

Economic Development Commission

The County Commissioners of Kent County

400 High Street, 3rd Floor

Chestertown, MD 21620

January 9, 2019

Commission Members Present: Cindy Genter, Jim Luff, Kate Gray, Rob Thompson, Tracey Williams, Aaron Bramble, and Richard Story

Commission Members Absent: Trae Hoffner

Also in Attendance: Bob Jacob, County Commissioner; Shelley Heller, County Administrator; Emily McCoy, Assistant, Economic Development; Hannah Kinne, Intern, Economic Development.

At 3:00 p.m. Mr. Luff called the meeting to order. Mr. Luff requested a motion to approve the minutes from the December 5, 2018 meeting. On motion by Mr. Bramble and seconded by Mr. Thompson, the Commission unanimously approved the minutes from the December 5, 2018 meeting.

Amy Moredock, Director Planning, Housing, and Zoning, shared the following updates:

- County Commissioners vs. Bayshore Land Holdings, LLC et al case (C14-CV-17-61): Mediation sessions were held in December with the parties and the litigants. A consent order was drafted and signed by all parties and submitted to the judge for approval. Judge Jensen requested a conference with the parties on January 17, 2019. The County received a letter seeking confirmation of compliance with all requirements from the Critical Area (CA) Commission. Neighbors in opposition to the project are pursuing compliance with CA and Maryland Department of the Environment requirements and intend to sue for enforcement of all regulations on this property.
- Kent County Planning Commission December 6, 2018 meeting:
 - Attorney Joe Stephens submitted a zoning text amendment on behalf of Morgnec Solar to bring their project in line with the Ordinance by adding utility scale solar systems to the special exception sections in the CR and RR Districts. This item received an unfavorable recommendation from the Planning Commission and was forwarded to the County Commissioners for public review.
 - The animal shelter zoning text amendment received favorable recommendation and was forwarded to the County Commissioners for public review.
 - The Eastern Shore Land Conservancy (ESLC) Rural Legacy program expansion was reviewed favorably by the Agricultural Advisory Commission at its November 26, 2018 meeting and the Planning Commission at the December 6 meeting. The Commissioners sent a letter of support to the ESLC.
- Kent County Planning Commission February 7, 2018 meeting:
 - The County Commissioners requested the Planning Commission consider a text amendment which would allow agricultural operations up to 50,000 square feet as special exception uses in AZD. The PC will hold a public hearing at its February 7, 2019 meeting.

- On February 7, 2019 the Planning Commission will hear an application to amend an approved subdivision plat by removing building restriction lines from a lot.
- Update of the land use ordinance is expected in 2020, and the Planning Department hopes to hire a consultant in the next fiscal year.
- Kent County Commissioners:
 - The Commissioners will hold hearings on 2 additional text amendments:
 - Removal of 50% expansion limit on Country Inns
 - Updates to the Sediment Control Ordinance per MDE requirements.

Ken Kozel, CEO, University of Maryland Medical Center, Shore Regional Health provided an overview of healthcare at the national, state, regional, and local levels. Mr. Kozel discussed the national trends, shifting from treating illnesses to increased patient health through access to better healthcare at a lower cost. The Maryland payer and waiver system was shared. Kozel shared Shore Regional Health demographics including a 2,500-member team and a \$350 million investment into the eastern shore regional health centers. The University of Maryland Health Systems updated their information technology systems in December 2018 and the system is now fully operational in all of the eastern shore locations. Mr. Kozel shared that due to the increase in demand for the services at the Philosophers Terrace Pavilion, Shore Regional Health intends to convert the Pavilion to primary care only and expand with new specialists' buildings in Chestertown. He shared the trend in decreasing admissions at the Chestertown hospital and discussed the new providers coming to Chestertown in Neurology, Endocrinology, Pulmonary, and Primary Care disciplines. The hospital is pledged to providing acute care services through 2022 and is working to define a solution for the Kent County Community in collaboration with state and local officials.

Chris Dailey presented on behalf of the Blue Star Solar Project. The project began in 2014, Sol Systems interest in the project began in 2016, with full permitting in 2017. Sol Systems signed an agreement with Washington College regarding the use and study of the solar energy, and Washington College intends to integrate the solar facility into their curriculum. Sol Systems anticipates breaking ground in February 2019. The project will provide indirect benefits, as it will be a construction project for 3-4 months bringing temporary traffic and economic investment into the County. The engineers have committed to hiring 40-55 jobs locally during construction. Current project investment is \$1.3 million and total investment including equipment cost is approximately \$10-11 million. Mr. Dailey reviewed the proposed PILOT and stated that Sol Systems is asking for a PILOT because the project was started with the understanding that the solar equipment itself would be exempt from personal property taxes.

Dee Anna Sobczak, CEO, Kent Fiber Optic Systems presented to the Commission. Ms. Sobczak stated the company is working closely with Kent County and the State Department of Commerce to bring tier I and II data centers to the county. Ms. Sobczak is working with CEOs and CFOs to learn what companies need and are looking for in a location. She shared that Kent County is one of only two counties currently competing for data centers in Maryland. Kent County has an Enterprise Zone and an Opportunity Zone, providing additional incentives to locate here. Kent County has no personal property tax, has no impact fees, and Delmarva Power has a program in place for employers to save 20% on electricity for five years for business

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facilities greater than 8,000 square feet providing more than two jobs. Ms. Sobczak is working with Senator Steve Hershey on enabling legislation to allow a sales & use tax exemption for data centers. Ms. Sobczak stated she has committed herself to being “all-in” to attract data centers and bring economic growth to Kent County.

Mark Wagner, CEO, Think Big shared the progress of fiber availability in Kent County. Mr. Wagner shared that Kentmore Park, Great Oak, and sporadic developments throughout the county, along with most of the county’s major employers, marinas, and county offices are online now. The commercial growth rate is 204%, 315% for Kent County Government, and 182% for residential. Maps for Tolchester and Chestertown were displayed with updates on their hybrid wireless situation. Their method keeps speed and keeps the same equipment, while improving the quality of service. Kent County will be rolling this out as one of the first places in the nation. In the business district, 90% of the construction is being done by ThinkBig. The fiber is being buried underground to ensure system longevity. In order to make this project work in a rural environment, they became a construction company with 10 full time employees, all local, and investing at least \$100,000 every month. Mr. Wagner showed the commission the Dixon Valve facility and its technology, stating it was a world-class, state-of-the-art facility right here in Kent County. Mr. Wagner stated his commitment to economic development for the community and shared that business connections in the town of Chestertown will begin this quarter.

Ms. Genter and Mr. Bramble presented the proposed legislative changes to the alcoholic beverage regulations. The proposed changes address conformity of zoning language and alcoholic beverage regulations regarding Country Inns, adding the ability for a movie theater to apply for an alcoholic beverage license, and cleanup of the language from previous amendments. The recommendation will be forwarded to the County Commissioners for consideration of forwarding to the District 36 delegation. A motion was made by Ms. Gray, seconded by Ms. Williams, and carried unanimously to approve the proposed legislative with amendments. The amendments decreased the number of seats to 100 and allows service during hours of operation, except from 2 a.m. to 6 a.m. on any day.

Jamie Williams shared an excerpt of Business View magazine featuring an 8-page interview on Kent County. The new Kent County Public School System brochures have been distributed to realtors’ offices and the three largest employers in the county. Dr. Karen Couch will ensure they are distributed to students. Economic development updates were presented to the Towns, Lions Clubs, Rotary Club, and the NAACP. The nomination process for nominating positions on the Economic Development Commission was shared. Ms. Williams shared that an audio archive for meetings is in the works.

Ms. Williams requested a letter of support for infrastructure funding for the Chestertown Business Campus being pursued from the State. The County Commissioners approved a letter of support at the January 8, 2019 meeting. On motion by Mr. Thompson, seconded by Ms. Genter, the Commission unanimously agreed to send a letter of support, Ms. Gray abstained.

At 5:15pm, Ms. Gray left the meeting.

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The Commission discussed the Payment in Lieu of Taxes (PILOT) for the OneEnergy Blue Star Solar project in Massey. After a lengthy discussion Mr. Story motioned to recommend a PILOT of 60% of the allowable Personal Property Tax (PPT) on utility scale electricity generating equipment, contingent upon agreements with Washington College and David A. Bramble, recommending an initial PILOT for 25 years, with the option to extend an additional 10 years if Washington College and David A. Bramble add 10 years to the end of their contracts with OneEnergy Blue Star Solar. Ms. Genter and Mr. Thompson felt the project deserved a lower percentage PILOT given their business plan was developed with the understanding that the County had no personal property tax. Ms. Williams seconded, Mr. Story's motion and the Commission passed the recommendation by majority of 3:2, Mr. Thompson and Ms. Genter opposed, Mr. Bramble abstained.

There being no further business, a motion was made by Mr. Thompson, seconded by Mr. Bramble and carried unanimously to adjourn the meeting at 5:52 pm. The Commission agreed to meet again on Wednesday, February 6, 2019 at 3:00 pm in the Commissioners' Hearing Room.

Respectfully Submitted,

Jamie L. Williams
Director