STATE OF MARYLAND

BOARD OF PUBLIC WORKS

GOVERNOR'S CONFERENCE ROOM

STATE HOUSE

ANNAPOLIS, MARYLAND

April 3, 1991

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P R E S E N T

GOVERNOR WILLIAM DONALD SCHAEFER, Presiding;

HONORABLE LOUIS L. GOLDSTEIN, Comptroller;

HONORABLE LUCILLE MAURER, Treasurer;

JAMES J. MCGINTY, Secretary, Board of Public Works;

CHARLES L. BENTON, Secretary, Department of Budget and Fiscal Planning;

MARTIN W. WALSH, JR., Secretary, Department of General Services;

MICHAEL NELSON, Assistant Secretary, Department of Natural Resources;

DEBORAH PHOTIADIS, Director of Real Estate, Department of General Services;

CARL A. DAMICO, Assistant Secretary, Department of General Services;

SANDRA REYNOLD, Procurement Advisor, Board of Public Works; and,

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

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C O N T E N T S

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P R O C E E D I N G S

GOVERNOR SCHAEFER: The Board will come to order. What's first?

MR. MCGINTY: Secretary's Agenda. I'd like to begin by withdrawing Item 6, page 8.

MR. GOLDSTEIN: On Item 5 --

GOVERNOR SCHAEFER: Item 5?

MR. GOLDSTEIN: Yes, sir, Item 5 on page 7.

MR. MCGINTY: We have Mr. Burt Eichhorn from the Office of the Attorney General.

MR. GOLDSTEIN: Yes. I think we ought to just put something in the record here on that case.

MR. EICHHORN: Yes. Good morning. What we are asking --

MR. GOLDSTEIN: You want to give your name and title for the record, sir.

MR. EICHHORN: I'm sorry. It's Burt Eichhorn, E-I-C-H-H-O-R-N, from the Office of the Attorney General, from the Department of Public Safety, and I'm here on behalf of the Criminal Injuries Compensation Board. What we would ask this Board to do is waive

rights of subrogation that the state has in connection with a claim.

Now, just briefly as part of background, what happened is the young man in this case, a fellow named James Brunzell, was the victim of an assault that took place back in 1986 in Ocean City. He was struck many times; and, as he fell, unfortunately, his head struck a curb in such a way as to render him a paraplegic, and he will, according to doctors, probably have this condition the rest of his life. He, basically, has little feeling from the neck down. He has the aid of certain medical devices, a wheel chair that is computerized that he can activate.

The board found him to be an innocent victim of a crime in 1987, so far has paid him $13,000. Now, what's happened is there is -- the hotel at which this took place is offering and will give through its insurance company benefits of $200,000, which will be placed in a trust for this gentleman. Now, so as to bring about the trust, Mr. Brunzell through his counsel have asked that we waive our rights of

subrogation, that is, going back and collecting the $13,000. What we get in return is he will waive any future claim or right to benefits from the board, which are as much as $77,000; and it is possible that he will, as time goes on, regain a state where he's eligible for benefits.

So we think this is good for both the state and the individual. The trust is basically a needs trust, which will take care of his medical needs and his special needs for the rest of his life. It's anticipated that he will live a very reasonable time. There's no reason to believe his life will be cut short, but it will remain in this condition.

MR. GOLDSTEIN: So, the only out-of-pocket is the $17,000?

MR. EICHHORN: Thirteen thousand four hundred.

MR. GOLDSTEIN: Thirteen thousand four hundred.

MR. EICHHORN: Right.

MR. GOLDSTEIN: And then that relieves us from any further liability?

MR. EICHHORN: Yes, yes. They will sign off on any further responsibility or liability.

MR. GOLDSTEIN: Thank you, sir.

MR. EICHHORN: Thank you.

MR. GOLDSTEIN: That's all I have on that agenda. I move we approve the agenda except for items withdrawn.

MS. MAURER: Second.

GOVERNOR SCHAEFER: No objection. So ordered. What's next?

MR. MCGINTY: Program Open Space.

MR. GOLDSTEIN: Just one or two items. I move we approve Open Space.

MS. MAURER: Second.

GOVERNOR SCHAEFER: No objection. So ordered. What's next?

MR. MCGINTY: Budget and Fiscal Planning.

MS. REYNOLD: This morning, I would like to withdraw Item Number 1-S.

MR. GOLDSTEIN: 1-S?

MS. REYNOLD: Yes, sir. And I have a hand-

carried item, Number 10-GM, which the Board members have already received and I'll place into the record.

MR. GOLDSTEIN: Item 10-GM. I wonder if we could have an explanation of Item 2-S and Item 3-S on pages 2B and 3B.

MS. REYNOLD: Yes, sir. Dr. Massicot is here.

DR. MASSICOT: I'm Paul Massicot, director of the Tidewater Administration for the Department of Natural Resources. I'm pleased to have with me Gary Thorpe as the Governor's coordinator for State Energy and Recycling Programs and director of the soon-to-be-created Maryland Energy Administration.

These two contracts are important components of the state's comprehensive program to ensure that we continue to have adequate electricity at a reasonable cost with a minimum depreciation of the quality of the environment.

There are a number of activities which will be forthcoming in the next several years, which include licensing of new power plants, BG&E's Perryman power plant in Harford County, the next phase of PEPCO's

expansion of the Dickerson power plant. There are ongoing activities, our cooperative program with Philadelphia Electric to improve the environmental benefits from changing the water flows and installing fish passage at Conowingo Dam.

The improvement in the water quality of Baltimore Harbor, one of the best items of good news we've had with the Bay program, has now led to the beginning of the recovery of fish populations in the Patapsco River estuary, and there are six power plants which withdraw cooling water from those waters, and we need now to make sure that we take a look at any potential impact on these recovering fish populations and make sure, if there are improvements to the technology where the water is drawn into the plants or where it's discharged, that we can put them in place.

One of the most exciting new endeavors that is under way is the appointment of Mr. Thorpe and the creation of the Maryland Energy Administration. There is a lot of activity going on to increase our energy conservation programs, and we're looking forward with a

great deal of anticipation to working with Mr. Thorpe and his program and through contracts such as these to help provide technical support to his activities.

I don't know if he would like to say a few words.

MR. THORPE: Yes. I would just like to say that we have been working very closely with the Power Plant Research Program, I think very closely and very amiably. It's been, I think, a good, developing working relationship. Basically, this fund source is probably right now the sole source for applied research funds to assess the viability of energy conservation techniques that are applicable to utilities, and we intend this year to make a major effort working with utilities and the PSC to find ways to avoid costs through energy conservation.

We emphasize applied research because the kinds of studies that we want done are studies that can be applied quickly in order to achieve results in terms of enhanced energy conservation.

Also, another exciting, I think, potential for

us is the use of special studies that will focus on cost avoidance and the exploration of alternative fuel energy sources to help utilities avoid costs, as well as studies that are applicable to achieving cost savings in both the public and the private sector. So we've worked closely, support very much the research agenda that's being presented.

MR. GOLDSTEIN: Dr. Massicot, here about two weeks ago, we had the Public Service Commission, People's Counsel representatives here, asking for an additional 700-and-odd-thousand dollars for a contract to study the Calvert Cliffs with reference to the operation of those two units.

Now, my question is, is there coordination between your offices and Public Service and Mr. Thorpe? So, when you have all these studies, are they borrowing from one place, so you don't have duplication and keep on hiring these experts to study and restudy and restudy the same situation?

DR. MASSICOT: Yes, sir. We meet with Chairman Heintz and his staff periodically, approximately

quarterly, to discuss activities that are coming up, to agree on a division of labor, so to speak, among our respective staffs and contractors. So, for example, in this Calvert Cliffs case you mentioned, we are not going to be involved in that. The PSC and the People's Counsel, as you probably heard several weeks ago, will be doing the analyses that are necessary to that case.

We are involved in studies, for example, of the long-range projections of need for electricity and how that may be increasing or decreasing over the years and to see how that may fit in with conservation programs that we can work with the utilities to implement that might enable us to put off the time when a new power plant needs to be built. We are currently doing a major survey in agreement with the PSC, in cooperation with them, but our contractor is doing a major survey of cogeneration potential in the state, trying to look at industry or commercial facilities which would be particularly suited to the application of cogeneration where you would generate electricity and steam at the same time.

Next year we will be undertaking, in cooperation with the PSC and Mr. Thorpe, a survey of commercial and industrial opportunities for conservation and will be looking at ways that -- the way electricity is supplied, and the accounting procedures can set up an incentive for both the consumers and the utility to accomplish the maximum amount of conservation, and we are concentrating in that area.

So we do -- we're very aware of the possibility for duplication, and we have a memorandum of understanding with the Public Service Commission. We meet regularly with them to avoid that.

MR. GOLDSTEIN: The point I was making there, because you've got the national Nuclear Commission studying the situation, and you've got these other people studying the situation.

DR. MASSICOT: Yes, sir.

MR. GOLDSTEIN: And it's all for the same reasons: when are they going to put the plant back in operation; what does it cost to buy electricity from the grid system?

DR. MASSICOT: I suspect the -- well, unit one is back in operation, and I suspect unit two will be in operation within about a month.

MR. GOLDSTEIN: Everybody knows you're going to need more electricity.

DR. MASSICOT: Yes, sir.

MR. GOLDSTEIN: I don't know of anybody who's using less electricity. Every day people buy new appliances. Even got toothpicks with electricity, and meat cutters.

DR. MASSICOT: Yes, sir.

MR. GOLDSTEIN: I've never seen so many different appliances. You walk through one of these hardware stores and these department stores where they have all these different appliances, it's amazing how many new things come on the market every day. So you know you're going to need more electricity.

I just want to be sure we weren't duplicating these studies here with these same people getting the contract, like Number 2-S, the same people, Exeter Association, and over here on 3-S, same folks. They've

been studying these things for a long time.

DR. MASSICOT: They have not been studying the same things, though, Mr. Goldstein. We have continued evolution in both the environmental area with new power plants coming on line, with changes in existing power plants.

MR. GOLDSTEIN: How many new power plants have you had come on line in Maryland in the last 10 years?

DR. MASSICOT: We had two major ones come on line last -- three, last year. There was a gap for some years, but recently both the demand growth and the licensing activity has picked up considerably.

MR. GOLDSTEIN: Where were the three built?

DR. MASSICOT: SMECO Gas Turbine at the Chalk Point site --

MR. GOLDSTEIN: Yes, but, I mean, they just changed the turbines. SMECO has been buying --

DR. MASSICOT: They installed new --

MR. GOLDSTEIN: -- electricity from PEPCO over there to Chalk Point.

DR. MASSICOT: But SMECO installed a turbine

which is going to be used to provide electricity into the PEPCO system. Yes, they do buy their electricity.

MR. GOLDSTEIN: I mean, it's right there in that same -- just the expansion of that system.

DR. MASSICOT: Yes, sir. And PEPCO had a major expansion of gas turbines at Chalk Point. Dickerson is expanding with a multi-year set of new power plants ultimately winding up potentially with coal gassification.

BG&E Perryman, the new Perryman plant, at their site in Harford County is in licensing right now.

MR. GOLDSTEIN: That's the only new plant, but the other two are just expanding or bringing up to date their equipment.

DR. MASSICOT: They're expanding -- they're new power plants. They're not new sites, but they're new generation -- new use of water, new generation of air emissions, new potential for additional noise, so all the impacts that need to be evaluated.

MR. GOLDSTEIN: I see. Thank you. Appreciate your giving us the information. Thank you.

DR. MASSICOT: Yes, sir. Thank you.

MS. MAURER: Number 4.

MR. GOLDSTEIN: Number 4?

MS. MAURER: I think it would be well to have some comment on Number 4.

MS. REYNOLD: Item Number 4 is the model parent-infant center contract. Is there someone here to speak on that?

MS. HARRISON: Yes.

MS. REYNOLD: Please introduce yourself to the Board members, please.

MS. HARRISON: My name is Polly Harrison, and I'm director of the Office of Child Health of the State Health Department. The model parent-infant center is one of the major initiatives for the Governor's Year of the Infant. It is a center that does not exist now in Maryland. This is a model that will be for handicapped children who have severe degrees of handicapping conditions. These are children who may be ventilator dependent, who may have tubes, tracheotomy tubes, who need a rather sophisticated degree of health care in a

child-care setting.

The point of this center will be to provide medical care for the children and support for the parents, so that the parents can return to work, so that the children can come from other facilities that may be more expensive, for example, in chronic-care hospitals; and the point will also be for this center to offer training to other child-care providers in the state -- in this county, in Montgomery County, which is the target county, and then eventually in the state, so that other child-care providers can offer care to this severely handicapped group of children.

MS. MAURER: I think it's a new approach and an important one. Do you expect to phase it in, getting a certain number of children identified initially and then building a staff? And can you give any assessment of how you think the -- what you think the long-term impacts might be in terms of health care and parent training and professional training?

MS. HARRISON: We will be phasing in the children, and this is typical of any kind of a child-

care setting that opens. Children generally come in a few at a time, and that's the usual situation. There are some children already identified in the community who are ready and available for this service. The parents want the service.

MS. MAURER: Where are they now, just to give us an idea?

MS. HARRISON: If I may, we have the provider here today from the county. Ellen Widoff is the director of Children's Services with the Montgomery County Association of Retarded Children.

MS. WIDOFF: Just to address that question, there are private agencies that work with in-home care as a child goes from the neonatal ward to the home, and it's very expensive, but children that are currently cared in the home by health providers. We have three identified from that. I think it's the Norelle Health Agency. Also, our contacts from Children's Hospital and Suburban Hospital have indicated that there are children currently in the neonatal ward that have interests from their parents to be in a center.

So, basically, we see it as preservation of the family and the elimination of the high cost of in-home care, long-term hospitalization, and possible residential care. If you have a day-care facility for these children during the day, it's very cost effective in terms of preservation of the family and the expensive cost of this other long-term care.

MS. MAURER: It's bringing together both medical care and child care.

MS. HARRISON: Yes.

MS. MAURER: And, hence, a way --

MS. HARRISON: Yes. And the goal is not so much to create centers all over the state like this, but to have a few key centers where the actual training can be done for all of the rest of the child-care providers, so that the situation we envision is that there will be a severely disabled child who may be in a regular child-care center, and that particular provider can come and get hands-on training and support to be able to know how to manage that child.

GOVERNOR SCHAEFER: Actually, this came from

Saudi Arabia, when we were in Saudi Arabia. What they did, they set up within a hospital cubicles; and the reason I have some interest in this, they taught the parents how to handle a mentally retarded, handicapped child. The purpose for that is to keep the handicapped child or the mentally retarded child in the home. The parents didn't know how to cope with them. So what they did is taught them how to do it.

Now, unless you have that unit in there, then I have no interest in this. It was a cost saving, and the one thing that you said that was our objective was to not have highly -- or the retarded or handicapped moved to institutions but to try to keep them at home. The parent learned how to cope, how to cope, and also the providers learned how to teach the parent how to cope, and they did it all within these cubicles all one time, all around the circle, and it worked well. That was another benefit of being able to see how other people do things.

In Saudia Arabia, it isn't a matter of getting the child out of the home; they try to keep them at

home. That was the purpose. Is that included in this?

MS. HARRISON: That is the goal. They would be coming from hospital settings into the home, where the family could then learn to deal with the child, manage the medical care, also be able to be employed and go to work, because there would be this child care setting available during the day; but one thing that may not be clear from what you're reading is that, in addition to the regular day where the child has child care and the parent can come and learn, there will be parent support offered after hours in the evening for families. So that's a major component.

GOVERNOR SCHAEFER: You know, if we in this country would learn to do one thing at a time -- we have to do the whole world instead of just doing what we asked in the beginning. What I asked to be done was just exactly what I said, teach the parents, teach the providers. Now we have a whole bunch of day care and all this additional added on. All of it is very nice, but if we could just do -- the man who stepped on the moon, one step at a time. That was all we wanted to do,

and then we could go to these other things, but sometimes you go a little too fast and a little too far.

What you should have done was the exact model of what they had in Saudi Arabia. They were successful, very successful. And what you're adding, you're adding too many things. You ought to do the basic things. Teach the parents how to cope with a child that causes them great anxiety and great pain in not knowing how to do it.

And I would like -- of course, I'll never see it again, because I won't be there. If you could just do that, and then if you want to add on something else, fine. The purpose is to keep the child in the home rather than the state assuming responsibility. That's the purpose. And, if you have that component in there, the rest of this stuff you're doing is fine.

MS. HARRISON: That is the major thrust, and I'm sorry if I didn't make that clear.

MS. MAURER: We've been invited to see the center once it's set up. Where would you be located? Where exactly within Montgomery?

MS. HARRISON: In Montgomery County.

MS. MAURER: Yes, but where?

MS. WIDOFF: The Children's Resource Center on Edmonston Road. It's a facility, county-owned facility for child-care centers. The state has a therapeutic nursery in it currently.

MS. MAURER: That's fine. Thank you.

MR. GOLDSTEIN: I wonder if we could have a short explanation of Item 5 on page 5B. That's the Department of Transportation computer program.

MS. REYNOLD: Yes, sir. Mr. Williams is here.

MR. WILLIAMS: Good morning. I'm David Williams, the director of the Maryland Department of Transportation Data Center. The item you have before you is a planned modification to our master contract with our primary vendor at the Data Center. There's a number of items contained in there. We try to come down with a modification and roll as many things into a single "mod" as we can.

Do you have any specific questions, Mr. Goldstein?

MR. GOLDSTEIN: Yes. Your mainframe computer, is that able to take care of and bring up to date and operate in a fast fashion? You've got so many new types of computers nowadays, super computers and super, super computers.

MR. WILLIAMS: Our current computer is adequate for our needs. We had some discussions with the Legislature with regard to some additional funds to do some expansion, and we believe, however, that we can continue to provide a level of service.

Some of the things we're doing here today are to improve the public service ads through the Motor Vehicle Administration, where we've had some problems with public service.

MR. GOLDSTEIN: In other words, by adding these changes, you can keep abreast of your workload?

MR. WILLIAMS: We are trying to stay abreast of it and, in fact, improve the service to the Motor Vehicle Administration, to the motoring public at the various branches. Yes, sir.

MR. GOLDSTEIN: Let me ask you another

question. Since you had all that trouble up there in that Cumberland area with that facility where they had to -- have they moved back in? -- because of the atmosphere and the air.

MR. WILLIAMS: I'm not directly associated with that, but I --

MR. GOLDSTEIN: Yes, but it's all part of your computer program.

MR. WILLIAMS: Right. I was going to say they are back in the building. I don't know the status of what they found with regard to the air quality, but they are back in the building.

MR. GOLDSTEIN: I'm talking about the service to the people.

MR. WILLIAMS: And we are providing service back to that location. Yes, sir.

MR. GOLDSTEIN: That's a comparatively new building.

MR. WILLIAMS: I believe it is, sir.

MR. GOLDSTEIN: I know it is. I was up there for the dedication of it.

MR. WILLIAMS: I don't know anything about the problem with the air quality, though.

MR. GOLDSTEIN: I just want to be sure that your computer and the different branches you have will adequately take care of the services of the public.

MR. WILLIAMS: Right. Yes, sir. Now, there was no problems with the computer service up there. It was something external to that particular aspect that was happening up there.

MR. GOLDSTEIN: It wasn't because of your computerization there.

MR. WILLIAMS: No, not that I'm aware of. No, sir.

MR. GOLDSTEIN: They all said they couldn't find the -- it was a modern building, brand new building, right on old Route 40, right on top of the hill there, beautiful location.

MR. WILLIAMS: Yes, sir.

MR. GOLDSTEIN: Just want to be sure it wasn't a computer being too hot.

MR. WILLIAMS: No, sir, not that I'm aware of.

MR. GOLDSTEIN: Sometimes they get real hot, you know.

MR. WILLIAMS: Yes, sir. I'm painfully aware of that occasionally.

MR. GOLDSTEIN: Pardon?

MR. WILLIAMS: I said I'm painfully aware that it can get too hot sometimes.

MR. GOLDSTEIN: Yes, sir. I went to see one the other day over there right off of Route 301. They've got that super, super computer, and that computer is in some kind of liquid, it gets so hot. It's just a small thing. The thing is not but that wide and that deep.

MR. WILLIAMS: Probably liquid nitrogen.

MR. GOLDSTEIN: It's one of these super, super computers. It's amazing how much work it can turn out. Okay. That answered my question. Thank you, sir.

Items 6 and 7, they're both related.

MS. REYNOLD: Yes, sir. Your specific question related to the funding --

MR. GOLDSTEIN: Right.

MS. REYNOLD: -- for these contract extensions to the end of the year, and you wanted us to make sure that the money was still in the deficiency appropriation that they needed to carry through the end of the year. It is. There was no reduction by the Legislature. The bill passed. So the money is there.

MR. GOLDSTEIN: The money is there to take care of it?

MS. REYNOLD: Yes, sir.

MR. GOLDSTEIN: Okay, fine. Thank you.

MS. REYNOLD: For both of them.

GOVERNOR SCHAEFER: Anything else?

MS. MAURER: Just on Item 10, all of that amount is within the appropriation amount, the appropriated dollars, for the record?

MR. BENTON: On Item 10-GM, we are bringing to you for approval a contract for the tax study that has been ongoing for a number of years. The expenses are all well within the amount appropriated. It's noted that the General Assembly appropriated the funds for this work over a period of three years. Inadvertently,

the contract was not submitted in 1988, and we're now asking for approval.

MS. MAURER: Fine. Thank you. It's up to the current date.

MR. BENTON: Yes.

MS. MAURER: Ready to --

MR. GOLDSTEIN: I move we approve the agenda except the items withdrawn.

MS. MAURER: Second.

GOVERNOR SCHAEFER: No objection. So ordered. What's next?

MR. MCGINTY: University of Maryland.

MS. MAURER: That's been withdrawn.

MR. MYERS: Good morning. I'm Don Myers, representing the University of Maryland System. We have a single item on the agenda today and would like to withdraw that item.

MR. GOLDSTEIN: I move that we approve the University of Maryland Agenda. The item is withdrawn.

GOVERNOR SCHAEFER: No objection. So ordered. What's next?

MR. MCGINTY: Department of Transportation.

MR. MCALLISTER: Good morning. Brian McAllister with the Department of Transportation. This morning's agenda, we would like to withdraw two items: Item 1-C, pages 1 and 2, and Item 9-RP, pages 16 and 17.

We're ready to answer any other questions you may have.

MR. GOLDSTEIN: Item 2-C-MOD, page 3, I think we ought to have just a little, short explanation from Mr. Hartman on that project, please, sir.

MR. HARTMAN: Good morning. I'm Ron Hartman from the Mass Transit Administration. This is a change order to one of our primary contracts on the central light rail lane that is constructing the bulk of the line north of downtown Baltimore to Timonium.

This change order incorporates a number of items, primarily some delay claims that we negotiated out due to our Army Engineer Corps permits being pulled back for a three-month period as a result of a threatened court challenge. The permits were restored, but it did force us out of a particular area of the line

for a couple of months, and that led to some delays.

This was negotiated down from a higher amount, and the current settlement amount is well within the budget set.

MR. GOLDSTEIN: Is the project on time now?

MR. HARTMAN: Yes.

MR. GOLDSTEIN: The construction?

MR. HARTMAN: Yes. This contract, in particular, is right on schedule. He's hit his milestones, and he's done a very good job of making up for some of the delay time; and, in fact, he's been a very cooperative contractor.

MR. GOLDSTEIN: Fine. Thank you, sir. I don't know if Lucy has one or not. Item Number 7, how about Item Number 7-L, page 12, Railroad Administration?

MR. HARTMAN: This item is an essentially no-cost lease of four station areas associated with the extension of MARC commuter rail service on May 1. On May 1, MARC commuter rail service will be extended from Penn Station in Baltimore out to Perryville, providing through-service from Perryville in Cecil County to

Aberdeen, Edgewood and Martin's in Baltimore County, and then through-service on into Union Station in Washington, D.C.

This lease gives us the ability to operate out of these four stations that are currently Amtrak property.

MR. GOLDSTEIN: Baltimore to Perryville, that's up in Cecil County?

MR. HARTMAN: Yes.

MR. GOLDSTEIN: What's going to be the cost of renovating the stations and establishing adequate parking?

MR. HARTMAN: The original budget amount, we estimated about $5,000,000 for the total of work, which included renovation, parking and all that work. It appears right now, it looks like it's going to be closer to $4,000,000; and, of that 4,000,000, about 1.4 is some additional property for expanded parking at the Aberdeen station, and I know the Board will be taking a look at that property later this month.

MR. GOLDSTEIN: There's been some discussion,

you know, because you're getting ready to spend that 4,000,000. First, it was 5,000,000. Now you say it's 4,000,000; but, with reference to parking fees, in other words, have a modern place to park and have the station so we have restrooms and good accommodations.

MR. HARTMAN: Yes.

MR. GOLDSTEIN: Are you all studying that?

MR. HARTMAN: Yes. I believe that Secretary Lighthizer and I certainly support the concept of paid parking at transit facilities. We want to move into it in a way that makes sense, anticipating the issues, and basically set up a market-driven system that allows us to make parking not only self-supporting but bring in additional revenues to support the service and, at the same time, not discourage transit riders from using the system.

We've put together a little outline and are planning at your request to have our first paid lot identified and operating as a pilot sometime around the 1st of August. In the meantime, we'll also be putting together a program of actions to evaluate all our

facilities for where it makes sense to go to a paid arrangement and what type of arrangements those will be. We want to take a business approach to paid parking.

MR. GOLDSTEIN: And Mr. Lighthizer agrees with that?

MR. HARTMAN: Yes, he does.

MR. GOLDSTEIN: And you agree with it?

MR. HARTMAN: Yes, sir.

MR. GOLDSTEIN: How about your middle-level people?

MR. HARTMAN: They will agree, I assure you.

MS. MAURER: If they don't know yet, they will know.

MR. GOLDSTEIN: I just want to be sure. You know, your middle-level people, they're here when everybody else is gone, and they're the ones that screw up the works.

MR. HARTMAN: Well, I think we're all going to work very hard on it.

MR. GOLDSTEIN: Try to advise everybody.

MR. HARTMAN: We're all going to work very

hard on making this happen. We've been talking to parking authorities, such as the one in the city, other transit systems, and we've gathered a good bit of information that will hopefully point us in the right direction.

MR. GOLDSTEIN: Because, after all, the Department of Transportation needs money for all the different facilities.

MR. HARTMAN: Right.

MR. GOLDSTEIN: You've got the airports, you've got the Maryland port --

MR. HARTMAN: Absolutely. The Department of Transportation --

MR. GOLDSTEIN: -- the highways, the bridges.

MR. HARTMAN: Department of Transportation is a major parking operator in the State of Maryland.

MR. GOLDSTEIN: Right now, I imagine you all are about the biggest parking people in the state, aren't you?

MR. HARTMAN: I think we are, yes.

MR. GOLDSTEIN: Yes. All right. Thank you,

sir.

MS. MAURER: Move approval?

MR. GOLDSTEIN: That's all I have on that agenda. Do you have anything else, Lucy?

MS. MAURER: Do you move approval?

MR. GOLDSTEIN: I move we approve the agenda except for items withdrawn.

MS. MAURER: Second.

GOVERNOR SCHAEFER: No objection. So ordered. What's next?

MR. MCGINTY: Department of Transportation -- excuse me, Department of General Services.

MS. MAURER: General Services.

MR. MCGINTY: Wanted to see if you were paying attention.

MR. WALSH: First, I'd like to withdraw Item 1-C and Item 9-RP. And, on Item 8-RP, we've made a revision of two dates of appraisals on that item.

MR. GOLDSTEIN: On Item 7-RP, I want to congratulate you, Colonel Walsh, and your staff for getting this property straightened out for this Anna

Louise Rowland. Took a long time and a lot of involved headaches and work and all, and I want to congratulate you all for sitting down and being fair and honest and having love in your heart and music in your soul to get this poor lady straightened out.

MR. WALSH: Yes, sir.

MR. GOLDSTEIN: Because there was a mistake made in the first place. She didn't want to give up her home.

MR. WALSH: Yes, sir.

MR. GOLDSTEIN: Did a very involved thing, Governor, and now we've got it squared away. I want to congratulate everybody. I know it wasn't easy.

MS. MAURER: Justice prevails.

MR. GOLDSTEIN: Item 8-RP, that's the land that University of Maryland, Baltimore University, needs for their campus, for their work. The only question, I want to be sure -- I know we have talked about the price, but how about asbestos? Is there something in the contract? Suppose there's asbestos in that building? It will cost a lot of money to remove it.

MR. WALSH: In our normal acquisition procedures, as we get approval from the Board, Mr. Comptroller, we will then put an inspection team together that will go in and verify all of the conditions prior to us finalizing this, and it will include inspection for asbestos

MR. GOLDSTEIN: Is anything in your contract in the event you have to pay to remove it?

MR. WALSH: Yes, sir. That is included in the contract.

MR. GOLDSTEIN: It's in the contract?

MR. WALSH: Yes.

MR. GOLDSTEIN: All we have is just your item. We don't have a copy of the contract here.

MR. WALSH: No. No, sir, but it is a very specific portion of the contract. We have Dr. Mebane Turner, the president of the University of Baltimore here as well this morning, if you have any comments or questions for him.

MR. GOLDSTEIN: Well, I just want to be sure. I see there's a big difference in the appraisals. Got

the low appraisal, Mr. Frederick, 3,300,000; and Mr. Currie, 3,546,000; and Mr. Seward, 4,025,000; and you're paying 4,025,000. I just wonder how you reconcile paying the higher price --

MR. WALSH: Yes, sir.

MR. GOLDSTEIN: -- when you've got as much as $700,000 difference in the low appraisal to the high appraisal.

MR. WALSH: The lower appraisal, Mr. Comptroller, used only the income approach, and we believe that that's not a legitimate, fair price for the property. Both Currie and Seward used the combination of the income and market approach. We think the right price is between those two figures, of 3.7; and, although Mr. Hays, included in his price, has waived the price of moving all of his material out of that building, we know that that would cost in excess of $150,000. So the price that we're recommending, of 4,000,000, actually represents only about less than a four-percent difference in our estimate of a base price.

MR. GOLDSTEIN: I imagine Mr. Hays is happy to

move out of there because probably the business -- all these car dealers are really suffering all around the country, not only in Baltimore but all over the United States, especially General Motors car dealers. All you've got to do is read the Wall Street Journal every day and see how the car sales are way down, way off, and all the discounts they're offering to get people to buy cars. You wake up in the morning and the first thing you hear on television is car ads. Then they tell you how many people are getting shot in Washington and Baltimore. The first thing is the car ads.

MR. WALSH: Yes, sir.

MR. GOLDSTEIN: I don't know whether you can believe them all or not. They give you all kinds of rebates and all.

Maybe we can hear from Dr. Turner and see what he has to say about it. He's done a great job for the University of Baltimore, Maryland System.

DR. TURNER: Thank you, sir. Mebane Turner, president, University of Baltimore. I do have with me some colleagues today I'd like to introduce, if I may:

Zoe Piendak, vice-president for finance; and Ron Bond, who is our director for facilities and things of this nature; but I also have with me Mr. Craig Frechette, who is the president of the Student Government Association or the president of the student body at the University of Baltimore. Craig, would you like to come up and just say "hello." And Miss Kate Kappel, who is president of the Student Senate.

If I'm here representing a project that would spend their money, I thought it might be nice to have the representatives of student government who fight the parking problem every day at the University of Baltimore to speak on behalf -- they've read all the materials, know what the various appraisals are.

Mr. Hays has a going business. Let me make very clear that the University of Baltimore approached Mr. Hays about this. He does not have to sell, he does not have to move; but I think, perhaps, what may be influencing Mr. Hays is that in 1969, as Governor Schaefer will remember, the University of Baltimore bought Motor Sales from Bruce Libby, and that is the

site of what is now, I think you will agree, the beautiful garden plaza. Mr. Hays then, when Mr. Libby decided to sell him the business, found himself in a very difficult position. He had to move. I was president, and the University of Baltimore was very generous in giving him time to find a place to relocate. I think that that probably is influencing him as to why he would agree to sell at this time.

We think the price is reasonable. There is very little in this area left for us to accumulate in terms of getting peripheral parking to build the University of Baltimore. There's great pressure coming on us for building sites and for places to park.

You just had a report from MTA that is bringing another MARC rail into Penn Station. Ladies and gentlemen, I don't think any of us really realize yet what's going to be happening to the University of Baltimore, and I know that the Governor is very concerned. He's told me any number of times, "Mr. Turner, try to increase the economic activity and the impact of the University of Baltimore in that area."

We believe that all these things are fitting together and that you're going to have in another decade or so -- you already have 5,700-and-some-odd students day and night. Remember, we take no freshmen and sophomores. We graduated 1,150-some-odd students this past year. That's, percentage-wise, right on up there.

As we hopefully continue to evolve and can get into student residence, we can imagine 1,000 young people living in that area, what they can spend in terms of supporting the local restaurants and, I must say, pubs. The average age of our student is 32. I think they have been known to have a soft drink. They are a tremendous economic impact on that area.

And I'd like to ask Craig and, if I may, Kate if they'd like to just comment in general, if you have any questions you'd like to ask them.

MR. FRECHETTE: My name is Craig Frechette. I represent the student body at the University of Baltimore. In the past two years at the University of Baltimore, I can honestly say the student body fully understands and appreciates our president's efforts in

rethinking the university's physical needs in light of light rail, our current parking situation, which is chaotic, the new business school; and, in addition, it has been the understanding, through these negotiations, of the student government executive body that Mr. Pat Hays has remained a willing seller and stands to receive a fair market price for his premises.

MR. GOLDSTEIN: Thank you.

DR. TURNER: You might like to see the drawing for the new building that will go on the southwest -- never miss a chance. This is the building that will go at the southwest corner, at Charles and Mount Royal, the new business school building. The impact that it's going to have on that area economically, physically, academically is going to be a great one.

MR. GOLDSTEIN: Is that where the old Mark and Kelly -- is that where the old Mark and Kelly's used to be?

DR. TURNER: Mark and Kelly, sir, is right here.

MR. GOLDSTEIN: Right there, right across the

street.

DR. TURNER: The building, remember, that you authorized our purchasing a couple of years ago, the Charles Lawyer Building, has worked out to be a magnificent building, right on this corner. And this will be the new business school, a major impact. When you walk out of Penn Station and look across the street, that's the first thing you're going to see. It will be a major impact. You've got the new plaza coming. I don't want to oversell here today. Let me not push my welcome.

MR. GOLDSTEIN: We're all for the project. We want to just be sure we're getting --

DR. TURNER: I understand. Yes, sir.

MR. GOLDSTEIN: -- 100 cents' value for the dollar we're spending. See, we're spending --

DR. TURNER: I've always appreciated your interest in that area, and so am I.

MR. GOLDSTEIN: I've voted for every project you ever wanted.

DR. TURNER: Yes, sir.

MR. GOLDSTEIN: Including the Lyric Theater.

DR. TURNER: I hope you'll -- well, the Lyric, by the way -- you've got my favorite -- 275 to 295 thousand people attended the Lyric last year.

MR. GOLDSTEIN: Yes, sir.

DR. TURNER: That's an enormous economic impact.

MR. GOLDSTEIN: It's a real source of entertainment.

DR. TURNER: Ten million dollars before you even do the turnover of the funds. And we will be assisting the Lyric and the symphony in their parking needs.

MR. GOLDSTEIN: I'm batting 1,000 percent with you.

DR. TURNER: Mr. Schaefer has heard this so many times.

DR. TURNER: Well, he's an alumnus of the University of Baltimore, and I'm an honorary member.

DR. TURNER: Yes, sir.

MR. GOLDSTEIN: So you've got two people here

who have a close association with you and the university. Very nice to meet these wonderful students. We wish you Godspeed. Keep up the good work. Thank you.

GOVERNOR SCHAEFER: I'd like to look at it a little differently. I look at it as an erosion. I'm for this. It's okay with me. I won't vote for it, I'll just pass; but this is an erosion of a major industry in the City of Baltimore. You see more and more industries leaving. You see more and more businesses leaving the city. You look at Charles Street and Baltimore Street up and you see vacant store after vacant store. You go to neighborhoods and you see deterioration of the neighborhoods. And the Legislature and the state government, of which I'm part, fails to recognize fully the plight of the City of Baltimore.

They're going to be given $9,000,000, a one-time grant, which means absolutely nothing as far as the problems that the city has and that the mayor has. A bill will be passed that will be capital gains that will further cause a disparity between the "have" counties and the "have not" counties and city. The City of

Baltimore will not benefit very much from that.

Until the Legislature recognizes that the City of Baltimore is somewhat like a sore, and unless it's tended soon, will cause a continual drain on the state government. More and more people drop out of school in the City of Baltimore. More people that commit crimes come from the City of Baltimore and return to the city. Neighborhoods are in relatively bad shape because of lead paint and deterioration; schools that need to be looked at.

Now, if we continually close our eyes to that, and we are, and not recognize the difficulty that the mayor has, and no money, and he will get very little money this time -- buying Pat Hays just erodes the tax base. You won't be paying any taxes on this, I don't think. You don't pay any taxes, I don't think, for many of the things you do up there. I'm not being critical of you.

DR. TURNER: I understand.

GOVERNOR SCHAEFER: What you're doing is you're trying to make this and have made it into a major

area, major students' area. You're going to have a great area all around it, and you're going to find a deterioration south of you and east of you and west of you; and I would think that I would get those very bright students that you have back there to start looking about the economic impact -- I can't get the state to do it -- the economic impact of the City of Baltimore on the State of Maryland and what is going to happen to the city over the period of the next five, six, seven, eight, nine years.

People say why am I concerned, as the Governor, I shouldn't be concerned about one area only. I'm concerned about them all, but I am particularly worried about what I see on Howard Street, what I see on Charles Street, what I see on Calvert Street, and what I see in the area where I live.

Nothing wrong with this. Pat Hays, willing seller, but you've lost a major business, and that is wrong, that's bad; and, unless there's a feeling that the businesses should come back into the city again, stay in the city and feel secure, you're going to have a

continual erosion. Will businesses locate in the city? Maybe they'll locate because of the University of Baltimore. I hope they will; but, unless you get the schools up to a point where the students that are graduating go on to a university -- all the improvements you make, are going to continue to make, very good. I'm pleased with them. But this, to me, is not one of the great things that's happened to the city. It's a great thing as far as the university is concerned, but sort of a sad thing as far as the city is concerned.

Now, that's my view, but I haven't been able to convince the Legislature. They throw them $9,000,000 and go home and say, "Be happy, boys." The only thing that we're really doing this year, we proposed, was to take over the jail, which would cost the state about $40,000,000 extra in order to fix it up because of the deterioration of the jail over a period of years. So I'm not, what I would say, overjoyed with this approval. But, be that as it may, I have no -- I'm not opposed to it. Okay.

But I would suggest those young people who

will be gone from the university, you might figure out what happens to the city as more and more businesses leave and fewer and fewer come back in. That's something -- maybe when you're in the Legislature, younger people in the Legislature, maybe they'll be able to understand that.

DR. TURNER: I'm sure you understand that we've already sponsored a meeting for the downtown partnership at University of Baltimore, where the Greater Baltimore Committee was able to present their views on the Linowes Commission and then got the support of the downtown partnership, things of that nature. We are listening to you and will certainly do everything we can to assist.

GOVERNOR SCHAEFER: You can have meetings, Meb, until it runs out your ears.

DR. TURNER: I understand.

GOVERNOR SCHAEFER: And everybody has a meeting and they're passing Linowes taxes. I agree with that. They're passing some Linowes taxes, but they're not passing the total, total.

DR. TURNER: I'm only saying that --

GOVERNOR SCHAEFER: And the transportation, talking about a parking lot, and we all sit and believe and happy that we're going to get some money from a few parking fees, but there will be no contracts, no contracts, because the gasoline tax wasn't passed. Perfectly all right if you want to believe it, but come July 1 when no contracts are let, you'll see the impact of what this means. So I think it's fine.

DR. TURNER: We'll do everything we can to stabilize the area, as you well know.

GOVERNOR SCHAEFER: Not stabilize.

DR. TURNER: Increase it.

GOVERNOR SCHAEFER: You're missing my point.

DR. TURNER: Increase it.

GOVERNOR SCHAEFER: I'm talking about -- you're going to get students in that are going to live there. That's going to be nice, going to be fine. Dormitories are going to be non-self-supporting. What they're going to do, they're going to cost the state money. They're not going to pay taxes. What you need

is a tax base.

DR. TURNER: I understand.

GOVERNOR SCHAEFER: And you ought to get those young people that have the brains over there, and you and all the rest of the people, and get together and figure out where does the city go. Where does it go? And giving them a half a Band-aid --

DR. TURNER: Is not going to help.

GOVERNOR SCHAEFER: -- is not the answer. And to pass a tax that helps every subdivision in a major way except Baltimore is not the answer.

DR. TURNER: Yes, sir.

GOVERNOR SCHAEFER: Okay. That's my lecture for the day, which I will get a copy of and I'll be the only one that reads it.

MR. GOLDSTEIN: Your School of Business Administration --

DR. TURNER: Yes, sir.

MR. GOLDSTEIN: -- what are you doing to try to attract business, the very thing he's talking about, to stay in the Baltimore --

DR. TURNER: We have a Center for Business and Economic Studies, which is very actively working. As you recall, one of the major things that Mr. Conte just did for one of the state agencies was to come up with a means of predicting an extra session, which would be -- as you see people, unfortunately, go on welfare -- predicts it. Now then, out of that, we may be able to find ways to do things. We're also trying to look at the infrastructure, find ways to bring businesses into the city. To assist, we work with the Small Business Administration to try to assist businesses within the city meet the challenges that they have in order to stay.

MR. GOLDSTEIN: The reason I asked that question, yesterday in the Wall Street Journal there was an article, Governor, that all these graduates who are now graduating with --

DR. TURNER: Yes, sir.

MR. GOLDSTEIN: -- Master's degrees, business degrees, are now finding it difficult to find a job. They used to be able to get work at 20, 40, 50 thousand.

Now they're going to have to start at the bottom of the ladder and work up.

DR. TURNER: That's right.

MR. GOLDSTEIN: Because the jobs are not there.

DR. TURNER: Remember, the vast majority of our graduate students in the MBA program are evening students who already have jobs throughout the community and throughout the area. The full-time day school -- three-fifths of our students go to school at night, two-fifths in the day, the same old thing it always has been; but the big change is that the student population of today is becoming more and more what the University of Baltimore used to be and always has been, when Governor Schaefer and others were attending school and you were at night school at the University of Maryland Law School. We're becoming more, throughout the university system, like the University of Baltimore than the reverse. So it's people working towards advanced degrees.

MR. GOLDSTEIN: So, in other words then, your

students and your graduates already have jobs; they're trying to better themselves, so they can go up the ladder instead of --

DR. TURNER: That's right. Eighty-nine percent of our students work; and, of our graduates of some 30-some thousand now, almost 75 percent, I believe it is, reside in the State of Maryland as taxpayers.

MR. GOLDSTEIN: I remember an argument I got in with Dean Cunningham at the University of Maryland Law School. He tried to --

DR. TURNER: I was there.

MR. GOLDSTEIN: -- abolish night law school, and I was one of the few people in public life who took the stand against him. He wanted to create a Harvard University, just day students; and I went on and said I had to go to law school at night as well as day, take insurance law, admiralty law, because they didn't teach it in the day school; and, in fact, I took admiralty law. It stood me in good stead in the Marine Corps, when I was of the four TQM's, loading plans on combat ships, because I understood admiralty law, which I

learned at University of Maryland Law School at night. Couldn't learn it during the day, because they didn't have anybody to teach it during the daytime.

DR. TURNER: We're still offering those night classes.

MR. GOLDSTEIN: I'm glad you're on that track.

GOVERNOR SCHAEFER: Wait a minute now. You know, we all like to leave with pats on the back and halos and all the great thing that have happened, and we gloss over the real difficulties. Just remember what I said.

DR. TURNER: Yes, sir. I heard you loud and clear.

GOVERNOR SCHAEFER: While I'm -- 89 percent can have jobs, but there's a whole potful who don't have jobs, will never have a job, unless something is done as far as the city is concerned. So, while you go away -- and you've done a great job -- don't mean that. All I want those young people to think -- everything isn't rosy in the world -- and come up with some real suggestions on what to do with this place called

Baltimore. Just take a look what has -- in the few years when there's no money, when there's no money, and when the business community hasn't come up with the innovative ideas that they used to come up with, just think about that. Take a walk. Take a walk on Charles Street and look at the amount of --

DR. TURNER: You have a young lady who's sitting over there that's a graduate of our Interdisciplinary Studies Program, who's been living in the area how many years, Trudy?

MS. JEFFERS: Ten years.

DR. TURNER: Ten years. What we want to do is bring them into the city and keep them and have them stay living there, sir, and I think that's part of the answer to the problem.

GOVERNOR SCHAEFER: Well, a good thing -- we can ignore what I say by pointing to somebody who lives in the city.

DR. TURNER: I'm not ignoring you at all, Governor. I'm trying to listen to you very --

GOVERNOR SCHAEFER: Maybe when you're the only

thing left up there, you will listen to me.

DR. TURNER: I am, sir.

MS. MAURER: Move we adjourn.

MR. GOLDSTEIN: I move we approve the agenda. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. GOLDSTEIN: Anything else to come before the Board for the good of the State of Maryland or Baltimore City?

(No response.)

MR. GOLDSTEIN: We thank you. Have a good day!

(Whereupon, at 11:40 a.m., the above-entitled meeting was adjourned.)