

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 1036 (Senator Edwards)
Budget and Taxation

**Maryland Consolidated Capital Bond Loan of 2011 - Allegany County -
Cumberland City Market**

This bill alters a requirement in the Maryland Consolidated Capital Bond Loan of 2011 (fiscal 2012 capital budget) to provide \$0, instead of a total of \$100,000 of matching funds, to the Mayor and City Council of the City of Cumberland for the design, renovation, and capital equipping of the Cumberland City Market (within Local Senate Initiatives and Local House of Delegate Initiatives). Instead, the bill repurposes the \$100,000 grant to the Canal Place Preservation and Development Authority (Canal Place) for the design, renovation, and capital equipping of the Cumberland City Market (as a State project under Executive Department – Governor).

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: The bill shifts responsibility and general obligation bond funding for the Cumberland City Market from the City of Cumberland to Canal Place.

Local Effect: The bill shifts responsibility and general obligation bond funding for the Cumberland City Market from the City of Cumberland to Canal Place.

Small Business Effect: Minimal for small businesses that sell goods and services in the Cumberland City Market and existing businesses in the surrounding area.

Analysis

Current Law: Chapter 396 of 2011 (HB 71) authorized two grants totaling \$100,000 to the Mayor and City Council of the City of Cumberland for the design, renovation, and capital equipping of the Cumberland City Market, located in Cumberland. The project was 1 of more than 100 legislative initiatives funded in the fiscal 2012 capital budget.

Background: The Downtown Development Commission (DDC), an appointed agency of the City of Cumberland, planned to use the \$100,000 grant to establish a city market in the central business district of Cumberland to provide the sale of goods and services to the community. However, DDC could not use the grant for the location planned for the city market since that location was privately owned, and DDC could not find an alternative location. As a result, DDC no longer plans to establish the Cumberland City Market.

Canal Place is currently in the process of designing an outdoor market in downtown Cumberland to operate from May to October. The Cumberland mayor and city council do not oppose transferring the grant to Canal Place.

The Governor's proposed fiscal 2014 budget includes \$654,122 in special funds for Canal Place. Canal Place receives special fund revenues from lease payments from the retailers and other organizations that rent space in Canal Place buildings, parking fees, rental of the stage, grants, and a share of the hotel tax revenues as per the agreement with the localities.

In 1993, Canal Place was created by legislation as an independent unit in the Executive Branch of State government to spur the preservation, development, and management of the Canal Place Heritage Area in downtown Cumberland. Canal Place is charged with transforming the area into a major heritage tourism destination. Its responsibilities are directed by a nine-member commission and include:

- preserving or assisting in the preservation of buildings, structures, and settings of historical value;
- conducting activities to educate the public about the history and significance of the heritage area;
- providing recreational uses of the heritage area; and
- facilitating economic development in the heritage area, such as through public and private investment in adaptive reuse, interpretive attractions, or other activities.

When fully developed, Canal Place will feature boat rides along a restored section of the Chesapeake and Ohio (C&O) Canal, which broke ground in Washington, DC in 1828 and

reached Cumberland in 1850. Today, visitors can walk or bike along the canal towpath and can benefit from other Canal Place projects that have been completed. A retail marketplace includes seven shops and a plaza that hosts music and festival events. A canal boat replica is on display, and train rides are available from the historic Western Maryland Railway Station.

Major festival grounds have been completed and are a focal point of the area. The interstate Allegheny Highlands Trail was linked to Canal Place in December 2006. This trail stretches from Pittsburgh to Washington, DC; the Maryland portion of the Allegheny Highlands Trail currently measures about 22 miles.

Additional Information

Prior Introductions: None.

Cross File: HB 1517 (Delegate Beitzel) - Appropriations.

Information Source(s): Allegany County, City of Cumberland, Canal Place Preservation and Development Authority, Cumberland Times, Department of Legislative Services

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ncs/ljm

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