



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

TO: Scott Nicewarner, City Administrator

FROM: Jill Thompson, Director of Community & Economic Development

DATE: July 14, 2021

RE: Hamilton Hotel Building Stabilization Funding

Staff will attend the July 20, 2021 Work Session of the Mayor and City Council to provide an update on the Hamilton Hotel Building at 86-98 W. Washington Street and to discuss a potential financial incentive to Ash Azadi of Ares Investment Group, LLC for the stabilization of the building.

The Hamilton Hotel renovation project involves the creation of 7 commercial units and 37 residential units. The building is 55,000 sf and the project was originally estimated at \$2.5mil. As a result of the partial building collapse, the cost of the project may be more than \$3.5 mil, and possibly in the range of \$4 mil - \$5 mil.

The cost estimate for stabilization work that would bring the building to a stage of re-occupancy and would reopen the road is \$716,106. Attached is the cost estimate for the building stabilization.

Staff will review the project in more detail at the Work Session.

Attachments:

Cost Estimate for Building Stabilization
Draft Motion

c: Kathleen Maher
Paul Fulk
Jason Morton

ESTIMATE

UGO Management
info@ugomgmt.com

Estimate date: June 10, 2021

Bill To:

Ares Investment Group, LLC
90-98 W. Washington St,
Hagerstown, MD 21742 United States

Ship To:

Description	Quantity	Price	Amount
Exterior Shoring Access Scaffold, Shoring Angle Truss System, Including Labor and Materials	1	\$224,703.05	\$224,703.05
Interior Shoring Area #1 Interior System Shoring, Area # MP 350's Shoring Posts, Area #3 Access Tower W/W12 x 40, Area #4 I-12's Beams, Area #5 Engineering Drawings & Inspection	1	\$154,402.64	\$154,402.64
Interior Wall Stabilization & Fire Separation Stabilization of load bearing perimeter wall surrounding collapsed area per structural engineering plans.Fire separation of interior hallways, doors, Restoration of sprinkler system, Fire Alarm, Electrical, HVAC, Plumbing Systems	1	\$295,000.00	\$295,000.00
Misc Equipment (1) articulating boom Lift, (1) Scaffolding System (18) Traffic Barricade System	1	\$42,000.00	\$42,000.00
Subtotal			\$716,105.69
Total			\$716,105.69

Notes

The Estimate included is based on the plans provided and the conditions described by the engineer of record. If it is deemed that additional changes will be needed The owner will need to sign for approval of the revised estimate.

DRAFT

REQUIRED MOTION

**MAYOR & CITY COUNCIL
HAGERSTOWN, MARYLAND**

DATE: July 27, 2021

TOPIC: **Approval of Funding to Ares Investment Group, LLC for the Hamilton Hotel Building stabilization project at 86-98 W. Washington Street**

Charter Amendment	___
Code Amendment	___
Ordinance	___
Resolution	___
Other	<u>X</u>

MOTION: The Mayor and City Council direct staff to approve a grant of \$358,053 and a loan-to-grant of \$358,053 for total funding of \$716,106 to Ares Investment Group, LLC for a building stabilization project for the Hamilton Hotel Building at 86-98 W. Washington Street.

The full terms and conditions of the funding will be outlined in a Financial Incentive Agreement to be separately approved by the Mayor and City Council.

The funding for the Financial Incentive Agreement will come from an FY21 transfer from the General Fund to the Economic Redevelopment Fund.

DATE OF PASSAGE: 7/27/2021