the Hospitality Management Conference Center. They would not be appropriate for what we want the land for.

MR. SCHAEFER: And there's no land out around there that you could use at the present time?

DR. RICHARDSON: There is none.

MR. SCHAEFER: All right.

GOVERNOR GLENDENING: Let me also -- I noted earlier that Senator Blount has spoken to me several times on this. I'd be in great trouble if I didn't note Senator McFadden's strong support -- the entire delegation, but especially Senator McFadden, who has spoken several times on behalf of Morgan on this. Other questions?

(No response.)

GOVERNOR GLENDENING: Could we have a separate motion on this, in deference to our President, so he may leave? Do I hear a motion for approval?

MS. KOPP: So moved.

GOVERNOR GLENDENING: I'll second.

Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

GOVERNOR GLENDENING: Aye.

MS. KOPP: Aye.

MR. SCHAEFER: Abstain.

GOVERNOR GLENDENING: 2-0-1 vote. Thank you. Now, let me also, just real quickly, and I think it's a minor item, but I see Delegate Sue Hecht here, and she has stepped out of the Legislature for a few moments to come forward on Item 24, Department of General Services, Item "D." Delegate Hecht, if you would like to come forward, and you have been a champion for this program, getting it through the Legislature, and leading the community debate for it. I'll give you the opportunity to speak. I see also our very distinguished --

DELEGATE HECHT: Thank you, Governor, and welcome back. We're glad to see you. And Mr. Comptroller and Madame Treasurer, we are glad to see you there. We miss you already. This is a great project. It's the Girl Scouts Loan of 2000. We are asking for certification on our matching funds of \$100,000. Former County Commissioner of Frederick County, Bruce Reeder (phonetic) is on the Board and is

here also to support this. We also have Frances Randall (phonetic).

GOVERNOR GLENDENING: Mr. Reeder, would you like to add anything?

MR. REEDER: Good morning, Governor, Comptroller, Treasurer. Yes, we got over 4,000 Girl Scouts in Frederick County that really don't have a campsite they can call their own. There are three processes we have to go through before we go to construction. Excuse me.

One was the Board of Zoning Appeals for a special exception in the zoning area of the 125 acres. We have that approval from Frederick County, as of December 22nd. The second thing we have to do is go enter into a lease agreement with Frederick City. I have a letter from Mayor Dougherty dated yesterday, where it says the final agreement is in the final stages of preparation. We're on the Board for March the 6th and March the 7th. And the final thing is the site plan for Frederick County Planning Commission, which will take 90 days or so, and that's going to run

us beyond the June deadline. So we would appreciate your encumbering the funds for the construction. We've raised over \$250,000 on our own for this campsite, and we'd like for you to incumber the funds for us.

GOVERNOR GLENDENING: Bruce, thank you. Let me just note, Sue, you fought for this two years ago, I think it was, and it's tremendous leadership, and we certainly appreciate it. Are there questions on this project?

(No response.)

GOVERNOR GLENDENING: Do I hear a motion for approval?

MS. KOPP: So moved with pleasure.

GOVERNOR GLENDENING: I'll second.
Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

BOARD MEMBERS: Aye.

GOVERNOR GLENDENING: 3-0 vote.
Congratulations.

DELEGATE HECHT. Thank you.

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MR. REEDER: Thank you very much.

GOVERNOR GLENDENING: The first 3-0 vote of the morning as well.

(Laughter.)

DELEGATE HECHT: It's a good start. Thank you.

MR. SCHAEFER: It's the first one that made sense.

(Laughter.)

GOVERNOR GLENDENING: If we could turn to General Services. Madame Secretary.

MS. RICHKUS: Thank you, Governor. Members of the Board, you've already taken care of two of our 29 items. I'd be glad to try and answer any other questions you might have.

MS. KOPP: I have a question on number eight. Again --

GOVERNOR GLENDENING: Comptroller, do you have anything before Item eight?

MR. SCHAEFER: Yeah, I got five.

GOVERNOR GLENDENING: Can we do five first?

MS. KOPP: Sure.

GOVERNOR GLENDENING: Item five.

MR. SCHAEFER: Replace -- June the 4th, '01, replace ejector pumps for 10,000. What's that mean?

MS. RICHKUS: Yes. That was for ejector pumps at South Beach, Sandy Point.

MR. SCHAEFER: Yeah. What was wrong?

MS. RICHKUS: The pumps were ten years old, and we were unable to get -- "we," the Department of Natural Resources, were unable to get replacement parts.

MR. SCHAEFER: You weren't able to get replacement pumps?

MS. RICHKUS: Replacement parts for the old pumps.

MR. SCHAEFER: Parts? You weren't able to get parts?

MR. NELSON: That's correct. I'm not particularly involved in this ejector pump purchase, but that is what the Department of Natural Resources' Forest and Park Service has advised the Department of

General Services that they need.

MR. SCHAEFER: What makes these so special that you can't get replacements for a pump?

MR. NELSON: Why don't I find out why that procurement was particularly hard.

MR. SCHAEFER: Why don't you know?

MR. NELSON: I don't know. I'd be happy to get you that information.

MR. SCHAEFER: Well, if you will get me the information. I won't hold it up, but it would be nice.

MR. NELSON: I'd be happy to get you that information.

MR. SCHAEFER: Okay. That's all I got.

GOVERNOR GLENDENING: The next item is Item eight.

MS. KOPP: I'm just curious how this works, when you don't know who the --

MS. RICHKUS: This item, for the record, is to proceed with the condemnation of 57 separate properties, the owners of which cannot be located.

GOVERNOR GLENDENING: You may want to, Mike,

describe the kind of curious process that got us to this. This was an early speculative venture.

MR. NELSON: Treasurer, Green Ridge State Forest is about 40,000 acres. The bulk of that property, back in 1910 or 12, was owned by a family called the Murton's (phonetic), and they had a real estate scheme where they sold off 10-acre lots and 20-acre lots and 2,500-square-foot lots. It collapsed and failed, but, nonetheless, title was conveyed to literally hundreds of owners creating a management regime that looks like --

(Mr. Nelson approached the Board with a drawing.)

MR. NELSON: This is Green Ridge State Forest in Allegany County, and this is what the failed real estate project gives us back -- all of these yellow innholdings. And they are -- we have tried repeatedly to contact the unknown owners without success. Right now, these property owners pay no taxes to the county. The county considers them lost souls. So what we do -- what we're trying to do is literally go to court and

condemn these properties and set aside some money, which is what the Board will do, is allow General Services --

MR. SCHAEFER: Well, then, you do know who the owners are.

MS. KOPP: Where does the money go?

MR. NELSON: The money -- the court -- do you want to explain condemnation for me? The money is held by the court.

MR. CASSARD: That's right. If you're familiar with, like, quieting title issues, where an attorney will go and advertise defects in titles and anybody who has any claims, you have 30 days to respond. And so a similar process will take place where there will be massive advertisements, notice -- public notices for any heirs that may have any claims to these properties, and the court will hold the funds. I can't answer for how long or at what point are the funds then refunded back to the State, because there may be a point where there will be no claimants, at which time Natural Resources, I believe, will take

possession of the property.

MR. NELSON: Right.

MS. KOPP: But there's no basis on which to know how long it goes on?

MR. CASSARD: I'm not certain about the time frame of the procedure for the notice. It may well be prescribed by law. Unfortunately, the attorney handling the condemnation action is not here today to answer that specific question. We can, certainly, get you the information on the time frame issue.

MS. RICHKUS: But we can get that.

MR. SCHAEFER: You do know who the owners are.

MR. CASSARD: No, sir. As Mike --

MR. SCHAEFER: You don't know any of the owners on all those lots out there? Aren't they on the tax records?

MR. NELSON: In fact, there's 200 owners -- 200 properties that we don't know. This is just the beginning of this process.

MR. SCHAEFER: Well, eminent domain or

something else or tax sales or something like that.

MR. NELSON: That's what we're proceeding to do.

MR. SCHAEFER: Tax sales -- you're going on tax sales?

MR. NELSON: No. We're going through the eminent domain proceedings.

MR. SCHAEFER: Why not go through the tax sales?

MR. NELSON: We are -- I'm advised by counsel that the only way to clear the title on these and to acquire the interest is to do it through sort of a blanket condemnation and post the money with the court. That's the best advice --

MR. SCHAEFER: And I asked you why you haven't been doing it on tax sales for all these years?

MR. NELSON: All I can do is ask Janet Handy (phonetic), who works for State Highways, who's the condemnation specialist. I will ask her why a tax sale did not work and we must go forward.

MR. SCHAEFER: Well, can you give me an

answer of why -- just give me any lot. You had a whole bunch of lots you were hiding down there that I couldn't see.

MR. NELSON: I'm not hiding anything. I'll let you see it.

(Mr. Nelson approached Board with drawing.)

MR. SCHAEFER: I'd like to see it too.

MS. KOPP: Hold it -- if you could hold it up. That's good.

MR. SCHAEFER: Now, all those lots, you can't get the answer on who owns any of those?

MR. NELSON: Correct.

MS. KOPP: Well, who's supposed to know this? Is the County supposed to have that?

MR. NELSON: And the County, basically -- we've got a signed letter from all the County Commissioners encouraging us to do this, because --

MR. SCHAEFER: Well, why are you doing it now? Why? You don't really need it.

MR. NELSON: Because we do really need it.

MR. SCHAEFER: Why?

MR. NELSON: The Green Ridge State Forest is important to Allegany County's economy in, at least, two ways that I can tell you right now. One, tourism; hunting, camping, mountain -- it is the mountain biking center in Maryland. It's a very, very popular activity. The forest products industry remains of importance to Allegany and Garrett Counties particularly.

MR. SCHAEFER: You're on that propaganda speech now.

MR. NELSON: No, no, no.

MR. SCHAEFER: What about these lots; you can't go on these lots now, just like when you go out there, you've got to stop --

MR. NELSON: You can't go on them, because they paper lines now. So you've got -- you know, we're trying to develop trails.

MR. SCHAEFER: I can't walk through those lots now?

MR. NELSON: You can, but, technically, you're trespassing.

MR. SCHAEFER: Against who?

(Laughter.)

MR. NELSON: We don't know. We know the last --

MR. SCHAEFER: This is a wrong procedure. Tax sales -- there was a tax sale and they haven't paid. There's some way -- what's the matter with the Attorney General doing something about getting those tax sales?

MR. NELSON: That's what I need to find out. The Attorney General is advising the Department that we need to proceed in this manner.

MR. SCHAEFER: Well, I'd like to know why you didn't proceed on tax sales.

MR. NELSON: I understand that, and I would be happy to ask the Attorney General --

MR. SCHAEFER: I can't believe that there are 200 lots out there, and you can't find the owner of any of those lots.

MR. NELSON: We know the last owner, according to Murton's, but we can't get a hold of them.

They're not -- they don't exist. They're lost souls.

MR. SCHAEFER: Well, if they're lost souls, then you don't have to worry about them.

MR. NELSON: But the County doesn't receive the benefit of the properties on their tax rolls. We have a partnership with --

MR. SCHAEFER: Wait a minute. There's --

MR. NELSON: They receive no taxes now. When they are in State ownership, we give Allegany County 25 cents of every dollar we take in, whether it's a forest products sale or whether it's a recreational use. We have a -- basically, it's a payment in lieu of taxes, by another name.

MR. SCHAEFER: So you've been paying on these lots, or you haven't been paying on them?

MR. NELSON: We haven't been paying Allegany County.

MR. SCHAEFER: Now, you're going to start paying on these lots.

MR. NELSON: Once we own them and we make them part of Green Ridge State Forest, we will pay 25

cents to Allegany County of every dollar we make.

MR. SCHAEFER: You can give the money away, can't you?

MR. NELSON: We are just --

MR. SCHAEFER: So far, you don't know any of the owners.

MR. NELSON: We don't know.

MR. SCHAEFER: Nobody has claimed any money. You've searched title to all the lots.

MR. NELSON: Yes.

MR. SCHAEFER: I'd like to see some of the -- this will pass anyway, but I want to see the title searches maybe on ten lots.

MR. NELSON: We've got it.

MR. SCHAEFER: You got them there?

MR. NELSON: I don't have -- I have what efforts the State has made on each one of these lots.

MR. SCHAEFER: No, I want to know the title searches.

MR. NELSON: I don't have them with me.

MR. SCHAEFER: Yeah, Mr. Nelson.

MR. NELSON: I don't have them with me. I'd be happy to --

MR. SCHAEFER: I'd like to have them. I'd like to see ten of them.

MR. NELSON: You shall have them.

MR. SCHAEFER: Just give me ten of them.

MR. NELSON: You shall have them. You'll get ten.

MR. SCHAEFER: Okay. This is the wrong procedure. You should have done it by tax sale. You're going through a condemnation.

MR. NELSON: And we'll also get a letter from the Attorney General's Office that describes why a tax sale won't work in this instance.

MR. SCHAEFER: Okay.

MS. KOPP: Governor, I don't know if this is out of order, but we're talking about the first 57 out of 200, and I do share the Comptroller's question about the tax sale. Is there any reason why we couldn't do this two weeks from now?

GOVERNOR GLENDENING: No, I think -- Mike,

why don't you pull the item for two weeks, and then try to get the additional information, and, particularly, it's unfortunate -- normally, we have an Assistant Attorney General here who would have all that --

MR. NELSON: We'd be happy to withdraw it and return after we've answered your question.

GOVERNOR GLENDENING: Okay. So we'll withdraw that item. Next item.

MR. SCHAEFER: 9-RP.

MS. RICHKUS: Item nine is a request to the Board to accept an agreement of sale to purchase property in conjunction with Gunpowder Falls State Park.

MR. SCHAEFER: Why is this needed?

MS. RICHKUS: Mr. Nelson.

MR. NELSON: The Department of Natural Resources manages Gunpowder Falls State Park. Without a doubt, the most popular facility is a 20 -- approximately a 20-mile abandoned railroad corridor that runs from the Baltimore City line all the way to the Pennsylvania line. It's called the Northern

Central Railroad Right-of-way. We acquired a quick-claim deed on that abandoned right-of-way, and it runs along the Gunpowder River. So people, when they use that trail, they tend to wander into the woods and try to get to the river. So what we have tried to do, as a matter of policy, is to acquire those properties that are between the river and the trail, as a buffer for the trail, but also to provide access to the river. It's that simple.

MR. SCHAEFER: In other words, as they go out the trail -- you're going to buy the land in between the trail and the river, so people can go into the river.

MR. NELSON: Access to waterways is probably, you know, a very -- it's one of the most popular activities we have in a park, whether it's Rocky Gap, Sandy Point, Assateague, are rivers. And this 20 miles --

MR. SCHAEFER: And this is the year we have to do it, when we don't have any money.

MR. NELSON: I would say, yes, we need to do

this, because we made -- the program has been reduced to deal with cost containment.

MR. SCHAEFER: Well, why don't you reduce it again to next year, when we see if we have any money.

MR. NELSON: Well, we're going to reduce it. With the budget that's before the General Assembly now, the decision is whether to reduce the transfer tax programs by 25 percent or by 50 percent. So there, undoubtedly, is going to be a reduction --

MR. SCHAEFER: I understand that, but why can't you hold this up until next year to see if we have any money. We don't have any money this year.

MR. NELSON: There are transfer taxes collected that are in an account managed by Program Open Space for this purchase.

MR. SCHAEFER: Well, now --

MR. NELSON: We are going -- we -- that account is going to be reduced dramatically to deal with cost containment.

MR. SCHAEFER: Well, why can't you dramatically reduce it again by --

MR. NELSON: Because --

MR. SCHAEFER: You're paying the high appraisal anyway. It appraised for 163, so out of our generosity, we're giving them 210.

MR. NELSON: I guess we think we contribute our fair share towards cost containment and we be allowed to spend the remaining money on legitimate projects. This is one, and we're comfortable asking General Services to recommend it to you.

MR. SCHAEFER: Well, I'm not comfortable --

MS. RICHKUS: And for the record, Mr. Comptroller, we are not paying at the high appraisal. We're paying --

MR. SCHAEFER: No, you're paying in between the two, but you didn't go for the low appraisal, which is 163. Why don't you -- that would be bad enough to have 163, but you -- in our generosity, you go up to 210, which is 40,000 more. Just give it away. It doesn't make any difference. We've got plenty of money. We don't have enough money for Medicare and Medicaid. We don't have enough money for health. We

don't have enough money for housing, but we got enough money to give more money than the appraised value.

Okay. That's all I have.

GOVERNOR GLENDENING: Any other questions on this Agenda?

MS. KOPP: On this item?

MR. SCHAEFER: Oh, yeah, I got some more questions. Next is ten. I want to pass on this one. Ten.

MS. RICHKUS: Item ten is to purchase an additional 8.9 acres of land at the entrance of Jefferson Patterson Park and Museum to protect the last remaining African-American tobacco farmstead.

MR. SCHAEFER: You're giving more than the appraised value on this one. Why?

MS. RICHKUS: The additional over and above the high appraisal is being paid for by the Friends of Jefferson Patterson Park and Museum, not by the State.

MR. SCHAEFER: How much are we paying?

MS. RICHKUS: 150 from Program Open Space -- 150,000 -- and 50,000 from Maryland Preservation Fund,

with the remaining 10,000 from the Friends of Jefferson Patterson.

MR. SCHAEFER: So they're paying the extra money over and above the appraised price?

MS. RICHKUS: Yes, sir.

MR. SCHAEFER: Why couldn't we have charged -- gone for the low price of 170, because we don't have any money this year?

(No response.)

MR. SCHAEFER: Okay. No answer. I don't need an answer. I know what the answer is. Number 11.

MS. RICHKUS: Item 11 is an agreement of sale for 59 acres that we propose the State purchase from the Eastern Shore Land Conservancy.

MR. SCHAEFER: Why are we buying it from them?

MR. NELSON: We are, in fact, trying to establish a greenway, if you will, of protected lands along the Nanticoke and Marshyhope Creeks. This is an acquisition within the project boundaries for that. Typically, we, in some instances, take advantage of

land trusts and national nonprofits who acquire interest in properties and we take them out.

MR. SCHAEFER: You've got an awful lot of land acquisition on this. You didn't have any on the last Agenda. All of a sudden, they're all poured on this one. Why couldn't you put these off until after we find out whether the budget can be passed? Why are we rushing these now; because the Governor is going to sit today?

MR. NELSON: The Department routinely brings whatever transactions DGS has dealt with, has contracts for and appraisals -- they bring them to the Board of Public Works. The same thing with the local Program Open Space Agenda; once we process the paperwork, we bring them to the Board. Some weeks we have more than other weeks. It's not -- you know, there's not a --

MR. SCHAEFER: Not this one. This one's just jammed full of buying open land. And I -- there's something wrong with this. You could have waited until after, to see if you have any money. There's not any big rush on these. There's no gigantic rush. Some of

these have been -- like the one that's out in Allegany County that's been going for 12 years or that one that's going to that rich community down there; it's been there for 12 years. All of a sudden, all of these pop on the Agenda when we don't have any money.

MR. NELSON: All I've tried to say repeatedly is that we've not decided to terminate Program Open Space and all of the programs that the transfer tax funds. We have agreed with the Administration, and it put it in the Budget Reconciliation Act, 30 million dollars of prior appropriations and 27 million dollars in fiscal year 2003, so the program's been reduced, and we are going forward with deliberate speed --

MR. SCHAEFER: I'm sure you're going with deliberate speed.

MR. NELSON: -- to acquire interested property, which is what we're supposed to do.

MR. SCHAEFER: When you have the money and when the budget -- we're not going to pay 56 million or 75 million to the Retirement Fund -- we can't pay that, but we can buy a bunch of land that you could put off

till maybe a year when we have some money.

MR. NELSON: Obviously, I can't articulate our position in a way that satisfies you, so --

MR. SCHAEFER: You're right; you can't.

MR. NELSON: You know, so I don't know what else I can do, Comptroller Schaefer.

MR. SCHAEFER: You can keep some of these off of here until we find out what the budget's like.

MR. NELSON: We already are keeping 30 million dollars of these --

MR. SCHAEFER: No, you're not. You've already -- those people told you to take the 30 million out. You wouldn't voluntarily give up 30 million dollars.

MR. NELSON: We are part of State government --

MR. SCHAEFER: You would give up -- you wouldn't --

MR. NELSON: -- and all of the agencies have to participate in cost containment, and we are doing our share, and I'd argue --

MR. SCHAEFER: You didn't do that. They assessed you that.

MR. NELSON: They did that in consultation with us. They --

MR. SCHAEFER: Oh, they asked you how much you could afford?

MR. NELSON: No. They, basically, said, you know, what's available.

MR. SCHAEFER: Well, you got much more -- well, it's no use arguing this, because you're trying to protect Program Open Space, which is very good, and it would be great if you had the money. You're not going to pay the Retirement Fund. You're not paying Medicare -- education's cut back. There's a couple of agencies that are going to go out of business, because of what the budget that was presented to the Legislature.

MR. NELSON: There's 57 million dollars of real estate transfer tax paid for by people who purchased property that's not going to go into the reason why that tax was collected to deal with the

things that you're talking about.

MR. SCHAEFER: Right. And there's a tax reduction that's supposed to be -- go to the people, too, that most likely won't be done. All right. Ten. Oh, I did that one. Twelve.

MR. NELSON: This is the same -- I mean, this is the same sort of transaction, Comptroller Schaefer.

MR. SCHAEFER: Councilman Schaefer?

MR. NELSON: We're acquiring land along the Nanticoke River.

MR. SCHAEFER: Did he call me councilman?

MR. THORPE: No. He said "Comptroller."

MR. SCHAEFER: Oh, I thought he said "councilman." I thought you were commending me by calling me a councilman. Is the Fubar Hunt Club still in existence?

MR. NELSON: They won't be, after we acquire this property. What's happening in many of the areas on the Eastern Shore, and even some out west, is the rod and gun clubs are dissolving, and we can buy the property from them.

MR. SCHAEFER: Oh, man, that's important that we buy it, isn't it?

MR. NELSON: There is a strong support for land conservation in the State of Maryland, Comptroller Schaefer.

MR. SCHAEFER: I know that. I know that. I know that. The Governor's got it all over the country. I agree with that, if you could afford it. Fourteen.

MS. KOPP: Could I just ask a question about 12? Just so I -- it's a little confusing to me here. This is the purchase from the Hunt Club, right?

MR. NELSON: Right.

MS. KOPP: And then, "assignment," what is that?

MR. NELSON: Basically, The Conservation Fund is a national nonprofit organization --

MS. KOPP: Right.

MR. NELSON: -- that did the negotiations, bring the contract to the Department of Natural Resources. General Services takes a look at the values, and then we bring it to you to be able to

reimburse The Conservation Fund for their cost in acquiring it.

MS. KOPP: So the assignment is from The Conservation Fund to the State of Maryland.

MR. NELSON: To the State of Maryland.

MR. CASSARD: That's correct.

MS. KOPP: And the purchase was from -- by The Conservation Fund to the Hunt Club.

MR. CASSARD: They, in effect, assigned their contract to the State, and there was only one settlement. The Conservation Fund does not get into the chain of title. It will pass directly to the State. But their contract document, their vehicle, is what they are assigning to us, and then we proceed to settlement --

MS. KOPP: Okay.

MR. CASSARD: -- under the same terms --

MS. KOPP: Thank you.

GOVERNOR GLENDENING: Next item.

MR. SCHAEFER: Fifteen. Same question; why do we need this now?

MS. RICHKUS: Item 15 is for purchase of property in Prince George's County, Cedarville State Forest.

MR. SCHAEFER: Okay. I'll get the same answer, so -- 16. Why do they need a perc test on this?

MS. RICHKUS: I'm sorry, Mr. Comptroller?

MR. SCHAEFER: Sixteen.

MS. RICHKUS: Item 16?

MR. SCHAEFER: Yeah. What are we buying there?

MS. RICHKUS: This is six -- a little more than six acres in Wicomico County to protect the integrity of the adjacent forest area. Mike, do you have anything else you'd like to add?

MR. NELSON: The Department manages the Wicomico Demonstration Forest. This is an inholding within that forest that we would like to acquire with Program Open Space funds. General Services conducted appraisals of the property, negotiated the acquisition for us.

MR. SCHAEFER: Why do you need a perc test?

MR. CASSARD: Mr. Comptroller, the answer to that question very much determines the value. If you see, there's a big spread between the two appraisers. One appraiser says \$10,000; another appraiser says 30,000. There's a big caveat to the \$30,000 appraiser estimate of value. That appraiser said, subject to a perc test, it proves you can build on the site. The first appraiser said, I see no perc test, and therefore I'm going to appraise it, assuming that it is not a buildable site. The property owner came to us with a county perc test, which, in effect, affirms Mr. Rayfield, the \$30,000 appraisal valuation, because the owner has, subsequently, proven that there is a perc test valid, that that site can be a site for a home.

MR. SCHAEFER: Did you go back and ask Mason if he would re-evaluate now that there is a perc on it?

MR. CASSARD: Absolutely, but we'd have to pay him more money for that opinion of value.

MR. SCHAEFER: Oh, gee. Oh, my gosh. We wouldn't want to spend any more money.

MR. CASSARD: Well, his value was appropriate for a site without a perc test.

MR. SCHAEFER: Yeah. Another thousand dollars on the appraisal, and so we give him 29,000 instead of the ten. Seventeen. We've already done that one. Eighteen.

MS. RICHKUS: Item 18 is a lease renewal for the Department of Human Resources in Baltimore City at their facility on Biddle Street.

MR. SCHAEFER: "This lease conforms with the Governor's Executive Order on water conservation." Now, what are they going to do in that building, turn off the water?

MS. RICHKUS: We have incorporated a water conservation clause into our lease agreements.

MR. SCHAEFER: Yeah. What are they going to do?

MS. RICHKUS: They require that water consumption be reduced by at least seven percent by the year 2003, eight percent by the year 2005.

MR. SCHAEFER: How?

MS. RICHKUS: There are a variety of methods to achieve such reductions, and it depends on the particular operating systems of each facility and --

MR. SCHAEFER: Turn off fountains; will that be one?

MS. RICHKUS: I don't believe there's a fountain at this facility, Mr. Comptroller.

MR. SCHAEFER: Oh. Well, maybe we can find one. I can tell you some fountains that are recirculated. We haven't put them on for a couple of years. We'll have them on next year.

MS. RICHKUS: Given the severe drought conditions the State is facing, I'm sure these water conservation efforts will make a positive contribution.

MR. SCHAEFER: Impossible to turn on that fountain on the mansion?

MS. RICHKUS: We have addressed that matter in the Water Conservation Plan for Government House. Depending on circumstances when Spring arrives, we will look at that.

MR. SCHAEFER: Well, not to belabor the

point, but that doesn't take up any water; all that does is circulate the same water. How does that --

MS. RICHKUS: As you say, there is some water loss, but it's primarily recirculated.

MR. SCHAEFER: I'll bring you the gallon a week.

MS. RICHKUS: We'd be glad to share the plan with you, Mr. Comptroller.

MR. SCHAEFER: Okay. I'd like to see it. Nineteen.

MS. RICHKUS: Nineteen is leasing for an addition to an existing lease for Public Safety and Corrections for their Office of Professional Development and Uniform Recruiting. This is in Pikesville for an additional 920 square feet, bringing the total to approximately 20,000 square feet, Mr. Comptroller.

MR. SCHAEFER: And this is going to be a five-year option?

MS. RICHKUS: This is a three-year option -- a three-year -- I'm sorry -- with an option for five

years.

MR. SCHAEFER: Okay.

MS. RICHKUS: It's a three-year lease with a five-year option, yes, sir.

MR. SCHAEFER: Twenty-four. Why are we making the School for the Blind come up with \$75,000?

MS. RICHKUS: Item 24 includes several of our capital grant and loan items. This is -- you're referring to Item "G" --

MR. SCHAEFER: "G", yeah.

MS. RICHKUS: -- which is specifying certification of matching funds. And this particular item is for planning and design of ADA improvements for the Maryland School for the Blind.

MR. SCHAEFER: In other words, they have to come up with 75,000?

MS. RICHKUS: They have to certify that they have the matching funds, and we have a letter from them showing that they have this in an endowment fund.

MR. SCHAEFER: We can pay overappraised prices for open land, but we can't give the School for

the Blind 75,000. All right. Twenty-five. Green Point.

MS. RICHKUS: Item 25 is for the new Allegany County Detention Center, but if I may, Mr. Comptroller, I just wanted to make you aware that the School for the Blind will be getting \$75,000 for the State -- from the State.

MR. SCHAEFER: Yeah. And they're putting up 75 themselves.

MS. RICHKUS: Yes.

MR. SCHAEFER: Yeah. What I was asking is why we just didn't give them 150 -- blind kids.

MS. RICHKUS: I misunderstood.

MS. MCDONALD: I think it was a requirement in the bond bill that the General Assembly passed, Comptroller. The General Assembly required the Blind School to come up with 75,000.

MR. SCHAEFER: Yeah, I know the bond bill. All right. Twenty-six.

MS. RICHKUS: Item 26 is the -- related to the conversion of the former Children's Hospital Campus

on Greenspring Avenue in Baltimore to a Career and Technology High School for the Kennedy Krieger Institute.

MR. SCHAEFER: Okay. That's all I got.

GOVERNOR GLENDENING: Madame Treasurer, do you have anything else on this Agenda?

MS. KOPP: No.

GOVERNOR GLENDENING: Do I hear a motion for approval, other than those items that were separately approved?

MS. KOPP: So moved.

GOVERNOR GLENDENING: It's been moved. Do I hear a second?

(No response.)

GOVERNOR GLENDENING: I'll second.
Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

BOARD MEMBERS: Aye.

GOVERNOR GLENDENING: 3-0 vote. Secretary's Agenda.

MS. MCDONALD: Good morning, Governor, members of the Board. We have 11 items on the Secretary's Agenda this morning. You've already approved Item seven.

MR. SCHAEFER: Ten.

MS. MCDONALD: Ten is an item from the Stadium Authority. Kim McCalla is here to discuss the seats at Towson University Sports Complex. I'm sure she can also discuss other Stadium items.

MS. MCCALLA: Good morning, everyone. Are there specific questions that I may answer?

MR. SCHAEFER: Yeah. Before we get to that, the Stadium Authority can't make the payment to the schools do you know anything about that?

MS. MCCALLA: No, I don't.

MR. SCHAEFER: Where is Mr. Slossen?

MS. MCCALLA: I'm not sure. Sorry. I believe he's down in Annapolis with the Legislature.

MR. SCHAEFER: He doesn't have time to come up here anymore.

MS. MCCALLA: I don't know his schedule, sir.

MR. SCHAEFER: Well, I know he doesn't think this is important. But would you ask him why he's not going to make the payment of 2.4 million?

MS. MCCALLA: Yes.

MR. SCHAEFER: That's one. Is the Hippodrome in any danger, as a result of those tax credits it lost?

MS. MCCALLA: I do not believe so. I do not believe so, but I'll verify that.

MR. SCHAEFER: Would you?

MS. MCCALLA: Yes.

MR. SCHAEFER: Because they got -- work with Hippodrome to install until private funds are guaranteed and also the tax credits.

MS. MCCALLA: I will bring all the appropriate information to you.

MR. SCHAEFER: Okay. How are you coming on that great job that you did out there to tear the Memorial Stadium down?

MS. MCCALLA: The Memorial Stadium job? From what I understand, driving by, the entire --

MR. SCHAEFER: Do what?

MS. MCCALLA: I said, driving by it, the entire facility is down.

MR. SCHAEFER: I'm not hearing you.

MS. MCCALLA: You're talking about Memorial Stadium?

MR. SCHAEFER: Yeah.

MS. MCCALLA: The entire facility is down.

MR. SCHAEFER: You did a great job.

MS. MCCALLA: I will pass that on.

MR. SCHAEFER: Yeah, tell him that was really wonderful. He tore down the Stadium, which could have been used. He tore down the memorial to the veterans. Of course, he's not a veteran, so he couldn't care less, but some of us did. If you would, tell him I think he did a great job.

MS. MCCALLA: I will do that.

MR. SCHAEFER: Now, I want to commend you. I think you, on ten, did an outstanding job.

MS. MCCALLA: Thank you.

MR. SCHAEFER: He must not have had anything

to do with this. You were able to go out and get replacements immediately. So I don't want to ask you anything; I just want to tell you I think you did a great job on that.

MS. MCCALLA: Thank you. I appreciate that.

MR. SCHAEFER: That's the last time I'll commend you.

(Laughter.)

MR. SCHAEFER: I don't have anything else.

MS. MCCALLA: Thank you.

GOVERNOR GLENDENING: Any other questions on this Agenda?

(No response.)

GOVERNOR GLENDENING: Do I hear a motion for approval, other than those items priorly approved?

MS. KOPP: So moved.

GOVERNOR GLENDENING: Second?

MR. SCHAEFER: Second.

GOVERNOR GLENDENING: Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

BOARD MEMBERS: Aye.

GOVERNOR GLENDENING: 3-0 vote. Open Space.

MR. NELSON: Governor, members of the Board, we have 15 items today on the Program Open Space Agenda. This is the local side of the program.

MR. SCHAEFER: Now, this is important, because you're buying four more -- five more acres to add to the 400 acres already owned.

MR. NELSON: Which item are you asking about?

MR. SCHAEFER: Oh, you don't know these. 8-A, Rockburn Park, Gizinski.

MR. NELSON: The Rockburn Park is -- Howard County is proposing to acquire this to eliminate the potential development of 22 single-family home sites. Gary Arthur, the Director of Parks and Recreation is here from Howard County with a map to show you why this acquisition is significant.

MR. SCHAEFER: And, of course, you approve this.

MR. NELSON: We -- as I -- we make an allocation to all jurisdictions in Maryland. They,

basically, do a five-year plan that says how they propose to spend their allocation of Program Open Space funds, and they come up with an annual list of projects. This project is on that annual list for your consideration.

MR. ARTHUR: Good morning. How are ya'll? My name is Gary Arthur. I'm the Director of Recreation and Parks. First of all, I'd like to take a moment just to say thank you for the Administration's support of Program Open Space. It means a great deal to a lot of county agencies in their efforts to deliver recreation and park service and to preserve land. We appreciate the Administration's support with that.

MR. SCHAEFER: Are you also pleased that you're not getting as much money this year from the State?

MR. ARTHUR: Comptroller Schaefer, I understand it's a very tough time.

MR. SCHAEFER: I just wanted us to recognize there is a tough time, while you're commending everybody for spending money that we don't have. Okay.

MR. ARTHUR: Well, let me present the two proposals that we have. People in Howard County are quickly losing their open spaces, especially -- particularly in the eastern area. The two proposals that you have in front of you are for acquisitions that lie within the eastern area of Howard County. The Rockburn property that you were questioning, sir, is adjacent to a regional park of around 406 acres, and it does allow us to acquire access to Montgomery Road to a certain area of the park, but it also would stop a housing development from going into that property.

MR. SCHAEFER: You got a map to show it?

MR. ARTHUR: Yes, sir.

(Mr. Arthur approached Board members with map, as requested.)

MR. ARTHUR: This is the park, 425 acres. This is the access. The piece of property, in particular, is red. This is Montgomery Road. The county owns this property. We're looking at providing not only access off of Montgomery Road, but also a buffer from what we think will probably be the rest of

a residential community at some point.

MR. SCHAEFER: The red is a -- would be a residential community?

MR. ARTHUR: If we would not purchase, yes.

MR. SCHAEFER: What's wrong with building a few houses?

MR. ARTHUR: Well, nothing's wrong with that, sir, but we think that it would allow us access to -- off of Montgomery Road for our particular property.

MR. SCHAEFER: I don't follow you.

MR. ARTHUR: See, Montgomery Road --

MR. SCHAEFER: You own all this now.

MR. ARTHUR: Yes.

MR. SCHAEFER: And you don't have access to the road.

MR. ARTHUR: Right. We do have access down here, but it's not of a particular accessible nature.

MR. SCHAEFER: And so that little piece, you've got to add that to that?

MR. ARTHUR: This whole parcel has been bought -- is going to be bought by the county.

MR. SCHAEFER: The green?

MR. ARTHUR: The green and the red. The red is the proposal that you have before you.

MR. SCHAEFER: What about the green?

MR. ARTHUR: The green is a sewer easement that was purchased by the county.

MR. SCHAEFER: So you already own that.

MR. ARTHUR: Yes.

MR. SCHAEFER: Nobody can build on that.

MR. ARTHUR: Nobody can build on that, no, sir.

MR. SCHAEFER: But they can build on that little piece?

MR. ARTHUR: If that -- yes, they could.

MR. SCHAEFER: And does that have access --

MR. ARTHUR: It has an R-20 zoning.

MR. SCHAEFER: Huh?

MR. ARTHUR: It has an R-20 zoning.

MR. SCHAEFER: How many lots could be built on there?

MR. ARTHUR: We estimate that it could be

about 20.

MR. SCHAEFER: And you have such a tax base you don't even need 20 more houses out there?

MR. ARTHUR: Well, what I was trying to get across, sir, is that we're in dire need of open space also. Yes, we do have a desire for a continuing growth in our tax base, but we also have an area of land preservation that we're trying to acquire over a necessary number of years.

MR. SCHAEFER: Looking at your map, you've got a sewer agreement that nothing can be built on, and you've got 400 acres right there, and now you need these additional acres so that you can have more open space.

MR. ARTHUR: Yes, sir.

MR. SCHAEFER: Okay.

MR. ARTHUR: The Troy proposal is, again, in the eastern area of the county. It is a piece of property that is adjacent to Route 100 and Route One in Elkridge. The average appraisal for that piece of property was \$91,000, and the negotiated price was --

that we received is \$45,000.

(Mr. Arthur again approached Board members with map.)

MR. ARTHUR: And if I could show you that, the red, again, is the grant proposal. We own this area right now and have owned it for many years. It's know as the Troy property. It's originally a grant from -- to the Dorsey family back in the 1600's, and we came -- acquired this property back in 1960. We own this property here, this property, and are in negotiations with the private owner here.

This is the property in question, and it allows us access to the rest of the park. And as we were saying, we think it is a very good purchase. In fact, the average appraisal cost was 91,000, and we received a negotiated cost of 45,000 per acre.

MR. SCHAEFER: Per acre. How much -- how many acres?

MR. ARTHUR: Sixteen.

MR. SCHAEFER: Which is \$700,000.

MR. ARTHUR: 732.

MR. SCHAEFER: Okay.

GOVERNOR GLENDENING: Thank you.

MR. ARTHUR: Thank you.

MS. KOPP: I have a generic question that number one raises, and that is, when funds are reverting, do they have the same restriction on the use that they did in the first place?

MR. NELSON: Yes. The county has to bring back to the Board whatever project they use the money for.

MR. ARTHUR: Thank you.

GOVERNOR GLENDENING: Is that all on that item?

MS. KOPP: Yeah.

GOVERNOR GLENDENING: Other questions on this Agenda?

(No response.)

GOVERNOR GLENDENING: Hearing none, do I hear a motion for approval of the Open Space Agenda?

MS. KOPP: So moved.

GOVERNOR GLENDENING: It's been moved. I'll

second. Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

BOARD MEMBERS: Aye.

GOVERNOR GLENDENING: 3-0 vote. Budget.

MR. LEE: Good afternoon, Governor, members of the Board. Budget and Management has six items for your consideration. We would like to withdraw Item 3-IT.

MR. SCHAEFER: Mr. Lee, could you tell me why there's a sole source on 2-IT?

MR. LEE: On 2-IT, John Kuo from the Department is here.

MR. KUO: Good morning, members of the Board. Actually, good afternoon, members of the Board. Item 2-IT is a sole source procurement for extension of a software licensing agreement for the Business Software Contract. This software system operates as part of our IRP Program, the International Registration Plan, which Maryland is a member of.

MR. SCHAEFER: It's the only one that can do

it?

MR. KUO: I'm sorry?

MR. SCHAEFER: It's the only one?

MR. KUO: Yes, sir.

MR. SCHAEFER: Okay.

MR. KUO: It's a software licensing
agreement.

MR. SCHAEFER: All right. That's all.

GOVERNOR GLENDENING: Thank you. Any other
questions on this Agenda?

(No response.)

GOVERNOR GLENDENING: Do I hear a motion for
approval?

MS. KOPP: So moved.

GOVERNOR GLENDENING: It's been moved. I'll
second. Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

BOARD MEMBERS: Aye.

GOVERNOR GLENDENING: 3-0 vote. University
Agenda.

MR. TARANTINO: Good afternoon, members of the Board. I'm David Tarantino representing the University System of Maryland this afternoon.

GOVERNOR GLENDENING: Questions on this Agenda?

MR. SCHAEFER: 1-C. You got something, Nancy?

MS. KOPP: I do have a question on 1-C and maybe the others, and this is directed as much to the Secretary as to the University, but when you have these new lighting procurements, is this done with concerns of lighting efficiency and pollution in mind?

MS. RICHKUS: They certainly are, as far as the Department of General Services is concerned, and the University System has a representative on the Lighting Task Force, as you may recall. I can't speak to what their policies --

MR. TARANTINO: I know the environmental considerations are -- we look at those when we do these new projects, very definitely, but as far as what it is, I don't know, but I can find out for you.

MS. KOPP: I would like to receive something in writing, if I could, from the University and the University System of how those concerns about light pollution and efficiency are worked into all of these procurements.

MR. TARANTINO: Will do.

MS. KOPP: Thank you. Thank you, Governor.

MR. SCHAEFER: 1-C, who were the other bidders?

MR. TARANTINO: On 1-C, the other bidder was Livingston Fire Protection, Incorporated.

MR. SCHAEFER: And what was their bid?

MR. TARANTINO: Sir?

MR. SCHAEFER: What was their bid?

MR. TARANTINO: 1,368,000.

MR. SCHAEFER: One what?

MR. TARANTINO: \$1,368,000.

MR. SCHAEFER: They were higher.

MR. TARANTINO: No, they were lower than the 1,572,000.

MR. SCHAEFER: They were lower? Well, why

did we take the high one?

MR. TARANTINO: We took the high one, in this case, because the low bidder was not responsive to some of the requirements; specifically, there was a 25 percent MBE requirement in this program, and they offered none, whereas the respective awardee offered a 28 percent requirement. And since the one firm that was the low bidder made no effort to do anything with MBE, we considered them to be nonresponsive.

MR. SCHAEFER: What did you say to them about it?

MR. TARANTINO: We gave them, quite frankly, about two or three chances to see if they wanted to go out and find some MBE, and they came back and said they couldn't find any. And we said, "How is that possible, if this other firm can do 28 percent." So they said, well, they just couldn't get it together. They didn't say they -- they said they didn't think they had enough time. So we said, hey, this project's got to move on. You didn't make a good faith effort to do anything with MBE, so you're nonresponsive.

MR. SCHAEFER: You didn't give them enough time?

MR. TARANTINO: Oh, we gave them plenty of time, yes, sir.

MR. SCHAEFER: How much time did you give them?

MR. TARANTINO: Oh, I think there was probably about three to four weeks from bid opening to award on this, so they had more than enough time, as did --

MR. SCHAEFER: I'd like to get the name of that company, because I want to find out --

MR. TARANTINO: The company?

MR. SCHAEFER: Yeah.

MR. TARANTINO: Yes, sir. Livingston Fire Protection.

MR. SCHAEFER: And where are they?

MR. TARANTINO: They're located in the College Park/Berwyn Heights area.

MR. SCHAEFER: Well, Mr. Thorpe will write them and ask them, because I suspect there's something

wrong there. They didn't offer any MBE?

MR. TARANTINO: No, sir, flat out, none. Said we can't provide any, we can't find any, we don't know of any. We said, hey, this guy, Strickland --

MR. SCHAEFER: Where did this company find them?

MR. TARANTINO: In the local Maryland area. They're MDOT-certified MBE's, and that's --

MR. SCHAEFER: What?

MR. TARANTINO: They're MDOT-certified MBE's who are being used as subcontractors with Strickland Fire Protection.

MR. SCHAEFER: Well, they could have just gone to that same group then and found them, couldn't they?

MR. TARANTINO: Yes, sir.

MR. SCHAEFER: And they didn't want to do that?

MR. TARANTINO: They didn't seem to show very much interest in wanting to, no, sir.

MR. SCHAEFER: Well, I'm very interested in

that, because if they already have them -- they say they can't find any, and there's a whole group --

MR. TARANTINO: Interestingly enough, Strickland Fire Protection is the same firm who did the two previous dorms, and they had 25 percent MBE participation on that.

MR. SCHAEFER: Previous?

MR. TARANTINO: This is our third dorm we're doing fire protection and fire safety on, when the students will be out this summer. Strickland, who is going to, hopefully, if you approve, get this award, won the last two awards, which were about two to three million dollars, and they had 25 percent MBE on those as well. So it's out there.

MR. SCHAEFER: It makes it more -- in other words, the same group gets it again, and the other one doesn't. We're going to check into that. I really want to have Mr. Thorpe go out and see them and see why they didn't -- it doesn't sound right to me.

MR. TARANTINO: Yes, sir.

MR. SCHAEFER: I don't like that one.

There's something wrong with that.

GOVERNOR GLENDENING: Let me express appreciation for the University's aggressiveness in the MBE program. In the past, there have been a few minor problems in terms of achieving goals, and I'm glad to see that aggressiveness.

MR. TARANTINO: Thank you.

MR. SCHAEFER: That's fine with aggressiveness, but you don't bother to find out if the other firm had a fair bid or whether there was any reason why they weren't. You just -- you don't give a darn about things like that.

MR. TARANTINO: Sir, we researched it, believe me. I mean, there's a \$200,000 price difference there, and we don't view these things lightly, if somebody is not going to play the game.

MR. SCHAEFER: The other one was much lower, by almost 500,000?

MR. TARANTINO: I'm sorry?

MR. SCHAEFER: How much lower was it?

MR. TARANTINO: 204,000.

MR. SCHAEFER: How much?

MR. TARANTINO: 204,000 is the difference.

MR. SCHAEFER: 204,000.

MR. TARANTINO: Right.

MR. SCHAEFER: There's something wrong with that one. There's something wrong with that one. And you can talk about being aggressive and all that -- the University of Maryland. There's something wrong with this one, and we'll take a look at it. I don't like that one. 2-C. Who were the other bidders?

MR. TARANTINO: The original contract was awarded in August of 2000, and the other firms were Forester Construction and Hess Construction. When we did the RFP for the seven million dollar construction program, we had three offers; Smith, Forester, and Hess. Smith was low, both technically and pricewise, when we awarded in August of 2000 for the actual construction job.

MR. SCHAEFER: The original contract was for seven million.

MR. TARANTINO: Right. Yes, sir.

MR. SCHAEFER: And you almost have a million dollars -- the revised contract was seven million 76. Now the modification is 739. So the contract is now 8.5.

MR. TARANTINO: About 8.2, right.

MR. SCHAEFER: 8.5.

MR. TARANTINO: 8.5.

MR. SCHAEFER: There's something wrong with that one, too, somewhere. Who's doing the -- who's watching this one? Who's in charge of it?

MR. TARANTINO: My department.

MR. SCHAEFER: Well, what -- how are you watching these increases?

MR. TARANTINO: Well, this -- we thought this was very legitimate, sir, in that the first mod which you approved in December was a mod to do some plaza work outside the building, and that was already in the design; it's just there was no money in the budget at that time for it, but the design was there.

Then, the University -- the Academic Department has decided to fund these two mods, because

they wanted both of these projects done. And so we considered it to be in the University's best interest to stay with Smith, since they were already on site, and in the --

MR. SCHAEFER: Now, wait a minute. This wasn't in the contract originally; it was outside the contract.

MR. TARANTINO: This project today, the fourth floor was in the contract as a shell. It's been built as a shell, and the price was included in the contract for the shell. Now, at that time, we didn't have money in the budget to build it out. Now, the Academic Department, because they have decided that they actually need that space and they need it this summer, is footing the \$700,000 for this particular mod that we're addressing this morning.

MR. SCHAEFER: And where are they getting the money?

MR. TARANTINO: They're taking it out of their funding. It's not coming out of their -- it's not coming out of any construction; it's coming out of

our Academic operating budget on campus. They're --

MR. SCHAEFER: You're taking it out of the operating budget?

MR. TARANTINO: I'm pretty sure it's coming out of plant funds, yes, sir. The Department of Financial Management's plant funds are funding this \$700,000 mod.

MR. SCHAEFER: Mr. Lee, is there something wrong with that?

MR. LEE: The University does have --

MR. SCHAEFER: I think I caught you unaware on that one. They're taking the money out of their operating budget to build construction?

MR. LEE: Actually, there is a fund for this purpose in the University's budget.

MR. SCHAEFER: For what?

MR. LEE: There is a fund in the University's budget for these types of projects.

MR. SCHAEFER: But not out of the operating budget.

MR. TARANTINO: It's a plant account -- plant

funding.

MR. SCHAEFER: You told me operating budget.

MR. TARANTINO: Well, I meant -- I misspoke.
It's called plant funds.

MR. SCHAEFER: Well, I won't go into this any further. I don't think that's right either. There's something wrong with that one. Yeah, I will go into that. I want to know where that money came from.

MR. TARANTINO: Yes, sir.

MR. SCHAEFER: Mr. Thorpe, put that down to find out where they get the money. That's all.

GOVERNOR GLENDENING: Madame Treasurer, do you have anything else on this Agenda?

MS. KOPP: No, I don't.

GOVERNOR GLENDENING: Do I hear a motion for approval?

MS. KOPP: Yeah, I move to approve it.

GOVERNOR GLENDENING: It's been moved. Is there a second?

(No response.)

GOVERNOR GLENDENING: Second. Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

Aye.

MS. KOPP: Aye.

MR. SCHAEFER: Abstain.

GOVERNOR GLENDENING: 2-0-1 vote. Public
Safety.

MS. MCDONALD: Public Safety has one item on
its Agenda.

GOVERNOR GLENDENING: Questions on this item?

MR. SCHAEFER: I don't even know what it is.
Oh, yes. Nothing, no.

GOVERNOR GLENDENING: Any questions?

MS. KOPP: No.

GOVERNOR GLENDENING: Do I hear a motion for
approval?

MS. KOPP: So moved.

GOVERNOR GLENDENING: Second. Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

BOARD MEMBERS: Aye.

GOVERNOR GLENDENING: 3-0 vote. Nothing on MES. Nothing on Morgan.

MR. SCHAEFER: Where's Ms. what's-her-name?

MS. MCDONALD: Environment?

MR. SCHAEFER: Yeah.

MS. MCDONALD: Well, she's not with the Maryland Environmental Services, but she is -- I did send a little note again.

MR. SCHAEFER: And the Governor's told her she doesn't have to come.

MS. MCDONALD: I don't know.

MR. SCHAEFER: That's what happens. The Governor tells her she doesn't have to come. That's pretty good. We'll get to see her next -- when the next Governor -- I've never heard of anybody on the Board asking for an appearance and never having it because the Governor just tells them not to bother to come. Oh, boy. Okay.

GOVERNOR GLENDENING: Transportation.

MR. PECORARO: Good afternoon, Governor, members of the Board. We have 17 items today on our

Agenda, including a revised Item 5-AE and a revised Item 17-GM. Excuse me. We'd be glad to answer any questions you may have.

MR. SCHAEFER: 3-C. Who are the 17 percent African-American, and who are the 27 percent women?

MR. PECORARO: Sir, I have with me Mr. Don Shannon from the State Highway Administration Traffic Commission -- or Jim Keseling. I'm sorry.

MR. KESELING: Good afternoon. I'm Jim Keseling, State Highways. The two minorities are Sunshine Electric, which is a woman-owned business, 27 percent, and AWA Mechanical, which is a minority, 17 percent.

MR. SCHAEFER: Well, wait a minute. On this first one, 27 percent is one woman?

MR. KESELING: Yes. And 17 percent is AWA Mechanical.

MR. SCHAEFER: Twenty-seven percent is one?

MR. KESELING: Yes.

MR. SCHAEFER: That makes up the full 27 percent?

MR. KESELING: Yes. This 27 percent is one electrical subcontractor.

MR. SCHAEFER: You're taking -- she takes 27 percent of the business?

MR. KESELING: That's correct.

MR. SCHAEFER: Okay. And this other one?

MR. KESELING: Is AWA Mechanical, which is a minority business, 17 percent. And both of those firms are from Baltimore.

GOVERNOR GLENDENING: The second one, African-American you said.

MR. KESELING: Yes, sir.

GOVERNOR GLENDENING: You can say that.

MR. KESELING: Yes, it is an African-American firm.

MR. SCHAEFER: Okay. Thank you.

MR. KESELING: Thank you.

MR. SCHAEFER: Where is that Calvert?

MS. MCDONALD: That is at their headquarters on Calvert Street.

MR. SCHAEFER: No, no, no. This Calvert --

Cummings Power Systems.

MS. MCDONALD: Did you say that was --

MR. SCHAEFER: Is that one of yours?

MR. PECORARO: Would that be our Item 16,
where we're purchasing some --

MS. MCDONALD: Yeah, that was the buses --

MR. SCHAEFER: That's 16. Okay. Skip to
that one. I'm not there yet.

MR. PECORARO: Item 16 is an MTA item for
the procurement of 100 Low Floor transit coaches.

MR. SCHAEFER: Yeah.

MS. MCDONALD: Yeah, that was it.

MR. PECORARO: I have with me Mr. Eric
Christensen, who is the Deputy Administrator of the
MTA, and he'd be glad to try and answer your questions.

MR. CHRISTENSEN: Good afternoon. Your
question, Comptroller?

MR. SCHAEFER: Yeah. Cummings used to be bid
and Detroit used to be bid, and you cut Cummings out.
Why?

MR. CHRISTENSEN: The original specification for this included Detroit Diesel. It's standard transit property not to have -- there's only two major engine manufacturers for transit vehicles. It's standard practice to have your fleet have both engines. The previous fleets that we bought, approximately 300 vehicles, included the Cummings engines. So this time we specified Detroit Diesel. However, one of the bidders came in and asked for the authority to substitute Cummings engines to this bid, and we allowed them to do so, but they were not the low bidder. So even though we, specifically, specified Detroit in the original specifications, we did give them the authority to bid using Cummings engines.

MR. SCHAEFER: I don't think I follow you.
Who won this thing?

MR. CHRISTENSEN: Neoplan.

MR. SCHAEFER: Neoplan?

MR. CHRISTENSEN: Yes.

MR. SCHAEFER: And they used all Detroit?

MR. CHRISTENSEN: Yes, they followed our

specification on that.

MR. SCHAEFER: And the other company had Cummings in their bid?

MR. CHRISTENSEN: They asked to have Cummings. We allowed them to do so. They, ultimately, decided to go with Detroit Diesel as well.

MR. SCHAEFER: Did you say you couldn't use Cummings?

MR. CHRISTENSEN: No, we said he could use Cummings.

MR. SCHAEFER: In the specifications.

MR. CHRISTENSEN: In the original specifications that went out on the street, we did specify Detroit Diesel only. At that point, we got a number of requests for approved equals, in which one of the bidders did, specifically ask that -- New Flyer -- and we did give them the authority to bid using the Cummings engine. They, however, decided only to go with Detroit Diesel.

MR. SCHAEFER: Yeah. Well, then, why did you cut out Cummings in the first place, if you were going

to allow the people who bid to use Cummings? That doesn't sound quite right to me.

MR. CHRISTENSEN: I have to admit that, when you brought up this issue, I got together with my procurement folks. The issue is Operations doesn't want to have our entire fleet have one engine, because, in the past, we've had problems with a manufacturer with their bus. If we end up losing 50 or a hundred buses because of bad engines, we cannot meet our requirement to get buses out on the street, so I share your concern on this.

This is for a hundred buses. What I would suggest we do -- plus we have options for the out years. What I -- if you concur with this, I would suggest that, in the options, we specifically ask the low bidder to give us two prices; one with Cummings and one with Diesel. We'll provide that information to the Board, and we'll go with whatever's the lowest bid for the options.

MR. SCHAEFER: Well, if you have trouble with the Detroit buses, then --

MR. CHRISTENSEN: We haven't, typically, had problems with Detroit. And to be honest with you, we haven't, typically, had that many problems with Cummings either. They're both very good manufacturers. However, other transit properties have had problems with both firms in which they had the majority of their engines in that particular line and have found real operational problems with them.

MR. SCHAEFER: Well, at least, you're giving me a straight answer. I'm really glad to hear that. You don't try to give me a bunch of bull. I don't think you did right on this one. Cummings should have been included. Now, what are you going to do on the next one?

MR. CHRISTENSEN: What I would suggest is, this is for the first hundred buses. We will be coming back over the next four years for an additional 100 to 125 buses. At that point, prior to coming to the Board, we will specifically ask the low bidder to give us two prices; one using Detroit Diesel engines, and one using the Cummings engines. We will present that

information and make a recommendation to you at that time. That will insure that we have better competition on what engines actually are going to be placed in future bus orders.

MR. SCHAEFER: Thank you. That's very good.

GOVERNOR GLENDENING: Thank you.

MR. CHRISTENSEN: Thank you.

MR. SCHAEFER: How much money are we spending on security; nine, ten, and 11?

MR. PECORARO: Nine, ten, and 11?

MR. SCHAEFER: Nine, ten, and 11.

MR. PECORARO: I have Mr. Nessel here.

MR. NESSEL: My name is Joe Nessel, and I'm representing the Aviation Administration. Items nine, ten, and 11 and 12 all are security related. They are supplements to various design or planning contracts that we have at the airport. All told of what we're presenting here, approximately two million dollars of this is --

MR. SCHAEFER: How much?

MR. NESSEL: Two million dollars is related

to security improvements, security studies.

MR. SCHAEFER: Two million dollars you're spending on security.

MR. NESSEL: For all four of these design supplements.

MR. SCHAEFER: You're going to spend more in the future?

MR. NESSEL: That is evolving daily, as we work with the Transportation Security Administration.

MR. SCHAEFER: Okay. All right. That's all.

GOVERNOR GLENDENING: Madame Treasurer, do you have any other questions on this Agenda?

MS. KOPP: No.

GOVERNOR GLENDENING: Do I hear a motion for approval?

MS. KOPP: So moved.

GOVERNOR GLENDENING: I'll second.
Discussion?

(No response.)

GOVERNOR GLENDENING: All those in favor?

BOARD MEMBERS: Aye.

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February 27, 2002

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GOVERNOR GLENDENING: 3-0 vote. Thank you,
ladies and gentlemen.

(Whereupon, at 12:20 p.m., the above-entitled
meeting was adjourned.)

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