



## **TOWN COUNCIL INFORMATIONAL WORK SESSION AGENDA JUNE 7, 2021**

This meeting is being conducted virtually. To join via the web, please use the link <https://us02web.zoom.us/j/8697557180>. Once connected by computer join via computer audio or by dial in with your unique Participant ID to join your audio and video. To view by phone dial (929) 205-6099 and enter the Meeting ID: 869-755-7180. Participants should remain muted. Direct meeting access links and meeting recordings are available at [www.chesapeakebeachmd.gov](http://www.chesapeakebeachmd.gov).

### **I. Call to Order and roll call**

### **II. Pledge of Allegiance**

### **III. Work Session to discuss the following:**

1. Peter Feuerle, candidate for Ethics Commission
2. Teresa Frederick, candidate for Board of Appeals
3. Short Term Rentals
  - a. Update from the Town Administrator
  - b. A presentation by Patrick Gonzales of Gonzales Media & Research
  - c. Process moving forward
4. Comprehensive Plan Update
5. General Paving Services RFP
6. Dredge Containment Rehabilitation
7. Chesapeake Bay Detachment – Navy Research Laboratory (CBD-NRL Mitigation)
8. Hot Water Heater Purchase at the Water Park

### **IV. Council Lightning Round**

### **V. Adjournment**

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**(301) 855-8398**

**Peter Feuerle**  
**4020 15<sup>th</sup> Street**  
**Chesapeake Beach, MD 20732**  
**443-975-2204 (mobile)**  
**peter.feuerle@ gmail.com**

## **PERSONAL PROFILE**

I have been a resident of Chesapeake Beach for thirty years. I was a member of the commission appointed by the previous mayor that drafted the first version of the Ethics Ordinance. My late wife Nancy (she passed away this past December) served for many years on the Planning and Zoning Commission, and we both have been involved in various volunteer activities over the years.

I was born in Germany and immigrated to this country after my military service and law studies at German universities. I became a citizen in 1968. Contemplating an academic career, I obtained a Ph.D. in Political Science (University of Kansas 1971) and taught at the college level for a few years (Marshall University in Huntington, WV). I then returned to the law (J.D., Yale 1977) and worked for several years, first as an associate attorney and later as a partner, at large law firms in their New York and Washington DC offices, with a number of overseas postings. My concentration was the representation of foreign direct investors in the US. I continued this later as a solo practitioner, representing German owned middle market companies. I am now retired from the practice of law, but maintain positions as corporate secretary at a few of my former clients.

For entertainment, I have been an avid scuba diver since my teenage years and only gave that up due to advancing age. For more than twenty years I had a boat, docked at the Rod n Reel, which is now carrying her new owner on the “grand circuit” around the country east of the Mississippi (how I wish I had done that!). I hunt and fish, and I have a dog and two cats.

I am not a joiner, but from time to time I send a little money to organizations supporting wildlife conservation and gun ownership, and, if they pester me enough, political groups and office seekers.

Peter Feuerle  
Chesapeake Beach, May 31, 2021.

# Teresa Frederick

7514 B Street

443-223-2462

Chesapeake Beach, MD 20732

tjfrederick06@gmail.com

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## Professional Strengths

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- Critical Path Project Management
- Budget and Cost Control
- Strong Leadership and Management Skills
- Risk Management
- Quality Control
- Customer Service and Communication
- Conflict Resolution
- Architectural Woodworking
- Detail Oriented

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## Professional Experience

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ISEC Inc., Englewood CO

September 1994 – May 2011

Senior Project Manager: Review projects to determine scope, assist/overview purchasing and selection of subcontractors. Manage project documents, review and price project changes, negotiate pricing, process change orders, review and manage contracts. Create installation and man-power loading schedules. Responsible for budgeting, cost control, quality control, risk management and contractor, owner relationship.

Rose and Crown Guest House, Provincetown MA

May 2011 – January 2014

Owner/Manager

ISEC Inc., Englewood CO

January 2014 – Present

Architectural Products Manager: Direction of projects through effective collaboration of regional teams and manufacturers. Assist with engineering, estimating and purchasing strategies. Conflict resolution within projects. Mentor and coach regional teams with strong analytics, leadership and communication. Develop annual budgets and fiscal plans. Build and maintain national manufacturing partnerships.

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## Education

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A.A. Architectural Design and Construction Management

Pikes Peak Community College, Colorado Springs, Colorado



To: The Honorable Mayor and Town Council  
Subject: Short Term Rentals

From: Holly Wahl, Town Administrator

**Date: June 4, 2021**

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### **BACKGROUND:**

Short-term rentals refer to the leasing of one's home typically through popular online brokerage services like Airbnb and VRBO. Property owners who opt to rent their homes out on these platforms have not operated in a manner that complies with the definition or conditions of Bed and Breakfast Establishments set forth in the Zoning Ordinance.

There is a distinction between Bed and Breakfast Establishments (BnBs) and Short-Term Rentals. BNB's are legally permitted uses, with conditions, in every zoning district in Town except the Resource Conservation district. The required conditions are set forth in Section 290-11P and include among other requirements that the owner or manager live on the premises, that meals are provided to overnight lodgers only, that there be at least one off-street parking space per guest room, and the establishment is operated through a state approved bed and breakfast registry.

The Planning and Zoning Administrator, Chris Jakubiak, has emphasized in public memorandums and meetings that the Town has been consistent in its findings that short-term rentals are not permitted in residential zoning districts. In 2014, the Planning Commission reviewed the idea of expressly allowing them and decided that the Zoning Ordinance did not permit them and that no changes to the Zoning Ordinance were warranted.

### **POLL:**

The Town initiated a third-party professional poll, through Gonzalez Media and Research, to understand further resident feedback on short term rentals. The Town requested that the poll differentiate between HOA and Non-HOA for informational purposes. The poll was anonymous and there was no information collected that would identify the respondents as Town registered voters, or as the owner of the property.

**PRIMARY / OWNER OCCUPIED RESIDENCES IN TOWN:** The Town of Chesapeake Beach is split between Homeowners Associations (HOA) and homes not located in a HOA (NON-HOA).

- a) ***CURRENT REGISTERED RENTALS:*** The Town's long-term rentals are primarily located within non-HOA areas of Town. Specifically, 70% of the Town's current registered rentals are located within non- HOA's and 30% are in HOA's.
- b) ***REGISTERD VOTERS:*** The Town's registered voters primarily live in HOA areas; as of the 2020 voter registry 80% of the Town registered voters live in HOA's and 20% live in non HOA's.



## **IMPACTS TO HOUSING:**

A transition to short term rentals in these areas could have impacts to the availability of affordable housing and could displace current renters in non-HOA areas. Research shows that home sharing platforms cause some landlords to switch from supplying the market for long-term rentals—in which residents are more likely to participate—to supplying the short-term market—in which non-residents are more likely to participate.

A Harvard study, “The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb” found that the effect of Airbnb listings on rental rates and home prices are decreasing the owner-occupancy rate.<sup>1</sup>

It is recommended that these impacts be considered thoroughly after the comprehensive plan update, which focuses on affordable housing options in the Town.

The Economic Policy Institute released a study that showed:

1. **Rising housing costs are a key problem for American families, and evidence suggests that the presence of Airbnb raises local housing costs.** The largest and best-documented potential cost of Airbnb expansion is the reduced supply of housing. As properties shift from serving local residents to serving Airbnb travelers, which hurts local residents by raising housing costs.
  - **There is evidence this cost is real:** Because housing demand is relatively inelastic (people’s demand for somewhere to live doesn’t decline when prices increase), even small changes in housing supply (like those caused by converting long-term rental properties to Airbnb units) can cause significant price increases.
  - **The rising cost of housing is a key problem for American families.** Housing costs have risen significantly faster than overall prices (and the price of short-term travel accommodations) since 2000, and housing accounts for a significant share (more than 15 percent) of overall household consumption expenditures.
2. **The potential benefit of increased tourism supporting city economies is much smaller than commonly advertised.** There is little evidence that cities with an increasing supply of short-term Airbnb rental accommodations are seeing a large increase in travelers. Instead, accommodations supplied via Airbnb seem to be a nearly pure substitution for other forms of accommodation. Two surveys indicate that only 2 to 4 percent of those using Airbnb say that they would not have taken the trip were Airbnb rentals unavailable. Studies claiming that Airbnb is supporting a lot of economic activity often vastly overstate the effect because they fail to account for the fact that much of this spending would have been done anyway by travelers staying in hotels or other alternative accommodations absent the Airbnb option.<sup>2</sup>

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<sup>1</sup> **The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb** Kyle Barron, Edward Kung, Davide Proserpio. View the report [here](#).

<sup>2</sup> **Economic Policy Institute** – Washington, DC: By Josh Bivens report dated January 30, 2019 updated March 2019. **The economic costs and benefits of Airbnb** No reason for local policymakers to let Airbnb bypass tax or regulatory obligations. View this report at [epi.org/157766](http://epi.org/157766)



**Further,** Research conducted by the *Harvard Business Review* across the US found that Airbnb is having a detrimental impact on housing stock as it encourages landlords to move their properties out from out of the long-term rental and for-sale markets and into the short-term rental market.<sup>3</sup>

### **RECOMMENDATION:**

It is recommended that the topic of short-term rentals be reviewed by the Planning Commission after the completion of the Comprehensive Plan to ensure further public outreach can be accommodated on this topic.

Per section 290-31 of the Town Code outlines that the Planning Commission shall prepare and recommend amendments to the Zoning ordinances of the Town of Chesapeake Beach for adoption by the Town Council. During those preparations public hearings should be conducted at both the Planning Commission and Town Council level and Town registered voters feedback accounted for and properly recorded.

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<sup>3</sup> **The Airbnb Effect on Housing and Rent** –By Gary Barker, Senior Contributor, for FORBES February 21, 2020. View this article [here](#).



To: The Honorable Mayor and Town Council  
Subject: General Paving Services

From: Holly Wahl, Town Administrator

**Date: June 4, 2021**

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**BACKGROUND:**

The Town released an RFP for General Paving Services on May 17, 2021. The RFP is posted for public view on eMaryland Marketplace bid # **BPM024265** and was sent to 89 potential bidders. A notice of RFP was posted on the Town website, print media and the Town Administrators report.

A mandatory pre-bid meeting was held at Town Hall on June 1<sup>st</sup> with 10 bidders in attendance.

The RFP was generated based off priority areas identified through a scoring matrix through the Department of Public Works.

**SCOPE OF WORK:**

Exhibit “A” shows the areas that are planned to be completed.

**FISCAL IMPACT:**

Fiscal Year 2021 Highway User Revenue funds will be used for these services.

**Exhibit “A”**

<b>Location</b>	<b>Work to be completed</b>	<b>Measurement</b>
<b>27<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup>, E and F Streets and alley between 27<sup>th</sup> and 28<sup>th</sup> from G to F</b>	<b>Edge mill and overlay</b>	<b>15,699 Square Yards</b>
<b>C Street</b>	<b>Mill and overlay</b>	<b>678 Square Yards</b>
<b>Chesapeake Village</b>	<b>Crack seal</b>	<b>BIDDER to measure</b>
<b>Harbor Rd</b>	<b>Mill and overlay</b>	<b>1,152 Square Yards</b>
<b>B Street, 11<sup>th</sup> and 12<sup>th</sup> Street</b>	<b>Mill and overlay</b>	<b>3,046 Square Yards</b>

*(Remainder of Page Intentionally left blank. Map views of locations listed on following pages.)*



# 27th, 28th, 29th, E st. Fst. and Alley between 27th and 28th from G to F

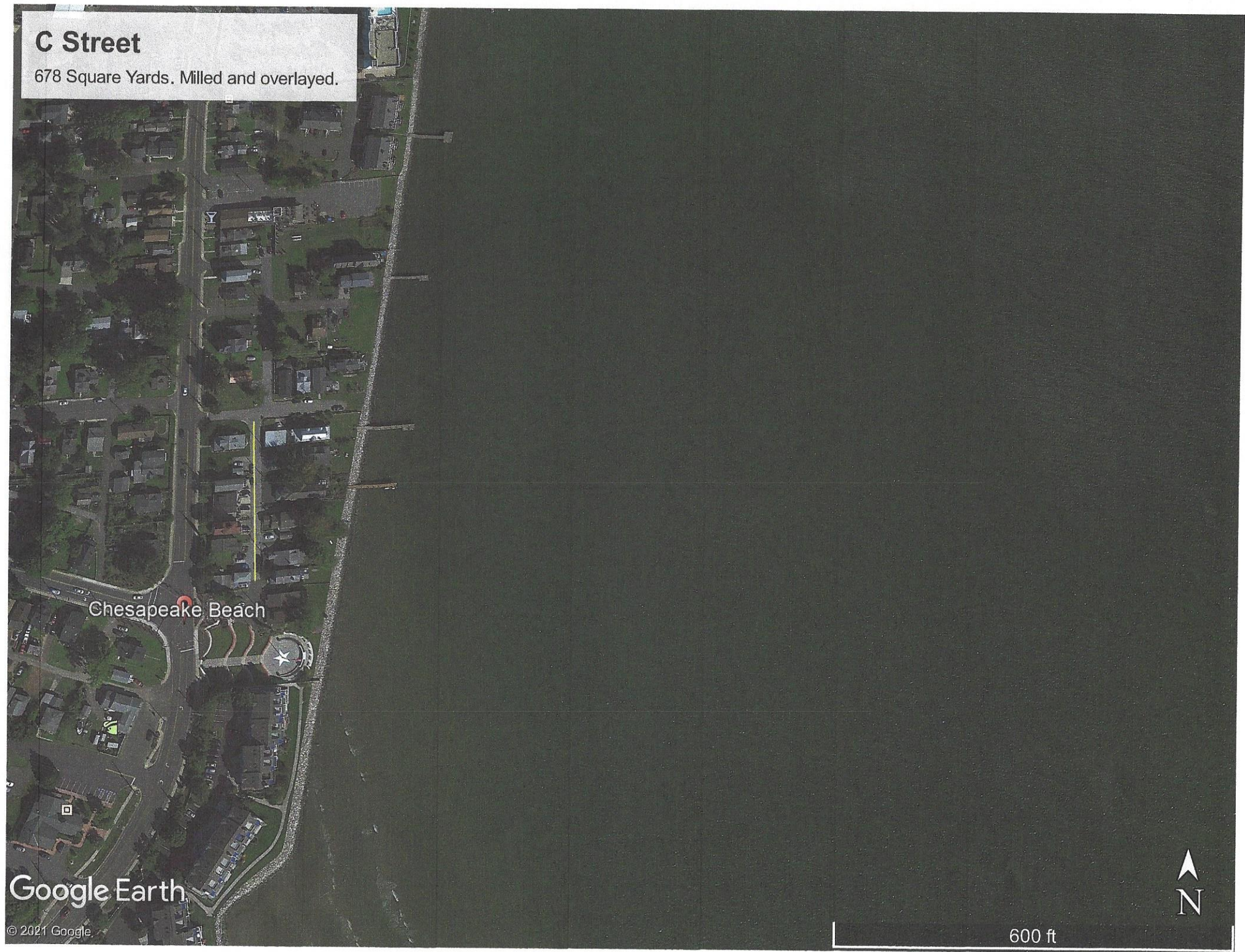
15,699 Square Yards. Edge Mill and Overlay.





# C Street

678 Square Yards. Milled and overlayed.



Chesapeake Beach

Google Earth

© 2021 Google

600 ft








# Chesapeake Village

To be Crack Sealed.

## Legend

-  Bayfront Park
-  Line Measure
-  Line Measure

Google Earth

© 2021 Google



1000 ft



# Harbor Road

1,152 Square Yards. Mill and Overlay.

Google Earth

© 2021 Google



700 ft





**Bst. 11th st. 12th st.**

3,046 Square Yards. Mill and Overlay.

Google Earth

© 2021 Google



500 ft





To: The Honorable Mayor and Town Council  
Subject: Dredge Containment Rehabilitation  
**Date: June 4, 2021**

From: Holly Wahl, Town Administrator

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**BACKGROUND:**

The Town of Chesapeake Beach maintains a Dredge Material Placement (DMP) site and historically has offered this resource as a placement site for dredging the Fishing Creek Channel.

The Army Corp of Engineers has notified the Town that they require 40,000 CY of containment space at the DMP site, this is a worst-case scenario amount. This capacity is twice the capacity that the Town would take during a typical federal dredge due to the additional dredging required to access, and repair, the jetty wall.

The Town is in an immediate need of clearing the DMP site of additional material in preparation for the federal dredge. In order to meet the federal dredge schedule, the Town should have the DMP site cleared by October of 2021.

**FISCAL IMPACT:**

The Town has requested \$250,000 in funds from the Department of Natural Resources (DNR) Waterway Improvement Fund for DMP rehabilitation.

The Town expects to receive this funding; however, we do not have official confirmation of award.

**FOR DISCUSSION:**

Discuss procurement procedures for clearing out the DMP site in order to maintain grant eligibility for the \$250,000 grant funds requested of DNR.



To: The Honorable Mayor and Town Council  
Subject: NRL-CBD Mitigation Response  
Date: June 4, 2021

From: Holly Wahl, Town Administrator

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## **BACKGROUND:**

Naval Research Laboratory – Chesapeake Bay Detachment (NRL-CBD) is located just south of the Town of Chesapeake Beach. NRL-CBD occupies approximately 160 acres along the western shoreline of the Chesapeake Bay.

Fire suppressant testing at NRL-CBD, including the testing of aqueous film-forming foam (AFFF), has been ongoing since 1968. Some AFFF contains per- and poly-fluoroalkyl substances, commonly known as PFAS. Results of a recent on-base groundwater investigation indicates that these substances are present in shallow groundwater as a result of historical activities at NRL-CBD; as a result, may have impacted off-base shallow groundwater which may be used for drinking water. The Navy conducted drinking water sampling for certain PFAS in drinking water wells in the vicinity of NRL-CBD; however, the Town's drinking water source was not considered as a part of the testing due to the depth of the Town's water source.

Even though the Town was not a part of the additional testing, the Town of Chesapeake Beach has taken additional voluntary precautionary measures to test the Town's drinking water, and publicly reported that the **Town's drinking water has no traces of per-and polyfluoroalkyl substances (PFAS). Tests were conducted on all Town drinking wells, which draw from the Aquia Aquifer.**

## **CONTINUED MONITORING:**

The Town is coordinating with the Maryland Department of Environment who serves as the regulating agency for the NRL-CBD site to expand testing with the municipal boundary.

The Town is coordinating to test:

- Oysters- samples will be taken from an older oyster and younger oyster as a comparison from the Chesapeake Beach Oyster Cultivation Society reef.
- Bayfront Park waters at the creek and at the beachfront – this test will be collected Tuesday June 8, 2021 results take 10-14 days.
- WRTF effluent
- Continual monitoring of the Town's drinking water- there is no regulation on monitoring frequency on a clear water testing result. The Town will continue to follow the Navy's testing results and at a minimum voluntarily test the Town's drinking water source once a year.



**FISCAL IMPACT:**

The costs of the additional testing that has taken place to date have been absorbed within the FY21 budget and there is no budget amendment required at this time.

If testing increases or further research is necessary, a budget amendment may be necessary in FY22.





To: The Honorable Mayor and Town Council  
Subject: Hot Water Heater Replacement

From: Holly Wahl, Town Administrator

**Date: June 4, 2021**

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**BACKGROUND:**

The Water Park needs to replace the original 25 yr. old hot water heater located in the shower building. This improvement will provide the opportunity to install an energy efficient propane tankless water heater.

**SCOPE OF WORK:** Install an energy efficient 100-gallon storage capacity propane tankless water heater. Remove and haul away the existing hot water heater.

**PROPOSAL SUMMARIES:**

Company Name	Type of Unit	Warranty Period	Unit Cost
S.J. Johnson	Navien NPE- 2 Series, NPE 210	15 yr. on Heater Exchange 5 yr. on parts	\$16,990.00
Kelly Plumbing and Heating	Navien NPE- 2 Series NPE 240	8 yr. on Heater Exchange 5 yr. on parts	\$18,995.00
Fred Wyrostek Plumbing Inc.	A.O. Smith BTR- same as current unit	N/A	\$20,150.00
Paul Hayden & Sons	Not Interested	N/A	N/A

**RECOMMENDATION:**

Based on the Parks current propane supply, flow demand, hot water demand and after a site visit the Navien representative it is recommended that the Town invest in replacement equipment, known as the NPE-2 Series, more specifically that the NPE 210.

Of the proposals received, only (2) two plumbers were interested in providing tankless options. Based on the information supplied by the manufacturer's rep for Navien we are recommending that we choose the proposal from S.J. Johnson.

**FISCAL IMPACT:**

The cost of this purchase would come out of the FY22 capital improvement budget from the Water Park fund.