To: CA Board of Directors  
From: Phil Nelson  
Subject: Placing the Board Committee Process Temporarily on Hold  
Date: September 25, 2012

Background:

- Recently, CA was granted approval for certain aspects of the Symphony Woods development plan by the Howard County Planning Board.
- After the Planning Board’s approval, staff requested that the Board consider taking a pause in moving forward with further planning efforts until such time as it can be better determined what Howard Hughes Corporation will do with Merriweather Post Pavilion.
- Both Merriweather Post and Symphony Woods are included in the same county designated planning “neighborhood” and developing a comprehensive plan could save a great deal of time going through the county’s rather rigorous process.
- In addition to the Symphony Woods project, staff recently provided input to the Board concerning infrastructure planning and perhaps planning for an evolving business model for the fast approaching 10-year planning period concluding in 2022.
- The Board has determined that CA should be preparing for the future and has talked about a new headquarters building as well as accepting and filing the Aquatics Master Plan. The Board has also stated that CA should be looking at improvements to the Lakefront at Lake Kittamaqundi as well as other improvements to watershed areas and other capital intensive projects.
- In light of all of these short-term projects, staff is suggesting that the Board suspend the normal committee agendas in favor of using the regularly scheduled meetings in October and November as PSC hosted workshop sessions.
- Staff is suggesting that the first meeting in October be dedicated toward developing a policy structure for how CA deals with the Symphony Woods/Merriweather Post Neighborhood. Recent revelations about forming a Trust for operational and capital planning for the neighborhood were presented. Consequently, the Board and the County might have to deal with new or changing partners thereby making the need for CA to be prepared for how CA fits in with new or changing stakeholders and the regulatory agencies to be even more of an imperative. Staff would suggest that how CA deals with the Trust proposal be held in closed session as it deals with contracts and other legal matters.
- Staff is suggesting that the second meeting in October and perhaps the first meeting in November be dedicated to developing policies for capital infrastructure investment. This could be the time for the Board to develop and discuss new more capital intensive projects and how they could be fit into CA’s financial capacities and capabilities.
• Finally, staff is suggesting that the second meeting in November be dedicated to staff presenting information as to how CA can finance the costs associated with the new or changing projects selected by the Board as well as the typical annual capital improvement costs.

Legal Considerations:

• None at this time, but consideration of joining a multi-party Trust will take significant amounts of time and involvement by Counsel.

Budget Considerations:

• How CA approaches the future could have significant budget implications. Large scale capital projects could require issuing bonds with longer-term amortization periods. Those interest costs would be allocated across almost all of the divisions of CA on the operating side of the budget.
• Longer-term CIP projects could also be paid for through CA’s credit line meaning that interest costs would also be paid for through the operating side of the budget.

Policy Implications:

• Being a part of a Trust partnership would be a significant departure from normal CA operating procedures and the Board will want to take a significant amount of time to determine how joining a Trust might impact CA in the future.
• Staff would also suggest that the Board determine potential partnerships for some of the larger or longer-term capital improvement projects.
• As indicated in the budget considerations section of the memo, longer-term big ticket items could result in CA having to issue longer-term debt instruments which could result in possible impacts to the operating side of the budget.

Options:

• The Board can continue the Committee Structure for the foreseeable future.
• The Board can temporarily suspend the Committee System in order to conduct policy development workshops.

Recommendation(s):

• Staff recommends that the Board temporarily suspend the committee structure for the months of October and November and authorize the PSC to conduct at least four policy planning work sessions.

Attachments: Possible policy points for four work sessions
Priority Projects Policy Elements:

Session 1:

- Symphony Woods/Merriweather Park Neighborhood Development
  Do you favor venues that can easily be changed when demographics or other factors mandate changes?
  Do you favor CA being included in a Partnership Trust with Howard County appointees, and Howard Hughes?
  - Trust discussions should probably be held in closed sessions
  What are you willing to invest in capital improvements for the neighborhood?
  Are you willing to allow usage of CA owned properties for the construction of public venues?
  Are you willing help finance certain public infrastructure improvements in the form of Tax Increment Financing (TIF) Districts or any fees charged to finance the debt service for bond issuance?
  - TIF Information to be included.
  - Revenue Bond Information to be included.
  What enhancements would you like to see included in the park?
  - Rain gardens or other aesthetic enhancements that control stormwater runoff and check sediment flow?
  - Botanical improvements and sculpture?
  - Transportation enhancements that could replace or partially replace the need to construct parking garages.
  - In light of the County Planning Board’s decision and caveats, do you still favor proceeding with the current plan, or should we look at minor/major renovations to the plan or should we try to develop a plan that might be closer to reflecting the future of Merriweather Post Pavilion such as the master plan that was developed showing how Symphony Woods and Merriweather Post have a neighborhood nature in line with the County’s development regulations?
  In light of the fact that building owners and landlords are seemingly holding out to see what BRAC is going to do to rental pricing in Columbia, would you be willing to allow the construction of a CA Headquarters Building on the south side of the neighborhood?
  - Possibilities and potential leverage options will be included.

Sessions 2 & 3

- Capital Infrastructure Investment:
  Is the Board willing to maintain the level of capital investment in CA’s aging infrastructure?
  Would the Board be willing to look at options that could consolidate some of the capital expenses in favor of better or significantly upgraded facilities?
Is the Board willing to consider partnerships with public agencies, private companies and other non-profits in the development and construction of capital improvements?

Is the Board willing to approve a set of core products that translate into priority capital expenditures?

Is the Board willing to endorse the use of at least some of Open Space land for either reduced maintenance expenses or for products for the public good?

Is the Board willing to develop a listing of potential “thinking big” capital needs or wants that will act as determinants for future Category I and II capital projects?

Think Big!! (For the Future Only) Start in shorter-term increments such as CA 2022 and go shorter or further if that is the wish of the Board.

Session 4

- Strategic Financing for Projects
  - Determining potential costs and ancillary functions and fees for infrastructure enhancements or changes in the way CA does business
  - Determining a proper timeframe for project development and implementation
  - Determining potential venture partnerships and how the various functions of ownership or being a partner fits with CA’s mission and fiscal capabilities
  - Determining the most applicable financing methods that fall within CA fiscal capacities and capabilities.
  - Determining how capital expenditures will impact operational functions and setting a series of “Core Products” that CA can offer that again fall within fiscal capacities and capabilities.
  - Determining communications logic and venues for letting residents, members and users understand that there could be a change in how CA does business.
  - Determining a corporate response for potential business and program changes to resident, members and users expectations.