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Deidra Ritchie
Executive Director



**Canal Place Preservation & Development Authority
Fiscal Year 20211 Operating Budget
Response to Department of Legislative Services Analysis**

**House Appropriations Committee
Education & Economic Development Subcommittee
Benjamin S. Barnes, Chair
February 22, 2021**

**Senate Budget & Taxation Committee
Education, Business & Administration Subcommittee
Craig J. Zucker Chair
February 22, 2022**

**By
Janice Keene, Chair
&
Deidra L. Ritchie
Executive Director**

**On the Proposed Budget of the
Canal Place Preservation & Development Authority (CPPDA)
for Fiscal Year 2022**

Our responses to questions brought to our attention by Andrew Gray in the Analysis of the FY 2022 Maryland Executive Budget, done January 2021.

Discuss the status of lease vacancy filling:

The vacancies, which are currently within the Western Maryland Railway Station only, were tourism businesses that were directly affected by the Coronavirus pandemic. We are actively trying to fill these vacancies. We have alerted the Department of General Services about the vacancies; we are currently advertising the vacancies on Loopnet.com as well as on our website. We have contacted our local board of Realtors and will be listing the space through their Multiple Listing Service (MLS) system. We have had significant interest and are hopeful that we will fill the spaces soon.

Discuss the status of revenue relative to Canal Place's spending needs and the prognosis for its ongoing solvency:

Over the years we have been able to generate funds for our operating budget from our own revenue sources such as leases, parking revenues, and grant funding. However, our funding shortfalls occur

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when it is necessary to do capital maintenance to the Western Maryland Railway Station, the Canal Place shops and various infrastructure. We were never recognized by the Department of General Services as a State Agency to be included their capital maintenance budget. Therefore, it is necessary for us to request general fund money to cover those costs of maintenance.

Discuss whether or not Canal Place has the capacity to conduct the scope of the River Park project and what other administrative resources it is bringing to bear in order to complete the project:

A River Committee was formed to help bring this project to fruition. At this time, Canal Place has taken the lead on the River Park project only for the conception and planning of the project. Thus far, consultants have done the bulk of the work. For now, we see the CPPDA staff being able to maintain an administrative role in the river park, while overseeing the work of these consultants who will be responsible for engineering, design and construction. Representatives of the city of Cumberland, Allegany County and Canal Place officials will be meeting in March of 2021 to determine future maintenance and ownership of the finished River Park. We see the total project being funded through grant funding and mitigation banking.

Comment on the relative merits of continuing as a State agency, being privatized, or having the responsibilities transferred to other existing organizations:

Canal Place Preservation and Development Authority would prefer to stay as a State Agency as we continue to generate the bulk of our operating costs through special funds. Canal Place at times will need assistance of general funds to help with capital maintenance of the state buildings located on Canal Place property and for property maintenance. We anticipate state funding for these types of projects regardless of what entity would take over the buildings and grounds. The request for general funds could potentially be eliminated if the Department of General Service would include us in their capital maintenance budget.

Privatization of the shops may be possible, but costly infrastructure changes (separation of utilities) will need to be completed to make this possible. As for the Western Maryland Railway Station we do not see it becoming a private entity due to its historical nature, size and the unique challenges that would present. The Footer's Dye Work building is currently under a long-term lease between Footer Development LLC. and the CPPDA, therefore it is highly unlikely the owners would consider and outright purchase due to the nature of their lease. It may be possible for the CPPDA to lease the festival grounds to another entity as we do not have the budget to hire staff to market the festival grounds and stage. In addition, it would relieve costs from the CPPDA budget to maintain the grounds. However, it would be necessary to once again separate utilities.

CONCLUSIONS

We hope we have adequately answered the budget analyst's discussion topics. Please note that we concur with the budget analysis and if you need additional information, please let us know. Again, thank you for your time.

Respectfully,

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Canal Place Authority

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