

December 5, 2014

Hon. Joe Budge, Alderman, Ward One

RE: Resolution 32-14 Acquisition of 110 Compromise Street by the City of Annapolis

Dear Joe,

The Board of Directors of the Ward One Residents Association has given serious consideration to the proposed acquisition of 110 Compromise Street by the city, and we appreciate the many questions and answers that you have fielded at two of our meetings. However, we have not yet engaged our membership to the degree that we feel is necessary before we can support the City taking such an important action. The reasons for this are first, the rapid pace of the City Council's movement on the resolution; second, our membership's immediate and focused attention on the Royal Farms issue; and third, the onset of the holiday season.

Therefore, there are two purposes to this letter.

First, and most immediately, we ask that the City Council postpone its vote on the resolution until after the new year in order for the City to exercise due diligence on several issues, including but not limited to the following:

- We ask that the City Council seek from the legal department careful, further evaluation of whether the proposed rezoning could have a wider and potentially devastating impact on the future of the maritime and historic districts;
- We ask that the City Council seek due diligence on the value of the 110 Compromise Street property by retaining one or more independent licensed real estate appraisers to value the property. The owners' new appraisals, the City's decision to consult commercial brokers and other speculation are not, in our view, sufficient. Independent appraisers would thoroughly document the reasons for their appraisals for the public to consider.

Second, we ask that you and the City Council consider the questions and concerns expressed in the attached document and that you seek further public comment before proceeding with action on the resolution.

We thank you for your consideration of our requests, and we thank you as always for your service to Ward One and the City of Annapolis.

Sincerely yours,

Elly Tierney,  
President, Ward One Residents Association

cc/

Hon. Mike Pantelides, Mayor  
Hon. Frederick M. Paone, Alderman, Ward Two  
Hon. Rhonda Pindell Charles, Alderwoman, Ward Three  
Hon. Sheila M. Finlayson, Alderwoman, Ward Four  
Hon. Jared Littmann, Alderman, Ward Five

Hon. Kenneth A. Kirby, Alderman, Ward Six  
Hon. Ian Pfeiffer, Alderman, Ward Seven  
Hon. Ross H. Arnett, III, Alderman, Ward Eight  
Thomas C. Andrews

## **Ward One Residents Association questions and concerns regarding Resolution 32-14 Acquisition of 110 Compromise Street by the City of Annapolis**

### **1. Rezoning**

- a) We ask that the City's legal department thoroughly evaluate and issue a written report on whether the proposed rezoning will set a precedent for owners throughout the maritime district – from Ego Alley to Eastport – to demand rezoning for commercial development they are eager to undertake.
- b) Has the Maritime Advisory Commission made a recommendation regarding the proposed rezoning?
- c) You have stated that because the parcel falls within the City Dock Master Plan (CDMP) it would not set a legal precedent. If this evaluation is true, would it not set a political precedent with which developers could pressure the city?
- d) We are extremely concerned that if the integrity of the maritime district zoning law collapses, the maritime and historic districts – the very character of Annapolis – will be devastated by development and will be permanently transformed. In view of the message of last year's election, and the concerns of Save Annapolis triggered by the controversial CDMP, we ask you and the City Council to consider this matter carefully, slowly and judiciously, and encourage further public comment.

### **2. Cost:**

#### **a) *Purchase price:***

We request that the City exercise due diligence on the value of the 110 Compromise Street property by retaining one or more independent licensed real estate appraisers to value the 110 Compromise Street property. The appraisal(s) should also estimate the potential resale value of the proposed parcel to be rezoned.

In addition, what is the monthly debt service on the loan? It has been suggested that this process (purchase, re-zone, improvements, etc.) will take at least two years. Where will the money necessary to make these payments come from?

#### **b) *Bulkhead repair and replacement costs:***

We ask that the City exercise due diligence on the condition and requirements of the bulkhead along the 110 Compromise Street property, including the needs for improvement of the decking and other above-water materials and rerouting water and electricity by getting a written assessment by an independent licensed engineer. The engineer's assessment should also include cost estimates for replacement of the bulkhead, if necessary, and rerouting of water and electricity.

#### **c) *US Department of the Interior/Maryland Department of Natural Resources funding:***

What is the status of the National Park Service grant application for \$1.2 M to assist in the acquisition of 110 Compromise Street? When you say in your Q&A part 1 that the transaction is contingent upon approval of the grant, how and at what point does that contingency have effect? Should the City Council resolution not await the written approval? Is the grant available only in Fiscal Year 2015 or will it be available in Fiscal Year 2016? Will the potential to receive the grant change under Governor-elect Hogan's new Administration?

### **3. Use of the 110 Compromise Street property:**

- a) What has led the City to believe that there are no potential buyers of 110 Compromise Street, willing and able to develop the property within the 70/30 rule of the Maritime District Zoning? We are concerned that the owners of the property may be pressuring the City, with threats to leave the abandoned Fawcett building in place indefinitely, in order to obtain an exaggerated price. If this were so, we believe the City should prioritize legislation to penalize such landowners who leave viable commercial property abandoned, or in visible disrepair, rather than “pay off” the owners.
  
- b) Although the proposed subdivision of the property by the City is appealing, how does the City know what would be the design most interesting to potential buyers? The City has no demonstrated expertise in designing, subdividing and reselling real estate to developers. The marketplace has many designers and developers with the creativity, experience, business acumen and understanding of zoning laws to do this. Further, if the City were to acquire the property, would it gain more protective control over the property’s use than it already has under the Maritime Zoning and the City Dock Plan?
  
- c) Finally, we have concerns regarding the crafting of the eventual Request for Proposal, the managing of bids, and the collaborative and consistent effort that this large-scale project could require. We have seen “off the shelf” RFPs in the past that will not suffice for the 110 Compromise Street property. Additionally, the lack of a permanent head of the Planning & Zoning Department raises concerns over how the City will consistently implement zoning changes and respond to potential developers. How will the City ensure a thoughtful and consistent implementation of this plan?