

Open Work Session
September 4, 2018
Update on Connelly Mill Property

Mr. Weston Young, Assistant Director of Administration, Mr. Steve Miller, Director of Recreation, Parks, and Tourism, and Mr. Steve Smethhurst, Attorney for Connelly Mill Limited Partnership, came before Council. Mr. Young said he wanted to come before Council to give an update on the Connelly Mill property, which they discussed about a year ago when they were offered a donation of approximately 235 acres of land north and adjacent to the Henry Parker Complex. He said they had an appraisal performed, and it came back in at a little over \$1 million dollars. He said the site is located in the City corporate limits, currently has no water or sewer run to it, and is zoned R8A, which is a multifamily and is a City zoning. He said there were two ponds excavated, one of which has a footprint of 16 acres, and the other has 21 acres which was used for borrow area for the Bypass. He said, however, they were part of a larger stormwater development of the site, and they have a plat of that available if Council is interested in the history of it.

Mr. Young said, after they did the appraisal, they then performed a Phase 1 and a limited Phase 2 environmental study in which several red flags came back, namely in the form of metal contamination. He said the limited Phase 2 study involved some groundwater samples in the standing water that was there, and it contained seriously high levels of lead, which was the big concern. He said, ultimately, as Council remembers, they decided not to pursue the donation. He said the City municipal wells, at least for the paleo channel region, are located in that area, so there were concerns with high levels of lead in the water right next to and in the paleo channel. He said, concurrently, he reached out to the Maryland Department of Environment (MDE) to start discussions of how to help analyze this to see if the concerns were justified, and if there would be any assistance for a private entity remediating said site, and the owners of the site pursued additional soil and groundwater testing. He said he then sent the Department of Environment all of the documents the County funded, including what the owners had funded, and in the Brief Book is an attached letter from MDE that, basically, in summary, said the site did not present a risk to health. He said there are trace amounts of lead in the soil, and even when they go down really far they said that could be steam engines from back in the day. He said, however, they did not have the concerning levels that they thought. He said the groundwater wells that were utilized came back with minimal results, and they believe the grab samples of the limited Phase 2 was poor sampling technique as it was turbid water, was muddy, and did not represent what is actually out at the site. He said, in summary, MDE came back that no additional action is necessary, and, in a nutshell, that is where they are today. He said the prior concern of the municipal wells being contaminated with lead is now not a concern, so the City can breathe a sigh of relief, and what they previously considered to be a contaminated site not worth donation is not necessarily the case.

Mr. Young said the other thing they worked on in the time since receiving this letter from the State, just to see if it is an option, is transferring Program Open Space, and Mr. Miller can go into more details regarding his conversations with the State. He said the question is whether the County can transfer rights on property acquired with Program Open Space money where the situation has changed, and they no longer need that property protected for public use. He said, at the last Council meeting, he came before Council with some properties to consider surplus, and those are the low-hanging fruit. He explained, there are some larger parcels out there that may or may not have been acquired with Program Open Space, but that requires additional research, and the question is how the County could get out of them because why have them if they are not being utilized. He said, specifically, they looked

at the West Metro Core Park property, and, since it has been acquired, they have had a farming lease on it. He said they do not have water and sewer, and it would be over two miles of water and sewer run to get it to that site and fully develop it. He said he is going to turn things over to Mr. Miller to briefly talk about that particular property, but, in the conversations he has had with the State, they would consider the transfer of Program Open Space easements and restrictions from the West Metro Core parcel to Connelly Mill. He said, if they were to reconsider the donation of the Connelly Mill property, that would then free up this property that they no longer have intentions of using, and they could then sell it just like the other properties he brought before Council. He said, with that, he is going to turn things over to Mr. Miller to touch on the Recreation and Parks aspect of this.

Mr. Miller said, with respect to Program Open Space, when the County purchases land with acquisition funds of Program Open Space, they are bound to those forever. He explained, with development projects, there is a 20-year shelf life, but with acquisitions, they are bound. He said there is a conversion process if they want to change that, but it has to meet three qualifications, which are that the new property has to be equal or greater in acreage, appraisal value, and recreational value to citizens. He said those are, generally, the qualifications to at least start the conversion process. He said, with respect to the West Metro Core property which Mr. Young referenced, if the Executive and Council want to consider pursuing that, they just made an initial inquiry, and the initial test was that this is something that would qualify. He said it would be roughly a 12-month process to convert it, but it would meet those three basic qualifications. Mr. Dodd asked how many acres the West Metro property is, to which Mr. Miller responded, about 100. Mr. Dodd asked if there are 247 acres at the Connelly Mill property, to which Mr. Young responded, just under 235, and it would meet those qualifications. He said, in terms of recreational value, that is a little more subjective, and they would have to make a case for that, but, from where he sits, with the property being adjacent to a marquee facility like Henry Parker, there is potential opportunity. He explained, they could either add amenities to the existing park, add additional ballfields, or any number of things. He said he thinks it would require some time, public input, and a lot of research, but he thinks the opportunities there would certainly be greater than what they have at West Metro Core. He said the County has been farming it, and, at this point, that is what it is.

Mr. Young said, speaking of amenities, as he presented last year, one of the thoughts would be to take the two existing stormwater ponds and fully excavate those deeper, and that would provide cover material for the landfill, and they would then, in turn, be water features. He said they have had time to research some of the questions, and surface mining for Wicomico County is, basically, exempt from State regulations. He said they have to fill out a basic permit, and it is always good to do a Public Hearing, even if it is not required. He said, however, given that it is in City limits, he thinks the only thing they will need to confirm is working with the City to make sure the County is within the City's Codes in terms of what they are digging. He said, ultimately, besides providing soil for the landfill, they would create water features at this site that would then allow a series of water-based activities that would be beneficial in that area. Mr. Dodd asked what those would be, to which Mr. Young responded, learning to sail without wave action, standup paddle boarding, and fishing because they could stock it, and there are options, such as kayaking and canoeing. Mr. Joe Holloway said the County has the same kind of ponds now, but nobody is allowed to fish there, to which Mr. Young responded, the borrow pit is viewed as an active site while each one individually is being dug out, so they would not allow access. He said, once it is complete and stabilized, a key part when digging is to have slopes and maybe a bench so that, if someone fell out near the water, they could reasonably stand after some swimming. He clarified, there would be thought in terms of how it would be dug out for recreational purposes versus pure material. He said, with a borrow pit, they also pump it down so they can dig even deeper, so, in some cases, it is probably 60 feet deep now, if not deeper.

Mr. Joe Holloway said Mr. Miller talked about selling West Metro. He said he remembers people coming to hearings wanting the County to buy that because it was stressed back then that folks on the Westside wanted a park like the Eastside had at Winterplace. He said he knows the County operated Winterplace for 20 or 30 years without water and sewer, so they do not have to have water and sewer to operate a park. He said they are limited to some of the things they can do there, of course, but they do not have to have water and sewer. He then asked how the folks on the Westside will take this knowing the possibility that the land that was bought for them to have a park is going to disappear, to which Mr. Miller responded, it is not doing them any good now because it is being farmed. He said he was not around, obviously, when that happened, but he has not heard from any of those folks. He said the Park Superintendent has been in his position for 12 years, and he has not heard public demand or outcry for that. He said those people may be out there, but the County has not heard from them. He said, when they went through their land preservation plan, which had public input and recreation councils, they just have not heard that desire, and the needs have changed. He said, again, this was before his time, but, in talking about building soccer fields and various things that were originally planned out there, and potentially ballfields, they have built the ballfields at Parker, and the soccer landscape has changed so dramatically in the last five years with fields going up in Pittsville and Fruitland. He said he does not know that they could fill more soccer fields on the local level as he thinks those things have changed over time, and he has just not heard from those folks that there is that need. Mr. Joe Holloway said he lives on the other side of town, so maybe a Councilman from that side of town has heard something. Mr. Miller said, for example, Cedar Hill has soccer fields and ballfields, and those fields are not being highly utilized because public needs have changed over time.

Mr. Dodd said, about two years ago, he went to Hershey Park, which is a small area, and they have tournaments there all the time. He said the soccer tournament he went to had 850 teams, so it can be done, but it just has to be marketed.

Mr. Cannon asked Mr. Miller if he knows what the value of the West Metro Core property is now, to which Mr. Miller responded, he does not know the appraisal value. Mr. Cannon asked Mr. Matt Holloway if he thinks it has maintained its value, to which Mr. Matt Holloway responded, it is probably \$7,000 to \$8,000 per acre right now. Mr. Joe Holloway said he thinks the County paid half a million dollars for it, to which Mr. Matt Holloway responded, it has gone up.

Mr. Cannon said he thinks this would give the County a very excellent option to be able to transfer the Open Space requirements. He then asked Mr. Miller how sure he is that it could be done, to which Mr. Miller responded, it is not a guarantee as it is a 12-month process. He explained, there would be a clearinghouse review and an application process, but, in talking with them and explaining the Connelly Mill property and the West Metro Core property, they meet the three basic criteria, so they said they would entertain that conversion. He said it is not a guarantee, but he thinks they can make a very strong case about the recreational value in pairing it with the asset the County has at Parker, and its location. Mr. Cannon said it would be nice to be relieved of that restriction to give the County more options for that property if necessary, to which Mr. Miller responded, the restriction would be transferred to Connelly Mill. Mr. Cannon clarified, it would be nice if the County could be relieved of that restriction on that particular piece of property because they know what they could do with it if they wanted to, to which Mr. Miller responded, they would have the option to either develop it or sell it. Mr. Joe Holloway asked, if they cancelled the restrictions, would they be able to mine it, to which Mr. Young responded, he thinks they could subdivide it. He said there are two aspects of that, and one is that they are developing water features for public use, so that is the angle he would push. He said, otherwise, they

could subdivide the actual ponds out and they would put the restrictions on the rest of the property. Mr. Joe Holloway asked, in the mining process, it was stated they would have to get permits, to which Mr. Young responded, they have to put together a three-page packet, which he can send to Council, but the County is exempt. He said, whenever they have expanded their current borrow pit by the landfill, they have had to fill it out just showing the new boundary. Mr. Joe Holloway said Mr. Young is talking about a new mining process here, and he is also mining in the vicinity or over the top of the paleo channel, to which Mr. Young responded, yes, it is in the vicinity. Mr. Joe Holloway said, before they even pursue this any further, and he knows they are not voting on anything tonight, he thinks it would be good to know if they can get mining permits before they go down that road, to which Mr. Young responded, the Deputy Director of Public Works spoke with their mining contact, and they said it is simple. He said the only question was, with regards to it being in a municipality, whether there are any municipal laws or codes they need to contend with. Mr. Joe Holloway said he would think the mining division of it would have to deal with the Department of Environment due to the fact of the location, to which Mr. Young responded, they are one in the same. Mr. Joe Holloway said he thinks it would be good to know if the County can use it for what they want it for before they acquire it, to which Mr. Young responded, he can work on confirmation.

Mr. Hall asked if he heard correctly when Mr. Young stated they only had 100 acres at the Westside property, and they are talking about 240 acres at Connelly Mill, and they are not talking about mining the whole property, but only talking about 100 acres, to which Mr. Young responded, there is other use for the property. Mr. Hall said it is just a limited portion that would be for possible for excavation, but he is not even sure they decided that was the avenue they were going to take with this piece of property, to which Mr. Kilmer responded, they are just exploring options. Mr. Hall said they are comparing the Westside property to this piece of property when they should probably just be addressing this piece of property itself rather than looking at the Westside as some type of alternative option to accept this property. He said the County has other pieces of property they could possibly do this with. He said, for instance, they could possibly take the Pirate's Wharf property and swap it for this piece of property, if they wanted to go in that direction, but there are a lot of different options they could go with. Mr. Kilmer asked if Mr. Hall is saying there are a lot of different Open Space properties, to which Mr. Hall responded, there are a number of different Open Space properties. Mr. Miller said Pirates Wharf is already restricted by Open Space, so they could not swap that out with existing Open Space, to which Mr. Kilmer clarified, Connelly Mill. Mr. Hall said, if they explore all of the options, he is sure they will be another five to six years before they get this done.

Mr. Cannon asked Mr. Young how difficult it would be for him to get this assurance on the mining options, to which Mr. Young responded, he can probably get it tomorrow. He said the gentleman who manages this was just spoken to today, and they just said the County is exempt, and the only thing is the municipal law. He said he can confirm that, but he is positive there would be recreational opportunities for those sites, even if they could not dig it, as he thinks that is what Councilman Hall was saying. Mr. Cannon asked if Mr. Young had stated previously that it is cost prohibitive to try to establish this as a mining location just simply because of the number of trucks and land moving machines the County would have to purchase or rent, to which Mr. Young responded, it would be cost prohibitive to buy soil from elsewhere, but Councilman Joe Holloway is correct that they are not set up. He said they have the excavator and the long stick excavator to get 40 feet down from wherever it is, but Solid Waste does not have the dump trucks yet to carry it. He said most of their dump trucks are off road that go from the borrow pit to the landfill, and can carry 50+ tons, whereas usually they want to stay under 20 tons with a dump truck. Mr. Cannon asked if Mr. Young can give Council a cost benefit of what it would be to

establish this process as far as if they were to pursue using that dirt for the landfill, as well as the mining permission, to which Mr. Young responded, yes.

Mr. Kilmer said, to piggyback off what Mr. Cannon is saying, there is the long-term plan for the landfill, and, obviously, they are focused on that. He said they need dirt for the landfill for years and years to come, so he thinks it would be interesting to see what the capability and possibility there would be, what equipment would be needed, and whether permits would be needed. He said he thinks they need more beyond just a word of assurance, especially since part of this is about the paleo channel. He said, if they are going to pursue this angle, they need to know how far they can dig down and excavate before they get too close to the paleo channel, which may be a reasonable angle if they need to extend the life of the landfill. He said Council would need to know all of that, but he does not think they are in any rush. He said he is surprised to see this because last year they were told they had to get this done by December 31st or they would go with another offer, and they did not do it by December 31, 2017, but all of a sudden it is back here. He then asked what happened with that because Council forfeited their chance to get this, to which Mr. Young responded, the news of contamination, he thinks, chased everybody away. Mr. Kilmer said they have time to really thoroughly study this, and make sure they have their ducks in a row before they rush to accept this, to which Mr. Young responded, that is correct, and they do not want to rush anything. He said he thinks they can pull this information together in a short timeframe. Mr. Hall then asked if this is the only objection to this property? He said, when Council is told they can mine the property, will Council then say they do not like the railroad tracks next to it, and will they then move the railroad tracks? He said he remembers being chastised for agreeing to something and then coming back later and saying maybe this is not such a good idea. Mr. Joe Holloway clarified, these are not so much objections as they are questions.

Mr. Cannon said he thinks they have narrowed it down, and Mr. Hall makes a good point. He said they have narrowed it down to two primary issues, and one is how viable Mr. Young's option is, and the second is how viable Mr. Miller's option is. He said, if they really think it is positive, and it is feasible, he thinks they have every reason to look very seriously at moving forward.

Mr. Kilmer said, to be honest, the recreation possibility does not excite him that much for this property, but the possibility of the landfill issue could. He said he thinks there are a lot of environmental questions there that he thinks they need some time to look at, and they can probably talk about this further because there are certain issues. He said that, to him, is what he thinks the real promise would be. He said this idea that it is coming back before Council after they were, frankly, being pressured into accepting it in a certain timeframe, he thinks causes a little bit of heartburn with some people.

Mr. Hall said he has a question for Mr. Kilmer. He then asked, if the recreation part does not excite him for this piece of property, did the recreation portion for Westside, which has not been developed, or Pirates Wharf, excite him, and should they get rid of those properties or find another use for those properties, to which Mr. Kilmer responded, he appreciates the Executive looking at the Pirates Wharf situation, and he thinks it is good if they have property to look at for the recreation possibilities. He said he thinks that is a good thing, and he is glad they are doing that, but the idea of acquiring more land for recreation possibilities when they are not putting recreation on the land they have seems a little bit silly to him. Mr. Hall asked if Mr. Kilmer thinks they should evaluate the other properties, to which Mr. Kilmer responded, if they are never going to use them, then yes. Mr. Young added, they are still looking at that because there are several. He reported, there is someone on Route 50 near Winterplace with large wooded tracks that has a creek running either through or along them, but it is not being used. He said, in this case, if they can somehow find putting Solid Waste behind him, taking what they view as

generally unused and unusable Open Space meant to be for the public, and transferring it to a property they think has more potential, that is what they can do with the sites that are restricted by the State POS money. He said they could find a park site elsewhere that they think would be of a better benefit to the citizens, and go through the 12-month process to then take it off property they are not using, and putting it to property they think can be used. He clarified, that is only with the properties that have this restriction. He said, in any other case, they can sell it if they are not using it, or have no long-term planned use.

Mr. Dodd said, unlike his colleague, the recreation possibility excites him because anything that improves the quality of life for their citizens excites him. He said they are talking about watersports, but then talking about the mining, and that is going to be a long-term project to where they will not be able to do the watersports, to which Mr. Young responded, it depends, and he owes Council a cost benefit analysis on this. He said it is going to be more economical for them to use their off-road dump trucks pulling from the borrow pits that are near their sites, both the current one that can be expanded with the small Potts property, and potential borrow pits. He said, when they look at that, he can tell Council they are not going to have enough soil to cover the current landfill, and they need to make sure they have long-term sources for what they plan to expand. He said, if they can find another site they can use near the landfill where they can use off-road dump trucks, that is still going to be the most economical benefit. He said they are going to have dump trucks coming from Connelly Mill to the site, but, again, he views this as a two-benefit project. Mr. Dodd said, in a few years, they would have to buy more equipment to transport it, to which Mr. Young responded, they would reprioritize equipment. He said they would need more dump trucks and people.

Mr. Dodd said, when he asked about the plan for the watersports, somebody thought that was funny, but it is not funny if it is going to last forever. He said he agrees they need the soil to keep the landfill, but he wants to see a plan.

Mr. Dodd said another question he has about the transfer is whether the option is available acre for acre instead of losing 135 acres, to which Mr. Miller responded, he believes they can, in part, but he does not know what they would gain by that. Mr. Dodd said there would be a lot more restrictions on 235 acres, to which Mr. Young responded, or they could take a 180-acre parcel that is forested on the Eastside that has POS money, and try to do multiple properties on this. He said, again, it goes through a review process, and the more favorable, such as instead of 100 acres they are getting 235 acres of public space, that is going to help sell it. He said maybe they can cut out the ponds so that is not even a question. Mr. Dodd said he would rather see them do acre for acre so they do not lose 135 acres.

Mr. Dodd asked, getting back to the first statement about the high levels of lead, what happened to that, to which Mr. Young responded, what the State reviewed and the limited phase 2 said is what they took was a turbid sample, and that is just fancy speak for mixed up, and was not representative of what is actually there. He said the comparison is the groundwater samples they took are far better than grabbing from just a puddle. He said there are three spots they tested, one being the most eastern test which came back 700 mg per liter, or whatever the threshold is. Mr. Dodd asked if there are still high levels of lead in those three areas, to which Mr. Young responded, they view it that, if they mix it up, that was bad, but the groundwater is not, and the soils are not, so it is not a widespread dangerous area, but more how the sample was taken, and they questioned that altogether.

Mr. Dodd said he likes the idea of doing something with this property, but in December when Council walked away from it, he did not know it was going to be brought back to them. He said he wants to

make sure the County is not stuck with spending tax dollars on cleaning up this property, to which Mr. Young responded, that is why their land preservation program handles brownfields. He said they are the reclamation folks, and when he originally sent them the samples, they said if the sampling was not good enough they would come out and do samples as well if they feel there is a contaminated site. He said the phone call he got, and the letter that followed it up, were basically good news for the County, but bad news for them in that they do not have a project because the site is fine. Mr. Joe Holloway said the letter is pretty open where, basically, it says "As always, this letter should not be construed as a waiver or limitation of the Department's right to take enforcement or other action with respect to activities not addressed herein or unknown by the Department at this time, including newly discovered contamination or the exacerbation of existing contamination," and that leaves things pretty open. He said he understands most of this contamination is coming from the four-wheelers and dirt bikes, so what are they going to do to secure this property, and how much will that cost. He said he knows Mr. Young does not have an answer for that right now because he has not studied that, but that is something Council needs to know about because that is a 200-some acre site that is being actively used daily. Mr. Smethhurst said he was out there over Labor Day weekend, and he caught a couple of people back there with their pickup trucks and trailers, and one of them had two-four-wheelers on it. He said they were all back there gunning around, especially wherever they could find some water because they just love to drive through the water. He said that is why, according to some of the people out at Hynes and Associates, when they took those samples from the mud puddles last year, they got the high lead, and that comes from the exhaust and brakes. He said he kicked those guys off the property and took down their tag numbers and names, and he told them if they are out there again he is going to file an actual criminal trespass action against them. He said they told him some lawyer from New York who represents the people who own this said it was okay, so he told them he is not from New York, he represents the people who own this property, and there is not a living soul on the face of this Earth who has permission to come out there and do what they are doing. He told them to get out of there and not to come back. Mr. Joe Holloway said that is something they will have to face if they accept this property, to which Mr. Young responded, he agrees. He said, just like any of their parks, there would need to be some type of mechanism in terms of keeping them safe, and keeping illicit activities from happening at night, and after hours. Mr. Smethhurst said he thinks all of the no trespassing signs that his people have put up over the years get ripped down. He said they even had a gate at one point that was ripped down, but a no trespassing sign put up there that says "Wicomico County, No Trespassing," carries a little bit more weight than just a plain old no trespassing sign. Mr. Cannon said, if the Sheriff's Department were to make any type of trespassing arrests, sooner or later word gets around. He said he is familiar with the places where there was limited parking at school, so people would park somewhere, but as soon as they found out they would get towed if they parked there, nobody ever parked there again, and now it is always vacant, and he thinks, hopefully, they would see the same results. Mr. Dodd asked if the Natural Resources Police would have jurisdiction to control that area, to which Mr. Smethhurst responded, the City of Salisbury Police Department has jurisdiction, and it took him a long time to convince them that the property was in the City. He said, finally, they went out there, but he really had to lean on them to go out there because they had to drive all the way around to get there, so they never really got a whole lot of cooperation from the Police Department until recently, and the gal who was in charge just retired.

Mr. Hall said this property has been valued at over \$1 million dollars. He then asked Mr. Matt Holloway if this property is suitable for farming, to which Mr. Matt Holloway responded, not really. He said a lot of it is forested, and a lot of it has been excavated, and there is not very much level land out there, so it would not be very highly suitable for farming. Mr. Hall clarified, it is not a highly suitable farm property, and recreation would be the primary use.

Mr. Kilmer asked if this is a free and clear donation, or are back taxes being waived, to which Mr. Young responded, that was last year. He said he thinks the request this year is to cover the engineering study they paid for that then found it was clean. Mr. Kilmer asked how much that is, to which Mr. Young responded, \$35,000. He said that would be included as part of the cost benefit because that would be an expense Solid Waste could cover to pay for what would probably amount to be over \$10 million dollars' worth of soil minus trucking costs.

Mr. Matt Holloway asked, when they excavated it previously to use the soil to build the Bypass, they set up a conveyor belt that ran down the railroad tracks. He said he does not know if that failed, or if it was just a bad idea, but he does not know if that is something they could look at again to get the soil closer to Naylor Mill Road and shorten that span of trucking. Mr. Smethhurst said his recollection is that the equipment they were using for their conveyor malfunctioned a lot, became sort of unreliable, and was slowing down their progress, so they finally abandoned it and just dropped it. Mr. Young said they could look into whether getting a truck to a location off the rail line made more sense rather than coming all the way down Connelly Mill and down the path. Mr. Matt Holloway said that was 25 years ago, and there may be better conveyor belt technology now.

Mr. Cannon asked if two weeks would suffice, or do they need four weeks to get everything together, to which Mr. Young responded, he thinks, honestly, to do a proper cost benefit, four weeks would be safe. He said, if he can do it faster, he will let Council know.

Mr. Smethhurst said he would like to make one comment. He said, of course, he represents the group, and when the County turned it down last December, after a pause to collect their breath, beginning late this spring, they began contacting 501(c)(3) outfits. He clarified, he is talking about the kind that have some sort of a community purpose, relationship, and objective to see if they would be interested in this property either for their own use, or to take the property and do with it as they wished, or to sell it and take the money to use for purposes of their own programs. He said they have talked to a number of them, and several of them were very interested, but for one reason or another did not feel they were in the position to do it, or this did not fit within their mission statement. He said there are two out there who are very interested in it, and his assignment, basically, is to donate this property to either the County, which was the original preference, or to one of the 501(c)(3) organizations who stepped forward and said they are in a position, and would like the property. He said he asks that Council move as expeditiously as they can. He said people have asked him why not just sell it, but there are several factors that maybe everyone ought to be aware of. He said, when this property was purchased in the early 1980s, it was purchased at the behest of SWED, which is who brought this whole thing about. He said Bob Kylie was the Executive Director of SWED then, and he felt there was going to be a real need for an additional industrial park because, at that point in time, Northwood Industrial Park was going bananas. He said they were selling lots, plants were coming in, and there was this projection that in a very short period of time, meaning two to five years, there would not be any more sites in Northwood, and they would be without any ability to provide sites to industries wanting to locate here on the railroad. He said, at that time, Charles Truitt was the President of WBOC, Peninsula Press, and other businesses located here, and Charlie Truitt and Bob Kylie went about trying to find a piece of land that would serve as a future industrial park. He said there were only three criteria, first being that it had to be in Wicomico County, second that it had to be on the railroad because at that time the idea that railroads were instrumental in industrial development was paramount, and third was that it had to be able to be purchased at a price that would enable it to be developed as an industrial park. He said, after looking at a bunch of properties all the way from Somerset County to Sussex County, they found this one because this particular farm only had an old farmhouse on it, which was not in great condition at all, and


a three-sided equipment shed in the back of it. He said those were the only improvements, and everything else was all farmland, and had been that way, apparently, for decades. He said all of the other properties that would have otherwise qualified had too many improvements on them, whether they were silos, barns, or houses, so the purchase price for purposes of an industrial park raised the land cost up much too high, and just did not work, but this property worked. He said they went about soliciting the money to buy it from citizens of this area. He said it cost \$550,000 in 1982, or thereabouts. He said about 15 or 16 people, some names they are all familiar with, such as Perdue, Hess, Henson, and 13 or 14 others, in various amounts put the money up to buy the property because nobody wanted a mortgage on it. He said they were buying it to land bank it, and that was the purpose. He said the people who put the money up were not land developers or builders, but there was one realtor on it, Bob Warfield from Ocean City, who just died a couple of years ago. He said then a couple of things happened. He said the demand for industrial property collapsed, the demand for industrial property on the railroad completely collapsed, and then they went through a couple of mini recessions along the way. He said, finally, and he forgets the year, but it would have been somewhere around 1990, the property was rezoned, not at their request, but at the request of the contract buyer of the property who wanted to put a residential subdivision out there who got an option for it, and got the zoning changed to residential. He said then his finance or business partner from Germany tanked, so he did not go through with the deal, and it has sat there ever since. He said they have tried to sell it for a number of years, but there has been no market for that big of a piece of property, and it really does not lend itself to being subdivided, particularly. He said, of course, in the last eight years, there has been no market, really, for large pieces of residential property for a developer. He said they have an approved preliminary subdivision plan for that property for about 400 houses, and the two pits were actually designed and dug as stormwater management facilities. He said they were not there as borrow pits, but that is what came out of them, although they were designed, specifically, to handle stormwater for the proposed residential development that, of course, has never taken place.

Mr. Smethhurst said people ask why they do not just turn around and sell it, but for a number of years they tried. He said they listed it two or three times with different realtors, but never got a single offer for it because he guesses there was nobody locally who felt they wanted to pay the kind of money the property was worth if they are going to have to sit on it for a long time, and there is no market, and no water and sewer. He said it has just languished, so, finally, half of the people who originally put the money up are dead, so their interest in this partnership is now owned by their widows, children, and, in some instances, grandchildren. He said he has people he has to communicate with who are located all the way from Salisbury to Santa Fe, the West Coast and Louisiana, and there are about 25 or 30 of them now, and it has become a real pain in the neck, frankly, to administer. He said, of course, these people are forking up the money every year for the taxes, the insurance, various expenses, professional fees, and maintenance. He clarified, when he says maintenance, that is trying to keep people out. He said they made the decision about two year ago that they did not buy this property to make a bunch of money with, so they had it appraised, and wanted to give it to the County, the City, or the Town of Delmar, and he was instructed to write all three bodies and offer it as a gift. He said, yes, it could be sold tomorrow, but no buyer or developer is going to buy this except at a really steep discount. He said, if they are going to sell it to somebody who is, in effect, going to get it as a steal, and then hang onto it for maybe two, three, four, or five years and make a humongous profit out of it, more power to him, but his people would rather make the gift to a public or public interest related type organization rather than to some developer they do not even know because that was the whole purpose of buying the property in the first place. He said that is kind of a real rough sketch background of where this is. He said the papers always say he is one of the owners, and he is in an indirect way, but he thinks he owns 1.5 to 2 percent of this deal, so they can factor that in as they will. He said it actually makes more sense economically to

his group to donate this property to the County or to a 501(c)(3), and take a gift tax deduction at its true value. He said the State says it is worth \$1.7 million, so he will happily sell it to the State or County for \$1.1 million, which is what it is appraised for, but his instructions are that his group wants to donate it to the County, and that is where they are.

Mr. Joe Holloway asked Mr. Smethhurst if they were turned down by Salisbury and Delmar, to which Mr. Smethhurst responded, Delmar never responded at all, and the City of Salisbury never responded at all. He said he wrote letters to all three groups, and Wicomico County is the only body that responded showing any interest at all. He said after the whole thing was explained, that is why they are here because the County was very interested once they got their arms around it. Mr. Cannon said they appreciate his perspective, and it is beneficial for Council.

Mr. Cannon instructed Mr. Young and Mr. Miller to do their research over the next four-week period, and, if they wrap it up earlier, they can let Council know. There was no further discussion.



John T. Cannon, President



Larry W. Dodd, Vice President, District 3



Ernest F. Davis, District 1



Marc Kilmer, District 2

John B. Hall, District 4



Joe Holloway, District 5



Matt Holloway, At-Large



Laura Hurley, Council Administrator