

**March 21, 2011**

**Special Meeting**

*At 2:15 Mayor Clendaniel opened a joint meeting of the Denton Town Council, the State of Maryland Department of DBED and DHCD and Caroline County to discuss the Crouse Park Restaurant Project.*

**Those present:**

*Denton Town Council: Mayor Robert Clendaniel, Council persons Dennis Porter, Agnes Case, Dean Danielson and Conway Gregory*

*Caroline County: Sara Visintainer and Margaret Roe*

*State of Maryland Department of Housing & Community Development: Anne Stringer, Cindy Stone and Ron Waters*

*State of Maryland Department of Business Economic Development: Les Hall*

*Denton Town Staff: Don Mulrine, Karen Monteith and Bill Kastning*

*Denton Development Corporation: JOK Walsh and Glenn Collins*

*Public: Florence Doherty, Sue Cruickshank and John Evans - Times Record Editor*

**Crouse Park CDBG Grant**

*Mrs. Stone provided an overview of the CDBG Grant awarded to Caroline County in 2005 for the restaurant at Crouse Park and the recent request for the Town to take over the grant. The town has already approved to support taking over the grant. Now that Mr. Brodie has pulled from the project, the State needs a time line of when the restaurant project will be completed and security of the Town's continued interest.*

*Mr. Mulrine advised that he has been working on the details of the project with Mr. Collins and Mr. Walsh in light of the outcome of the EDA Grant. They are preparing to place the restaurant portion out to bid to seek a new developer.*

*Mrs. Roe advised that the County has signed off on the transfer of the CDBG Grant for the restaurant and had assumed the Town was taking it over.*

*Mr. Hall explained that the project has been approved and the funding awarded has already received an extension. The need to meet the HUD demands and have an updated plan of action for this project is important to guarantee moving forward. When Mr. Brodie was involved that eliminated that speculation of who the restaurant developer was going to be. Now that Mr. Brodie has pulled out of the project, the planning needs to start over and the State needs to evaluate to see where we go from here. Mr. Hall stated that he would like to see the Town go forward with the project, but that there needs to be some progress. At the Federal and State level there are questions why the funds are sitting idle and not being used and in this economic time, could be in danger if the project does not move forward soon.*

*Mr. Mulrine advised that it is the intent of the DDC to rebid for a restaurant developer and mentioned that it would take about 60 days to seek bids, 6-12 weeks for design, and then if successful, the project could move forward after that.*

*Councilman Danielson expressed that he would like to see the project go on, that there has been a considerable amount of time spent on it so far and that he felt it is a viable project and will benefit the Town. He mentioned that a lot of what has already been worked out would be an added incentive to a bidder.*

*Mr. Walsh announced that the DDC board members voted unanimously to proceed with the project. They have a plan to move forward with the Visitor Center and plans to move forward with the Restaurant. Mr. Walsh expressed the advantages and benefits of moving forward – which included increasing tax revenues, job creation, the environmental benefits and that the land ownership remains with the town.*

*Mr. Hall questioned if the rest of the project can go forward without the Visitor Center.*

*Mr. Walsh said they would have to work with the restaurant developer. The DDC has been working with the Town to trim the cost. They will also be seeking new construction contracts that may result in lower cost than what was provided before. The DDC was quite surprised to have not received the EDA Grant.*

*Mr. Mulrine and Mr. Walsh indicated that they were seeking \$200,000 to \$244,000 in additional funding for the Visitor Center that would match the TPE and DNR Grants.*

*Mr. Mulrine stated that he has sent the plans to another design firm to review the redesign of the Visitor Center to save on cost. The restaurant side needs an additional support from CDBG in considering a line item transfer of about \$100,000 to pay for the infrastructure of the water and sewer lines for the restaurant part.*

*Mr. Hall reminded everyone that they do not need to sell the State on the core concept of the project. That the States only concern is the implementation. The State will want to see the RFP and all responses, and to see who is deemed to be the best candidate and to be intricately involved every step of the way.*

*Mrs. Stone advised that the State needs a plan in writing with the time line and the estimated revised cost. She mentioned that the line of communication with the Town and the DDC has been much better recently and the State would want that to continue. Mrs. Stone asked if the project could be done in the spring/summer of 2012.*

*Mr. Hall added that they would want quarterly comprehensive status reports to include status of implementation.*

*Mrs. Stone expressed the importance of setting goals and setting the time limits. She recently visited the site and asked about the surface water.*

*Mr. Mulrine explained that the design encompasses the water level and that the buildings are designed to be raised above tide level in the flood plain. The Army Corp of Engineers has been involved in the planning and approval of the building level to take into account the water overflow.*

*Councilwoman Dr. Case provided a print out of her concerns regarding the Crouse Park project and expressed that she is not out to ditch the project, but is in opposition to it being located in Crouse Park. She went on to express her concerns about the project financially and cost of future maintenance. She expressed that she did not think the Public Hearings were well*

*attended, so she conducted her own survey of about 51 people of which only 22% approved of the project. She felt the Town should not be in the real estate business and would support the project if managements were by a non-profit. She also expressed that taking away the basketball courts was unjustified, in her view an environmental justice and went on to state that this was the only park in town.*

*Councilman Danielson expressed that the Town Council has already voted for this project and still supports it.*

*Mrs. Stone clarified that CDBG is very citizen participation driven and that this project has met all of the public hearing requirements. The fact that the Council voted to move forward with the project, the State is not out to change that. Mrs. Stone explained the State perspective on environmental justice is different than what Councilwoman Case may perceive, the project is leaving some recreational space. She expressed that the State appreciates the concerns. Efforts to keep the Town alive are the key. If the Town stops trying, the downtown will die.*

*Mr. Hall stated that this project was a valuable economic development initiative. Most economic projects tend to present a higher risk profile than housing projects. The town carefully evaluated the advantages and disadvantages before submitting the application for the grants. Mr. Hall added that the State previously felt this was a viable project and still supports the Town moving forward with it.*

*Councilman Gregory thanked and expressed appreciation for Mr. Hall's comments and the State's continued support of the project. Councilman Gregory stated that he did not feel that Councilwoman Case's survey was valid in any way and not so sure of any issues of environmental justice. The Town is fortunate to have the best Economic Development Director in the State, Mr. Walsh. He added that the Council supports the project and will move forward.*

*Councilman Porter stated that he has also questioned why the project isn't moving forward, but is now aware of the road blocks. Councilman Porter expressed that his main concern is what happens if the project fails and that he is very appreciative that the State is still on board with the Town to move forward. He asked what happens if the restaurateur walks after the project is completed.*

*Mrs. Stone responded that the Town finds another.*

*Mr. Hall agreed, and mentioned that as the project moves forward the Town should develop an agreement to include covenants of penalties to be applied if the restaurateur walks away.*

*Councilman Porter asked if the State is flexible enough if the restaurant business does not work out could the Town later change the type of business.*

*Mr. Hall said that it is possible, but would need to be evaluated at the time it becomes an issue. The State could not definitely say a change in use would be approved at this time, but would have to evaluate if it becomes an issue.*

*Mrs. Stone was aware of other projects in which a change of use has been approved.*

*Councilman Danielson said that was comforting to know that if in a couple years from now that the Town has problems keeping the building rented as a restaurant that the Town would not be locked in and could possibly seek a change in use.*

*Mayor Clendaniel asked if the use can be changed now.*

*Mrs. Stone said that the Town would need to show the efforts made to establish a restaurant, then if years down the road it does not work out, the State could re-evaluate.*

*Mr. Hall stated that the property is not locked in forever, but a restaurant of this nature is great for this area. He mentioned that another Town on the shore has completed the same type of project and that it has been very successful and has become a real benefit to that town.*

*Mr. Waters added that the State needs benchmarks. A change in use or change in location could require starting all over. The biggest key to a successful project is communication while moving forward and to get the funds distributed.*

*Mrs. Stone stated that at this point the State needs a response to the letter regarding taking over the grant from the County.*

*Mr. Mulrine confirmed that in the response the Town can provide estimated projected budget figures; hard core figures would be difficult to have at this time.*

*Mrs. Stone acknowledged that the response should provide an estimate to do the project and asked if a June 30, 2012 deadline was possible.*

*Councilman Gregory stated that June 30, 2012 was not an unreasonable projected deadline and that the Council should be able to set a timeline to implementation.*

*Mrs. Stringer added to be sure to follow the Town's procurement policy and the state can quickly review all submissions.*

*Mr. Hall asked about marketing.*

*Mr. Walsh went over the marketing plans.*

*Mr. Evans questioned if the project needs to be completely finished by June 30, 2011.*

*Mrs. Stone responded by saying that the State provides the funding for the shell, right now the County grant is set to expire June 30, 2011. The County has asked to have the grant transferred to the Town. Upon the State receiving a response on the plans for the project, the State will transfer and extend a new grant to the Town with a new expiration date of June 30, 2012.*

*Mr. Hall added that it is not a straight line when it comes to Economic Development, so the State will be flexible in working with the Town.*

*Mr. Walsh acknowledged that June 2012 is a reasonable date for the CDBG portion to be completed. Most of the delays to date have been caused by the environmental review and the EDA grant process. At this point the project needs the restaurateur designation first to move forward.*

*Mrs. Florence Doherty shared her concerns as a citizen about the high tide, senior citizens access, grease from the restaurant, and questioned what happens if the marina silts up, etc.*

*Mrs. Stone thanked Mrs. Doherty for sharing with them and assured her that DNR will issue the permits and make sure that all requirements are in place to protect the water ways.*

*Mayor Clendaniel thanked everyone for coming and acknowledged that the June 30, 2012 deadline is what the Town will work towards.*

*Mr. Mulrine said the Town and the DDC will work to submit their homework that has been requested by the State and will begin submitting to the State quarterly reports.*

*With no further business to discuss, Mayor Clendaniel adjourned the meeting at 3:40 PM.*

*Respectfully submitted,*

*Karen L. Monteith  
Clerk-Treasurer*