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Aruna Miller
Lt. Governor

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Evergreen Heritage
Center,
Chair

Jeremy Bender
ServiceMaster of
Allegany County

Tina Cappetta
U.S. Department of the
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Allegany County
Chamber of Commerce

Al Feldstein
Maryland
Historical Trust

Michael Mudge
Allegany County Public
Schools

Bradford Nixon
Frostburg State
University

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Rebecca Ruppert
Allegany College
of Maryland,
Vice-Chair

Deidra Ritchie
Executive Director



February 22, 2024

Canal Place Preservation & Development Authority
Fiscal Year 2025 Operating Budget
Response to Department of Legislative Services Analysis

Senate Budget & Taxation Committee
Education, Business, & Administration Subcommittee
The Honorable Nancy J. King, Chair
February 22, 2024

House Appropriations Committee
Transportation and the Environment Subcommittee
The Honorable Courtney Watson, Chair
February 22, 2024

Presented By
Deidra L. Ritchie, CPPDA Executive Director

On the Proposed Budget of the Canal Place Preservation & Development Authority (CPPDA) for the Fiscal Year 2025

The CPPDA's responses to questions brought to our attention by Carrie Cook in the Analysis of the FY 2025 Maryland Executive Budget, prepared February 2024.

**1. Please provide brief explanations for the following comment:
The agency should comment on the proposed legislation, noting any anticipated operational or logistical challenges with implementation. In addition, Canal Place should note any alterations that, if enacted, that may negatively impact capital investments already made by the State in various Canal Place properties or projects.**

SB1070 has numerous compromising affects on the CPPDA, its assets, its projects, and the Passages of the Western Potomac Heritage Area. The CPPDA was created as a state agency to manage the heritage area and its property by generating its own revenue so as not to be a burden on local tax dollars. Please see the following summary on the CPPDA structure:

Western Maryland Railway Station, 13 Canal Street, Suite 301, Cumberland, Maryland 21502
Phone: 301-724-3655 ❖ Fax: 301-724-3659 ❖ Toll Free: 800-989-9394 ❖ TTY/TDD: 800-735-2258
Email: canalplace.mail@maryland.gov ❖ Website: www.passagesofthepotomac.org

The Passages of the Western Potomac Heritage Area is managed in conjunction with CPPDA by a governing board comprised of nine local stake holders consisting of the following:

Maryland Historical Trust Representative

National Park Service Representative

City of Cumberland Representative

Six Members appointed by the Governor

The CPPDA, the management entity to the PWPHA, receives a \$100K operating grant from the Maryland Heritage Areas Authority to administer the Heritage Area program. This grant requires a \$100K match which the CPPDA generates from Canal Place revenues.

CPPDA Board of Directors serves as statutory advisory committee to the Heritage Area. PWPHA operates pursuant to a five-year management plan. A new management plan and countywide boundary expansion are currently in progress.

The 11-acre Canal Place Heritage Park is managed by a governing board comprised of nine local stakeholders.

Maryland Historical Trust Representative

National Park Service Representative

City of Cumberland Representative

Six Members appointed by the Governor

The Board and Staff are subject to State Open Meetings Act and other public transparency requirements.

Revenue generated from state owned properties within the Canal Place Heritage Park is used exclusively for the maintenance and operations of the Canal Place Heritage Park and contributes to annual matching requirements for the Heritage Area program.

State of Maryland provides annual funding of around \$200,000 to provide routine maintenance and janitorial services, support a contractual position, and to provide support for tenants and special events over the entirety of the 11-acre property.

In order for the heritage area to obtain its \$100k operating grant, the new entity would have to be able to satisfy the matching requirements of the operating grant. This recertification could never happen by October 1, 2024. In addition, the PWPHA is in the process of a county wide boundary expansion and management plan update, which is a requirement of MHAA and is currently due. This process would stop effective immediately.

The current model structure for the CPPDA is successful and has reaped economic benefits for Allegany County constituents and the state of Maryland. Altering and repealing the duties and powers of the CPPDA would be detrimental to our region in the following ways:

- The current model is subject to the state's open meeting laws and the CCPPA conducts its business with transparency in full view of the public it serves; this proposal would place the authority for decisions with wide ranging impacts on a small group of politicians.
- Generate uncertainty for many small business tenants in the Canal Place District.
- Delay or deny the current county-wide Heritage Area expansion initiative, which would exclude 95% of Allegany County residents from Heritage Area benefits.
- Impact current programming and partnerships that utilize Canal Place property for public access.
- Fiscally strain government agencies and partners that will have to absorb the property's necessary capital maintenance/improvements.
- Potential to eliminate four state-funded positions that support locally-led efforts to manage and develop economic and natural resources at Canal Place.
- Jeopardize the development of the River Park at Canal Place project, which has received \$6 million in federal appropriations; \$1.5 million in state capital funding; and over \$1 million in federal, state, county, and city grants and appropriations.

In the Spring of 2023 the CPPDA began a discussion with our Shop Owners, Allegany County Government and the Maryland Department of General Services about transferring the ownership of the Shops at Canal Place to the individual Shop Owners. The intention of this initiative was to create economic growth for the Shop Owners and their partners. These discussions and plans (which were brought about from the first Task Force Study in 2018 with Senator McKay also sponsoring that bill) would allow the Shop Owners to expand their businesses, build equity in their shops, and allow the CPPDA to minimize the expense of upkeep to the buildings and grounds the shops are located on. The Shop Owners were aware that they would have to pay for their units and were eagerly anticipating this new era of growth and were working on the creation of their own Tenant Association group to cover the general costs that they would now be responsible for (snow removal, shared water costs for public bathrooms, etc.). With SB1070 these shop owners no longer know their future or what a new ownership group will provide, require or allow.

The CPPDA was not consulted on this bill prior to its arrival to the legislature. On February 6, 2024, Senator McKay sent an email to the Executive Director of the CPPDA informing her the legislation had been introduced. On February 16, 2024, the CPPDA held a special meeting to discuss the legislation. At that meeting, the majority of the nine-member board voted to oppose the legislation, two board members abstained from voting, and one board member voted to approve. Therefore, the CPPDA opposes SB1070.

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.

Below is our current River Park at Canal Place flyer:

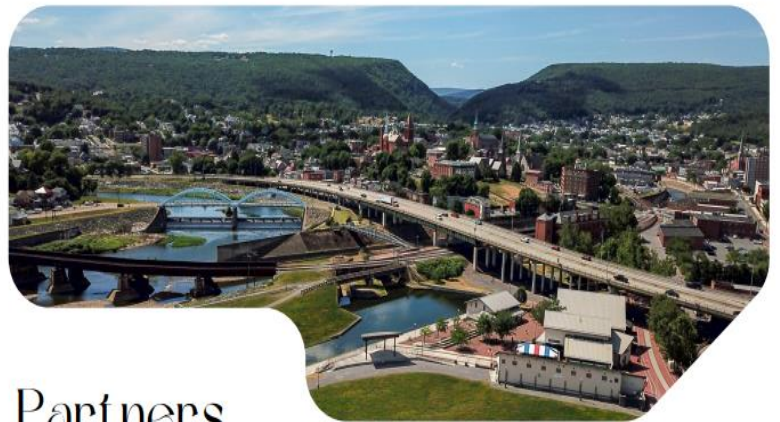
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The Project

The River Park at Canal Place will transform Cumberland's downtown, support our growing outdoor recreation economy, and drive economic impact to the region and throughout the State of Maryland. The project is located along the North Branch of the Potomac River and will complete the North Branch Water Trail. Rivers establish a major tourism resource, providing spectacular settings, recreation facilities, a means of transport, a sense of heritage and adventure, and links with the environment and natural world. Most recently, the Office of Tourism Development (OTD), advocated that tourists want to be in, near, and around water. In fact, "River Tourism" is one of the top outdoor recreational activities investigated on OTD's website. The project will improve water quality, advance wildlife passages, provide an exciting new downtown river experience, and increase awareness for the region as a premier outdoor recreation destination.

Contact Us

13 Canal Street, Rm 301
Cumberland, MD 21502
canalplace.mail@maryland.gov
1.301.724.3655



Partners

Together with our partners and stakeholders the River Park Project has secured over **\$8 Million** and has an additional **\$25 Million** dedicated in the Capital budget.

- Local partners have contributed and supported this project with over \$566K
- State partners have contributed and supported this project with over \$1.8M
- Federal partners have contributed and supported this project by earmarking \$6M by Federal District 6 representatives for Engineering and Design Build of trails and parking



The River Park at Canal Place

Sponsored by
Canal Place Preservation and
Development Authority and the
Passages of the Western Potomac
Heritage Area
Allegany County, MD



Next Steps

- Draft PER Delivery 1/2024
- Final PER Delivery 2/2024
- Draft Engineering Solicitation 3/2024
- River Sampling NTP (90 Days) 3/2024
- Bid Engineering Services 4/2024
- River Sampling Report 5/2024
- Engineering Proposals Received 6/2024
- Design/Permitting 12/2025
- Project Bidding 2/2026
- Contract Award 3/2026
- Construction Start 6/2026
- Construction Complete 11/2027
- Anticipated Opening to Public Spring 2028

All dates are estimates and may be affected by other situations. Dates are subject to change.

Accomplishments

- **2019** - Implementation Plan Complete
- **2021** - Boundary Survey, Property Owner ID Survey, Hydraulic Survey
- **2023** - \$6 Million Earmarked by Federal District 6, Preliminary Engineering Report (PER) Funded By County Gov. and City of Cumberland
- **2024** - 100% of Design Build Funded- State of MD Capital Budget. \$700,000 Grant Funds Secured and Economic Impact Study Completed.

Visit: passagesofthepotomac.org to stay up to date on our River Park Project progress

Economic Impacts

The River Park at Canal Place has the potential to transform Downtown Cumberland and the surrounding region into a major tourist destination. The River Park will increase economic growth by;

- Attracting More Consumers
- Expansion/Creation of New Businesses
- Additional Job Creation
- Improved Quality of Life
- Estimated Economic Impact: Allegany County sees 1.3 Million Visitors annually the River Park attraction is estimated to attract an **additional 1 Million visitors** to the region and contribute **\$41.7 Million in State and Local taxes**

Statistic provided by: WVU Research Corp