

December 8, 1964

Present: Mr. Burch, Mr. Bowles, Mr. Guyther, Mr. W. S. Donaldson.

Center Gardens

Mr. Whittington and Mr. Daniels from Washington Area Public Works Office. These men were here in reply to a letter sent to them on November 12th, as to the determinations made regarding Center Gardens taxes. Regarding the assessment made on the land, Mr. Whittington said this is government land, and this is the first time he has ever found it could be taxed, but if this is the law, then it can.

Mr. Daniels explained that the navy tax deduction determination was developed as the land never left titlement of the government and is truly government owned property. Under the terms of the 75 year lease stated in Paragraph 11, improvements as built and completed become the property of the United States government. The owner never did have complete title to the land or buildings. The fact that it is government owned in fee by federal law caused it to be tax exempt as far as taxing the fee is concerned. The leasehold could be subject to taxes in those states where a tax was normally imposed on a leasehold interest. Following the court ruling of 1955, Congress passed an amendment to the original Wherry legislation. They said the leasehold is taxable but only to the extent we permit it to be taxed. Then they said that the government shall deduct from any local tax imposed the cost of those services made by the local government or sponsor, and those services normally rendered by the local taxation.

The educational deductions are made by HEW, they determine how much money they will make available to a specific area. The county either takes the tax and lets that support the school system, or they take the deduction. If the number of children increases, the money granted will increase. Payment last year was at \$185.05 per child, and there were 438, making a total of \$39,323.13. The count this year will be 500, at \$216.57 per child. The law states that deductions are made on the actual payments made. An application is submitted to them for the forthcoming school year and this is reviewed. Approximately 80% of the amount is given, and then another application is filed as to what is needed and what should be given to them. HEW reviews this second application and usually pays 95 - 100% of the amount at the close of the fiscal year. It became necessary to know of actual payments, and HEW said they would have to back up for one year. So, they have gone back at least one year, and in some instances, two years, to get actual payments, and the Department of Defense said this could be done. So, when we are referring to figures today, these are past figures being charged against the present year.

The law is divided into two major groups, 3A and 3B type children. If the parent of the child works in a factory or at a station that is federally owned, the county receives \$97.50 per child, for that portion. Also get another \$97.50 if they live in a federal enclave. So far as the Wherry children are concerned, the fact that the parent works on a federal enclave, automatically entitles the community to the \$97.50 no matter where they live. If the parents live on government property but do not work there, the county still gets the \$97.50. Another type of civilians who are eligible for this are people who work for navy contractors working on the base.

Discussed matter of drop in road maintenance reported by Center Gardens as of this year. Mr. Daniels said if the county has a valid claim against Cestone for an inaccurate report, there is room for adjustment in the tax. He said his office has not audited his books, as this is FHA controlled and Cestone evidently forwarded these same reports to them. Mr. Daniels said they are not asking for an abatement but only a credit. Are not challenging the right of any local taxing body providing they make the same tax on other lessees in the county. Are saying that this amount of money has been spent or has actually been paid by the federal government to the county. Mr. Daniels suggested that the commissioners write to FHA requesting an audit report against the streets in Center Gardens, and he feels sure they will provide same. Mr. Whittington added that the county can then make an amended determination and figure this on a percentage ratio.

Mr. Guyther said there is reason to believe that Cestone was not filing his proper personal property schedules under our system. The former commissioners had been dealing only in real estate and would make an annual abatement. We feel that he owes us money and is not entitled to a tax credit. Mr. Daniels said that they sometimes lease furniture to the sponsor for the use of the people living in the project but it never leaves the title of the government, and the navy has an inventory of such furniture. Mr. Whittington said they are still trying to determine how many of the items the sponsor is still using and are charging him breakage and such for this, but have never come to any understanding with Cestone. Mr. Daniels said that many mortgagees insist that ranges and refrigerators are part of the mortgage security and are real property and cannot be removed by the owner of the home without the permission of the mortgagee. This is a very common practice. Mr. Guyther said it is his opinion that our assessor should be assessing all furnishings to come up with the amount of taxes owed, and then determine a credit. Mr. Herbert was called into the meeting and said the stoves and refrigerators were assessed this last time, but had been filed with the state, and this is where they got their information.

Mr. Guyther further explained the fire tax in the 8th District and that no fire tax is paid in Center Gardens. Mr. Daniels said this is probably because the base fire department would service this project.

Mr. Daniels said that FHA states it would cost about \$8,000,000 to replace the buildings in this project, and asked Mr. Herbert what instructions he has received as to appraising the property. Mr. Herbert said it is appraised on reproduction costs and not the lease holding. Mr. Whittington asked for an example of similar lease holds in the county for over fifteen years that were assessed this same way. Mr. Herbert mentioned several and stated that this is applied to the land owner, and Mr. Guyther said there are probably actually no leases over five or ten years in the county. Mr. Donaldson said that Mr. Cero told him that if the lease exceeds fifteen years, we have the right to assess the lessee.

Mr. Whittington said this man is operating this project for the government. If kept, the buildings become the property of the government. It is the flow of income that is being assessed rather than the land and the buildings. This is a legitimate way of assessing such a project. We are speaking solely to the local tax and not about state revenue or any other jurisdiction.

Mr. Guyther explained that the county did not maintain the streets in navy projects purchased by private owners and asked why a credit should be given for the Wherry Housing. Mr. Daniels said that the fact remains that if this was not federal property, the county would be providing such services, and under the law, this deduction is allowed. The navy is still working on this and has under consideration the possibility of taking the project back. Negotiations with Cestone have been concluded, but the final decision has not been made. When the navy takes over the project, the county will get all the benefits without any deductions. It is just a matter now of getting personal property taxes out of Cestone.

Mr. Whittington said that a letter should be written stating that if the information is agreeable, then the resolution is accepted.

Public Hearing on St. Mary's City Zoning

Approximately 37 people present. Mr. Burch called meeting to order, and stated that the purpose of same was to discuss proposed Rural Residential Zoning for an area in St. Mary's City. Stated that as Mr. Ridgell was not present, a decision could not be made today.

Mention made of letters received from A. C. McKenney and L. M. Heagy approving zoning of the area to Rural Residential.

Mr. A. Loker, representing the proponents, reviewed portion in question on map, and stated that at present, there is no zoning in this area, and several property owners and the trustees of the college feel there should be. There is concern for the protection of the college which is in a stage of advance development toward being a four year college, which will be an asset to the county and state. Preservation of historical values is also important, and this what basically prompted the application for zoning.

Mr. James Stokes said that a meeting had been called last Friday for the purpose of discussing the proposed zoning, and 13 people were present. He stated that he did not live within the proposed boundaries for zoning, but has an interest in the community in which he lives. He said that it is the general feeling among the people who are opposed that the whole thing has not been presented to them in a manner they can understand as to how it will effect them. It is the feeling that these boundaries are fictitious, as a fence row is used to divide a portion of the zoning lines and there are no established lines to mark this. Clockers Fancy and the Kahut property, two of the most historical sites in the county are left outside the lines.

Mr. Stokes further stated that one person who got the names of those in favor of this zoning used what he would consider bribery by saying they would zone certain areas and take others out. They merely want to know if this thing is on the up and up. Mr. Stokes said he would like to request that the commissioners do not make any decision at all at the present time, but wait until the overall planning study is completed. There are certainly some people within this proposed zoning area who will file appeals. He said these were the things that were discussed at the meeting last Friday night. They discussed to what extent the area would be zoned, why some properties were bypassed and others not, is this action for personal gain, etc. These questions should be answered.

Mr. Spence Howard said the boundaries follow either the shoreline or the river, and the lines go back to 1919 on recorded plats in the Hall of Records. Every boundary line is shown on a recorded plat and there has never been an error found in this survey.

Mr. Capps explained that zoning was designed to protect property values and to prevent detrimental uses of the property, and will stabilize land values. Mentioned that FHA has strong feeling about coming into a community where no planning is evident. Cited instance of Town Creek as zoned area, and that without zoning, business or other such commercial enterprise cannot be kept out of an area. An area can be zoned and if it is desirable to rezone certain portions of it at a later date, this can be done.

Mr. Burch asked for a show of hands of those people who live within the blue lines indicated on the map and there were nineteen, fourteen in favor and five opposed to the zoning.

Mr. A. Loker said that there is no zoning here now, and the people opposed do not say they want any kind of zoning and this cannot prevail. We are asking for this zoning because we feel it best protects the interest of all the people in the area including the college. Assuming that the commissioners go along with the Rural Residential zoning in some areas, this does not mean no other uses will be permitted. Other uses will be permitted with the approval of the authorities if circumstances justify a change to another class of zoning within the area proposed. This is an attempt to zone an area that has no zoning at all at present.

Col. Simpson explained that the boundary lines can run through woods without any marker at all indicating that the line is there, and they are legal.

Mr. Guyther explained that the existing businesses in an area are not taken out when an area is zoned. Once this area is zoned, application would have to be made to the Planning and Zoning Commission and follow general procedure. He suggested that so far as boundaries are concerned, a survey could be made and natural boundaries would have to be placed therein. Mr. John Bean asked why the line was not extended around St. Inigoes Creek.

Mr. Stokes stated that the opponents submitted a list of 63 names opposing this boundary of the zoning. Mr. Cherbonnier said that only seven live within these boundaries and the rest live outside. Mr. Fenwick said he would like to speak in favor of the original proposition, and cited various historical sites that should be preserved. Question asked about extending the line further south pending approval from the people involved, and Mr. Loker said this would have to be done with another application.

Admiral Johnson spoke and said that the college has one million dollars to spend on capital improvements and another one and a half million has been requested for next year for additional facilities. By 1968-69 it is expected that this will be a fully accredited four year college with about 800 students. He feels we should have such zoning for a mile in every direction from the college. Mentioned that former Governor Duff has given 40 shares of steel stock to the college, dividends of which will be used for scholarships.

Mr. Stokes said that the opposed are not in favor of no zoning at all, but want controls. The opposed are confused and do not understand how it will effect them. There are certain things that could be put here that would be an asset to the community and would not hurt the college. Said he did not feel that a nice grocery store would hurt the college.

Mr. Stokes also asked what type sewage system would be used for the expansion of the college, and Dr. May Russell said the same type on the base, which is the very finest. Dr. Russell also mentioned that it was the college that initiated the setting of boundaries for the zoning and they, along with others, proceeded to do something about it. It was purposely kept small because they were trying to protect a small area around St. Mary's College. The fact that the college is in an unzoned area keeps them from getting as much funds as is possible, and 58 of the 68 people living here approved of the idea. There were several others who would not sign, but said they would not fight it, and there are about six who are not in favor of this.

Mr. J. Daugherty spoke of many times zoning changes have been made in the 8th District and this could be possible in St. Mary's City if it were zoned. Mentioned that when an area is zoned, the government looks favorably on it for investing money. Also stated that if this particular area was allowed to develop¹/₂ commercially, land values would depreciate.

Mr. Trossbach said he feels the area is too large, and Mrs. Trossbach made statement to the effect that Mr. Herbert has said this will not effect taxes.

Mr. Loker said he feels the commissioners should pass on the application as presented. If the property owners south of this line want the zoning, they should file an application just as this application was filed. He further stated that he would donate his services to anyone below the line who wants this zoning.

Public Hearing on Zoning for the 6th District

Thirteen people present. Mrs. Mildred, Mr. A. Loker, representing Mr. Gittings. Mr. Burch announced that as in the preceding hearing, no decision would be made until this matter is discussed with Mr. Ridgell, who is not present.

Mr. Robert Larrabee stated that he had contacted all the individuals in the area and that the establishment of a woodtreating plant on the area would be detrimental to property and also a nuisance. These residents have large amounts invested in their property and homes and would like to protect said investments.

Mr. Loker said that Mr. Gittings owns a farm in the area, fronting on Route 235, and is divided by the railroad track, which is the only one we have in the county and lends itself to the commercial use of this property. Mr. Loker stated that the very life of the railroad is commerce and he knew of no instance where property near a railroad has been zoned residential. There is no zoning here at present, and the zoning requested is A Residential. At this point, Mrs. Gibson stated that Planning and Zoning recommends that this application not be approved at this time, but wait the completion of the planning study, as this would be spot zoning.

Mr. Gittings said he had purchased this property in October of last year, 90 acres, for the sole purpose of using it as an industrial site. They have been using it

as a storage area for piling and lumber and machinery, and intend to expand this and install a woodtreating plant. The ideal spot for the plant is 1000 to 1100 feet from the road. The plant will create employment in the county. The regular fuel oil boiler will be used in the plant. He stated also that they would not use the area between the railroad and the road, an area approximately 400 feet in width. Mentioned that this area was for agricultural use before Mr. Gittings bought it. Mr. Gittings said he has timber rights for three years and the supply of material would be steady.

Mr. C. Thomas, woodtreating expert, explained process of treating wood, and said the operation is not particularly dirty, except if it is handled when hot. The No. 2 fuel oil, with preservatives added to it, does not vaporize, and odor reaches only about 500 feet. There will be no airborne material, and the noise of the operation would be from the air-compressor. The sawmill will make more noise than the plant.

Mr. Larrabee said that the prevailing winds blow across the area where the homes are located and the fumes from the plant will carry. Mentioned that the noise of the peeling machine in Hollywood is so intense that it interferes with the classrooms when the windows are opened in the school. He asked if the interest of the 15 to 30 people such a plant would employ would be more important than the taxes paid by the people living in the area now, and coming into it later on.

Mr. J. Ropiak stated that he had moved into this particular area because it was quiet and away from all kinds of smoke, noise, etc. Mr. Loker read portions of the existing agricultural and A residential zoning regulations, and part of the operation could be put here even under the latter, the wood cutting part.

Mr. Ballard asked what kinds of conveyances this operation would be using, and Mr. Gittings said trailer trucks, which will operate between the hours of 6:00 a.m. to 4:30 p.m., approximately. Mr. Ropiak said that once this is permitted, it cannot be controlled, as the man would be entitled to run his business. Mr. Clifton Gittings, son of Mr. Gittings, said that eventually this road will be dualized, and there will be even more traffic than there is now.

Mr. Loker stated that there is a very important fact to be considered here. Is the existence of the railroad going to be jeopardized? It does not make good sense to zone a railroad as A Residential.

Collateral Agreement

Mr. Burch signed said agreement with Maryland National Bank, to collateralize funds on deposit.

Meeting adjourned.

Approved,

F. Elliott Burch
F. Elliott Burch, President