Derek Harvey Wayne K. Keefer Randall E. Wagner

100 West Washington Street, Suite 1101 | Hagerstown, MD 21740-4735 | P: 240.313.2200 | F: 240.313.2201 WWW.WASHCO-MD.NET

BOARD OF COUNTY COMMISSIONERS February 14, 2023 OPEN SESSION AGENDA

9:00 AM	INVOCATION AND PLEDGE OF ALLEGIANCE CALL TO ORDER, <i>President John F. Barr</i> APPROVAL OF MINUTES: <i>January 31, 2023</i>
9:05 AM	COMMISSIONERS' REPORTS AND COMMENTS
9:15 AM	STAFF COMMENTS
9:25 AM	CITIZEN PARTICIPATION
9:35 AM	STATE OF THE CIRCUIT COURT REPORT Honorable Brett R. Wilson, Administrative Judge, Circuit Court; Kristin Grossnickle, Court Administrator, Circuit Court
9:50 AM	FY23 BUDGET ADJUSTMENTS TO THE WASHINGTON COUNTY BOARD OF EDUCATION'S GENERAL FUND BUDGET Jeffrey Proulx, Chief Operating Officer, Washington County Public Schools; David Brandenburg, Executive Director of Finance, Washington County Public Schools
9:55 AM	BLACK HISTORY MONTH Fred Chavis, President, Washington County NAACP 7030
10:05 AM	PROGRESS ON THE DOLEMAN BLACK HERITAGE MUSEUM FUTURE HOME PROJECT Alesia Parson, Project Director; Wendi Perry, Curator, Doleman Black Heritage Museum
10:15 AM	PRESENTATION OF PROCLAMATION FOR BLACK HISTORY MONTH Board of County Commissioners of Washington County
10:20 AM	FOREIGN TRADE ZONE #255 – ZONE SCHEDULE CHANGES INCLUDING FEES AND REORGANIZATION OF STRUCTURE Linda Spence, Business Specialist and Foreign Trade Zone #255 Administrator, Business Development

10:30 AM PRESENTATION OF THE 2024-2033 CAPITAL BUDGET – DRAFT ONE Michelle Gordon, Chief Financial Officer, Budget and Finance; Kelcee Mace, Deputy Director, Budget and Finance

11:15 AM CLOSED SESSION - (To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals; To consult with counsel to obtain legal advice on a legal matter; To consult with staff, consultants, or other individuals about pending or potential litigation; To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the development of fire and police services and staff; and (ii) the development and implementation of emergency plans; To conduct or discuss an investigative proceeding on actual or possible criminal conduct; and To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.)

1:30 PM RECONVENE IN OPEN SESSION

ADJOURNMENT



Board of County Commissioners of Washington County, Maryland

Agenda Report Form

Open Session Item

SUBJECT: State of the Circuit Court Report

PRESENTATION DATE: February 14, 2023

PRESENTATION BY: Honorable Brett R. Wilson, Administrative Judge

Kristin Grossnickle, Court Administrator

RECOMMENDED MOTION: The presentation is for informational purposes only.

REPORT-IN-BRIEF: The State of the Washington County Circuit Court report

DISCUSSION: To share information on the operations of the Circuit Court during the past

year.

FISCAL IMPACT: N/A

CONCURRENCES: N/A

ALTERNATIVES: N/A

ATTACHMENTS:

AUDIO/VISUAL NEEDS: N/A

Board of County Commissioners of Washington County, Maryland

Agenda Report Form

Open Session Item

SUBJECT: FY23 Budget Adjustments to the Washington County Board of Education's

General Fund Budget

PRESENTATION DATE: February 14, 2023

PRESENTATION BY: Mr. Jeffrey Proulx, Chief Operating Officer, WCPS

Mr. David Brandenburg, Executive Director of Finance, WCPS

RECOMMENDED MOTION: Move to approve the requested adjustments to

the Board of Education's FY2023 General Fund Budget.

REPORT-IN-BRIEF: The Annotated Code of Maryland requires local school systems to periodically re-forecast their financial needs and make necessary changes to their budgets. To that end, the Washington County Board of Education approved the attached list of changes to its FY2023 General Fund Budget at its February 7, 2023, meeting.

DISCUSSION: The changes that the Board of Education approved on February 7, 2023, cross major categories. Therefore, these requested adjustments must also be approved by the Board of County Commissioners. The Board of Education has asked its Finance staff to review the requested budget changes with the Commissioners and answer any questions that they may have.

FISCAL IMPACT: None. These proposed modifications merely adjust various categories of the budget to reflect updated information on revenue and spending trends.

CONCURRENCES: The Board of Education's Finance Committee reviewed the proposed adjustments at their meeting on January 30, 2023, and recommended them for approval by the full Board. The Board of Education approved these changes at their February 7, 2023, meeting.

ALTERNATIVES: None

ATTACHMENTS:

• FY2023 general fund budget adjustments

AUDIO/VISUAL NEEDS: None

Washington County Public Schools Requested FY2023 Budget Adjustments

Category	Value	The primary reason for variance is:
Revenue	\$742,475	Higher nonpublic placements State reimbursement, recovery of costs, and interest income
Administration	158,505	Higher indirect cost recovery from federal grants
Instructional Textbooks and Supplies	558,893	Redeployment to Other Instructional Costs category
Student Personnel Services	94,000	Vacancy and turnover credit
Student Health Services	321,980	Nursing vacancies and grant availability
Operation of Plant	394,750	Estimated savings in utilities
Maintenance of Plant	260,540	Vacancies
Capital Outlay	8,015	Turnover credit
Fixed Charges	912,225	Savings in health insurance and other fringe benefits due to vacancies
Total Expense Reductions/Additional Revenue	<u>\$3,451,383</u>	
Mid-Level Administration	\$96,125	Substitute clerical costs to cover vacancies and temporary assignments
Instructional Salaries	\$755,220	Adjustment to turnover credit
Other Instructional Costs	611,968	New Blueprint requirements for dual enrollment costs
Special Education	1,026,410	Higher nonpublic placement costs, contracted speech therapists and paraprofessionals to cover vacancies we were unable to fill
Student Transportation Services	961,660	Higher diesel prices, bus prices, and adjustment of turnover credit
Total Expense Increases/Reduced Revenue	<u>\$3,451,383</u>	
Net Effect on Fund Balance	\$0	

1/26/2023 Q2 FY23 Category Transfers



Agenda Report Form

Open Session Item

SUBJECT: Black History Month

PRESENTATION DATE: Feb 14, 2023

PRESENTATION BY: Fred Chavis, President, Washington County NAACP 7030

RECOMMENDED MOTION: Approved funding

REPORT-IN-BRIEF: Requesting funding for Black History Month events: Food Drop/Speaking Event and our trip to the African-American Museum in DC through our Bridges Program.

DISCUSSION: N/A

FISCAL IMPACT: \$5,000

CONCURRENCES: N/A

ATTACHMENTS: See attached document

LIBERATION INC



Black History Month & Black Mental Health

Prepared for the Washington County Commissioners Prepared by: Fred Chavis, Owner February 7, 2023

LIBERATION INC

EXECUTIVE SUMMARY

Liberation Inc

Provide wrap-around opportunities that focus on the whole person and whole family, through the use of drug use, crime, and poverty prevention outreach programs—in order to uplift in the form of political involvement, economical growth, social strength, health and wellness, and an increase in educational opportunities.

The Issue

Communities are facing a cyclical pattern of undesirable conditions such as drug use, crime, and poverty. Wraparound services that focus on the root issue through outreach are difficult to come by for people in need.

There is an extreme opportunity gap between White and Black people in communities because of the unconscious and consciously biased programs that elevate and exclude particular groups of people. Issues that Black communities face are often attributed to apathy, therefore wrap-around services are not promoted to Black communities thus making it difficult to access the services as a Black citizen.

Services provided often focus on temporary solutions, thus still allowing the cycle of drug use, crime, and poverty to continue. Black communities have few recreational activities that promote various activities and educational opportunities that promote independence and growth. Black communities often face reactive consequences, rather than preventive measures. Black communities consistently rank the lowest out of all other groups because of the systematic policies and exclusion of opportunities for Black communities.

Solution

Communities are facing a cyclical pattern of undesirable conditions such as drug use, crime, and poverty. Wraparound services that focus on the root issue through outreach are difficult to come by for people in need. We focus on issues by the root. This is obtained through enrichment activities, education, mentorship, field trips, and relationship-building. We focus on the mental well-being of our youth and community.

Events

Black History Event - This will focus on local black businesses across Western Maryland. Business owners will be honored while having the platform to speak on unity and support black businesses. Additional speakers will include some Pastors and NAACP leadership. This is the 3rd year we have held this event. The total budget for this event is \$5,000.

Food Drop/Black History Event - We would like to be able to provide a food drop for the residents at the corner of Bethel Street. We anticipate serving 125 - 150 families. Along with black leadership present to have a full event that addresses food needs, mental health, and education.

By The Roots

- Roots by Liberation focuses on youth ages 13 18. Programming focuses on identity and empowerment through that identity. Our program also focuses on life skills along with educational tutoring. We aim to create well-rounded, respectful leaders in our youth through mentorship.
- Individualized schedules will be created that best serve and accommodate the needs of the youth and their family or guardians. All hands-on activities and programs allow free expression, confidence, and social skills.
- We meet the children where they are at.

LIBERATION INC

BUDGET

Liberation inc is in Good Standing with the State of Maryland and is a registered 501(c)(3) entity. Federal Tax Identification: 88-2387821

Description	Amount
Black History Month Event (Feb 26th) Hosted by Liberation Inc. & NAACP	\$5,000
Roots - Individualized Youth Mentorship	\$2,500
Bridges: Washington DC Trip - African American Museum (10 youth)	\$1,000
Food Drop Event (Feb 18th, \$20 per household)*	\$4,000
Donations and Sponsorship for local black organizations and events	\$4,500
Total	\$17,000



Agenda Report Form

Open Session Item

SUBJECT: PROGRESS ON THE DOLEMAN BLACK HERITAGE MUSEUM FUTURE HOME PROJECT.

PRESENTATION DATE: FEBRUARY 14, 2023

PRESENTATION BY: DOLEMAN BLACK HERITAGE MUSEUM, PROJECT DIRECTOR ALESIA PARSON, AND CURATOR WENDI PERRY.

RECOMMENDED MOTION:

REPORT-IN-BRIEF: The Doleman Black Heritage Museum (DBHM) Future Home Project is the first economic development project within the Jonathan Street corridor beside the creation of low-income subsidized Public Housing circa 1954 and 1975 and the City of Hagerstown's current landmark upgrades at the Medal of Honor Triangle and Wheaton Park, to the utility and beautification upgrades in 2007-2009. DBHMs objectives for this economic development project are not limited to building a home-to-house and exhibiting artifacts relative to local Black history. For our future home's plan and design, DBHM hired Travis Price Architects of Washington D.C. to ensure the project will offer various economic opportunities and relief within U.S. Census track 4 in Hagerstown and Washington County.

Phase I - Step Four -Pre-Construction Activities: Step 1 - DBHM performed a rigorous Request for Qualification (RFQ) from 16 architectural firms from the tri-state region. Of those invited to participate in the RFQ, six firms participated in the Request for Proposal (RFP) search for the right architect for the building's plan and design. Three architectural firms were then interviewed by the DBHM Board of Directors, which voted unanimously to hire Travis Price Architects (TPA).

TPA and DBHM performed several in-person site visits and programming meetings to determine the board's vision for the property. Most important for the directors was to produce a museum that would offer a self-sustaining revenue stream(s) from the opening day that also complements the legacy of Charles and Marguerite Doleman and expands upon the rich history of Hagerstown and Washington County.

Step 2 - Preliminary building design and layout discussions with TPA with tweaks to add or subtract various likes and dislikes from DBHM. This discussion would go on for several months and ended with TPA offering the solution of returning the building to its original two-building structure.

Building One - Rehabilitation: The original Coca-Cola Bottling Company and former Administrative Building will house the revenue stream. Housing lease options for a cafe, consignment art gallery, entertainment venue, and bookstore.

Building Two - Sea Container-New Construction: the innovative use of prefabricated sea containers in constructing our feature five-story plus basement new museum building decreases construction costs and buildout time. This building will contain artifacts storage, an exhibit prep area, a multimedia communications studio, classrooms, a library and media room, a gift shop, an events venue with a prep kitchen, a board room, and offices.

Step Three - TPA plat mapping of the area, meeting with Hagerstown Housing Authority for additional parking options, schematic design, detailed floor plans, application submission, and presentation to the City of Hagerstown's Board of Zoning Appeals for a parking variance and rezoning for the particular use of a museum. Both were granted for the project while DBHM was simultaneously preparing the request for the Washington County Coalition for the 2023 Legislative Session.

Fourth and Final Pre-construction Activities Step - TPA begins working to solidify its construction budget, contracting a civil engineer to conduct a required environmental study, structural engineers, sea containers prefabrication facilities, and a construction company to produce a three-dimensional and digital schematic building layout and design with landscape design and the identification of necessary construction documents, permits, and costs for demolition of the back end of the second building and prepping building one for rehabilitation. DBHM is working with TPA and the City of Hagerstown to meet local and state obligations under the DHCD-Community Legacy grant award for steps 1-3.

Funding for Pre-Construction Activities 1-3: DBHM entered into a Subrecipient Agreement with the City of Hagerstown to apply for the FY21 DHCD - Community Legacy Program award of \$325k. Of this, \$120k was designated to repay DBHM's loan agreement with the City and \$205k towards the architectural programming, plan, and design.

FY23 \$563k Congressionally Directed Spending - Omnibus Appropriations Bill Grant Funding Award through the Department of Housing and Urban Development (HUD), which is designated to be utilized to complete phase I, step four. However, before we can tap into the designated \$563k through HUD, the project must have proof by certification of an environmental study. Therefore, DBHM is working with our Congressional Representative staff to apply for \$10 million in Congressionally Directed Spending - Omnibus Appropriation Bills opportunities approved by Congress for the next two years.

Therefore, we have applied for the WCARF-NSF, which exceeds the \$100k limit by \$160k. As listed in the grant application, these funds will allow the DBHM project to continue progressing with the architect, civil engineer, and engineer to stay in place while federal funds are released. In the interim, DBHM will continue working with the Municipal and Legislative representatives toward the \$1,019,000 request through the Washington County Coalition to complete phase I by the end of 2023.

At this time, DBHM's financial position will allow a smooth transition into phase II of the project.

DISCUSSION	•

FISCAL IMPACT:

CONCURRENCES:

ATTACHMENTS: DBHM will provide handouts of the plan and design of our future home.



Agenda Report Form

Open Session Item

SUBJECT: Proclamation for Black History Month

PRESENTATION DATE: February 14, 2023

PRESENTATION BY: Board of County Commissioners of Washington County to Fred Chavis, President, Washington County NAACP 7030; Alecia Parson, Project Director and Wendi Perri, Curator, Doleman Black Heritage Museum

RECOMMENDED MOTION: N/A

REPORT-IN-BRIEF: Proclamation Presentation

WHEREAS, since President Gerald Ford established Black History Month in 1976, he stated that it was to celebrate the often-neglected accomplishments of African- Americans throughout the country's history, and;

WHEREAS, February was specifically chosen for various reasons, one being that Carter Godwin Woodson wanted to pay tribute to two great men - Abraham Lincoln and Frederick Douglass, both born in February, and;

WHEREAS, these men changed the fortune of blacks in America and brought about several reforms to give blacks equal status as their white counterparts, and;

WHEREAS, the story of the African-American experience in Maryland includes the life and accomplishments of Frederick Douglass, Harriet Tubman's Underground Railroad Byway, and Thurgood Marshall, one of this century's foremost leaders in the struggle for equal rights.

NOW THEREFORE, we the Board of County Commissioners of Washington County, Maryland, hereby recognize the month of February as Black History Month. With this recognition, we celebrate the many achievements and contributions made by African- Americans to our economic, cultural, spiritual and political development.



Board of County Commissioners of Washington County, Maryland

Agenda Report Form

Open Session Item

SUBJECT: Foreign Trade Zone #255 - Zone Schedule Changes Including Fees and Reorganization of Structure

PRESENTATION DATE: Tuesday, February 14, 2023

PRESENTATION BY: Linda Spence, Business Specialist and Foreign Trade Zone #255 Administrator, Department of Business Development

RECOMMENDED MOTION: Motion to approve proposed changes to the Zone Schedule, including a reduction in administrative fees for Foreign Trade Zone (FTZ) #255 to be more consistent with those across the country. With this change, we also request adoption of the attached resolution to reorganize Foreign Trade Zone #255 from a Traditional Site Framework to an Alternative Site Framework.

REPORT-IN-BRIEF: Requesting the authority to reduce administrative fees from \$.07 per square foot and \$175 per acre for outside storage to \$.01 per square foot and \$125.00 per acre for outside storage within Foreign Trade Zone #255.

DISCUSSION: FTZ #255 was established in 2002, the Board of County Commissioners of Washington County, MD, the Grantee, chose not to collect fees for activity inside the Foreign Trade Zone, subzones, or its sites. Nearly two thirds (2/3) of the State of Maryland's Foreign Trade Zone Grantees collect administrative fees, with a majority of those being municipal grantees. The Foreign Trade Zone is a tool designed to help our businesses realize significant profits in doing business inside its boundaries. With it comes a tremendous amount of administrative support, such as document processing, monitoring activities within its boundaries, and maintaining a working knowledge of the policies and procedures with the U.S. Department of Commerce and U.S. Customs and Border Protection. Since April 2022, when Washington County set it fee structure, we realized we were among the highest, not only in Maryland, but across the country. Reducing fees charged to Foreign Trade Zone #255 operators and users make Washington County more desirable in doing business with the zone. Further research and discussions with Foreign Trade Zone experts, a fair and equitable rate has been determined as follows: Annual Reporting and Monitoring fees assessed at \$.01 (one cent) per square foot; and Outside storage at \$125 per acre. All other fees to remain the same; Application Fee - \$500; Activation of a Subzone or Site - \$4,000; Deactivation of a Subzone or Site - \$3,000. Reorganization of the current General Purpose Traditional Site Framework to an Alternative Site Framework provides additional flexibility for Grantees to more quickly add new zone operations. One of the benefits of the Alternative Site Framework is that companies may be added in just thirty (30) days. The Alternative Site Framework allows a Grantee Organization to restructure its zone with a formal Reorganization Application so that there is one primary or "magnet" site, with a permanent approval followed by up to five (5) additional "magnet" sites. Magnet sites are essentially the same as the current general-purpose zone industrial park sites. There will also be subzones or "usage-driven" sites for single operators only.

FISCAL IMPACT: n/a

CONCURRENCES: Kendall Desaulniers, Assistant County Attorney; Jonathan Horowitz, Director of Business Development

ALTERNATIVES: Deny Foreign Trade Zone – Zone Schedule modification and Reorganization

ATTACHMENTS: Proposed Foreign Trade Zone #255 Zone Schedule; Foreign Trade Zone #255

Resolution

AUDIO/VISUAL NEEDS: n/a

Zone Schedule

Charges, Rates, Rules and Regulations

Foreign Trade Zone #255 Washington County, Maryland

Under Grant Authority of the United States Foreign-Trade Zones Board



Grantee:

Board of County Commissioners of Washington County, Maryland

100 West Washington Street, Suite 1101 Hagerstown, MD 21740

Sites:

A Multi-Site, General Purpose Zone

Original Issue Date:

November 1, 2002

Effective Date:

April 5, 2022

DISCLAIMER – The information and appendices included in the Zone Schedule are for information purposes only. They reflect laws and regulations in effect at the time of submission of this schedule. Each Operator and/or User is responsible for awareness of and compliance with the laws and regulations currently in effect.

Table of Contents

	Page
Section I – Contact and Reference Information	. 3
Section II - Overview	. 4
Section III – Rules, Regulations and Policies	. 6
Section IV – Fee Schedule	13
Section V – Glossary of Terms	16

Section I - Contact and Reference Information

Grantee **Board of County Commissioners**

of Washington County, Maryland

100 West Washington Street, Suite 1101

Hagerstown, MD 21740 www.WashCo-MD.net

Local Zone Administrator Washington County Department of

Business Development

100 West Washington Street, Suite 1401

Hagerstown, MD 21740

www.WashCo-MD.net/Business-Development

Information Regarding Operators Having an Agreement with the Grantee to Offer Services to the Public

None

U.S. Customs & Border Protection (Customs or CBP)

Baltimore Service Port 40 South Gray Street Baltimore, MD 21202 Ph: 410-962-2666

Port Code: 1303

FTZ #255 Sites

For a description of currently designated general-purpose zone sites and subzones, go to:

www.Trade.gov/FTZ

Click, "OFIS"

Click, "Zone & Site Information"

Select, FTZ #255

Section II - Overview

Foreign Trade Zones (FTZs or zones) are restricted access sites in or near U.S. Customs and Border Protection (Customs or CBP) ports of entry. The zones are licensed by the Foreign-Trade Zones Board (FTZB) and operated under the supervision of CBP. Specifically, zones are physical areas into which foreign and domestic merchandise may be moved for operations involving storage, exhibition, assembly, manufacture or other processing not otherwise prohibited by law. Zone areas "activated" by CBP are considered outside of the U.S. customs territory for purposes of CBP entry procedures. Therefore, the usual formal CBP entry procedure and payment of duties is not required on the foreign merchandise in FTZs unless and until it enters U.S. customs territory for domestic consumption. U.S. duties can be avoided on foreign merchandise re-exported from an FTZ, including after incorporation into a downstream product through activity in the FTZ. Zones have as their public policy objective the creation and maintenance of employment through the encouragement of operations in the United States which, for customs reasons, might otherwise have been carried on abroad. The FTZB can deny or limit the use of zone procedures in specific cases on public interest grounds.

Foreign Trade Zone #255

FTZ #255 was granted by the FTZB to the Board of County Commissioners of Washington County, Maryland on July 3, 2002 (Board Order #1232). FTZ #255 is organized under the Traditional Site Framework (TSF).

In accordance with the FTZB Regulations at 15 CFR Part 400.44, this zone schedule sets forth the rules and policies for the FTZ project, including a statement of the rates and charges (fees) applicable to FTZ operations. A copy of this zone schedule is available for public inspection at the offices of the Board of County Commissioners of Washington County, MD and any operator offering FTZ services to the user community.

Uniform fees charged by the Board of County Commissioners of Washington County, MD to operators in order to recover the costs of maintaining the FTZ grant of authority are set forth in Section IV. All other charges and costs associated with the operation of a specific FTZ operation are the responsibility of the operator, user and/or property owner.

Sites

Site 1, Lakeside Corporate Center "Lakeside" – It is located in the far northeastern portion of Washington County and was once the former Ft. Ritchie Military Reservation. John Krumpotich operates this site, now undergoing conversion to industrial uses. John Krumpotich is a private developer tasked with the redevelopment of Ft. Ritchie. Lakeside is comprised of 276.3760 acres, all of which are presently contained within a Special Economic Development District, established in 1998 by the Board of County Commissioners of Washington County, Maryland.

Site 2, Hagerstown Regional Airport "Airport" – This site, supported by adjacent properties owned by the Bowman Group, LLP and Affiliates, is comprised of 442.48 acres. The site is

located in the central portion of Washington County north of the City of Hagerstown. The Airport is western Maryland's main airport.

- **Site 3, Maugansville** This site is located just south of Hagerstown Regional Airport. The Maugansville site is comprised of the Hub Industrial Park, which is an 80.6 acre collection of industrially zoned properties owned by entities controlled by the Dahbura family. The properties are located adjacent to Interstate 81 and benefit from direct Conrail railroad frontage. This site was deactivated in 2014.
- **Site 4, Hopewell Valley** This site is a significant cluster of properties owned by the Bowman Group, LLP or by corporate entities controlled by the Bowman Group, LLP and Affiliates, and by the Tiger Development Corporation. These combined properties are sited within the Hunters Green, Hopewell Valley, and/or Newgate Industrial Park industrial complex. Altogether, Site 4 contains 722.36 acres.
- **Site 5, Hagerstown** This site is the Hagerstown Planned Industrial District #2, more commonly known as the City of Hagerstown Industrial Park. It is owned by the City of Hagerstown and contains 43.06 acres. This site was deactivated in 2014.
- **Site 6, Williamsport** Williamsport is located south of the City of Hagerstown, adjacent to the eastern side of Interstate Highway 81. The properties are owned by Bowman Group, LLP and Affiliates and consist in total of 172.217 acres, which are industrially zoned.
- **Site 7, Hancock** This site is located in the western section of Washington County, near the historic Town of Hancock, Maryland. The site is owned by Mellott Enterprises, Inc., and is comprised of two parcels that together total 128.95 acres. The parcels are industrially zoned. This site is served by Interstate Highway 70. Hancock is located in the Town of Hancock Enterprise Zone, a State-sponsored enterprise zone, established by the State of Maryland in 1995.

Section III – Rules, Regulations and Policies

General

Principle Governing Laws and Regulations

Foreign Trade Zones Act (FTZ Act or Act) – FTZ #255 is governed by the Foreign Trade Zones Act, 19 U.S. Code 81a-81u as amended. A copy of the Act can be accessed on the FTZB's website: www.Trade.gov/FTZ.

Foreign-Trade Zones Board Regulations (FTZB Regulations) – FTZ #255 is regulated by the Foreign-Trade Zones Board under U.S. Code of Federal Regulations, Title 15, Part 400, as amended. Copies of these regulations shall be maintained, referred to and complied with by all operators and users. A copy of the regulations can be accessed on the FTZB's website at: www.Trade.gov/FTZ.

U.S. Customs and Border Protection Regulations (CBP or Customs Regulations) – FTZ #255 is regulated by U.S. Customs and Border Protection under U.S. Code of Federal Regulations, Title 19, Part 146. Copies of these regulations shall be maintained, referred to and complied with by all operators and users. A copy of the regulations can be accessed on the Government Printing Office's website:

www.GPO.gov/FDSYS/Browse/CollectionCFR.action?CollectionCode=CFR.

Foreign Trade Zones Manual (FTZ Manual) – U.S. Customs and Border Protection publish a Foreign Trade Zones Manual to assist operators with conforming to the Customs Regulations. All operators are required to maintain a current copy of the Foreign Trade Zones Manual in addition to the Customs Regulations governing FTZs. A copy of the manual can be accessed on the CBP's website at: www.CBP.gov/xp/cgov/Trade/Cargo Security/Cargo control/FTZ/.

Roles of Grantee, Operator, and User

Grantee – The corporate recipient of a grant of authority for a zone project; the public or private corporation to which the privilege of establishing, operating, or maintaining a foreign trade zone has been given. Board of County Commissioners of Washington County, MD is the grantee of FTZ #255.

Operator – A person that operates within a zone or subzone under the terms of an agreement with the Board of County Commissioners of Washington County, MD and with the concurrence of CBP. The Board of County Commissioners of Washington County, MD explicitly delegates the responsibility for operation of zone sites to operators who will assume responsibility for compliance with all regulations of CBP, the FTZB, and other relevant government agencies.

User – A party using a zone under agreement with an operator. A party using a zone for storage, handling, or manufacturing/production of merchandise in FTZ status. The operator and user can be the same party. If a user is not the operator and is delegated any of the operator's

responsibilities as contained in this zone schedule or the Customs Regulations, a written operator agreement and procedures manual are required.

Availability of Zone – All rates and charges for all services and privileges within the FTZ shall be fair and reasonable, and the Board of County Commissioners of Washington County, MD shall afford to all who may apply to make use of or participate in the zone uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments. Users are subject to specific rules, rates, and charges of operators.

Grantee Liability – A grant of authority shall not be construed to make the Board of County Commissioners of Washington, MD liable for violations by zone participants. The Board of County Commissioners of Washington County, MD's role under the Act and the Foreign-Trade Zone Board Regulations is to provide general management of the zone to ensure that the reasonable needs of the business community are served. The Board of County Commissioners of Washington County, MD will not be liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise, or other property within the FTZ, or for any loss or damage arising from acts of commission or omission of operators.

Retail Trade – Retail trade is prohibited in activated areas of zones except sales or commercial activity involving domestic, duty-paid and duty-free goods, which may be conducted in activated areas of a zone under permit issued by the Board of County Commissioners of Washington County, MD and approved by the FTZB. No permits are necessary for sales involving domestic, duty-paid or duty-free food and non-alcoholic beverage products sold within the zone for consumption on premises by individuals working in the zone.

Fines and Penalties – The FTZB may issue fines for violations of the Act or FTZB Regulations. Each violation is subject to a fine of not more than \$1,000, with each day during which a violation continues constituting a separate offense subject to imposition of the fine. Each day during which an operator fails to submit to the Board of County Commissioners of Washington County, MD the information required for the Board of County Commissioners of Washington County, MD's timely submission of a complete and accurate annual report to the FTZB shall constitute a separate offense subject to a fine of not more than \$1,000. The FTZB also can instruct CBP to suspend activated status of all or portion of a zone or subzone.

Residents within Zone – No person will be allowed to reside within the Foreign Trade Zone except federal, state, or municipal officers or agents, whose resident presence is deemed necessary by the FTZB.

Insurance – All operators within Foreign Trade Zone #255 shall keep in full force the necessary insurance as required by the Board of County Commissioners of Washington County, MD at the expense of the operator. Merchandise stored, manipulated, or transferred within the zone is not insured by the Board of County Commissioners of Washington County, MD. A copy of the policy or certificate of insurance shall be delivered to the Board of County Commissioners of Washington County, MD upon request.

Access to Zone Sites – Operators and users shall permit federal government officials acting in an official capacity and the grantee to have access to the zone and records during normal business hours and under other reasonable circumstances or as provided by law and regulations.

Zone Schedule – All corporations, partnerships, and persons operating within activated zone space are subject to the zone schedule. The zone schedule shall contain a section listing rates and charges for zone participants with information sufficient for the FTZB or the Executive Secretary to determine whether the rates or charges are reasonable based on other operations in the port of entry area and whether there is uniform treatment under like circumstances among operators and users. Copies of the zone schedule are available from the Board of County Commissioners of Washington County, MD. Any updates to this zone schedule will be provided to the FTZB and each operator.

Operator Agreement – Every individual, corporation or entity seeking to operate in FTZ #255 must enter into an operator agreement with the Board of County Commissioners of Washington County, MD. A copy of the standard operator agreement is available, upon request, from the Board of County Commissioners of Washington County, MD. If any conflict with this zone schedule and any operator agreement arise, the operator agreement will prevail. Users may become operators upon proper execution of an agreement with the Board of County Commissioners of Washington County, MD. Operators must execute an operator agreement with the Board of County Commissioners of Washington County, MD prior to the Board of County Commissioners of Washington County, MD issuing an activation concurrence letter.

Property Owner Agreement – All property owners of FTZ #255 must enter into a property owner agreement with the Board of County Commissioners of Washington County, MD. A copy of the standard property owner agreement is available, upon request, from the Board of County Commissioners of Washington County, MD. If any conflict with this zone schedule and any property owner agreement arises, the property owner agreement will prevail.

Zone Operations

Merchandise Permitted in Zone – Foreign and domestic merchandise of every description, except such as is specifically prohibited by law, may, without being subject to the Customs laws of the United States except as otherwise provided in the Act and the regulations made thereunder, be brought into a zone.

Merchandise which is specifically prohibited by law shall not be admitted into a zone. Any merchandise so prohibited by law which is found within a zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise.

Activities Permitted in Zone – Merchandise lawfully brought into a zone may, in accordance with the FTZB and Customs Regulations and the Act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be manufactured into new articles of commerce.

Production activity may be performed in a zone only if approved by the FTZB prior to commencement of the activity.

Responsibility for Duty and Taxes – Operators and users are responsible and liable for payment of any and all charges, fees, duties or penalties due any agency of the federal, state, or local government arising from use of the zone, including liabilities on merchandise which is not accounted for to the satisfaction of CBP.

Security and Safety Requirements in the Zone – All zone sites, in order to be approved for activation by CBP, must meet certain security and safety requirements. All zone sites are subject to security inspections by CBP and/or the Board of County Commissioners of Washington County, MD. Procedures manuals shall include current information on the method of physical as well as cargo security at the zone site. Each zone site will be evaluated separately by CBP who will determine the security measures that are required to protect the revenue of the United States based on the specific conditions of each zone site, e.g., description and value of merchandise activities, overall risk assessment, etc.

After a zone site has been activated, all security and safety measures required to achieve the initial activation must be maintained at all times. Spot checks may be conducted by CBP and the Board of County Commissioners of Washington County, MD and liquidated damages or notices may be assessed if these requirements are found to be insufficiently met in any way.

No operation or process of treatment will be permitted in the zone that, in the judgement of the FTZB, CBP, or the Board of County Commissioners of Washington County, MD, is detrimental to the public interest, health, and safety. Cost of special security devices and other requirements will be the responsibility of the operator.

Inventory Control and Recordkeeping System – Operators will establish and maintain inventory control and recordkeeping systems in accordance with the Customs Regulations at 19 CFR 146.

Record Retention – Operators are required to retain all records pertaining to zone merchandise for five (5) years after the merchandise is removed from the zone. Records must be readily available for Customs review at the zone. Records must be made available to the Board of County Commissioners of Washington County, MD upon request and as outlined in the operator agreement.

Proprietary Information – Operators are required under the Customs Regulations to protect proprietary information in their custody from unauthorized disclosure.

Use of Zone Facilities – Zone facilities will be used for the purposes of receipt, storage, handling, exhibition, manipulation, manufacturing/production, and shipment of foreign and domestic merchandise as considered necessary for the conduct of each operator's normal business. Operators will not use or permit the FTZ to be used for any other purpose without the prior written consent of the Board of County Commissioners of Washington County, MD.

Operators will not do or permit anything to be done in or about the FTZ that will in any way obstruct or interfere with the rights of other operators of the zone.

FTZ Operator's Bond – Operators must maintain, for Customs purposes, an FTZ operator's bond in the amount required by Customs. This bond is to assure compliance with Customs Regulations. The bond is submitted on Customs & Border Protection Form (CF) 301. The bond conditions are set forth at 19 CFR 113.73, Customs Regulations. A failure to comply with the regulations may be deemed a "default" by Customs and result in the assessment of liquidated damages under the bond. The FTZ operator's bond (04) is a separate bond type from an importer's bond (01).

Permits – Prior to activation, operators must obtain all necessary permits from federal, state and local authorities and comply with the requirements of those authorities.

Procedures Manuals – Operators shall draft and maintain a procedures manual in accordance with the Customs Regulations as a condition of activation. The manual shall describe the inventory control and recordkeeping system(s) that will be used in the zone in compliance with the Customs Regulations.

FTZ Applications

New Zone Sites

If a company is interested in taking advantage of the benefits of FTZ #255 at a location other than the currently approved sites, the company may request that an application for minor boundary modification, expansion, or subzone be filed by the Board of County Commissioners of Washington County, MD.

Production Authority

Production in a zone site is any activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption. *Production activity must be approved in advance by the Foreign-Trade Zones Board before the activity may commence using zone procedures.* The company undertaking the activity must prepare a production notification to be submitted to the FTZB by the Board of County Commissioners of Washington County, MD or the company may submit the production notification to the FTZB directly with a copy submitted to the Board of County Commissioners of Washington County, MD and CBP.

Types of Applications to the Foreign-Trade Zones Board

There are several types of FTZ applications:

- Minor Boundary Modification
- Expansion
- Subzone

Production notifications to the FTZB requesting production authority can be made as part of an application for a new zone site or can be filed separately for an existing zone site. If the FTZB determines that further review of a production notification is necessary, the zone participant will be notified and a production application will be required.

Additional information on the requirements for each type of application may be found on the FTZB's website at: www.Trade.gov/FTZ.

Procedures for Filing Applications to the Foreign-Trade Zones Board

The Board of County Commissioners of Washington County, MD will assist prospective operators/users with determining the type of application(s) that is appropriate to accommodate the company's needs.

All applications, except production notifications, must be submitted to the Board of County Commissioners of Washington County, MD for review and approval prior to submission to the FTZB. The Board of County Commissioners of Washington County, MD will issue required transmittal/concurrence letters as appropriate.

FTZ Activation and Deactivation and Alteration

Activation

When an operator desires to apply for activation with CBP, the operator will complete the steps outlined in 19 CFR 146.6.

An operator agreement between the operator and the Board of County Commissioners of Washington County, MD will be executed prior to the Board of County Commissioners of Washington County, MD issuing a grantee activation concurrence letter.

Prior to submitting an activation request to CBP, the operator will provide the Board of County Commissioners of Washington County, MD with a copy of the activation application, procedures manual and blueprint of the area to be activated for review by the Board of County Commissioners of Washington County, MD. Once the Board of County Commissioners of Washington County, MD reviews the activation application and if an operator agreement has been executed, the Board of County Commissioners of Washington County, MD reviews the activation application and if an operator agreement has been executed, the Board of County Commissioners of Washington County, MD will issue a grantee activation concurrence letter.

If the operator conducts production activity at the zone site as defined by the FTZB, a copy of the FTZB production authority will be provided to the Board of County Commissioners of Washington County, MD or the user's plan for obtaining production authority will be described prior to the Board of County Commissioners of Washington County, MD issuing a grantee activation concurrence letter.

As a condition of activation, all operators must agree to satisfy the requirements of CBP automated systems.

Deactivation/Reactivation

An operator may deactivate or reactivate its zone site. The operator must notify and obtain written approval from the Board of County Commissioners of Washington County, MD prior to requesting deactivation or reactivation with CBP.

Alteration

An operator may increase or decrease the amount of activated space within an authorized zone site, activate a separate site of an already activated zone with the same operator at the same port, or relocate an already activated site with the same operator. The operator must notify and obtain written approval from the Board of County Commissioners of Washington County, MD prior to requesting alteration with CBP. The operator shall provide a copy of the alteration request and CBP approval to the Board of County Commissioners of Washington County, MD including an updated blueprint of the activated area(s).

Foreign-Trade Zones Board Annual Report

The Board of County Commissioners of Washington County, MD is responsible for preparing and submitting to the FTZB an annual report summarizing all zone activity from January 1-December 31 of each year. The report will be submitted by the Board of County Commissioners of Washington County, MD to the FTZB by March 31 of the following year pursuant to the current requirements of the FTZB, which can be found at www.Trade.gov/FTZ.

In order for the Board of County Commissioners of Washington County, MD to meet its responsibility in this regard, each operator will complete a report so that sufficient data is available to the Board of County Commissioners of Washington County, MD to complete the FTZB Annual Report. The operator will complete the report based on the FTZB requirements and guidelines, and submit it to the Board of County Commissioners of Washington County, MD by **February 15** of each year.

Section IV – Fee Schedule

Fees

Grantee Fees

The Board of County Commissioners of Washington County, MD, the grantee, will be assessed a fee of \$1,600 as determined by the Foreign-Trade Zones Board for applications for expansion modification, and a subzone.

Operator Fees

Application and activation fee(s) will be charged to an operator. The fee will cover grantee expenses for support, assistance and technical services with the standard Grantee/Operator Agreement required for activation. The fee is based on the following:

- \$500 Application processing
- \$4,000 Activation fees

Deactivation Fees

A deactivation fee will be charged to an operator when seeking to deactivate a zone site. This does not include temporary deactivation or alteration of a zone site or subzone.

• \$3,000

Annual Fees

The annual fee for administration, overhead, marketing, education, legal expenses, etc., will be based on total activated space as follows:

- \$.07/square foot All uses
- \$175/acre Outside storage

U.S. Customs and Board Protection Fees

Previously mentioned on Page 10 of the Zone Schedule, the operator must maintain, for Customs purposes, a Customs Bond as a guarantee for the payment of all duties and taxes on any merchandise removed from the zone without a proper Customs permit, or otherwise is missing from the zone.

At the time of issue of the zone schedule, no fees are charged by CBP for normal zone services. Should any fees or charges be imposed in the future, all such fees and charges shall be payable by the operator of the affected zone site including any charges for overtime and other special services provided at the request of an operator. Under no circumstances will the Board of

County Commissioners of Washington County, MD be liable or responsible for any such CBP fees or charges.

Foreign-Trade Zones Board Fees

Any fees or charges imposed by the FTZB shall be payable by the operator/user of the affected zone site, or as apportioned by the Board of County Commissioners of Washington County, MD among the zone sites when appropriate. Under no circumstances will the Board of County Commissioners of Washington, MD be liable or responsible for any FTZB fees or charges incurred on behalf of companies seeking to operate or use the zone.

Presently, the following FTZB fees apply for certain types of applications. Applications combining requests for more than one type of approval are subject to the fee for each category.

- \$4,000 Non-manufacturing/processing or one (1) or two (2) products
- \$6,500 Manufacturing/processing or three (3) or more products

Harbor Maintenance Fees (HMF)

The Water Resources Development Act of 1986 provides for a Harbor Maintenance Fee to be imposed for commercial use of Ports in the United States. This fee is provided for in Title XIV (Revenue Provisions) of the Act and is cited as the Harbor Maintenance Revenue Act of 1986. The purpose of the fee is to provide the Army Corps of Engineers with a dedicated source of revenue for funding Corps Port Project. CBP has been mandated to act as the collection agency for this fee. Date of implementation of the fee was April 1, 1987. The fee is assessed on water-borne cargo. Merchandise received into the zone will be assessed this fee upon entry when applicable. Payment is due by the importer of record on a quarterly basis on admitted merchandise. The current rate of the Harbor Maintenance Fee is .125% of the value of the commercial cargo.

Merchandise Processing Fees (MPF)

Merchandise that is formally entered or released is subject to the payment to Customs of an ad valorem fee of .21%. The fee shall be due and payable to Customs by the importer of record of the merchandise at the time of presentation of the entry summary and shall be based on the value of the merchandise as determined under 19 U.S.C. 1401a. The fee charged shall not exceed \$485 and shall not be less than \$25.

Other Government Agency Fees

Charges for services of other government agencies should be arranged for and paid by the operator who requires the use of such services. Under no circumstances will the Board of County Commissioners of Washington County, MD be liable or responsible for any other government agencies' fees or charges.

Fines, Penalties and Liquidated Damages

The Board of County Commissioners of Washington County, MD will not be involved in the day-to-day operations of the zone project. CBP fines, penalties, or liquidated damage claims affecting zone merchandise or zone activities will be paid by the operator of the affected zone site. The same is true of any other fines, penalties, or liquidated damage claims by other government agencies concerning operations at the zone site. Under no circumstances will the Board of County Commissioners of Washington County, MD be liable or responsible for any fines, penalties, forfeiture, or liquidated damage claims.

Section V – Glossary of Terms

Act – The Foreign Trade Zones Act of June 18, 1934 (19 USC 81a-81u), as amended.

<u>Activation</u> — Written approval by the grantee and Customs Port Director for FTZ operation to commence and for the admission and handling of merchandise in FTZ status. Activation can only take place in approved areas under the grant of authority by the FTZB. Prior to activation, an operator must enter into a written agreement the grantee.

<u>Adjacency</u> – According to Section 400.11(b) of the Foreign-Trade Zones Board Regulations, general-purpose zone sites must be within 60 statute miles or 90 minutes driving time from the outer limits of a U.S. Customs Port of Entry boundary. Subzones are not subject to the same distance standard but must be able to have proper Customs oversight accomplished by physical and electronic means and merchandise must be presented for examination at a Customs site selected by Customs.

<u>Administrator</u> – The position of the Business Specialist within the Washington County Department of Business Development is designated by the grantee to serve as a point of contact for information on the zone project and is to provide oversight and management support.

<u>Admission/Admit</u> – Physical arrival of goods into the Foreign Trade Zone under FTZ status with the approval of Customs. The word "admission" is to be used instead of "entry" of goods in an FTZ to avoid confusion with Customs entry processes under Parts 141-144 of the U.S. Customs Regulations.

<u>Alteration</u> – A change in the boundaries of an activated zone site; activation of a separate site of an already activated zone with the same operator at the same port; or the relocation of an already activated site with the same operator.

<u>Alternative Site Framework (ASF)</u> – An optional approach to designation and management of zone sites allowing grantees greater flexibility and responsiveness to serve single-operator/user locations.

<u>Annual Reconciliation</u> – A report required of activated operators by Customs within 90 days after the end of the zone year unless the Port Director authorizes an extension for reasonable cause. See 19 CFR Section 146.25 for more information.

<u>Annual Report</u> – A report required by the FTZB from each grantee due March 31st of each year. Each operator must provide information to the grantee as requested and by the grantee's established deadline in order for the grantee to aggregate the information and file the federal report on time each year.

<u>Annual Systems Review</u> – A review by the operator required by Customs to identify system deficiencies to ensure that the inventory control and recordkeeping systems(s) meets the requirements of Customs. See 19 CFR Section 146.26 for more information.

<u>Antidumping/Countervailing Duties</u> – As a matter of FTZB policy, zone procedures shall not be used to circumvent antidumping and countervailing duties. As such, merchandise subject to AD/CVD must be placed in privileged foreign status upon admission to an FTZ.

<u>Applicant</u> – A corporation, entity or individual applying for the right to operate an FTZ site under the jurisdiction of FTZ #255.

<u>Audit/Inspection Procedures</u> – These procedures provide the framework for Customs to reduce on-site supervision of FTZs and for operators to maintain efficiency of operations through the audit/inspection method of supervision. The systems may be manual, computerized, or a combination of both. These procedures are designed to meet the requirements of the U.S. Customs Regulations (T.D. 86-16) for Audit/Inspection Procedures in FTZs. Under the regulations, the operator maintains the inventory records. Customs is relieved of the obligation of actually keeping the records but maintains assurance of the system's accuracy by selective examinations of merchandise, spot checks and audits of FTZ operations.

<u>Authorized Inventory Method</u> – A Customs authorized inventory method other than a lot system (specific identification of merchandise); e.g., First-in-First-Out (FIFO). No lot files is required but the operator shall maintain a file of all CBPF 214s in sequential order. [19 CFR 146.37 (2)]

Bond – A surety bond is a contract whereby one party, the surety, guarantees the performance of a second party, the principal, for the benefit of a third party, the oblige (the Federal government, in the case of Customs bonds). Should the principal fail to perform his agreement with the obliged, the surety will be required to pay liquidated damages, and will have the right to obtain reimbursement from the defaulting principal. "Customs bonds" – all bonds required to be given under Customs laws or regulations shall be known as Customs bonds. [19 CFR 113.4(a)]

Boundary Modifications – A change of the area of a federally designated zone made by proper application to the U.S. Foreign-Trade Zones Board. (FTZ Manual, Section 4.4) Boundary modifications may be minor or major; zone expansions may be considered major boundary modifications (15 CFR 400.24).

<u>Co-Administrator</u> – The position of the Business Leader within the Washington County Department of Business Development designated by the grantee to serve as a point of contact formation on the zone project and to provide oversight and management support.

<u>Commingling</u> – Physically combined or mixed. [19 CFR 102.1(b)] Regarding fungible goods from different countries, which are commingled, the country or countries of origin may be determined on the basis of an inventory management method of the Customs regulations [19 CFR 102.12(b)].

<u>Conditionally Admissible Merchandise</u> – Merchandise that may be imported into the U.S. under certain conditions. Merchandise that is subject to permits or licenses, or that must be reconditioned to bring it into compliance with the laws administered by various Federal agencies, is an example of Conditionally Admissible Merchandise [19 CFR 146.1(b)].

<u>Constructive Transfer</u> – A legal fiction that permits acceptance of a Customs entry for merchandise in a zone before its physical transfer to the Customs territory [19 CFR 146.1(b)]. If the entry is thereafter rejected or canceled, the merchandise will be considered at that time to be constructively transferred back into the zone in its previous zone status [19 CFR 146.61].

<u>Country of Origin</u> – The country of manufacture, production, or growth of any article of foreign origin entering the United States. Further work or material added to an article in another country must effect a substantial transformation in order to render such other country the "country of origin." For a good of a NAFTA country, the NAFTA Marking Rules will determine the country of origin [19 CFR 134.1b)].

Country of Origin Marking – Unless excepted by law, every article of foreign origin (or its container), imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article [19 CFR 134.11]. Goods leaving a zone for entry into the United States must be properly marked with the applicable country of origin unless accepted under Customs Regulations. If an imported article undergoes a substantial transformation while in the foreign-trade zone, that is, such processing that the resultant product is one having a name, character or use differing from that of the article that was admitted into the foreign trade zone, the final product may no longer be considered to be of foreign origin. Authorization of the use of the legend "Made in USA" is beyond the scope of Customs; it is within the jurisdiction of the Federal Trade Commission. If no transformation occurs, the requirements of Section 304 of the Tariff Act must be met upon entry of the merchandise into the Customs territory.

<u>Customs-Trade Partnership Against Terrorism (C-TPAT)</u> – A voluntary government-business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security.

<u>Customs & Border Protection</u> – On March 1, 2003, the border inspection functions of the U.S. Customs Service, the Immigration and Naturalization Service, and the Agriculture and Plant Health Inspection Service, along with the U.S. Border Patrol, were transferred to U.S. Customs & Border Protection. Customs is an official agency of the Department of Homeland Security. Customs & Border Protection is responsible for carrying out the Tariff Act and various other laws and regulations in respect to foreign trade zones.

<u>Customs Broker</u> – A person who is licensed to transact customs business on behalf of others [19 CFR 111.1]. A firm, representative, or individual who acts on behalf of the operator and/or the importer of record under an authorized power of attorney.

<u>Customs Modernization Act</u> – A 1993 law that expanded statutory recordkeeping requirements for importers and their agents. The law fundamentally changed to U.S. Customs & Border Protection enforcement methodology from a transaction-by-transaction approach to a post entry audit approach. The new method of enforcement is similar to the Internal Revenue Service (IRS) and places the burden for valuation and classification on the importer.

<u>Customs Territory of the United States</u> – The territory of the U.S. in which the general tariff laws of the U.S. apply. "Customs territory of the United States" includes only the States, the District of Columbia, and Puerto Rico (General Note 2, Harmonized Tariff Schedule of the United States [19 CFR USC 1202]), [19 CFR 146.1(b)]. Zone status merchandise in an FTZ is considered to be outside of the Customs territory of the United States.

<u>Deactivation</u> – Voluntary discontinuation of the activation of an entire zone or subzone by the grantee or operator. Discontinuance of the activated status of only a part of a zone site is an alteration [19 CFR 146.1(b)].

<u>Default</u> – An act or omission that will result in a claim for duties, taxes, charges, or liquidated damages under the FTZ Operator's Bond.

<u>Destruction</u> – Destruction means the complete destruction of articles or merchandise to the extent that they have no commercial value. Any residue from destruction within a zone, which is determined to be without commercial value, may be removed to Customs territory for disposal [19 CFR 146.52(e)]. Destruction in a zone may be performed only under approved permit from the Port Director of U.S. Customs & Border Protection.

<u>Direct Delivery</u> – A procedure for delivery of merchandise to an FTZ without prior application and approval on CBPF 214; designed for shipments where ordering and timing are under the control of the operator. Approval to utilize direct delivery must be obtained from the Port Director [19 CFR 146.39].

Domestic Status Merchandise (DOM) – Merchandise that has been (i) grown, produced, or manufactured in the U.S. and not exported therefrom, (ii) previously entered into the commerce of the United States as duty and tax free or (iii) previously imported into Customs territory and properly released from Customs custody. This means imported merchandise on which all necessary duties and taxes, if applicable, have been paid, and if upon which no drawback has been claimed, is considered Domestic status merchandise when admitted to a foreign trade zone [19 CFR 146.43].

<u>Dutiable Value</u> – For material imported from a foreign country, the price actually paid or payable for the foreign sourced material in the transaction that caused the material to be admitted into the zone, less, if included, international shipment and insurance costs and U.S. inland freight costs. The dutiable value is used to calculate duty payments [19 CFR 146.65(b)(2)].

<u>Duty</u> – A tax on imports. In a foreign trade zone, duties are not payable until the merchandise exists the zone and is entered into the commerce of the United States.

<u>Entry</u> – To bring merchandise into the Customs territory of the United States. Documentation required by [19 CFR 142.3] to be filed with the appropriate Customs officer to secure the release of imported merchandise from Customs custody, or the act of filing that documentation [19 CFR 141.0(a)].

<u>Estimated Weekly Entry</u> – An estimated entry, made on CBPF 3461 and officially accepted, estimating the removals of merchandise during a 7-day period [19 CFR 146.63(c)(a)],

<u>Estimated Weekly Removals (Application for Weekly Zone Permit)</u> – An estimate of weekly in-bond removals may be made on CBPF 7512 and officially accepted, estimating the in-bond removal of during a 7-day period [19 CFR 146.68(a)]. This procedure may be used for exports or zone-to-zone transfers from a zone and requires a weekly reconciliation report. Alternatively, electronic in-bonds using QP/WP procedures may be used.

Expansion – Expand the physical dimensions of an approved zone area as it relates to the scope of operations envisioned in the original plan [15 CFR 400.24].

Export – The transportation of merchandise out of the U.S. for the purpose of being entered into the commerce of a foreign county [19 CFR 192.1].

<u>First-In-First-Out (FIFO)</u> – The FIFO is the method by which fungible merchandise is identified by recordkeeping on the basis of the first merchandise received into the inventory. Under this method, withdrawals are from the oldest (first-in) merchandise in inventory at the time of the withdrawal.

<u>Foreign-First (FOFI)</u> – An accounting method based on the assumption that foreign status merchandise is decremented first.

<u>Foreign Merchandise</u> – Imported merchandise of every description (except articles specifically and absolutely prohibited by statue) that has not been released from U.S. Customs custody into the U.S. Customs territory. Imported merchandise upon which duty and taxes, if applicable, have not been paid [19 CFR 146.1(b)].

<u>Foreign Trade Zone (FTZ)</u> – A foreign trade zone is one or more restricted-access sites, including subzones, in or adjacent to a Customs port of entry, operated as a public utility under the sponsorship of a zone grantee authorized by the Foreign-Trade Zones Board, with zone operations under the supervision of Customs & Border Protection [15 CFR 400.2].

Foreign Trade Zones Act – The Foreign Trade Zones Act of June 18, 1934 [19 USC 81a-81u], as amended, that established the Foreign-Trade Zones Board and the Foreign-Trade Zones Board Regulations. This statute is administered through 15 CFR 400 (Foreign-Trade Zones Board Regulations) and throughout 19 CFR (Customs Regulations).

<u>Foreign-Trade Zones Board (FTZB)</u> – The Board that was established to carry out the provisions of the Foreign Trade Zones Act of 1934, codified in Title 19, 81a-81u. The Board consists of the Secretary of Commerce, who is chairman and executive officer of the Board, and the Secretary of the Treasury, or their designated alternatives [19 USC 81a; 15 CFR 400.2]. The Board staff is responsible for administering the FTZ program on behalf of the Board. The Executive Secretary of the Board staff represents the Board in administrative, regulatory, operational, and public affairs matters. The Executive Secretary serves as the director of the staff.

<u>Foreign Trade Zone Number</u> – A number assigned by the Foreign-Trade Zones Board upon establishment of a foreign trade zone.

<u>Foreign Trade Zone Forms/Reports</u> – Forms/reports used in the operation of foreign trade zones are designated by Customs. These forms/reports may be completed by either the operator/user as the Importer of Record, its duly assigned Customhouse broker, or the operator. In addition to forms/reports used general for bonded movements, imports and exports, the main FTZ forms/reports required by Customs include:

Customs Form 214 (CBPF 214) Application for FTZ Admission and/or Status Designation
Customs Form 216 (CBPF 216) Application for FTZ Activity Permit

<u>Fungible Merchandise</u> – Merchandise that for commercial purposes is identical and interchangeable in all situations [19 CFR 191.2(b)]. In an FTZ, fungible merchandise may be identified by an inventory method authorized by Customs, which is consistently applied, such as First-In, First-Out (FIFO) and using a unique identifier [19 CFR 146.32(2)].

<u>Grant of Authority</u> – A document issued by the Foreign-Trade Zones Board that authorizes a zone grantee to establish, operate and maintain a zone, subject to limitations and conditions specified in 15 CFR Part 400 and 19 CFR Part 146. The authority to establish a zone includes the responsibility to manage it.

<u>Grantee</u> – A Grantee is the corporate recipient of a grant of authority for a zone project [15 CFR 400.2]. A grantee is a public or private corporation to which the privilege of establishing, operating, or maintaining a foreign trade zone has been given [FTZ Manual, Section 3.10].

<u>Harbor Maintenance Fee (HMF)</u> – A port use fee of 0.125 percent of a cargo's value may be payable by commercial vessels unloading cargo at a port that is authorized to charge HMG [19 CFR 24.24]. The applicant for admission of cargo unloaded in a foreign trade zone must pay the HMF due on a quarterly basis [19 CFR 24.24(e)(2)(iii)]. HMF payment must be received no later than 31 days after the close of the quarter being paid. Quarterly periods end on the last day of March, June, September, and December.

<u>Imports</u> – Foreign merchandise of every description (except articles specifically and absolutely prohibited by statute) entered into Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into regulations of various other federal agencies having jurisdiction within the zone, is said to be "imported" into foreign trade zones, Customs bonded warehouses, or Customs custody. This latter merchandise in relation to operations in the zone, is considered to be foreign merchandise until its entry into the commerce of the United States.

<u>In-Bond Merchandise</u> – Any merchandise other than explosives and merchandise the importation of which is prohibited, arriving at a port of entry in the United States may be entered, under such rules and regulations as the Secretary of the Treasury may prescribe, for transportation in-bond without appraisement to any other port of entry designated by the consignee, or his agent, and by such bonded carriers as he designates, there to be entered in

accordance with the provisions of this chapter. Pursuant to Public Resolution 108, of June 19, 1936, (19 USC 1551, 1551a) and subject to compliance with all other applicable provisions, the Port Director, upon the request of the party in interest, may permit merchandise entered and examined for Customs purposes to be transported in-bond between ports by bonded cartmen or lightermen duly qualified if the Port Director is satisfied the revenue [19 CFR 18.1(b)]. Foreign status merchandise that is moved to or from another port other than the port in which the zone is located must be moved in-bond.

<u>Lapse Provision</u> – Authority for a zone or a subzone shall lapse unless the zone (in the case of subzones, the subzone facility) is activated, pursuant to 19 CFR Part 146, and in operation not later than five years from the authorization of the zone or subzone, subject to the provisions of Board Order 849.

<u>Magnet Site</u> – A site intended to serve or attract multiple operators under the Foreign-Trade Zones Board's Alternative Site Frameworks (ASF).

<u>Manipulation</u> – Activity described as manipulation is generally considered to include cleaning, sorting and/or repacking or otherwise changing condition but not manufacture/production.

<u>Merchandise</u> – Merchandise includes goods, wares, and chattels of every description except prohibited merchandise. (Building materials, production equipment and supplies for use in operation of a zone are not considered "merchandise").

<u>Mixed Status Merchandise</u> – Foreign merchandise which has been combined with domestic merchandise in the FTZ is sometimes referred to as mixed status merchandise.

Merchandise Processing Fee (MPF) – Generally, merchandise that is formally entered or released is subject to the payment to Customs of an ad valorem fee of 0.21 percent. The fee shall be due and payable to Customs by the importer of record of the merchandise at the time of presentation of the entry summary and shall be based on the value of the merchandise. Per entry, the ad valorem fee (MPF) shall not exceed \$485 and shall not be less than \$25. This fee is assessed differently for formal and for informal entries or releases. An ad valorem fee and other charges are applicable according to the provisions of 19 CFR 24.23. On October 21, 2011, Public Law No: 112-40 was adopted. The law temporarily increases the merchandise processing fee from .21% to .3464% from October 1, 2011, through November 30, 2015. The MPF rate reverts to .21% from December 1, 2015, through September 30, 2016. The law temporarily decreases the merchandise processing fee from .21% to .1740% from October 1, 2016, through September 30, 2019. The MPF rate reverts to .21% after September 30, 2019. The cap of \$485 per entry remains unchanged.

Non-privileged Foreign Status (NPF) – Merchandise subject to tariff classification according to its character, condition and quantity as constructively transferred to Customs territory at the time the entry or entry summary is filed with Customs. In other words, a status of merchandise for tariff purposes that provides for classification and appraisement in accordance with the condition of merchandise when constructively transferred to the Customs territory of the United States [19 CFR 146.42 and 146.65(a)(2)]. In a zone, NPF merchandise may be changed to

Privileged Foreign (PF) or Zone Restricted (ZR) status before any processing/manufacturing has occurred, at the option of the zone user and with approval by Customs [FTZ Manual, Section 5.6]. Waste recovered from any manipulation or manufacture of PT or NPF merchandise in a zone has NPF status. NPF status is selected when the duty rate of the finished product is lower than the duty rate of the imported foreign components in a manufacturing environment.

<u>Operator</u> – An operator is a person that operates within a zone or subzone under the terms of an agreement with the grantee (or third party on behalf of the grantee), with the concurrence of Customs [15 CFR 400.2].

<u>Operator Agreement</u> – Prior to activation, an agreement between the operator and grantee will be executed. Activation cannot occur without execution of an operator agreement and issuance of an activation concurrence letter by the grantee.

<u>Operator's Bond</u> – All operators must submit to Customs a bond to assure compliance with Customs regulations. The bond is submitted on Customs Form (CF) 301. The bond provisions are set forth at 19 CFR 113.73, Customs Regulations. A failure to comply with the regulations may be deemed a "default" by Customs and results in the assessment of liquidated damages under the bond.

<u>Penalties/Fines</u> – Merchandise introduced into the United States contrary to law may subject the responsible parties to penalty actions. If merchandise is entered, introduced, or attempted to be entered or introduced by a false document, oral or written statement, or act or omission which is the result of fraud, gross negligence or negligence, the person(s) responsible may be liable for a civil monetary penalty as provided in 19 USC 1592. Upon violation of the FTZ Act, or any regulation issued under the Act, the person responsible shall be subject to a fine of not more than \$1,000. Each day during which a violation continues may constitute a separate offense. Liquidated damages, where applicable, will be imposed in addition to the fine.

<u>Permit to Transfer (PTT)</u> – The request and Customs authorization procedures for within port movements of cargo. Bonded cargo destined for a foreign trade zone can be moved on a Customs-authorized PTT that is transmitted to Customs electronically through the electronic CBPF 214 process or using a manual CBPF 214 or CBPF 6043.

<u>Port Director</u> – The principal Customs official of a designated port of entry (except for the Headquarters Port). Under certain contexts, refers to whomever the Port Director delegates to act in his or her authority and thus may refer to any Customs officer [FTZ Manual, Section 1.5].

<u>Port of Entry</u> – A port of entry in the United States, as defined by part 101 of the regulations of Customs (19 CFR Part 101), or a user fee airport authorized under 19 USC 58b and listed in part 122 of the regulations of Customs (19 CFR Part 122) [15 CFR 400.2].

<u>Privileged Foreign Status (PF)</u> – Merchandise subject to tariff classification according to its character, condition and quantity at the rate of duty and tax in force on the date of filing the CBPF 214. In other words, a status that, upon proper application and approval anytime preceding manufacture or manipulation within a zone, is granted to an imported input, allowing

the zone user the privilege of treating the input, for tariff purposes, as remaining in its original condition at the time of admission to the zone [19 CFR 146.41; 146.65(a)(1); FTZ Manual, Section 5.5]. Once established, Privileged Foreign status cannot be changed except in the case of recoverable waste (see 19 CFR 146.42). PF merchandise may be exported or withdrawn for supplies, equipment, or repair material of vessels or aircraft without the payment of taxes and duties in accordance CFR 146.67 and 146.99.

<u>Prohibited Merchandise/Operations</u> – Merchandise that is prohibited by law to be imported on grounds of public policy or morals, or any merchandise that is excluded from a zone by order of the Board. Books urging treason or insurrection against the U.S., obscene pictures, and lottery tickets are examples of Prohibited Merchandise [19 CFR 146.1(b)]. Prohibited operations include, but are not limited to, manufacturing of alcohol products, tobacco products and firearms. Any activities determined by federal, state, or local authorities to be detrimental to the public health and safety, and retail trade are not permitted in a zone.

<u>Property Owner Agreement</u> – Prior to FTZ designation of any site, an agreement between the property owner of the proposed site and the grantee will be executed.

<u>Quota Control</u> – Foreign merchandise subject to U.S. Government import quota controls may be placed in the FTZ pending approval for transfer to Customs territory, re-export to a foreign destination, manipulation, or other authorized purposes.

Restricted Merchandise/Operations — Merchandise that may not be authorized for delivery from Customs' custody without a special permit, or a waiver thereof, by an agency of the U.S. Government. Also, the Foreign-Trade Zones Board and U.S. Customs & Border Protection have restricted certain operations in a zone involving the following products: steel, textiles, sugar, petroleum products, explosives, firearms, meat processing, pigments and printers ink, tires, chain saws, golf carts, television tubes, and pistachios/nuts. The restrictions may vary on a case-bycase basis. See FTZ Manual 11.6 for more information.

<u>Reactivation</u> – A resumption of the activated status of an entire area that was previously deactivated without any change in the operator or the area boundaries. If the boundaries are different, the action is an alteration. If the operator is different, it is a new activation.

<u>Service Area</u> – The jurisdiction(s) within which a grantee proposes to be able to designate sites via minor boundary modifications under the ASF.

<u>Specific Identification</u> – Method for physical inventory control in an FTZ as opposed to record identity; controlled by exact unit of merchandise, by model and number.

<u>Subzone</u> – A site (or group of sites) established for a specific purpose. The term "zone" also applies to a subzone, unless specified otherwise [19 CFR 146.1(b); 15 CFR 400.2].

<u>Sunset Limits</u> – FTZ designation self-removes if there is no FTZ activity at the site before the sunset date. For magnet sites, the default sunset period is 5 years (with variation possible based on circumstances, including possible permanent designation for one magnet site). Usage-driven

sites have a three-year sunset period. FTZ activity at a site during the sunset period resets the sunset date for an additional 5 years (magnet) or additional 3 years (usage-driven).

<u>Time of Admission</u> – Generally, merchandise is admitted to a zone upon the Port Director's signature of an application for admission, i.e., the filing of the CBPF 214 or through concurrence of the e214 [FTZ Manual, Section 6.4].

<u>Time of Entry</u> – Generally, merchandise is entered into the Customs territory of the United States when the appropriate Customs officer authorizes the release of the merchandise, or any part of the merchandise covered by the entry documentation [19 CFR 141.68(a)].

<u>Total Zone Value</u> – The total zone value shall be that price actually paid or payable to the zone seller in the transaction that caused the merchandise to be transferred from the zone. Where there is no price paid or payable, the total zone value shall be the cost of all materials and zone processing costs related to the merchandise transferred from the zone [19 CFR 146.65(b)(1)].

<u>Transfer</u> – To withdraw merchandise in zone status from an FTZ for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another FTZ, and like purposes.

<u>Transferee</u> – A person or entity to which right is transferred. As applied to FTZ, it refers to a transfer of the right to make entry and remove merchandise from an FTZ.

<u>Unique Identifier Number (UIN)</u> – A material UIN will be the product identification number for a specific material. "Unique identifier" means the numbers, letters, or combination of numbers and letters that identify merchandise admitted to a zone with zone status [19 CFR 146.1(b)(2)]. The UIN will be used in the FTZ accounting system and for inventory purposes. The relief of merchandise from a UIN layer in the FTZ accounting system is what triggers duty payment for companies operating in an FTZ.

<u>United States</u> – The United States, District of Columbia, and Puerto Rico. The term "United States" includes all territories and possessions of the United States, except the U.S. Virgin Islands, Guam, American Samoa, Wake Island, Midway Islands, and Johnston Atoll.

<u>Usage-Driven Site</u> – A site tied to a single operator or user under the Foreign-Trade Zones Board's Alternative Site Framework (ASF).

<u>User</u> – A party using a zone under agreement with the zone operator [15 CFR 400.2]. An Operator may also be a User.

<u>Waste and Scrap</u> – That which must be measured (in additional to by-products) to account for the difference between input and output to and from a zone. Waste may be recoverable and attributed to non-privileged status under certain circumstances [FTZ Manual, Section 5.6(b)].

<u>Weekly Entry Summary</u> – The entry document, executed on CBPF 7501, of the actual entries into the Customs territory of the United States. The CBPF 7501 will identify the actual quantity,

value, and HTS for the product entered. "Entry Summary" means any other documentation necessary to enable Customs to assess duties and collect statistics on imported merchandise and determine whether other requirements of law or regulation are met [19 CFR 141.0a(b); FTZ Manual, Section 9.8(c)].

<u>Zone</u> – A foreign trade zone established under the provisions of the FTZ Act and regulations. The term also includes subzones unless the context indicates otherwise [15 CFR 400.2].

Zone Inventory System(s) (ZIS) – Automated, non-automated, or combination inventory control and recordkeeping system(s) used for operation of a zone. ZIS is referred to by Customs as ICRS or inventory control and recordkeeping system(s).

Zone Plan – Includes all the zone sites that a single grantee is authorized to establish [15 CFR 400.2].

Zone Restricted Status (ZR) – Merchandise taken into a zone for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage will be given Zone Restricted status on proper application. ZR status can be requested at any time that the merchandise is located in the zone but cannot be abandoned once granted except by order of the Board. Merchandise in Zone Restricted status may not be removed to Customs territory for domestic consumption except where the Board determines the return to be in the public interest [19 CR 146.44(a)].

Zone Site – The physical location of a zone or subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.

Zone Status – The legal status of merchandise that has been admitted to an FTZ, thereby becoming subject to the provisions of the FTZ Act. Zone status distinguishes between merchandise which has already cleared Customs or is a product of the United States (domestic status) and merchandise which was imported and has not yet cleared Customs (non-privileged and privileged foreign status) or is being held in a zone pending exportation or destruction (zone restricted status). The choice of which type of zone status is applicable to merchandise is, to a large extent, at the option of the applicant for admission or the owner of merchandise in the FTZ. However, in some cases, the type of status is dictated by law because of the definition of the status in the U.S. Customs regulations, the operation of other laws in conjunction with the FTZ Act, or special condition in the FTZ grant.

Zone-to-Zone Transfer – Merchandise transferred from one zone in a port to another zone in that same port or to a zone within a different port. Each type of transfer requires different reports and procedures as specified in 19 CFR 146.66.

Zone Week – The user's business week for FTZ weekly entry reporting purposes.

Zone Year – The operator's business year to CBP annual reconciliation and systems review purposes.

RESOLUTION NO. RS-2023-____

(Approve and Authorize Submission of Application for Reorganization of Foreign Trade Zone No. 255 in Washington County, Maryland, from Traditional Site Framework to Alternative Site Framework)

Recitals

By Grant of Authority from the Foreign Trade Zones Board dated July 3, 2002, the Board of County Commissioners of Washington County, Maryland, was granted the privilege of establishing Foreign Trade Zone No. 255.

The Grant of Authority was issued pursuant to the Foreign Trade Zones Act of 1934 under the Traditional Site Framework.

On January 5, 2009, the Foreign Trade Zones Board adopted a proposal to make available an alternative framework to the Traditional Site Framework for designating and managing general purpose Foreign Trade Zone sites. The alternative framework is known as the Alternative Site Framework under which grantees who function pursuant to the Traditional Site Framework may choose to participate.

The Alternative Site Framework reduces fees for prospective zone users and generally streamlines application procedures and processing times in comparison to the Traditional Site Framework under which Foreign Trade Zone No. 255 was originally organized and is currently organized.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND, that the proposed application to reorganize Foreign Trade Zone No. 255 under the Alternative Site Framework be submitted to the Foreign Trade Zones Board with the full approval and endorsement of the Board of County Commissioners of Washington County, Maryland.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that Jonathan Horowitz, Director of the Department of Business Development, be and is hereby authorized to execute the application for reorganization of Foreign Trade Zone No. 255 under the Alternative Site Framework, together with all other documents necessary for the completion and submission of the application and the implementation of the reorganization of Foreign Trade Zone No. 255.

Adopted and effective this	day of February, 2023.
ATTEST:	BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND
Kirk C. Downey, County Attorney	John F. Barr, President
Approved as to form and legal sufficiency:	
Kendall A. Desaulniers Deputy County Attorney	

Mail to: Office of the County Attorney 100 W. Washington Street, Suite 1101 Hagerstown, MD 21740



Agenda Report Form

Open Session Item

SUBJECT: Presentation of the 2024-2033 Capital Budget – Draft 1

PRESENTATION DATE: February 14, 2023

PRESENTATION BY: Michelle Gordon, Chief Financial Officer; Kelcee Mace, Deputy

Director of Budget & Finance

RECOMMENDED MOTION: For informational purposes.

REPORT-IN-BRIEF: Discussion of Draft 1 of the FY2024-2033 Capital Budget.

DISCUSSION: A Ten-Year Capital Improvement Plan is developed each fiscal year and includes scheduling and financing of future community facilities such as public buildings, roads, bridges, parks, water and sewer projects, and educational facilities. The plan is flexible and covers ten years with the first year being the Capital Improvement Budget. Funds for each project are allocated from Federal, State, and local sources.

A primary purpose of the Capital Improvement Program is to provide a means for coordinating and consolidating all departmental and agency project requests into one document. It is the CIP Committee's responsibility to review all requests that County departments and agencies submit. All projects are ranked based on established criteria for priority ranking. Considering current and future needs, as developed in the ten-year plan, available funding sources, and the results of the priority ranking process, the CIP Committee determines which capital projects best meet established criteria for the current fiscal year Capital Improvement Budget and the nine-year forecast. Not all projects can be funded due to limited resources.

FISCAL IMPACT: FY2024 Capital Budget of \$55,442,000

CONCURRENCES: CIP Committee

ALTERNATIVES: N/A

ATTACHMENTS: PowerPoint Presentation; CIP Ten Year Detail Report

AUDIO/VISUAL NEEDS: PowerPoint





CIP OVERVIEW

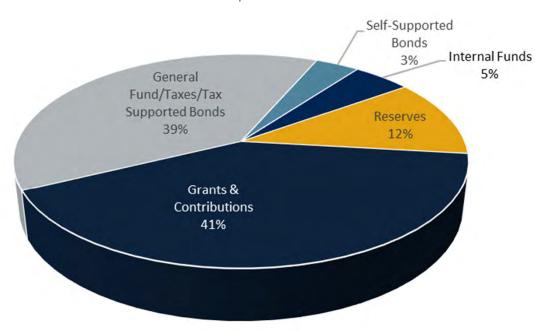
Purpose	Process
A ten-year Capital Improvement Plan.	Capital requests submitted in December 2022.
 Scheduling and financing of future community facilities. 	Reviewed and ranked by the CIP Committee.
The plan is flexible.	Capital projects that best meet established criteria.
The plan is flexible.	 Consideration of current and future needs, and
 The first year is the Capital Improvement Budget. 	available funding sources.
 Coordinates and consolidates departmental and agency project requests into one document. 	• The CIP Committee Members.



CIP FY24 Draft 1 Overview

Total Funding \$55.4M

- Local Funding \$32.7M or 59%
- Grants & Contributions \$22.7M or 41%



Project Costs \$1.4M General Government \$2.6M **Bridges & Drainage** Education \$17.2M Parks & Recreation \$0.7M \$6.5M **Public Safety Road Improvements** \$13.9M Airport Fund \$9.8M **Transit Fund** \$0.2M Solid Waste Fund \$1.2M \$1.9M Water Quality Fund **Total Cost \$55.4M**



Local Funding Assumptions – FY24

Funding Source	\$ million	Assumptions
General Fund	\$6.0	Assumes base of \$6M per year with gradual increases
Speed Camera	0.2	\$250k in level funding to support Public Safety related projects
Tax-Supported Bonds	12.0	Assumes increases in future years
Self-Supported Bonds	2.1	These bonds are issued for enterprise funds and fluctuate based on need
Taxes and Fees	3.2	Assumes \$2M each year thereafter
CIP Reserves	6.5	Use of CIP reserves built up from prior year surplus
Other Internal Funds	2.7	Represents support from funds other than General Fund and fluctuate based on need
Total	\$32.7	



Debt Capacity and Affordability

- Evaluate County's Debt Position
- Tests for Stress and Affordability
- Compares County to Other Jurisdictions
- Assesses Potential Impact of Bond Issuance

Worst

\$14M

- Interest Rate 3.50%
- Revenue Growth 0.66%
- FMV Increase 0.42%
- Population Increase 0.17%
- Change Per Capita Income -\$198

Base

\$16M

- Interest Rate 3.50%
- Revenue Growth 2.00%
- FMV Increase 1.00%
- Population Increase 0.25%
- Change Per Capita
 Income +\$800

Best

\$18M

- Interest Rate 5.00%
- Revenue Growth 3.95%
- FMV Increase 3.65%
- Population Increase 0.68%
- Change Per Capita Income +\$1,310

CIP Draft 1 Presentation



CIP Draft 1 - Airport

FY24 - \$9.8M

State Grant 5% Federal Grant 85%

Ten Year Total - \$41.0M

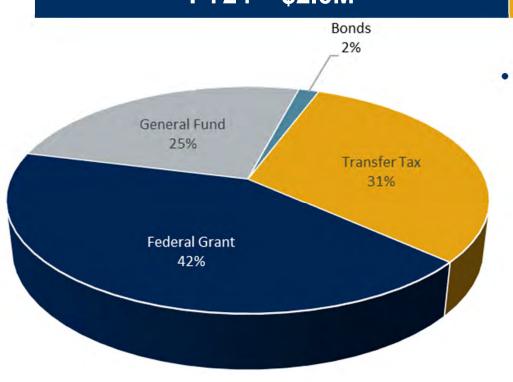
- Airport is heavily grant funded, with local match in most cases being 5%
- Projects are grant dependent
- New projects to the plan:
 - T-Hangar Taxi Lanes Rehabilitation
 - Terminal Building Expansion



CIP Draft 1 - Bridges



Ten Year Total - \$20.4M



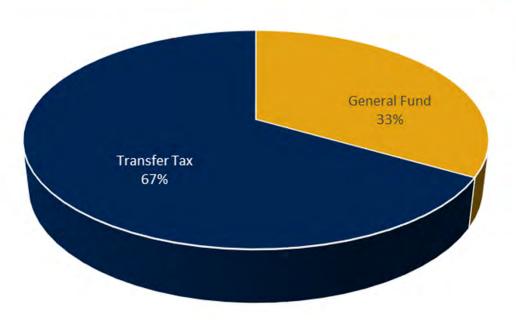
- Major Projects in FY24
 - Crystal Falls Drive Bridge Completion
 - Keedysville Road Bridge Completion
 - Country Store Lane Culvert
 - Gardenhour Road Bridge Completion
 - Kretsinger Road Culvert



CIP Draft 1 - Drainage

FY24 - \$750k

Ten Year Total - \$13.1M



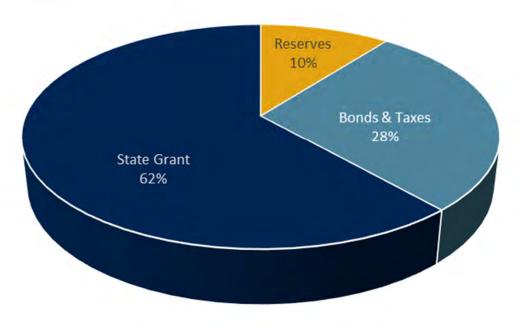
- Major Projects in FY24
 - Stormwater Retrofits
 - Broadfording Church Road Culvert
 - Harpers Ferry Road Drainage, 3600 Block



CIP Draft 1 – Board of Education

FY24 - \$14.3M

Ten Year Total - \$174.0M

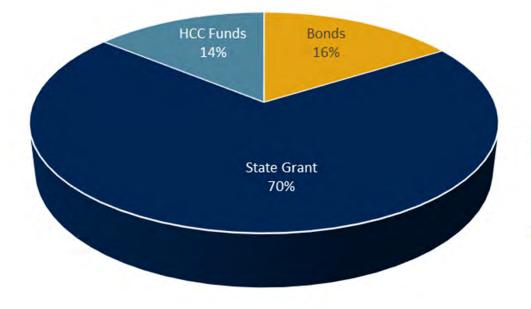


- \$4M in County funds per year
- Current plan assumes BOE funding the gap
- \$1.5M from reserves for New School design in FY24 and construction proposed to start in FY25



CIP Draft 1 – Hagerstown Community College

FY24 - \$2.8M



Ten Year Total - \$25.9M

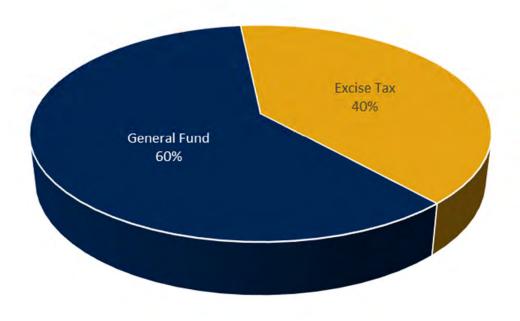
- Major Projects in FY24
 - Continuation of the Second Entrance Widening
 - New-NACC Renovation
- FY25 and beyond assumes \$900K
 County contribution per year
- Current plan assumes HCC funding the gap



CIP Draft 1 – Public Libraries

FY24 - \$25K

Ten Year Total - \$15.9K



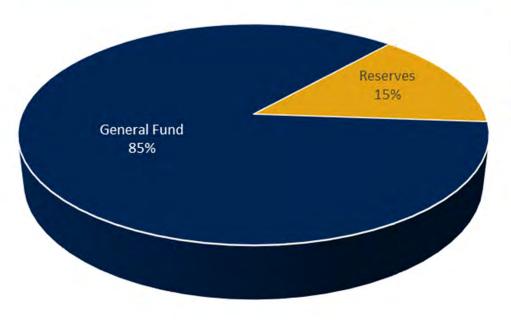
- \$25k for Systemic Projects
- Major Project in out years –
 Williamsport Library Replacement
 - Total \$15.6M
 - County Request \$4.7M
 - \$50K for a feasibility study in Prior Appropriations



CIP Draft 1 – General Government

FY24 - \$1.4M

Ten Year Total - \$13.6M



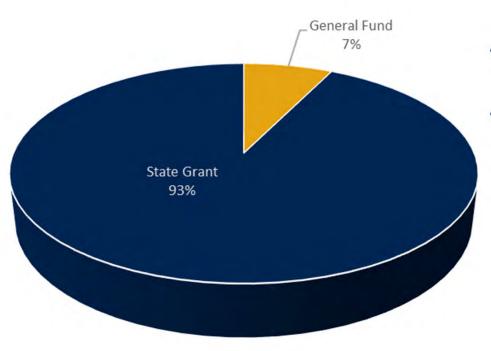
- Increases for systemic improvements
- New Project SWM & Watershed Services Office Building
 - \$200K in FY24 for design
 - \$1.1M total



CIP Draft 1 – Parks and Recreation

FY24 - \$710K

Ten Year Total - \$16.7M

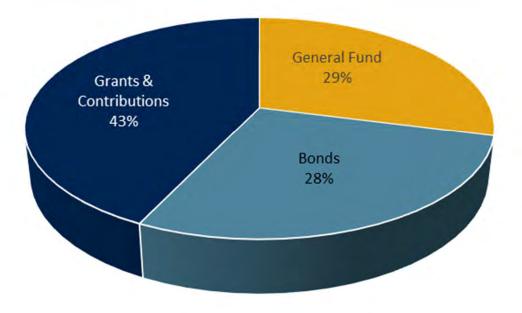


- Program Open Space funds 90% of most projects
- Major projects include:
 - \$550K-Ag Center Indoor Multipurpose Building
 - \$50K-Ag Center Show Arena Floor



CIP Draft 1 – Public Safety

FY24 - \$6.5M



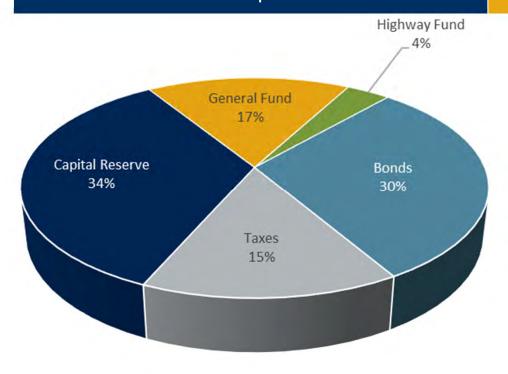
Ten Year Total - \$63.0M

- \$1M PSTC Burn Building Sitework
- Patrol Services Relocation
 - \$1.1M in FY24
 - \$17.5M Total
- PSTC Defensive Driving Track
 - \$250K in FY24,
 - \$2.25M Total, State Grant
- PSTC Tactical Village Sitework & High Bay Storage Building \$2.25M-State Grant
- \$1.7M in Public Safety Vehicle and Equipment Replacements



CIP Draft 1 – Road Improvement

FY24 - \$13.9M



Ten Year Total - \$107.9M

- 40-100% Inflation
- Major Projects:
 - \$5.0M FY24-Pavement Maintenance
 - \$1.5M Eastern Blvd Widening Phase I
 - Eastern Blvd Widening Phase II
 - \$385K FY24
 - \$1.0M Added to Total, Now \$6.8M
 - Eastern Blvd at Antietam Dr
 - \$1.0M FY24
 - \$1.5M Added to Total, Now \$4.5M
 - \$1.5M for Professional Blvd Extended Phase
 - \$3.0M for Halfway Blvd Extended
 - \$1.3M Vehicle & Equipment Replacements



CIP Draft 1 - Solid Waste

FY24 - \$1.2M

Self-Supported Bonds 81%

Ten Year Total - \$15.7M

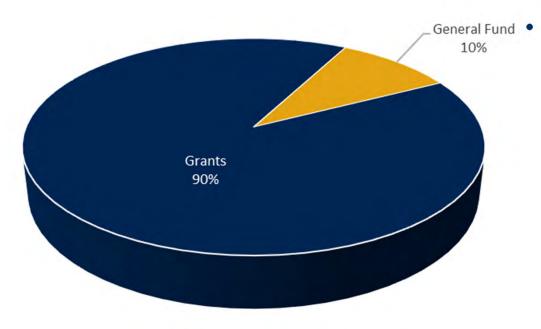
- New Project-40 West Landfill Pretreatment Facility
 - \$500K in FY24 for Design
 - \$10.6M Total
- Other Major Projects
 - 40 West Landfill-Cell 5 Construction
 - \$440K in FY24 for Design
 - \$4.1M Total
 - \$150K Crane Truck Replacement



CIP Draft 1 – Transit

FY24 - \$165K

Ten Year Total - \$7.5M



Major Projects

- \$40K for Shuttle Vehicle
- \$125K for Transportation Development Plan



CIP Draft 1 – Water Quality

FY24 - \$1.9M

Water Fund 1% State Grant 19% Utility Admin Fund 19% Self-Supported Bond 60%

Ten Year Total - \$34.3M

- New Projects
 - \$250K SCADA Replacement
- Major Projects
 - \$400K General Building Improvements
 - \$790K to Replace Equipment and for System Upgrades
 - \$200K for Vehicles and Equipment Replacements



Requests/Feedback



- Commissioner Requests
- Feedback



Thank you

CIP Committee

John Martirano, County Administrator Michelle Gordon, Chief Financial Officer Scott Hobbs, Director – Engineering Andrew Eshleman, Director – Public Works Jill Baker, Director – Planning & Zoning

Connect with us









www.washco-md.net

	Total	Prior Appr.	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<u>Airport</u>												
Air Traffic Control Tower	7,000,000	0	700,000	0	6,300,000	0	0	0	0	0	0	0
T-Hangar 1, 2, & 3 Replacement	532,000	173,000	34,000	35,000	35,000	36,000	37,000	37,000	38,000	38,000	39,000	30,000
Airport Systemic Improvement Projects	1,282,627	99,627	378,000	405,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Airport Security System Enhancements	197,165	177,165	20,000	0	0	0	0	0	0	0	0	0
Capital Equipment - Airport	4,237,567	931,567	195,000	363,000	650,000	1,410,000	40,000	73,000	55,000	300,000	145,000	75,000
Taxiway F Rehabilitation	6,300,000	300,000	6,000,000	0	0	0	0	0	0	0	0	0
Runway 2/20 Rehabilitation	3,847,000	0	323,000	3,524,000	0	0	0	0	0	0	0	0
Runway 9/27 Lighting and Signage Replacement	1,060,000	0	1,060,000	0	0	0	0	0	0	0	0	0
Snow Removal Equipment Storage Building Expansion	3,514,000	0	0	0	0	0	300,000	0	3,214,000	0	0	0
T-Hangar Taxi Lanes Rehabilitation	1,500,000	0	150,000	1,350,000	0	0	0	0	0	0	0	0
Taxiway A Rehabilitation	4,016,000	0	335,000	0	3,681,000	0	0	0	0	0	0	0
Taxiway G Rehabilitation	1,920,000	0	0	0	0	0	0	0	192,000	0	1,728,000	0
Taxiway H Rehabilitation	1,317,000	0	0	108,000	1,209,000	0	0	0	0	0	0	0
Terminal Building Expansion	6,000,000	0	600,000	0	5,400,000	0	0	0	0	0	0	0
Airport	42,723,359	1,681,359	9,795,000	5,785,000	17,325,000	1,496,000	427,000	160,000	3,549,000	388,000	1,962,000	155,000
Bridges												
Bridge Inspection and Inventory	697,806	48,806	175,000	0	24,000	0	200,000	0	25,000	0	225,000	0
Crystal Falls Drive W3051	2,898,500	2,498,500	400,000	0	0	0	0	0	0	0	0	0
Keedysville Road Bridge W5651	2,964,600	2,564,600	400,000	0	0	0	0	0	0	0	0	0
Cleaning & Painting of Steel Bridges	358,000	108,000	100,000	0	0	0	0	150,000	0	0	0	0
Halfway Boulevard Bridges W0912	5,489,000	4,489,000	0	1,000,000	0	0	0	0	0	0	0	0
Country Store Lane Culvert 16/06	335,000	35,000	300,000	0	0	0	0	0	0	0	0	0
Gardenhour Road Bridge W2431	2,695,000	500,000	275,000	0	1,920,000	0	0	0	0	0	0	0
Greenspring Furnace Road Culvert 15/15	567,000	40,000	0	0	265,000	262,000	0	0	0	0	0	0
Kretsinger Road Culvert 14/01	443,000	137,000	306,000	0	0	0	0	0	0	0	0	0
Appletown Road Bridge W2184	979,000	0	0	0	0	0	0	407,000	572,000	0	0	0
Ashton Road Culvert 04/06	559,000	0	0	0	0	0	0	0	42,000	517,000	0	0
Bowie Road Culvert	405,000	0	0	0	0	0	0	405,000	0	0	0	0
Burnside Bridge Road Culvert 01/03	461,000	0	0	0	160,000	301,000	0	0	0	0	0	0
Draper Road Culvert 04/07	589,000	0	0	0	0	0	0	37,000	552,000	0	0	0
Draper Road Culvert 04/08	530,000	0	0	0	0	0	0	0	0	50,000	480,000	0
Greenbrier Road Culvert 16/14	268,000	0	0	0	0	0	0	0	0	268,000	0	0
Gruber Road Curvert 10/14 Gruber Road Bridge 04/10	396,000	0	0	0	0	0	0	0	10,000	386,000	0	0
Harpers Ferry Road Culvert 11/02	757,000	0	0	0	115,000	642,000	0	0	0	0	0	0
Henline Road Culvert 05/05	429,000	0	0	0	0	15,000	414,000	0	0	0	0	0
Hoffman's Inn Road Culvert 05/06		0	0	0	0	0	0	313,000	0	0	0	0
	313,000		-	0	-		0	0 0	0	0	0	0
Lanes Road Culvert 15/12	417,000	0	32,000	385,000	0	0	-	-	-	-	-	-
Long Hollow Road Culvert 05/07	416,000	0	0	0	66,000	350,000	0	0	0	0	0	0
Mercersburg Road Culvert 04/16	484,000	0	0	0	0	0	0	0	O .	16,000	468,000	0
Mooresville Road Culvert 15/21	446,000	0	0	0	0	0	0	446,000	0	0	0	0
Poplar Grove Road Bridge W2432	1,955,000	0	0	0	0	0	0	0	0	100,000	1,855,000	0
Remsburg Road Culvert	387,000	0	0	119,000	268,000	0	0	0	0	0	0	0
Rinehart Road Culvert 14/03	465,000	0	0	0	465,000	0	0	0	0	0	0	0
Stone Masonry Bridge Repairs	270,000	0	0	0	0	0	270,000	0	0	0	0	0

	Total	Prior Appr.	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Taylors Landing Road Bridge W7101	1,379,000	0	0	0	0	0	0	0	0	35,000	510,000	834,000
Willow Road Culvert 05/10	323,000	0	0	0	0	0	0	151,000	172,000	0	0	0
Yarrowsburg Road Bridge W6191	2,102,000	0	0	0	0	0	0	620,000	1,482,000	0	0	0
Bridges Total	30,777,906	10,420,906	1,988,000	1,504,000	3,283,000	1,570,000	884,000	2,529,000	2,855,000	1,372,000	3,538,000	834,000
<u>Drainage</u>	2 206 792	1,056,782	0	250,000	0	250,000	0	0	0	350,000	0	400,000
Stream Restoration at Various Locations Stormwater Retrofits	2,306,782 14,594,205	5,744,205	700,000	800,000	900,000	900,000	900,000	900,000	900,000	900,000	950,000	1,000,000
Drainage Improvements at Various Locations	850,000	300,000	50,000	50,000	50,000	50.000	50,000	50,000	50.000	50.000	75,000	75,000
Broadfording Church Road Culvert	231,000	0	0	0	57,000	174,000	0	0	0	0	0	73,000
Draper Road Drainage Improvements	609,000	0	0	0	0	0	0	259,000	350,000	0	0	0
Fort Ritchie Dam Repairs	200,000	0	0	50,000	150,000	0	0	0	0	0	0	0
Harpers Ferry Road Drainage, 3600 Block	525,000	0	0	0	75,000	450,000	0	0	0	0	0	0
Shank Road Drainage	214,000	0	0	0	0	214,000	0	0	0	0	0	0
Trego Mountain Road Drainage	415,000	0	0	0	0	0	0	0	0	0	0	415,000
University Road Culvert	285,000	0	0	0	0	0	285,000	0	0	0	0	0
Drainage Total	20,229,987	7,100,987	750,000	1,150,000	1,232,000	2,038,000	1,235,000	1,209,000	1,300,000	1,300,000	1,025,000	1,890,000
·												
Education												
Board of Education												
Capital Maintenance - BOE	149,435,314	19,518,314	12,791,000	15,060,000	5,152,000	11,536,000	13,915,000	13,125,000	14,033,000	14,507,000	15,218,000	14,580,000
Replacement Elementary School	44,096,000	0	1,500,000	0	19,813,000	19,833,000	2,950,000	0	0	0	0	0
Board of Education	193,531,314	19,518,314	14,291,000	15,060,000	24,965,000	31,369,000	16,865,000	13,125,000	14,033,000	14,507,000	15,218,000	14,580,000
Hagerstown Community College	5.070.000	5 020 000	1 0 10 000									
Second Entrance Drive Widening Project ARCC Renovation	6,979,000 1,770,000	5,939,000	1,040,000	0	0	0	0	0	0	0	0 135,000	0 1,635,000
ATC Renovation	14,211,000	0	0	0	1,462,000	4,399,000	3,650,000	3,800,000	900,000	0	0	0
Campus Road & Parking Lot Overlays	1,000,000	0	0	0	0	4,399,000	0 030,000	500,000	0	500,000	0	0
Career Programs Roof Replacement	4,800,000	0	0	0	0	0	0	0	0	1,231,000	2,365,000	1,204,000
NACC Renovation	1,800,000	0	1,800,000	0	0	0	0	0	0	0	0	0
Multi-Roof Project	1,250,000	0	0	500,000	0	500,000	0	0	0	0	0	250,000
Hagerstown Community College	31,810,000	5,939,000	2,840,000	500,000	1,462,000	4,899,000	3,650,000	4,300,000	900,000	1,731,000	2,500,000	3,089,000
Public Libraries	,,	-,,	_,,	,	-,,	.,,	-,,	-,,		-,,	_,,,	-,,
Systemic Projects - Library	426,492	76,492	25,000	25,000	30,000	30,000	35,000	35,000	40,000	40,000	45,000	45,000
Williamsport Library Replacement	15,621,000	50,000	0	0	0	634,000	1,756,000	9,717,000	3,464,000	0	0	0
Public Libraries	16,047,492	126,492	25,000	25,000	30,000	664,000	1,791,000	9,752,000	3,504,000	40,000	45,000	45,000
Education Total	241,388,806	25,583,806	17,156,000	15,585,000	26,457,000	36,932,000	22,306,000	27,177,000	18,437,000	16,278,000	17,763,000	17,714,000
General Government												
Cost of Bond Issuance	978,000	80,000	88,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Systemic Improvements - Building	7,768,007	1,068,007	700,000	1,000,000	1,000,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Facilities Roof Repairs	2,600,000	1,500,000	200,000	200,000	100,000	100,000	100,000	100,000	75,000	75,000	75,000	75,000
Equipment and Vehicle Wash Facility	325,000	75,000	0	250,000	0	0	0	0	0	0	0	0
Information Systems Replacement Program	1,276,653	151,653	75,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	250,000
Financial System Management & Upgrades	255,709	105,709	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
County Wireless Infrastructure	37,000	17,000	0	20,000	0	0	0	0	0	0	0	0
General - Equipment and Vehicle Replacement Program	1,936,195	936,195	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
• • • •												

Courthouse Courtroom 1 Renovation	Total 1,300,000	Prior Appr.	2024 0	2025 0	2026 0	2027 0	2028 0	2029 0	2030 0	2031 150,000	2032 1,150,000	2033
Stormwater Management and Watershed Services Office Building	1,100,000	0	200,000	900,000	0	0	0	0	0	0	0	0
General Government Total	17,576,564	3,933,564	1,378,000	2,675,000	1,405,000	1,405,000	905,000	905,000	880,000	1,030,000	2,030,000	1,030,000
	<i>y.</i> - <i>y.</i> -	.,,	,,	,,	,,	,,	,	,	,	,,	,,	,,
Parks and Recreation												
Black Rock Capital Equipment Program	389,618	54,618	25,000	100,000	25,000	25,000	25,000	25,000	25,000	25,000	30,000	30,000
Agriculture Education Center Indoor Multipurpose Building	8,670,000	4,050,000	550,000	1,270,000	2,800,000	0	0	0	0	0	0	0
Hardcourt Playing Surfaces	339,963	204,963	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Ag Center Land Development	2,198,000	198,000	0	1,000,000	1,000,000	0	0	0	0	0	0	0
Park Equipment/Surfacing Replacement, Various Locations	1,400,731	700,731	0	0	175,000	0	175,000	0	175,000	0	175,000	0
Parking Lot Repair/Overlay, Various Locations	525,896	75,896	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Antietam Creek Water Trail	357,000	242,000	15,000	50,000	50,000	0	0	0	0	0	0	0
Ag Center Show Area Floor	50,000	0	50,000	0	0	0	0	0	0	0	0	0
Black Rock Bunker Rehabilitation	250,000	0	0	0	250,000	0	0	0	0	0	0	0
Conococheague Creek Water Trail	310,000	0	0	0	10,000	180,000	120,000	0	0	0	0	0
Doubs Woods Disc Golf	50,000	0	0	0	0	0	0	0	0	50,000	0	0
Kemps Mill Park Trails	100,000	0	0	0	100,000	0	0	0	0	0	0	0
Marty Snook Park Multimodal Trail and Parking	700,000	0	0	0	100,000	300,000	300,000	0	0	0	0	0
Marty Snook Park Pool Renovation and Accessible Entrance	750,000	0	0	0	350,000	400,000	0	0	0	0	0	0
Mt. Briar Wetland Preserve Trails and Conservation Area	100,000	0	0	100,000	0	0	0	0	0	0	0	0
North Central County Park	5,400,000	0	0	100,000	0	500,000	800,000	800,000	800,000	800,000	800,000	800,000
Park Entrances and Security Upgrades	200,000	0	0	0	100,000	100,000	0	0	0	0	0	0
Pen Mar-Fort Ritchie-Cascade Trail Connection	290,000	0	0	50,000	120,000	0	120,000	0	0	0	0	0
Recreational Field Bleachers	70,000	0	70,000	0	0	0	0	0	0	0	0	0
Regional Park Dog Park	80,000	0	0	80,000	0	0	0	0	0	0	0	0
Parks and Recreation	22,231,208	5,526,208	710,000	2,815,000	5,145,000	1,570,000	1,605,000	890,000	1,065,000	940,000	1,070,000	895,000
Public Safety												
Detention Center - Systemic Projects	5,272,173	872,173	190,000	700,000	700,000	450,000	500,000	500,000	500,000	550,000	60,000	250,000
Burn Building - PSTC Training Center	2,500,000	1,500,000	1,000,000	0	0	0	0	0	0	0	0	0
Patrol Services Relocation Renovation	17,500,000	500,000	1,100,000	2,900,000	3,000,000	3,000,000	2,000,000	4,000,000	1,000,000	0	0	0
Communication Tower(s) Various	576,806	266,806	90,000	0	110,000	0	110,000	0	0	0	0	0
P25 UHF Public Safety Radio Communications System Upgrade	12,600,000	11,075,000	0	1,525,000	0	0	0	0	0	0	0	0
Portable Radio Replacement Program - Sheriff	1,320,105	114,105	114,000	116,000	118,000	120,000	120,000	122,000	122,000	124,000	124,000	126,000
Portable Radio Replacement Program - Emergency Services	4,435,000	2,435,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Law Enforcement - Vehicle & Equipment Replacement Program	13,274,053	2,065,053	1,129,000	1,000,000	1,030,000	1,060,000	1,090,000	1,120,000	1,150,000	1,180,000	1,210,000	1,240,000
Emergency Services Equipment & Vehicle Program	9,600,089	7,375,089	200,000	205,000	210,000	215,000	220,000	225,000	230,000	235,000	240,000	245,000
Canteen/Rehab Unit Replacement	534,000	90,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	30,000	30,000
Incident Safety Officer Vehicle Replacement Program	176,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Police Indoor Firing Range	750,000	0	0	0	0	0	0	0	0	250,000	250,000	250,000
PSTC Apparatus Operator / Defensive Driving Track	2,250,000	0	250,000	2,000,000	0	0	0	0	0	0	0	0
PSTC Tactical Village / Simulation Training Area	16,750,000	0	2,250,000	0	0	0	0	0	1,960,000	4,043,000	4,143,000	4,354,000
911 Center Building Expansion	1,800,000	0	0	0	0	0	0	0	0	528,000	1,272,000	0
Public Safety	89,338,226	26,309,226	6,587,000	8,710,000	5,432,000	5,109,000	4,304,000	6,231,000	5,226,000	7,174,000	7,545,000	6,711,000
Railroad												
Railroad Crossing Improvements	2,082,450	936,450	0	0	0	200,000	0	250,000	0	300,000	0	396,000
Railroad	2,082,450	936,450	0	0	0	200,000	0	250,000	0	300,000	0	396,000
***************************************	2,002,430	200,400	Ū	v	v	200,000	v	220,000	v	200,000	v	270,000

	Total	Prior Appr.	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Road Improvement												
Intersection & Signal Improvements	2,770,177	520,177	0	750,000	0	0	750,000	0	0	750,000	0	0
Transportation ADA	1,776,774	376,774	100,000	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Pavement Maintenance and Rehab Program	67,141,399	9,141,399	5,000,000	5,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Longmeadow Road	2,105,000	0	0	0	310,000	432,000	518,000	845,000	0	0	0	0
Eastern Boulevard Extended	10,603,000	0	0	0	359,000	1,970,000	2,700,000	3,324,000	2,250,000	0	0	0
Eastern Blvd Widening Phase I	10,467,100	8,967,100	1,500,000	0	0	0	0	0	0	0	0	0
Eastern Boulevard Widening Phase II	6,772,300	2,691,300	385,000	1,274,000	2,422,000	0	0	0	0	0	0	0
Eastern Blvd at Antietam Drive Improvements	4,506,000	3,006,000	1,000,000	500,000	0	0	0	0	0	0	0	0
Professional Boulevard Extended Phase III	3,353,000	1,853,000	1,500,000	0	0	0	0	0	0	0	0	0
Halfway Boulevard Extended	9,473,000	6,473,000	3,000,000	0	0	0	0	0	0	0	0	0
Wright Road	3,948,000	2,673,000	125,000	650,000	500,000	0	0	0	0	0	0	0
Burnside Bridge Road Spot Improvements	544,000	0	0	0	0	0	544,000	0	0	0	0	0
E. Oak Ridge Drive/South Pointe Signal	461,000	0	0	0	0	0	461,000	0	0	0	0	0
Mt Aetna Road Spot Improvements	2,422,000	0	0	0	0	0	0	0	935,000	1,487,000	0	0
Robinwood Drive Sidewalk Extension	750,000	0	0	0	0	250,000	500,000	0	0	0	0	0
Rockdale Road and Independence Road Spot Improvements	1,025,000	0	0	0	0	0	0	0	0	450,000	575,000	0
Sandstone Drive Spot Improvements	500,000	0	0	0	0	0	0	0	500,000	0	0	0
Highway - Vehicle & Equipment Replacement Program	17,233,161	2,298,161	1,284,000	1,213,000	1,280,000	1,350,000	1,424,000	1,502,000	1,585,000	1,672,000	1,764,000	1,861,000
Road Improvement	145,850,911	37,999,911	13,894,000	9,887,000	10,971,000	10,102,000	12,997,000	11,771,000	11,370,000	10,459,000	8,439,000	7,961,000
Solid Waste												
Contingency - Solid Waste	604,042	64,042	30,000	35,000	35,000	60,000	60,000	62,000	63,000	64,000	65,000	66,000
SW Equipment & Vehicle Replacement	430,674	72,674	34,000	34,000	35,000	35,000	35,000	35,000	35,000	35,000	40,000	40,000
40 West Landfill - Cell 5 Construction	4,083,000	0	440,000	3,472,000	171,000	0	0	0	0	0	0	0
40 West Landfill Pretreatment Facility	10,600,000	0	500,000	5,100,000	5,000,000	0	0	0	0	0	0	0
Mechanics Crane Truck Replacement	150,000	0	150,000	0	0	0	0	0	0	0	0	0
Solid Waste	15,867,716	136,716	1,154,000	8,641,000	5,241,000	95,000	95,000	97,000	98,000	99,000	105,000	106,000
	.,,		, , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,	,	,	,,,,,,	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	,
<u>Transit</u>												
Vehicle Preventive Maintenance	3,495,307	495,307	0	0	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
Fixed Route Bus Replacement Program	5,842,317	2,242,317	0	0	0	900,000	0	0	0	0	0	2,700,000
ADA Bus Replacement	632,305	2,305	0	0	105,000	0	210,000	0	0	105,000	0	210,000
Support Vehicles	113,848	73,848	40,000	0	0	0	0	0	0	0	0	0
Transportation Development Plan	225,000	0	125,000	0	0	0	0	100,000	0	0	0	0
Transit	10,308,777	2,813,777	165,000	0	480,000	1,275,000	585,000	475,000	375,000	480,000	375,000	3,285,000
Water Quality												
Utility Administration												
Contingency - Utility Admin	172,177	44,177	0	0	0	0	0	0	31,000	32,000	32,000	33,000
General Building Improvements	964,000	70,000	400,000	494,000	0	0	0	0	0	0	0	0
Lab Equipment Replacement	436,117	185,117	30,000	23,000	24,000	24,000	25,000	25,000	25,000	25,000	25,000	25,000
WQ Equip/Vehicle Replacement Program	1,194,162	289,162	80,000	85,000	85,000	90,000	90,000	95,000	95,000	95,000	95,000	95,000
SCADA Replacement	250,000	0	250,000	0	0	0	0	0	0	0	0	0
Utility Administration	3,016,456	588,456	760,000	602,000	109,000	114,000	115,000	120,000	151,000	152,000	152,000	153,000
·							•					

	Total	Prior Appr.	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<u>Sewer</u>												
Contingency - Sewer	226,939	26,939	0	0	0	0	0	0	50,000	50,000	50,000	50,000
Replace Grinder Pumps	1,190,000	125,000	125,000	125,000	125,000	125,000	90,000	95,000	95,000	95,000	95,000	95,000
Pump Station Upgrades - Various Stations	5,755,447	2,320,447	100,000	200,000	885,000	0	750,000	0	750,000	0	750,000	0
Collection System Rehabilitation Project	3,976,121	156,121	0	670,000	0	900,000	0	750,000	0	750,000	0	750,000
Sandy Hook Collection System Upgrades	175,000	125,000	25,000	25,000	0	0	0	0	0	0	0	0
Smithsburg WWTP ENR Upgrade	26,881,087	11,381,087	0	0	0	0	0	0	5,500,000	5,000,000	5,000,000	0
General WwTP Improvements	1,122,500	22,500	250,000	300,000	250,000	300,000	0	0	0	0	0	0
Heavy Sewer EQP and VEH Replacement	1,280,807	345,807	200,000	200,000	200,000	105,000	35,000	35,000	40,000	40,000	40,000	40,000
Potomac Edison Pump Station & Force Main	1,700,000	0	0	0	0	0	1,700,000	0	0	0	0	0
Sewer Fund	42,307,901	14,502,901	700,000	1,520,000	1,460,000	1,430,000	2,575,000	880,000	6,435,000	5,935,000	5,935,000	935,000
Water												
Sharpsburg Water Meter Cradle Replacement	1,000,000	1.000.000	0	0	0	0	0	0	0	0	0	0
Water Meter Replacement	293,239	143,239	15,000	15.000	15.000	15,000	15,000	15,000	15,000	15,000	15.000	15,000
WO Main Replacement	2,366,000	566,000	100,000	100,000	0	0	100,000	0	500,000	500,000	500,000	0
Sharpsburg Water Treatment Plant	645,336	55,336	0	0	590,000	0	0	0	0	0	0	0
General WTP Improvements	1,434,342	254,342	290,000	0	0	290,000	0	0	250,000	250,000	0	100,000
Highfield/Sharpsburg Water Storage Tank	336,000	0	0	0	0	0	0	0	336,000	0	0	0
Water Fund	6,074,917	2,018,917	405,000	115,000	605,000	305,000	115,000	15,000	1,101,000	765,000	515,000	115,000
Water Quality	51,399,274	17,110,274	1,865,000	2,237,000	2,174,000	1,849,000	2,805,000	1,015,000	7,687,000	6,852,000	6,602,000	1,203,000
TOTAL	689,775,184	139,553,184	55,442,000	58,989,000	79,145,000	63,641,000	48,148,000	52,709,000	52,842,000	46,672,000	50,454,000	42,180,000

	Total	Prior Appr.	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Funding Sources												
General Fund	108,887,408	40,137,408	6,250,000	6,500,000	6,500,000	6,750,000	6,750,000	7,000,000	7,000,000	7,250,000	7,250,000	7,500,000
Highway Fund	5,319,000	319,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Cascade Fund	12,342	12,342	0	0	0	0	0	0	0	0	0	0
Solid Waste Fund	1,145,042	97,042	214,000	69,000	70,000	95,000	95,000	97,000	98,000	99,000	105,000	106,000
Utility Admin Fund	2,070,056	536,056	360,000	108,000	109,000	114,000	115,000	120,000	151,000	152,000	152,000	153,000
Water Fund	743,239	268,239	340,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Sewer Fund	4,594,116	2,344,116	350,000	350,000	325,000	230,000	125,000	130,000	185,000	185,000	185,000	185,000
Airport Fund	3,957,860	461,860	951,000	785,000	627,000	157,000	157,000	107,000	271,000	103,000	183,000	155,000
Tax-Supported Bond	164,383,128	27,383,128	12,000,000	13,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Self-Supported Bond	48,410,951	6,022,951	2,055,000	10,011,000	6,896,000	1,175,000	825,000	490,000	7,336,000	6,500,000	6,250,000	850,000
State Loan	3,972,170	3,972,170	0	0	0	0	0	0	0	0	0	0
Transfer Tax	26,002,606	5,002,606	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excise Tax - Schools	1,487,031	567,031	0	0	385,000	385,000	150,000	0	0	0	0	0
Excise Tax - Roads	1,747,620	487,620	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Excise Tax - Other	319,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Excise Tax - Library	110,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Excise Tax - Non-Residential	854,473	354,473	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
APFO Fees - Roads	405,644	405,644	0	0	0	0	0	0	0	0	0	0
Capital Reserve - General	35,096,000	1,122,000	6,500,000	2,893,000	6,865,000	2,624,000	2,747,000	4,696,000	2,930,000	2,777,000	1,942,000	0
Capital Reserve - Transfer Tax	5,795,000	500,000	0	915,000	1,380,000	1,000,000	0	2,000,000	0	0	0	0
Capital Reserve - Excise Tax - Schools	1,770,000	0	0	0	770,000	1,000,000	0	0	0	0	0	0
Capital Reserve - Excise Tax - Non-Residential	5,797,812	272,812	0	1,525,000	1,000,000	3,000,000	0	0	0	0	0	0
Capital Reserve - Excise Tax - Non-Residential	1,000,000	0	0	0	0	1,000,000	0	0	0	0	0	0
Federal Grant	77,423,034	27,440,034	9,502,000	5,464,000	18,091,000	2,619,000	1,224,000	1,106,000	4,730,000	834,000	3,605,000	2,808,000
State Grant	183,923,437	20,685,437	12,160,000	14,639,000	19,147,000	26,733,000	17,404,000	19,957,000	13,411,000	12,042,000	14,052,000	13,693,000
Contributions	4,548,215	1,122,215	1,045,000	0	250,000	29,000	1,826,000	276,000	0	0	0	0
TOTAL	689,775,184	139,553,184	55,442,000	58,989,000	79,145,000	63,641,000	48,148,000	52,709,000	52,842,000	46,672,000	50,454,000	42,180,000