Mayor and Council Special Session (20th Voting Session) and Work Session September 16, 2025 Agenda

"The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe, and vibrant neighborhoods."

"The City of Hagerstown shall be a community focused municipality"

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda 'September brings new opportunities for growth and transformation' – Author Unknown

4:00 PM SPECIAL SESSION

- 1. Introduction of an Ordinance: Authorizing the Purchase and Sale of Property Located at 149 North Potomac Street, Hagerstown, Maryland.
- 2. Funding for the Heart of the Civil War Heritage Area Material to be Presented

4:00 PM WORK SESSION

- **4:10 PM** 1. Community Forestry Catalyst Fund Grant Application *Jim Bender, City Engineer*
- 4:15 PM 2. Amendment to Scope of Project for Community Development Corporation (CDC) Tax

 Sale Acquisition Grant Amanda Gregg, Chief Housing & Community Development

 Officer, Margi Joe, Community Development Manager and Paul Fulk,

 Neighborhood Services Manager
- **4:30 PM** 3. Memorandum of Understanding with the Office of the State Fire Marshal *Fire Chief John DiBacco*
- **4:45 PM** 4. Youth Curfew/Youth Truancy Discussion Mayor & City Council
- **5:00 PM** 5. Recovery Residence Regulations Amanda Gregg, Chief Housing and Community Development Officer and Paul W. Fulk, Neighborhood Services Manager
- **5:15 PM** 6. Property Management Licensing Amanda Gregg, Chief Housing & Community Development Officer and Paul Fulk, Neighborhood Services Manager
- **5:30 PM** 7. Non-Local Rental Property Owners Amanda Gregg, Chief Housing & Development Officer and Paul Fulk, Neighborhood Services Manager
- **5:45 PM** 8. Lodging Out of Doors Ordinance 30 Day Update *Police Chief Paul 'Joey' Kifer Material to be Presented*
- **6:00 PM** 9. Hagerstown Police Standards and Mental Health Project Grant *Police Chief Paul 'Joey' Kifer*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

REQUIRED MOTION MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Topic: Introduction of an Ordinance: Authorizing the Purchase and Sale of Property Loc North Potomac Street, Hagerstown, Maryland.	cated at 149
Mayor and City Council Action Required:	
Discussion:	
Financial Impact:	
Recommendation:	
Motion:	
Action Dates:	
ATTACHMENTS:	
File Name Description	g the Purchase & operty Located at Potomac Street,

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date:	September 16, 2025
TOPIC:	Introduction of an Ordinance: Authorizing the Purchase and Sale of Property Located at 149 North Potomac Street, Hagerstown, Maryland
	Charter Amendment Code Amendment Ordinance Resolution Other
MOTION:	I hereby move to introduce an ordinance authorizing the purchase and sale of property located at 149 North Potomac Street, Hagerstown, Maryland from 149 N. Potomac, LLC. The purchase price of \$2,500,000 is to be paid from General Fund reserves.
	DATE OF INTRODUCTION: 9/16/2025 DATE OF PASSAGE: 9/23/2025 EFFECTIVE DATE: 10/24/2025

CITY OF HAGERSTOWN, MARYLAND

AN ORDINANCE TO APPROVE THE PURCHASE AND SALE OF A PROPERTY KNOWN AS 149 NORTH POTOMAC STREET, HAGERSTOWN, MARYLAND

RECITALS

WHEREAS, 149 N Potomac, LLC, a Maryland limited liability company, with Principal offices at 20 W. Washington Street, Suite 500, Hagerstown, Maryland 21740, owns a property located at 149 North Potomac Street in Hagerstown, Maryland (hereinafter the "Property"); and

WHEREAS, the Mayor and Council believe that the acquisition of the Property, according to the terms and conditions of this Contract of Sale, would benefit the citizens; and

WHEREAS, the Mayor and Council believe it to be in the best interest of the citizens of the City of Hagerstown to purchase the Property, subject to the results of any environmental and physical studies of the Property conducted during the Study Period, as set forth in the attached Contract of Sale; and

WHEREAS, attached hereto and incorporated herein is a Contract of Sale for the purchase of the Property; and

WHEREAS, the Mayor and Council believe it to be in the best interest of the citizens of the City of Hagerstown to enter into said Purchase Agreement; and

WHEREAS, the Mayor and Council believe that, upon completion of the acquisition, the Property will no longer be required for a public purpose and may be sold.

NOW THERFORE, **BE IT RESOLVED**, **ENACTED AND ORDAINED** by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body, as follows:

- 1. That the aforegoing Recitals be and are hereby incorporated herein as if set forth verbatim.
- 2. That the purchase of the Property be and is hereby approved.
- 3. That the Mayor be is and is hereby authorized to execute and deliver the Contract of Sale for the Property, a copy of which is attached hereto and incorporated herein by reference.
- 4. That City Staff be and are hereby authorized to execute and deliver any additional documentation and take any additional steps necessary to effectuate the purpose of this ordinance and satisfy the terms of the aforesaid Contract of Sale.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED THAT that the Mayor and Council hereby expressly determine that upon completion of the acquisition of 149 N Potomac St, said Property will no longer be needed for a public use and hereby authorize sale of said Property to a private owner.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED THAT this ordinance shall become effective at the expiration of thirty (30) calendar days following its approval.

WITNESS AND ATTEST AS TO CORPORATE SEAL MAYOR AND COUNCIL OF THE CITY OF HAGERSTOWN, MARYLAND

Donna K. Spickler,

William B. McIntire, Mayor

City Clerk

Date of Introduction: September 16, 2025 PREPARED BY:

Date of Passage: September 23, 2025 SALVATORE & MORTON, LLC

Effective Date: October 24, 2025 CITY ATTORNEYS

CONTRACT OF SALE

THIS CONTRACT OF SALE ("this Contract") is between **149 N. POTOMAC, LLC**, a Maryland limited liability company, with a principal office at 20 West Washington Street, Suite 500, Hagerstown, Maryland 21740 ("Seller") and **CITY OF HAGERSTOWN**, a municipal corporation, with a principal office at 1 East Franklin Street, Hagerstown MD 21740 ("Buyer").

- 1. *The Property*. Seller sells to Buyer, and Buyer purchases from Seller, the real property located in Hagerstown, Washington County, Maryland, and known as **149 North Potomac Street, Hagerstown, MD 21740**, and being more particularly described in Exhibit A, attached hereto and by this reference incorporated herein, together with all applicable improvements and all the rights and appurtenances thereto. The property described in Exhibit A, together with its appurtenances and improvements, if any, is hereinafter called the "Property." Any personal property remaining in the Property on the date of Settlement shall be deemed abandoned by Seller and shall remain in the Property at Settlement for Buyer's use/disposal at its discretion.
- 2. Purchase Price The purchase price for the Property is Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00). Buyer shall pay the Purchase Price as follows:
- (a) Upon the execution of this Contract, Buyer shall deliver to Seller the sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) in cash, by means of cash or wire transfer (the "Deposit"). The Deposit shall be held by Salvatore & Morton in a non-interest bearing escrow account to secure the payment of the Purchase Price and the performance of Buyer under the terms of this Contract. The Deposit shall be applied at Closing to the payment of the Purchase Price.
- (b) At Settlement, payment of the Purchase Price by Buyer to Seller, paid in cash, by means of wire transfer, less (i) the Deposit received by Seller, (ii) any credits permitted by this Contract, and (iii) any settlement adjustments provided by this Contract.
- 3. *Time and Place of Settlement*. Settlement with respect to the transaction described herein (the "Settlement") shall be held on or before thirty (30) days following the effective date of the ordinance authorizing Buyer's purchase of the Property, at a time and location as the parties may mutually determine. It shall be the responsibility of the Buyer to select the person responsible for closing this transaction, for the payment of fees to that person, and for furnishing Form 1099-S to the Internal Revenue Service, if applicable.
- 4. *Deed to Property.* At Settlement, Seller shall execute and deliver to Buyer a special warranty deed. Seller shall be responsible for the costs of deed preparation.
- 5. *Possession*. Buyer shall be entitled to possession of the Property following disbursement of Purchase Price funds and delivery of the deed. Seller shall also furnish all documents related to the property including but not limited to photos, renderings, marketing materials and any other documents known or requested at or before settlement.

- 6. Recordation and Transfer Taxes. Each party shall be responsible for one-half of all recordation taxes and state and local transfer fees relating to the conveyance of the Property. It is anticipated that Buyer shall be exempt from payment of said taxes and fees. Nonetheless, Seller shall pay its one-half of said taxes and fees. All recording fees shall be the responsibility of Buyer.
- 7. Adjustments at Settlement. Real estate taxes and similar public charges against the Property that are payable on an annual basis (including district, sanitary commission, or other benefit charges, assessments, liens, or encumbrances for sewer, water, drainage, or other public improvements completed or commenced on or prior to the date hereof or subsequent thereto) shall be adjusted between the parties as of 12:00 Midnight prior to the date of Settlement and assumed and paid thereafter by Buyer. Buyer shall be responsible for all utilities on and after the date of Settlement.

At or before Settlement, Seller shall pay all outstanding amounts owed to the City of Hagerstown for all properties owned, operated, or associated with the Seller, Michael Fitzgerald, and any entity formed, owned (in full or in part), operated, managed, or otherwise controlled by Michael Fitzgerald. These amounts shall include but not be limited to real estate taxes, utilities, outstanding fines, court costs, fees or costs related to infractions, abatement fees and costs, late fees, and other fees.

Seller shall produce an accounting of said amounts no less than twenty (20) days prior to Settlement which will be confirmed by Purchaser. Any amounts accruing between presentation of said accounting and Settlement shall be added to the amount owned and to be paid at Settlement.

If Seller makes a bona fide objection to the validity of any sum, said sum shall be held in escrow by Salvatore & Morton ("Escrow Agent") for thirty (30) days after Settlement. If Seller's objection is not resolved in thirty (30) days and Seller has not filed a court action to dispute the charge, the related sum shall be released to Purchaser from escrow, and the Escrow Agent shall have no liability to the Seller.

- 8. Risk of Loss. The Property shall be held at the risk of Seller until Settlement hereunder. If the Property is damaged prior to Settlement, and Seller, on or before the Settlement date, is unable to or unwilling to restore the Property to its condition immediately prior to the damage, Buyer may elect (i) to terminate this Contract or (ii) elect to take the Property in its then "as is" condition without reduction in the Purchase Price and Seller shall assign to Buyer at Settlement all of Seller's right, title, and interest in and to all insurance proceeds in respect of damage to the Property (but excluding Seller's Personalty), less any amounts actually expended by Seller for expenses of repair or restoration or (iii) elect to take the Property in its then "as is" condition with a reduction in the Purchase Price, the amount of which shall be the cost of the damage to the Property. If the Buyer elects to terminate this Contract, the Buyer and Seller shall be released, as to one another, of all obligations and liabilities under this Contract, other than those that shall expressly survive termination.
- 9. Condemnation. In the event of a partial taking of the Property by condemnation or other exercise of the right of eminent domain by a governmental body other than Buyer before the delivery of the deed hereunder, the parties shall nevertheless proceed to Settlement, and Seller

shall assign to Buyer at Settlement all of Seller's right, title, and interest in and to all awards made in respect of such taking of the Property (but excluding Seller's Personalty). In the event of a total taking of the Property by condemnation or other exercise of the right of eminent domain before the delivery of the deed hereunder, this Contract shall terminate except with respect to those obligations that shall expressly survive. In no event shall Buyer use its power to condemn or its power of eminent domain while this Agreement is in effect.

- 10. Real Estate Commission. Each party warrants to the other that it has not used the services of a real estate broker or agent in connection with this transaction. Each party agrees to defend, indemnify, and hold the other party harmless for any claim for real estate commissions arising by reason of the indemnifying party's breach of this warranty. The provisions of this paragraph shall survive Settlement and the delivery of the deed to the Property or the termination of this Contract.
- 11. Title. Within thirty (30) days from the Effective Date ("Examination Period"), Buyer shall obtain, at its expense, a title report covering the Property from a licensed title insurance company selected by Buyer. Title to the Property shall be free and clear of all liens, encumbrances, and restrictions (collectively, "Encumbrances"), except for (a) real property taxes applicable to the period after the date of Settlement, (b) outstanding amounts owed to the City of Hagerstown, including but not be limited to real estate taxes, utilities, outstanding fines, court costs, fees or costs related to infractions, abatement fees and costs, late fees, and other fees, all of which shall be paid at or before Settlement as set forth herein, and (c) those matters which are specified on Exhibit B, attached hereto and made a part hereof ("Permitted Matters"). Such title shall be insurable at regular rates by a reputable title insurance company. Buyer shall examine the title to the Property, inspect the Property, and take any other action the Buyer deems is necessary to determine the condition of title to the Property. Buyer shall provide Seller with a copy of the title commitment, survey, and all exception documents referred to in the title commitment. Buyer shall provide Seller with written notification, within the Examination Period, of any objections to the title ("Buyer's Title Notice"). Seller, at its expense, shall have the option of curing any objection raised by Buyer's Title Notice. In the event Seller elects to cure any objection raised by Buyer's Title Notice, Seller shall notify Buyer within ten (10) days of its receipt of Buyer's Title Notice (the "Title Response Period"). In the event Seller is unable to cure Buyer's title objections within thirty (30) days from the date of Buyer's Title Notice ("Title Cure Period") (the Examination Period and Title Cure Period, if any, together the "Title Period"), or Seller elects not to cure the objections raised by Buyer's Title Notice, Buyer shall have the option either (i) of taking such title as the Seller can give without abatement of the price or (ii) terminating this Contract and being immediately repaid the Deposit, and in the latter event there shall be no further liability or obligation on either of the parties hereto, except as expressly stated to survive herein. Buyer shall make such election either (i) in the event Seller elects not to attempt to cure any objections raised by Buyer, within ten (10) days after the expiration of the Title Response Period, or (ii) in the event Seller elects to attempt to cure objections raised by Buyer's Title Notice, within ten (10) days after the expiration of the Title Cure Period. If Buyer does not notify Seller of any objections to the title within the Examination Period, Buyer shall waive its rights to object to title defects or the exceptions which are of record prior to the Effective Date. As used in this Contract, the phrase "of record," shall mean matters recorded and properly indexed in the land records in the County in which the Property is located as of the Effective Date.

Other than as anticipated herein, Seller shall not create or permit to be created any lien, easement or other encumbrance on the Property from the Effective Date. Buyer hereby expressly assumes the risk that restrictive covenants, zoning laws, or other recorded documents may restrict or prohibit the use of the Property for the purpose(s) intended by the Buyer. The delivery of the deed by Seller and the acceptance thereof by Buyer shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations, if any, of Seller which are expressly stated in this Contract to survive Settlement.

Buyer hereby acknowledges that it shall not be entitled to, and does not and will not, rely on Seller or its agents as to (i) the quality, nature, adequacy, or physical condition of the Property including, but not limited to, the structural elements, foundation, roof, appurtenances, access, landscaping, parking facilities, or the electrical, mechanical, HVAC, plumbing, sewage, or utility system, facilities or appliances at the Property, if any; (ii) the quality, nature, adequacy, or physical condition of soils or the existence of ground water at the Property; (iii) the existence, quality, nature, adequacy, or physical condition of the utilities serving the Property; (iv) the development potential of the Property for any particular purpose; (v) the zoning or other legal status of the Property; (vi) the Property or its operations' compliance with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions, or restrictions of any governmental or quasi-governmental entity or of any other person or entity; (vii) the quality of any labor or material relating in any way to the Property; or (viii) the condition of title to the Property or the nature, status, and extent of any right, encumbrance, license, reservations, covenant, condition, restriction, or any other matter affecting title to the Property.

12. "As-Is" Sale; Study Period.

12.1. General. EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR ANY PERSONAL PROPERTY THEREIN, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. BUYER ACKNOWLEDGES AND AGREES THAT UPON SETTLEMENT SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY 'AS IS, WHERE IS, WITH ALL FAULTS', EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS CONTRACT. BUYER HAS NOT RELIED, AND WILL NOT RELY, ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS CONTRACT. BUYER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS-IS."

12.2. Study Period. THE SELLER AND BUYER HAVE PREVIOUSLY

AN INSPECTION AGREEEMENT WITH AN EFFECTIVE DATE OF 9/11/25 AND WHICH IS ATTACHED AS EXHIBIT C BUT NOT MERGED OR INCORPORATED HEREIN. THE INSPECTION AGREEMENT PROVIDES A PERIOD OF SIXTY (60) DAYS FROM ITS EFFECTIVE DATE ("STUDY PERIOD") TO CONDUCT ENVIRONMENTAL INVESTIGATIONS OF THE PROPERTY AS PHYSICAL AND BUYER HAS DEEMED NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OF, OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO, ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR **EMPLOYEES** WITH RESPECT **OTHER** THAN **SUCH** REPRESENTATIONS, WARRANTIES, THERETO, COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THIS CONTRACT.

IF BUYER, IN ITS SOLE DISCRETION, DETERMINES THAT IT DOES NOT DESIRE TO ACQUIRE THE PROPERTY DUE TO THE CONDITION OF THE PROPERTY OR FOR ANY REASON, AND NOTIFIES SELLER IN WRITING BY 5:00 P.M. ON THE LAST DAY OF THE STUDY PERIOD OF ITS ELECTION TO TERMINATE THIS CONTRACT, BUYER SHALL BE REFUNDED ITS DEPOSIT AND THIS CONTRACT THEREUPON SHALL BECOME VOID AND THERE SHALL BE NO FURTHER OBLIGATION OR LIABILITY ON EITHER OF THE PARTIES HERETO EXCEPT AS EXPRESSLY PROVIDED HEREIN. IF BUYER FAILS TO NOTIFY SELLER IN WRITING BY 5:00 P.M. OF THE LAST DAY OF THE STUDY PERIOD OF TERMINATION OF THIS CONTRACT, THEN BUYER SHALL BE DEEMED TO HAVE WAIVED ITS TERMINATION RIGHT AND THE PARTIES SHALL PROCEED TO SETTLEMENT.

- 13. Right of Entry. Upon the Effective Date, Seller hereby grants to Buyer, Buyer's engineers and other agents the right to enter upon the Property upon reasonable notice to inspect the Property and to make such measurements, surveys, or tests on the Property as Buyer may deem advisable. Buyer agrees to indemnify and hold harmless Seller from any claims or liability, including but not limited to costs of defense and reasonable attorney fees arising out of Buyer or the agents or invitees entering on the Property pursuant to this paragraph. Buyer further agrees to restore or have the Property restored to its condition on the date hereof after the completion of any measurements, surveys, or tests conducted by the Buyer. This paragraph shall survive termination or Settlement.
- 14. Representations and Warranties of Seller. As of the date hereof and on the date of Settlement, each of the statements in this paragraph shall be a true, accurate, and full disclosure of all facts relevant to the matter contained therein and enforceable as being true, accurate, and full disclosure as of said dates, and shall survive Settlement and delivery and recording of the deed. The Seller hereby represents and warrants that:
- (a) The persons executing this Contract on behalf of Seller are duly authorized to do so.

- (b) Seller is duly organized and validly existing and has the requisite power and authority to enter into and carry out the terms of this Contract and no further approval of any board, court, or other body is necessary in order to permit Seller to consummate this Contract.
- (c) To Seller's actual knowledge, Seller has not received notice of condemnation of all or any part of the Property or notices with respect to any outstanding violation of any zoning law, order, regulation, ordinance, or requirement relating to the use or ownership of the Property.
 - (d) There are no other contracts of sale relating to the Property.
- 15. Representations and Warranties of the Buyer. As of the date hereof and on the date of Settlement, each of the statements in this paragraph shall be a true, accurate, and full disclosure of all facts relevant to the matter contained therein and enforceable as being true, accurate, and full disclosure as of said dates, and shall survive Settlement and delivery and recording of the deed. The Buyer hereby represents and warrants that:
- (a) The persons executing this Contract on behalf of Buyer are duly authorized to do so.
- (b) Buyer is duly organized and has the requisite power and authority to enter into and carry out the terms of this Contract and no further approval of any board, court, or other body is necessary in order to permit the Buyer to consummate this Contract.
- 16. Buyer's Default. Failure on the part of Buyer to comply with the terms, covenants, and conditions of this Contract shall constitute a default and shall entitle the Seller to payment of \$2,500.00 as liquidated damages as Seller's sole remedy at law or in equity, all other remedies being waived. Notice of such default shall be given, in writing, by the Seller to the Buyer within ten (10) days after the default has occurred. In the event such notice of default is not given as provided in this section, Seller shall be deemed to have waived Seller's right to said damages.
- 17. Seller's Default. Unless otherwise expressly provided herein, failure on the part of the Seller to comply with the terms, covenants, and conditions of this Contract shall constitute a default and shall entitle the Buyer as its sole remedies to either elect (i) to proceed to Settlement without any abatement of the Purchase Price, (ii) to be repaid the Deposit and to terminate this Contract, in which event there shall be no further liability or obligation on the part of either of the parties hereto, except as expressly stated to survive, and this Contract shall become null and void and of no further legal effect, or (iii) in the event of Seller's failure to proceed to Settlement and deliver the deed as provided in this Contract, to seek specific performance of such obligation of Seller. Notice of such default shall be given, in writing, by the Buyer to the Seller within ten (10) days after the default has occurred. In the event such notice of default is not given as provided in this Section, Buyer shall be deemed to have waived Buyer's right to terminate this Contract.
- 18. *Notices*. "Notice" means any notice, demand, request, or other communication or document to be provided hereunder to a party hereto (without implying any requirement that Seller/Buyer give any notice of default or of exercise of any of its rights or remedies). Each notice

shall be in writing and shall be given to a party at its address set forth below or such other address as the party may hereafter specify for that purpose by notice to the other party. Each notice shall, for all purposes, be deemed given and received if given by certified mail, return receipt requested, postage prepaid, two (2) business days after it is posted with the United States Postal Service; or by a nationally recognized next day courier service:

Seller: 149 N. Potomac, LLC

20 West Washington Street, Suite 500

Hagerstown, Maryland 21740 Attn: Michael Fitzgerald

Buyer: City of Hagerstown

1 East Franklin Street

Hagerstown Maryland 21740 Attn.: Mr. Scott A. Nicewarner

City Administrator

With a courtesy copy to: Jason Morton, City Attorney

Salvatore & Morton, LLC

20 West Washington Street, Suite 402

Hagerstown, Maryland 21740

- 19. Financing Contingency. This Contract is not conditioned or contingent in any manner upon the Buyer obtaining all or any portion of the Purchase Price by way of loan or financing of any kind. Buyer represents and warrants that it has sufficient funds to consummate this Contract.
- 20. Leases. Seller represents that the Property is not subject to any leases. The provisions of this paragraph shall survive Settlement and the delivery of the deed to the Property.
- 21. Service Contracts. Seller represents that the Property is not subject to any service contracts. The provisions of this paragraph shall survive Settlement and the delivery of the deed to the Property.
- 22. Sale of Other Real Estate. This Contract is not conditioned or contingent in any manner upon the sale or settlement of any other real estate.
- 23. Documents. Seller is not a "foreign person" as such term is defined in Section 1445 of the United States Internal Revenue Code of 1986, as amended. Seller agrees to deliver a standard Non-Foreign Person Affidavit at Settlement and an affidavit with respect to Section 10-912 of the Tax-General Article, Annotated Code of Maryland, regarding withholding on sales or transfers of real property in Maryland by nonresident individuals and nonresident entities, if required. Seller agrees to deliver Seller's Affidavit and Gap Indemnity in the form attached hereto as Exhibit "D". Additionally, each party shall each execute a settlement statement, and provide to the Buyer's title company such evidence of authority for the transactions contemplated by this Contract, and the

execution of documentation in connection therewith, as may reasonably be required.

- 24. Assignment. Buyer may not assign this Contract without the prior written consent of Seller, except that Buyer may, without the consent of Seller, assign the Contract to a controlled subsidiary or affiliate of Buyer or its principals set up for the sole purposed of holding fee title to the Property, provided the Buyer guarantees the performance of and causes the assignee to assume in writing all obligations of the assignor under this Contract. The rights and obligations of this Contract shall bind and benefit any successors or assigns of the parties.
- 25. Like Kind Exchange. The parties hereto represent that this Contract and the transaction contemplated is not in connection with a tax deferred exchange of like kind property under Section 1031 of the Internal Revenue Code, as amended, or any other corresponding, substituted, or applicable law
- 26. Claims. Seller shall indemnify and hold harmless Buyer from and against any and all third party claims resulting from or based on an event that occurred prior to Settlement that are covered under the casualty or liability insurance policies for the Property that were in effect prior to closing. In the event of any such third-party claim asserted against Buyer and Seller, Seller shall provide and pay for the cost of Buyer's defense (using counsel selected by Seller and reasonably acceptable to Buyer). The obligations of Seller under this Section shall survive Settlement for a period of three (3) years.

27. *Miscellaneous Provisions*.

- 27.1. *Effectiveness of Agreement* This Contract shall not be effective unless duly executed by the parties. The date upon which the last party to sign executes this Contract shall be the "Effective Date."
- 27.2 Entire Contract. This Contract and the Inspection Agreement together contain the final and entire Contract between the parties and neither they nor their agents shall be bound by any terms, conditions, or representations not written or specifically referred to within those documents. There are no customs, promises, terms, conditions, or obligations referring to the subject matter or inducements leading to the execution hereof, other than those contained within those documents.
 - 27.3. *Time of Essence*. Time is of the essence of this Contract.
- 27.4. *Binding Contract*. This Contract is binding on the parties and their personal representatives, successors, and assigns.
- 27.5. *Recording*. Except in accordance with Buyer's Charter and Code and in accordance State Law as to open meetings and public information requests, this Contract shall not be recorded in any office or place of public record. The above notwithstanding, this Contract shall not be recorded in the Land Records Office of the Washington County Clerk's Office.
 - 27.6. Legal Construction. This Contract shall be interpreted and construed in

accordance with the laws of the state of Maryland; excluding any such laws that might direct the application of the laws of another jurisdiction, provided that any controversy over the construction of this Contract shall be decided neutrally and without regard to events of authorship or negotiation. The parties agree to submit any and all disputes regarding this Contract to State Courts located in Washington County, Maryland.

- 27.7. *Amendments*. This Contract shall not be amended except in writing executed by all parties hereto.
- 27.8. *Survival*. Except as specifically provided, the warranties, statements, representations, promises, and covenants contained herein shall merge into the deed to be delivered by Seller at Settlement.
- 27.9. *Forbearance*. A waiver or forbearance by any party of any breach of any covenant or term of this Contract shall not be construed to be a waiver or forbearance of any succeeding breach of the same covenant.
- 27.10. *Severability*. If any term or provision of this Contract, or any application thereof, shall be held invalid or nonenforceable, the remaining terms and provisions of this Contract, or the application of such terms or provisions that have been held valid or enforceable, shall not be affected thereby.
- 27.11. *Captions*. The captions used herein are for the purpose of convenient reference only and are not intended to express the full meaning of the provisions they introduce.
- 27.12. Attorney's Fees. If either party shall bring an action or suit or proceeding (including any cross-complaint, counterclaim, or third party suit) against the other party by reason of the breach or alleged breach of any covenant, term, or obligation of this Contract, or otherwise arising out of this Contract, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of suit, including reasonable attorneys' fees and expenses. For purposes of this Contract, "Prevailing Party" shall be deemed the party that recovered a greater relief in the action on the Contract. Furthermore, where an action has been voluntarily dismissed or dismissed under a settlement agreement, then there shall be no prevailing party for purposes of this section.
- 27.13. Business Days. If the time for performance of any of the terms, conditions, and provisions of this Contract shall fall on a Saturday, Sunday, or bank holiday, then the time of such performance shall be extended to the next business day thereafter.
- 28. Critical Areas. Notice to buyer concerning the Chesapeake and Atlantic coastal bays critical area. Buyer is advised that all or a portion of the property may be located in the "critical area" of the Chesapeake and Atlantic coastal bays, and that additional zoning, land use, and resource protection regulations apply in this area. The "critical area" generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of state or private wetlands, the Chesapeake Bay, the Atlantic coastal bays, and all of their tidal tributaries. The "critical area" also includes the waters and lands under the Chesapeake Bay, the Atlantic coastal bays, and all of their tidal tributaries to the head of tide. For information as to whether the property

is located within the critical area, Buyer may contact the local department of planning and zoning, which maintains maps showing the extent of the critical area in the jurisdiction. Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington Counties do not include land located in the critical area.

29. <u>Waiver of Trial By Jury</u>. Buyer and seller do hereby knowingly, voluntarily, and intentionally waive their right to a trial by Jury in respect of any litigation based hereon, or arising out of, or under or in connection with this contract, the documents delivered by buyer at settlement or seller at settlement, or any course of conduct, course of dealings, statements (whether oral or written), or any actions of either party arising out of or related in any manner with this contract or the property (including without limitation, any action to rescind or cancel this contract and any claims or defenses asserting that this contract was fraudulently induced or is otherwise void or voidable). This waiver shall survive the settlement or termination of this contract.

IN WITNESS WHEREOF, each party is executing this Contract.

ATTEST/WITNESS:	SELLER: 149 N. POTOMAC, LLC	
	By: Michael Fitzgerald Its:	
ATTEST/WITNESS:	BUYER: CITY OF HAGERSTOWN	
	By: William B. McIntire Mayor	

EXHIBIT A PROPERTY DESCRIPTION

LEGAL DESCRIPTION

PARCEL NO. 1: Being all that lot of ground situate in the City of Hagerstown, in Washington County, Maryland, on the Southwest corner formed by the intersection of North Potomac and West Church Streets, beginning for the outlines of the same at the point of intersection of the West marginal line of North Potomac Street and the South marginal line of West Church Street and extending Westwardly therefrom along the South marginal line of West Church Street a distance of 240 feet, more or less, to an alley; and running thence in a Southerly direction with the East marginal line of said alley a distance of 81 feet 7 inches, more or less, to the Northwest corner of Lot No. 40 as laid out on the general plan of the City of Hagerstown, now or formerly owned by Fred W. Kraiss, thence with the Noth marginal line of said Lot No. 40 in an Easterly direction a distance of 240 feet, more or less, to the West marginal line of North Potomac Street, thence in a Northerly direction a distance f 82 feet, more or less, along the West marginal line of North Potomac Street, to the place of beginning; the property hereby conveyed being Lot No. 39 as shown on the General Plan of Hagerstown.

PARCEL NO. 2: All that lot or parcel of ground, situate on the West side of North Potomac Street, between Church and Franklin Streets, in Hagerstown, Washington County, Maryland, adjoining the Y.M.C.A. property on the North and the Eyerly property on the South, the said lot of ground fronting 41 feet, more or less, on said Potomac Street and extending back with uniform width 240 feet, more or less, to an alley.

PARCEL NO. 3: All that lot or parcel of land, situate on the West side of North Potomac Street, in Hagerstown, Washington County, Maryland, being the South half of Lot No. 40 and part of Lot No. 41 as shown on the General Plan of Hagerstown, beginning for the same at the Northeastern corner thereof, said point being in the West marginal line of said North Potomac Street and running thence Westwardly along the boundary line of the property of Fred W. Kraiss a distance of 240 feet, more or less, to a public alley, thence along said public alley Southwardly a distance of 41 feet to the Methodist Parsonage property, thence Eastwardly and parallel to the first line of this conveyance a distance of 165 feet, thence Southwardly 2 ½ feet, thence Eastwardly 75 feet to a point in the West marginal line of said North Potomac Street, the last three lines being the Northern boundary lines of the said Methodist Parsonage property, thence Northwardly along the said West marginal line of North Potomac Street a distance of 43 ½ feet to the place of beginning.

EXHIBIT B PERMITTED MATTERS

- 1. Building and use restrictions of record.
- 2. Vehicular or pedestrian easements of record affecting the Property and being contiguous to the front, rear, or side lot lines.
- 3. Water, sewer, gas, electric, cable television, and telephone lines or easements therefor of record or as presently installed.
- 4. Prior grants, reservations or leases of coal, oil, gas, or other minerals as shown by instruments of record.
- 5. Easements apparent upon inspection of the Property.
- 6. Real estate taxes and assessments, and water and sewer rents, not yet due and payable. Real estate taxes and assessments, and water and sewer rents, shall be adjusted as of the date of Settlement (in accordance with Section 7 above.)
- 7. Encroachments of stoops, areas, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping, and retaining walls projecting from the Property over any street or highway or over any adjoining Property and encroachments of similar elements projecting from adjoining property over the Property.
- 8. The state of facts which an accurate survey would show.
- 9. Covenants, conditions, and restrictions of record affecting the Property.
- 10. Easements and rights-of-way of record affecting the Property.

Exhibit C

INSPECTION AGREEMENT

WHEREAS, Owner is the owner of the real property commonly known as 149 North Potomac Street, Hagerstown, Washington County, Maryland ("Premises");

WHEREAS, the City is contemplating purchase of the Premises;

WHEREAS, the City wishes to commence inspections of the Premises immediately;

WHEREAS, assuming negotiations between the parties have resulted in a proposed agreement of sale, the City intends to introduce an ordinance for the purchase of the Premises at its earliest possible Regular Session or Special Session;

NOW, THEREFORE, the undersigned parties agree:

- 1. The recitals set forth above are incorporated herein as if fully set forth.
- 2. The Owner shall grant the City and the City's engineers and other agents the right to enter upon the Property upon reasonable notice to inspect the Property and to make such measurements, surveys, or tests on the Property as City may deem advisable.
- 3. The City shall have a period of sixty (60) days from the date of this Agreement, within which to conduct, at its own expense, any and all examinations, inspections, and studies of the Premises which it may deem necessary.
- 4. The City shall indemnify and hold Owner harmless from and against any damages which the City, including any of its assigns, employees, contractors, or agents, may incur as a result of its activities on the Premises.
- 5. The City, including any of its employees, contractors, or agents, shall undertake any such all examinations, verifications, and studies, at its own risk.
- 6. Owner shall make available all existing documents and information in the Owner's possession or control that may be reasonably necessary for the City to conduct a full evaluation of the Property. Such documents and information shall include but not be limited to surveys, title reports, real estate tax assessments, environmental studies, geotechnical reports, approval permits, site engineering, architectural plans, leases, and all maintenance and other contracts relating to the Premises.

7. The City shall return the Premises to the condition in which they were found, at the conclusion of any examinations, inspections, and studies.

IN WITNESS WHEREOF, each party is executing this Contract.

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SELLER:

149 N. POTOMAC, LLC

Michael Fitzgerald

Its:

ATTEST/WITNESS:

Donna K. Spickler City Clerk

BUYER:

CITY OF HAGERSTOWN

Mayor

EXHIBIT D OWNER'S AFFIDAVIT

PREMISES: 149 North Potomac Street, Hagerstown, MD 21740

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STATE OF MARYLAND COUNTY OF WASHINGTON :) SS
ON THE day of2025, before me, the undersigned Officer, personally appeared the undersigned, who being duly sworn according to law and intending to be legally bound, depose(s) and say(s) that the following statements are true and correct to his actual knowledge and belief.
That the Grantor herein is the owner of Property.
That the Grantor in this transaction is in actual possession of the entire premises, and there are no leases or agreements affecting the premises or any part thereof outstanding.
The Premises are not used for residential purposes.
Access to the Premises (whether vehicular or pedestrian) to and from the public street has never been a subject of dispute or limited in any way.

Grantor is entitled to sole possession of the Property.

Within the preceding 18 months, Grantor has not attached any fixtures; commenced any construction, repairs, alterations, or improvements; ordered or contracted any construction, repairs, alterations, or improvements, which have not been paid for in full and that there are no outstanding or disputed claims for any such work or item.

I have not received a notice of any violation of any covenant, conditions, or restrictions of record affecting the Property.

The present transaction is not made for the purposes of hindering, delaying, or defrauding any creditors of the Grantor and does not constitute all or substantially all of the Grantor's assets.

Any water, sewer, or other utility charges due and or accrued up to date of closing/settlement will be paid by the Grantor.

This affidavit is made for the purpose of inducing [INSERT TITLE COMPANY] or its duly authorized agent to hold settlement on the above property, and to issue its title insurance policy, insuring the title thereto and to make disbursement of funds arising out of said transaction.

The Grantor hereby indemnifies and agrees to save harmless [INSERT TITLE COMPANY] and its agent, [INSERT, IF ANY], against any damages or expense, including attorney fees, sustained as a result of any of the foregoing matters not being true and accurate and further indemnifies [INSERT TITLE COMPANY] as to defects, liens, encumbrances, adverse claims, or other matters, if any, created, by an act or omission of the Grantor, first appearing on the public records or attaching subsequent to the most recent effective date of the above-referenced Commitment but prior to the effective date of such title insurance policy or policies or other title evidence. [INSERT TITLE COMPANY] and its agent, [INSERT IF ANY] will present the Deed forthwith after settlement for recording to Washington County, Maryland.

REQUIRED MOTION MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

<u>Topic:</u> Funding for the Heart of the Civil War Heritage Area - <i>Material to be Presented</i>
Mayor and City Council Action Required:
Discussion:
Financial Impact:
Recommendation:
Motion:
Action Dates:

REQUIRED MOTION MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

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CITY OF HAGERSTOWN, MARYLAND

Department of Engineering & Permits

September 16, 2025

TO:

Scott Nicewarner, City Administrator

FROM:

Jim Bender, City Engineer

RE:

Community Forestry Catalyst Fund grant application

1. Background

Over the past twenty years the City has applied for (and been awarded) multiple grants from the Chesapeake Bay Trust (the Trust) to plant trees at various locations around the City. The Trust is now administering a new grant program that can provide funds to prepare tree pits and sites for future planting. City staff would like to apply for a \$50,000 grant, with a \$10,000 match from the City's Stormwater Fund. Due to the size of the grant, the City's Grant Policy requires the City Council to formally approve applying for and accepting the grant.

2. City Council action requested

Review this information, and determine whether or not to authorize staff to apply for the grant. If the Council agrees, Staff will submit the application for this round of funding. Staff will be present at the work session to discuss.

Discussion

The Community Forestry Catalyst Fund was created by the Maryland Department of Natural Resources to provide assistance to local governments and non-profit organizations to plant trees and increase canopy coverage. There are three different tracks that the City can apply for under this program: site readiness, tree planting, and capacity building. Staff plans to apply for the "site readiness" track; this track provides funding to prepare tree pits and planting areas for future planting.

There are many existing tree pits around the City where trees have been removed, but the stumps of the trees remain. Removing these stumps is often expensive, as heavy equipment is often needed to dig out the stump, and adjacent curbs and sidewalks are often damaged during the process. By obtaining this catalyst funding, we can prepare these tree pits, and then use our other tree planting grant from the Trust to actually plant trees at these locations. The City will be able to plant more trees as a result of this site readiness funding.

attachment:

Grant RFP

cc:

Bill Killinger Austin Allman



Community Forestry Catalyst Fund FY26 Request for Proposals







Introduction and Program Goals

The <u>Chesapeake Bay Trust</u> (Trust) is a nonprofit, grant-making organization dedicated to improving the bays, streams, rivers, forests, parks, and other natural resources of our local systems, from the Chesapeake to the Coastal Bays to the Youghiogheny River. Since 1985, the Trust has awarded over \$190 million in grants to municipalities, nonprofit organizations, schools, and public agencies throughout the Chesapeake Bay watershed.

The Community Forestry Catalyst Fund (CF2), created by the Maryland Department of Natural Resources Forest Service (MFS), funded by the USDA Forest Service, and administered by the Trust, welcomes proposals that directly support tree planting projects or increase the capacity of organizations to scale up their planting and maintenance initiatives in overburdened, underserved communities across the state.

This program is designed in accordance with the goals and objectives delineated in the 2020-2025 Maryland Forest Action Plan. First conceived in 2007 as part of the national strategy to "redesign" how federal and state cooperative assistance programs address America's forest lands, the Action Plan was worked on collaboratively by the Maryland Forest Service, the USDA Forest Service, and other key partners to ensure that federal and state resources are being focused on high priority areas with the greatest opportunity to achieve meaningful outcomes.

The Trust is committed to the advancement of diversity and inclusion in its award-making and environmental work. As a result, the Trust strongly encourages applications directly from underrepresented groups, and for projects that increase awareness and participation of communities that are traditionally underrepresented, such as communities of color. For a full description of the Trust's efforts to engage under-engaged groups, see our strategic plan at https://cbtrust.org/diversity-inclusion/.

The Trust recognizes that application processes can be complicated and time-consuming; the Trust continues to work to simplify our application processes where possible. New applicants, new organizations, small organizations, or any group that is experiencing capacity challenges or other barriers to applying, are eligible to receive guidance on the application process. Please contact the Program Officer for assistance.

Applicants are strongly encouraged to contact Trust staff to discuss applications *at least* two weeks prior to the deadline. The Trust cannot guarantee availability of site visits or project development assistance within two weeks of the deadline.

At a Glance

Program Summary:

The Community Forestry Catalyst Fund will support urban and community forestry projects that benefit disadvantaged communities in the state of Maryland.

Deadline:

Monday, September 15, 2025 at 11:59 PM EST

Eligible Project Locations:

This program will fund projects in disadvantaged communities across Maryland as identified by the archived Climate and Economic Justice Screening Tool (CEJST).

Request Amounts:

- Track A: Site Readiness: minimum of \$5,000 and maximum of \$50,000
- Track B: Tree Planting Implementation: minimum of \$5,000 and maximum of \$50,000.
- -Track C: Capacity Building: minimum of \$50,000 and maximum of \$250,000 per year.

Submit Your Application:

Follow the instructions at: https://cbtrust.org/grants/community-forestry/

Contact:

Samara Pyfrom, (410) 974-2941 ext. 147, spyfrom@cbtrust.org

Program Tracks, Timelines, and Funding Caps

Applications will be considered under one of the following three funding tracks:

Track A	Track B	Track C
Site Readiness	Tree Planting Implementation	Capacity Building
Activities that prepare a site for future planting, like: Stump removal, hazardous tree removal, vegetation removal, concrete removal leading to replacement tree planting.	Projects that focus solely on tree planting, prioritizing underserved populations and areas experiencing low tree canopy and environmental justice issues. Pre-application technical assistance from MFS or an authorized representative from one of the 5 Million Trees partnership agencies is optional.	Projects that enhance an organization's internal capacity to implement forestry programming. Some examples are: Procurement of contractual support, development of a strategic plan, expansion or creation of new pilot programming.
Max. Project Duration:	Max. Project Duration:	Max. Project Duration:
18 months	18 months	24 months
Minimum funding: \$5,000	Minimum: \$5,000	Minimum: \$50,000
Maximum funding: \$50,000	Maximum: \$50,000	Maximum: \$250,000 per year
	Maintenance Add-On Awarded proposals under track B may be eligible for post-planting maintenance provided by an MFS contractor. Contact the Program Officer for more information.	

- ✓ Applications may be submitted under Tracks A + B together
- * Applications under Track C may not be combined with another Track.
- ✓ All activities funded under Track A must ultimately result in new tree plantings. If an applicant is not proposing to combine Track A + Track B to accomplish this, then a planting plan and secured funding source will be required before the grant can be awarded.
- ✓ Applicants are welcome to apply to the Catalyst Fund more than once, but they may not be awarded grants in consecutive grantmaking cycles.

Important information about Track B:

Available pre-application technical assistance: Technical assistance from the Maryland Forest Service
or an authorized representative from one of the <u>5 Million Trees for Maryland</u> partnership agencies is
available. Click <u>here</u> for agency contact information. If you have any questions or would like a
consultation with a Maryland Forest Service staff person, please email them at
<u>forestry_grants.dnr@maryland.gov</u>.

Maintenance Add-on:

- All implementation projects must contain a 2-year post-planting maintenance plan. See **Appendix A** for an example.
- If your timeline allows, a portion of the maintenance activities may be funded using this award; these costs should be included in the application budget.
- No maintenance activities beyond the project end-date will be funded. Your application must include plans to procure alternative sources of funding for these activities.
- If an awardee faces significant difficulties providing adequate maintenance on trees planted with support from this grant program, they can request a consultation to determine their eligibility for maintenance provided free-of-charge by the Maryland Forest Service. Contact the Program Officer for more information.

Eligible Applicants

The Trust and our funding partners welcome requests from the following tax-exempt organizations:

- ✓ Local government entity
- ✓ Federally Recognized Tribes and Tribal organizations as defined in 25 USC 5304 (I) and operating within the United States, or its territories
- √ Non-profit organizations
- ✓ Public and State-controlled institutions of higher education
- Community Based Organization, defined as a public organization that supports and/or represents a community and/or certain populations within a community through engagement, education, and other related services provided to individual community residents and community stakeholders

If your organization type is not listed above, contact the Trust to verify eligibility prior to submitting your application. All applicants, but particularly new applicants, are encouraged to contact the Trust for assistance.

To receive funds from this award program, you will need either a Unique Entity Identifier registered in SAM.gov, or to apply in partnership with a fiscal sponsor.

Having a UEI is not a requirement for application.

Find more about getting a UEI here: <u>Get a Unique Entity ID in SAM.gov - YouTube</u> This video was produced by SAM.gov and is provided to you only as a resource.

Eligible Project Locations

Eligible applicants may apply for funding for a project to be conducted on non-State or non-Federal lands such as land owned by:

- ✓ Local governments,
- ✓ Homeowner associations,
- Private entities (e.g. individuals, nonprofit organizations, or religious institutions),
 - For projects on private property, applications should include measures in place to maximize likelihood of establishment and long-term survival.
- ✓ Tribal entities (including Trust lands).

All plantings must be approved by the landowners. To ensure this, landowner permission letters will be required as part of the application. If you can't include them in your application, you must include a plan that specifies your strategies to secure them. If you are selected for funding, funding will not be disbursed for planting without landowner permission letters being approved by the Trust.

Furthermore, projects must take place in, or benefit, applicable disadvantaged communities, as identified by the archived Climate and Economic Justice Screening Tool (CEJST).

100 percent of work must take place in, or benefit, disadvantaged communities and, therefore, **match is waived**. This match waiver must be passed on to any sub-awardees.

Eligible Project Types

The USDA Forest Service's Urban and Community Forestry Program authorizes funding for a broad range of activities, such as urban wood utilization, urban food forests, extreme heat mitigation, and workforce development.

Examples of eligible activities include projects that:

- ✓ Foster individuals, groups, and organizations in the communities served to become engaged participants in urban forest planning, planting, and management, especially those in disadvantaged communities that do not have adequate resources to install or maintain green infrastructure or are underrepresented.
- ✓ Protect, enhance, and expand equitable urban tree canopy cover to maximize community access to human health, social, ecological, and economic benefits particularly in disadvantaged and nature-deprived communities experiencing low tree canopy cover, extreme heat and frequent flooding.
- ✓ Improve and increase access to parks and nature in communities.
- ✓ Encourage long-term urban forest planning, assessment, and management.

- Encourage proactive and systematic maintenance and monitoring of urban trees and forested natural areas to improve forest health; assess risk to forests from pests, disease, and adverse climate impacts; and formulate adaptive management strategies to improve forest resilience.
- ✓ Advance the use of tree and forest inventories, monitoring, and assessment tools in priority areas, including monitoring and measurement of extreme heat.
- ✓ Improve preparation for severe storms and the recovery of damaged or deteriorated landscapes to more healthy and resilient conditions.
- ✓ Protect, enhance and increase access to watersheds in urban and developing areas with a focus on conserving and managing forest patches, and green stormwater infrastructure.
- ✓ Provide paid training experiences for urban forestry crews to establish and maintain urban forests into the future. Support youth employment opportunities, including workforce development and training for the creation and maintenance of green jobs and economic opportunities for planning, planting, and sustainably maintaining trees and forests, including training and retaining urban arborists, and producing and using urban forest products.
- ✓ Develop paid on-the-job training opportunities, including pre-apprenticeships and apprenticeships, to expand workforce development pathways for green careers in urban and community forestry.
- ✓ Address exotic invasive pest species that adversely impact urban forests.
- ✓ Work across jurisdictional boundaries, leveraging ideas and resources to increase capacity to provide equitable access to benefits across the larger landscape and at a greater geographic scale.
- ✓ Aid in planning, goal setting, and skill sharing with other professions such as urban planners, engineers, educators, recreational and public health officials.

Examples of project activities that are NOT eligible for funding under Urban and Community Forestry Authorities include:

- * Research: Basic research as defined in 2 CFR 422.1, "Systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind." Note: Technical transfer, education, and outreach activities associated with applying research can be included in the application.).
- × Construction and capital improvements. Examples of construction include facilities, infrastructure, roads, new buildings, culverts, and boardwalks.
- * Land acquisition (conservation easement and fee simple) projects.
- Cost-share, reimbursement, and other types of payment provided directly to private landowners. However, Urban and Community Forestry funding may be used to perform work on private lands; for example, an eligible entity could pay for trees to be planted on private lands with permission of the landowner.
- Small business start-up funding.
- Equipment purchases. Equipment rental should be considered as an alternative. Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Food and Refreshments: In compliance with 2 CFR 200432. Any costs associated with food and refreshments will not be eligible for funding through this program.

How to Apply

Online Application Submission Instructions

The Trust uses an online system for the application process, and if awarded, project management. To apply for an award, go to https://cbtrust.org/grants/community-forestry/ and click on "Start a New Application" to begin a new application. This will open a new window asking you to log in or create an account on our online system. If you have applied in the past, use your existing username and password (if you have forgotten either of these use the 'forgot password' feature). If you have not used our online system before, click on "New Applicant" and follow the instructions.

By submitting an application to this program, applicants acknowledge that: 1) they are compliant with federal employment and non-discrimination laws and 2) they have not been debarred, convicted, charged or had a civil judgment rendered against them for fraud or related offense by any government agency (federal, state or local) or been terminated for cause or default by any government agency (federal, state, or local). In addition, all final products will be provided to the funding partners for use and distribution at the sole discretion of the funding partners.

Deadline

Applicants must submit applications in the Chesapeake Bay Trust Online System by 11:59 PM EST on September 15, 2025. Application details can be found in Appendix B. Late applications will not be accepted, and the online funding opportunity will close automatically and promptly at 11:59 PM EST. Applicants are strongly encouraged to submit at least a few days prior to the deadline given the potential for high website traffic on the due date. The Trust cannot guarantee the availability of technical assistance for our online system on the deadline date.

Evaluation Criteria

The following criteria will be used by reviewers to score your proposal:

Scoring Criteria	Description	Scoring
	Alignment with Priorities (Maximum of 30 points)	
Application Components	Are all required application components included?	Scale of 1 to 10
Consistency with Request for Proposals (RFP)	Does the proposal and its methodology clearly align with the goals of Maryland's Forest Action Plan by prioritizing disadvantaged communities, increasing equitable access to urban tree canopy, and promoting community engagement and addressing changing environmental conditions?	Scale of 1 to 10
Justification	Does the applicant justify the need for the project and the practices proposed? Does the project address local environmental justice issues through the implementation of forestry-related activities?	
	Experience and Capacity (Maximum of 10 points)	
Organizational Capacity	Does the lead organization, its staff, and its partners have the capacity and the necessary expertise to complete the proposed work within the grant period and meet all federal grant requirements? If the organization does not have the capacity in the form of experience, how will they establish the appropriate strategies to attain the necessary capacity?	Scale of 1 to 10
	Measurable Results and Outcomes (Maximum 20 points)	
Strategy and Feasibility	Does the proposal clearly describe a well-reasoned strategy and methodology that directly supports the project's goals? Are the proposed activities realistic given the timeline and budget, and does the applicant show a strong chance of delivering short-term results and long-term improvements?	Scale of 1 to 10
Implementation Timeline	Does the proposal include a clear plan to implement the project and demonstrate measurable progress within 12 months of receiving the award?	Scale of 1 to 10
Community Impact	Will this project improve conditions significantly for communities (people or places) as prioritized in Maryland's Forest Action Plan? Will this project increase equitable access to urban tree canopy and its associated human health, environmental, and economic (workforce) benefits in disadvantaged communities?	Scale of 1 to 10
Community Engagement	Will the project broaden community engagement in local urban forest planning and decision-making?	Scale of 1 to 10

Adaptability	Will the project improve adaptability to changing environmental conditions, pests (threats to forest health and native vegetation), and extreme weather events through best management and maintenance practices?	Scale of 1 to 10
	Budget and Cost Effectiveness (Maximum 10 points)	
Cost Effectiveness / Budget	Is the budget appropriate and cost-effective? Are partners being resourced appropriately? Are employees being compensated equitably? Does the budget narrative adequately describe proposed costs? Are the proposed costs properly explained and justified in the budget narrative? For Track B, is the cost-per-tree reasonable for the project conditions?	Scale of 1 to 10
	Total Score Possible	100

What Happens Next

Application Review Process

Each application is reviewed by a Technical Review Committee (TRC) composed of individuals who are experts in the fields supported by this RFP and represent communities served by projects funded by this RFP. The TRC ranks and scores all applications based on the criteria listed in the "Evaluation Criteria" section above, then meets to discuss the application merits. The TRC then recommends a suite of applications to the Trust's Board of Trustees.

The funding partners reserve the right to fund projects and budget items that advance their missions and meet specific funding priorities and criteria.

Awards and Notifications

The FY26 Community Forestry Catalyst Fund awards will be announced by December 2025.

All applicants will receive a letter stating the funding partnership's decision. An application may be declined, partially awarded, or fully awarded. If approved, the Trust will send an award agreement with award conditions and due dates of status, progress, and final reports. The Trust will mail the first award payment to the requesting organization following: satisfaction of any phase one payment award contingencies, including upload of the signed award agreement. Ten percent of the total award will be held until the final report is submitted and approved. In cases where the awardee fails to submit a status report, progress report, final report, or other requirement by the due date, the Trust reserves the right to terminate the award agreement and require a refund of funds already transferred to the awardee.

When the project is complete, awardees are required to complete final reports that may include but are not limited to submission of all receipts for supplies, invoices for subcontractors/contractors, and copies of timesheets for personnel time used (timesheets must include date, name, time worked per day, and coding to tie the time worked to the award).

All financial back-up documentation will be grouped and numbered to correspond to the budget line item reported as spent. <u>Organizations with outstanding final, progress, or status reports will not be awarded additional grants</u>.

Appendix A: Maintenance Requirements

Your two-year maintenance plan should include and address, at a minimum, all the following elements:

- Watering: At least 20 gallons of water should be applied to each tree every two weeks for the first growing season (e.g., from May 1- Oct 31st). Periods of extreme drought may require additional watering. After the second year, water can be reduced to as needed.
- Mulching: Mulching allows trees to retain water and mitigate soil erosion, reduce climbing invasives and other unwanted weeds, and protect tree roots from sudden temperature changes. Proper mulching is key to protecting and promoting healthy root growth. Too much mulch can have the opposite effect and cause the tree to decline. To learn more about how to mulch and best practices visit: https://extension.umd.edu/resource/mulching-trees-and-shrubs
- Pruning: For young trees it will be necessary at the time of planting to remove girdling roots from the rootball, dead branches, and branches that are rubbing. These activities will shape the tree for the space and promote healthy growth. After the initial planting additional pruning is likely not needed for 2-3 years until the tree is vigorously growing again. To learn more about how to prune visit: https://extension.umd.edu/resource/pruning-trees
- Pest and disease: Monitor your trees for leaf spots, fungi, insects, and canopy bare spots. If you have concerns about your trees' health, you can send a photo to a Maryland certified professional Horticulturists at the University of Maryland Extension at:
 https://extension.umd.edu/programs/environment-natural-resources/program-areas/home-and-garden-information-center/ask-extension. A horticulturalist will provide information on steps needed to ensure your tree thrives.
- Climbing invasives: For any project that involves planting more than 50 trees on one site, the
 proposed maintenance plan must address climbing invasives. We recommend manual treatment at
 least three times per year.
- o **Leaf removal:** Ensure that an appropriate leaf removal strategy, based on the type of tree, is built into your plan.
- Care/mowing around the tree: One of the biggest threats to new trees is not necessarily poor care of the tree itself, but incompatible maintenance of areas around the tree. For example, weed whacking activities that make contact with the trunk can kill a new tree. Make sure that the tree maintenance plan is integrated with the general site maintenance activities.

Appendix B: Online Application Form

You will be asked to provide the following information on the online application form. Refer to the online application for details.

Eligibility Quiz: This three-question quiz is meant to assist you in determining if your project meets the requirements of this award program and that your staff/organizational structure best supports a successful application.

Applicant Information Tab: Provide the organization's name, mailing address, phone number, organization type, mission, EIN number. If a MBE/WBE add certification number and state(s). Provide the Executive Officer and Project Leader's name, title, address, phone, and email address.

- Both an Executive Officer and a Project Leader, two separate individuals, must be identified for all applications.
- The Executive Officer and Project Leader must both be able to make decisions on behalf of the organization either as a board member, an employee, or other approved position recognized by the organization but not a contractor of the application.
- To avoid conflict of interest issues, individuals associated with for-profit entities to be engaged in the project cannot serve in either role.

Project Information Tab: Provide a project title; project abstract; the watershed, county, and legislative district in which the project is located; and the latitude and longitude coordinates of the project location.

Timeline Tab: Add the project start and end date. Provide a project timeline that includes major tasks and their associated start and end dates.

Deliverables Tab: Provide estimated metrics for your proposed project such as project participants and outreach and restoration outcomes. Disregard deliverables that do not apply to your project.

Volunteers Tab: Provide a description of volunteer activities, the number of volunteers, and total number of volunteer hours.

Project Partnerships: Provide a list of project partner organizations or contractors, individuals, their areas of expertise, and their role(s) in your project.

Watch our video on how to apply and how to submit an application using our online system at https://cbtrust.org/grants/.

Definitions

The Executive Officer is the individual that oversees the organization (e.g., Executive Director, Chief Executive Officer, Mayor, President or Vice President, Principal (for schools), etc.) and has the authority to sign/execute award agreements on behalf of the organization. The Executive Officer information is tied directly to all the organization's applications and should not vary from application to application. If the Executive Officer could be listed as the Project Leader in a future proposal, we recommend listing a Board Member or other higher-ranking position of the organization as the Executive Officer in order to reduce the variation in the Executive Officer across applications.

The Program Leader will be responsible for all project coordination and correspondence with the Trust for the duration of the project. The email address entered here MUST be the same as the email address you used to log in to the online system. The Project Leader is the primary point of contact for the application, and the email address used to submit the application via the online system must be that of the Project Leader. Applications in which the email address associated with the Project Leader in the applicant information tab of the online opportunity does not match the email address used to submit the application will not be considered for funding. The Trust cannot conduct any official correspondence with contractors or other project partners. If at any time the Project Leader cannot continue in the position, the organization must contact the Trust and assign a new qualified Project Leader.

Applicants are encouraged to upload a letter of commitment for the project from each partner describing in detail the partner's role or contribution to the project. Applications including strong letter(s) of commitment often receive higher scores. If not submitted with the application, letter(s) of commitment may be required prior to the release of any awarded funding. To better understand the Trust's definition of and policy on letter(s) of commitment, visit our Forms and Policies webpage: www.cbtrust.org/forms.

Narrative & Supporting Documents Tab: The required narrative questions and supporting documents can be found in the "Applicant Resources" section of the Community Forestry Catalyst Fund website. Complete all questions and upload the completed document as a Microsoft Word or PDF file.

Budget Tab:

- Financial Management Spreadsheet Application Budget Upload You will be asked to upload your budget using the "Application Budget" worksheet of the Chesapeake Bay Trust's Financial Management Spreadsheet (FMS), an excel file template. The template can be found by visiting https://cbtrust.org/forms-policies/ where you can watch a video with instructions on how to complete the FMS.
- 2. **Financial Management Spreadsheet Application Budget Information -** This online application component will ask you to enter budget category and request totals. These totals will be automatically calculated in the FMS Application Budget, so you will only need to copy and paste the values from the FMS to the Online Application.
- 3. Additional Budget Justification This online application component will ask you to provide a descriptive budget narrative to justify and explain costs. If the success of the work is contingent upon award of other funds, make this clear in your budget justification section.

Terms and Conditions Tab: Agree to the specified terms and conditions for the program for which you are applying.

Demographics Tab and Survey Tab (optional): Provide voluntary demographic information. Provide information about your organization's current diversity, equity, inclusion, and justice (DEIJ) efforts and future goals. Additionally, provide voluntary feedback on the application process.

Topic: Amendment to Scope of Project for Community Development Corporation (CDC) Tax Sale Acquisition Grant – Amanda Gregg, Chief Housing & Community Development Officer, Margi Joe, Community Development Manager and Paul Fulk, Neighborhood Services Manager **Mayor and City Council Action Required: Discussion: Financial Impact: Recommendation: Motion: Action Dates: ATTACHMENTS: File Name Description** Amendment to Scope of 091625 WS Packet Amend to Scope CDC Tax Sale.docx.pdf Project for CDC Tax Sale **Acquisition Grant**



TO: Scott Nicewarner, City Administrator

FROM: Margi Joe, Community Development Manager

Paul Fulk, Neighborhood Services Manager

DATE: September 12, 2025

RE: Amendment to Scope of Project for CDC Tax Sale Acquisition/Rehab Grant

At the September 16, 2025 Work Session, staff will present recommended amendments to the Project Scope of Work under the CDC Tax Sale Acquisition/Rehab Grant.

Program Overview

The City was awarded \$150,000 in State Community Legacy funding to undertake the CDC Tax Sale Acquisition/Rehab Program, with the goal of eliminating blighted properties and safely renovating deteriorating structures. The program was originally designed to provide matching funds for community development corporations to function as land banks and acquire targeted properties for rehabilitation, either for resale as homeownership opportunities or as quality rental units.

The City has identified twenty-three (23) properties for which the City has obtained the tax sale certificates, and has also targeted seven (7) additional properties for acquisition. The majority of these properties are vacant lots, while those with existing structures are beyond rehabilitation and require demolition.

Amendment to Program Guidelines

As few of the currently acquired properties are deemed suitable for rehabilitation, staff recommend amending the Project Scope of Work to permit the City to use the grant funds for demolition or, where feasible, appropriate rehabilitation. This amendment would also help ensure timely utilization of the funding. The City has \$100,000 in CDBG funding as well as CPF funding available to provide matching contribution for demolition.

Staff seeks approval of this amendment at the September 30, 2025 Regular Session.

Attachments: Draft Motion

CDC Tax Sale Acquisition/Rehab Grant Agreement

c: Amanda Gregg, Chief Housing & Community Development Officer Sue Kyler, DHCD Community Liaison Michelle Hepburn, Chief Financial Officer

REQUIRED MOTION

MAYOR & CITY COUNCIL HAGERSTOWN, MARYLAND

DATE:	September 30, 2025				
TOPIC:	REQUEST TO CHANGE OF SCOPE OF PROJECT FOR CDO TAX SALE ACQUISITION/REHAB GRANT PROGRAM				
	Charter Amendment Code Amendment Ordinance Resolution Other				

MOTION: I hereby move for the Mayor & City Council to authorize staff to amend

the scope of project work for the CDC Tax Sale Acquisition/Rehab Grant Program. The program is funded through a Maryland Community Legacy

Grant to the City of Hagerstown and is subject to any restrictions, including deadlines, from Maryland Department of Housing and

Community Development.

DATE OF INTRODUCTION: 9/30/2025 DATE OF PASSAGE: 9/30/2025 EFFECTIVE DATE: 9/30/2025

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT COMMUNITY LEGACY PROGRAM GRANT AGREEMENT

FY2021

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AWARDEE:	City of Hagerstown
AWARD ID#:	CL-2021-Hagerstown-00268
PROJECT NAME:	CDC Acquisition/Rehab Fund
	Community Legacy Program Grant Agreement
	Exhibit A - CL-2021-Hagerstown-00268 Project Description, Scope of Work, and Special Conditions
	Exhibit B - CL-2021-Hagerstown-00268 Project Budget
	Exhibit C - CL-2021-Hagerstown-00268 Project Schedule

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT COMMUNITY LEGACY PROGRAM GRANT AGREEMENT Project/Capital Grant

THIS COMMUNITY LEGACY PROGRAM GRANT AGREEMENT (this "Agreement") is entered into as of the Effective Date (as defined herein) by and between the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a principal department of the State of Maryland (the "Department"), and City of Hagerstown (the "Grantee").

RECITALS

- A. This Agreement is issued pursuant to §§6-201 through 6-213 of the Housing and Community Development Article (the "Act") and the regulations promulgated thereunder and set forth in COMAR 05.17.01 (the "Regulations"). The Act establishes the Community Legacy Program (the "Program"). Capitalized terms not defined herein have meanings set forth in the Regulations or the Act.
- B. The purposes of the Program are to:
 - 1. Preserve existing communities as desirable places to live and conduct business, thereby reducing outward pressure for sprawl development; and
 - 2. Provide financial assistance to Sponsors or their designees for the development of sustainable community plans or Community Legacy projects.
- C. In reliance upon the representations and certifications contained in Grantee's Fiscal Year 2021 application (the "Application") the Department has approved an award of funds to Grantee to carry out a Community Legacy project, to be expended by Grantee in conformity with the requirements and provisions of the Act, the Regulations, the Department's Community Legacy Program Policy Guide, as amended from time to time (the "Guide"), and this Agreement.

AGREEMENT

IN CONSIDERATION of the Recitals, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Department and Grantee agree as follows:

1) Sustainable Community or Eligible Qualified Opportunity Zone Designations.

- a) The Project is located in a geographic area that has been designated by the Smart Growth Subcabinet (as defined in §9-1406 of the State Government Article) as a Sustainable Community or is an eligible Qualified Opportunity Zone (the "Area").
- b) If located in a Sustainable Community, the Project will enhance and support the plan that has been approved by the Smart Growth Subcabinet as a Sustainable Community Plan.

2) Grant.

- a) In consideration of the various obligations to be undertaken by Grantee pursuant to this Agreement, the Department agrees to provide Grantee with funds in the amount of **One Hundred and Fifty Thousand Dollars (\$150,000)** (the "**Grant**") to be used for the purposes of funding the Community Legacy Project (the "**Project**") described in Exhibit A CL-2021-Hagerstown-00268 (the "**Project Description**").
- b) Grantee agrees to use the Grant only for the approved Project and only in the approved Area. Grantee agrees that it will use the Grant and operate the Project in accordance with the provisions of the Act, the Regulations, the Guide, and this Agreement.
- c) The Project shall not include or support projects for which the principal use of the project is one of the following types of activities: pawn shops, gun shops, tanning salons, massage parlors, adult video/book shop, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors or liquor stores.
- d) The Application may have included projects other than the Project. The approval of the Application and the Project and the execution of this Agreement are not to be construed as approval of any other projects described in the Application.

3) Expenditure of Grant Funds.

- a) All Grant funds shall be expended on or before the Completion Date (as defined in Section 4(b) of this Agreement).
- b) Grantee shall expend the Grant in accordance with the budget set forth in <u>Exhibit B CL-2021- Hagerstown-00268</u> (the "**Project Budget**"). Grantee may not expend more than the amount allocated for any category in the Project Budget without the prior written consent of the Department.
- c) Unless otherwise agreed to in writing by the Department, Grantee shall expend at least fifty percent (50%) of the Grant funds for the Project by the first (1st) anniversary of the Effective Date.

- d) All costs incurred by Grantee before the Effective Date and before approval by the Department of the release of Grant funds are incurred voluntarily, at Grantee's risk and upon its own credit and expense, and Grantee's authority to be reimbursed from the Grant funds shall be governed by the provisions of this Agreement.
- e) If, upon completion of the Project, there are cost savings and/or undisbursed funds, Grantee shall return any remaining Grant funds to the Department.
- f) If Grantee is not a Local Government, Grantee may use a portion of the Grant funds for reimbursement of indirect costs. The indirect cost reimbursement rate is: (i) equal to the indirect cost reimbursement rate Grantee receives from a federal agency or other State of Maryland (the "State") agency, if applicable; or (ii) up to 10% of the costs that would be considered modified total direct costs under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards adopted by the Office of Management and Budget in 2 C.F.R. 200 and any related guidance published by the Office of Management and Budget. The indirect cost reimbursement rate applies to the portion of the Grant, if any, that is for the provision of services.
- 4) Commencement and Completion of the Project; Inspection during Construction or Rehabilitation; Changes.
 - a) Grantee shall commence the Project on or prior to the date (the "Commencement Date") set forth in Exhibit C CL-2021-Hagerstown-00268 (the "Project Schedule").
 - b) Grantee shall complete the Project prior to the date set forth in the Project Schedule (the "Completion Date").
 - c) If the Project involves capital construction or improvements, the Department, its agents and its employees shall be allowed to inspect the Project during construction or rehabilitation and upon completion.
 - d) The Department must approve in writing all changes to the Project Description, Project Schedule, Project Budget, or any other term of this Agreement, including modifications to the scope of work of the Project, modifications involving carrying out Project activities in a geographic area other than the Area, and modifications to the Completion Date.
 - e) Grantee shall ensure that all necessary approvals for the commencement of the Project have been obtained, including all applicable permits and licenses.
 - f) On or before the Completion Date, Grantee shall obtain all certifications, licenses, permits, and approvals necessary to operate the Project, and shall otherwise satisfy all requirements necessary to operate the Project.
- 5) <u>Conditions Precedent to Disbursement of the Grant.</u> The Department shall not disburse the Grant until Grantee has complied with the following conditions:
 - a) The Maryland Historical Trust has reviewed the Project for impact on historic structures, and, if required has approved the architectural plans and specifications for the Project.

- b) The Maryland Codes Administration has approved any Project plans and specifications if the Department determines such approval is necessary.
- c) Grantee has complied with all other terms and conditions of the Grant as required by the Department to the Department's satisfaction, including the satisfaction of any special conditions as noted on Exhibit A.

6) Other Funds.

- a) In addition to the Grant, Grantee may (i) be in the process of obtaining written commitments to receive other funds for the Project; (ii) have written commitments to receive other funds for the Project; or (iii) have already received other funds for the Project (collectively, the "Other Funds"). Other Funds shall be described by source, use and amount in the Project Budget.
- b) Upon request, Grantee shall provide the Department with information and documentation in forms acceptable to the Department regarding the Other Funds. Such information and documentation shall include but not be limited to information concerning Grantee's receipt and expenditure of the Other Funds. In the event the Department determines, in its sole discretion, that all or any portion of the Other Funds are not available, are not going to be disbursed to Grantee for any reason, or that Other Funds received by Grantee have not been properly expended, the Department may, in its sole discretion, declare Grantee in default of this Agreement and exercise its remedies pursuant to this Agreement.

7) Disbursement of the Grant.

- a) After the Effective Date, the Department will disburse Grant funds to Grantee on a reimbursement basis as the Project progresses, unless the Department determines, in its sole discretion, that the nature of the Project warrants disbursement in advance for eligible costs anticipated to be incurred. The Department, in its sole discretion, may disburse funds for eligible costs incurred prior to the Effective Date.
- b) Grantee shall submit a request for payment in a manner and form approved by the Department. A request for payment shall identify in detail all expenses incurred or anticipated to be incurred, for which disbursement is being sought, and shall have attached copies of the supporting invoices and other documentation of such expenses.
- c) Requests for payment should be made allowing approximately thirty (30) days to receive the Grant funds. The request for payment shall not exceed the eligible costs incurred and approved in writing by the Department.
- d) The Department has the right to withhold disbursement of Grant funds if at any time the Department determines, in its sole discretion that Grantee is not performing or completing the Project in a manner satisfactory to the Department. The Department shall have the right at any time to request that Grantee provide additional supporting documentation with any request for payment.

8) Records, Inspections and Reports.

Section 8 shall survive the term of this Agreement.

a) Records.

- i) Grantee shall maintain accurate financial, management, programmatic and other records of the Grantee, including meeting minutes of Grantee's Board of Directors if applicable, for transactions relating to the receipt and expenditure of the Grant and administration of the Project (collectively, the "Records"). The Records shall be in a form acceptable to the Department. Grantee shall retain the Records for three (3) years following the term of this Agreement.
- ii) Grantee shall make the Grantee's administrative offices, its personnel, whether full time, part time, consultants or volunteers, and the Records available to the Department for inspection upon request, during the term of the Agreement and for a period of three (3) years following the term of this Agreement. The Grantee shall permit the Department to perform program monitoring, evaluation and audit activities as the Department determines to be necessary, in its sole discretion.
- iii) Grantee shall cause to be maintained for the Department's inspection the books, accounts, and records of contractors in connection with the Project for three (3) years past the date of termination of the contractual relationship between the contractor or subrecipient and Grantee.
- b) <u>Inspections.</u> During the term of this Agreement and for a period of three (3) years following the term of the Agreement, Grantee shall permit the Department to monitor the Project to ensure that the Project is being carried out in accordance with the terms of this Agreement.

c) Reports.

- i) On January 1, April 1, July 1, and October 1 of each year during the term of this Agreement, Grantee shall provide the Department with interim progress reports in a manner and form to be determined by the Department. The interim progress reports shall contain such information as the Department requests, including, but not limited to, work accomplished and problems encountered, past and projected expenditures made against the Project Budget, and benchmarks reached. Grantee shall ensure that each interim progress report is received by the Department within ten (10) working days after the due date.
- ii) Within forty-five (45) days after Grantee completes the Project, Grantee shall submit to the Department a final report (the "Final Report") in a manner and form to be determined by the Department that describes the completed Project, the success of the Project, any problems encountered in completing the Project, and such other information as the Department requires. The Final Report shall also contain an expense and revenue summary of the Project, certified by the highest fiscal officer of Grantee, that lists all expenditures relating to the Grant. In addition, any completed studies, surveys, reports, or other work products, if applicable, shall be attached to the Final Report.
- iii) If any portion of the Grant is secured by collateral for the benefit of the Department the ("Collateral") or is used as a loan to a subrecipient (a "Loan") and the Department maintains an interest in such Loan, Grantee shall submit annual reports, in a manner and form to be determined by the Department, for the term of this Agreement.

iv) In addition to the requirements set forth above, Grantee shall provide the Department with such additional records, reports, and other documentation as may be required by the Department.

9) Default and Remedies; Termination.

- a) A default shall consist of: (i) the breach by Grantee of any term, condition, covenant, agreement, or certification contained in this Agreement; (ii) the expenditure of Grant funds for any use other than as provided in the Project Budget or in the approved scope of work for the Project; (iii) the failure to commence or complete the Project by the dates set forth in the Agreement, or otherwise unsatisfactory performance or completion of the Project, in the Department's sole determination; (iv) Grantee's bankruptcy, insolvency, or the dissolution or liquidation of Grantee's business organization or assets; (v) the failure to obtain Other Funds if, in the Department's sole discretion, such failure would significantly impact the Project; or (vi) a change in Grantee's staffing capacity that adversely affects Grantee's ability to carry out the Project, in the Department's sole discretion.
- b) The Department shall give Grantee written notice of default, and Grantee shall have thirty (30) days from the date of such notice to cure the default. Upon the occurrence of a default that continues beyond the cure period, the Department shall have the right to terminate this Agreement immediately by written notice to Grantee. Notwithstanding the above, upon the occurrence of a default under this Agreement involving Grantee's bankruptcy, insolvency, or the dissolution or liquidation of Grantee's business organization or assets, the Department's right to terminate this Agreement shall be immediate without a notice and cure period.
- c) In the event of termination by the Department:
 - i) The Department may withhold disbursement of Grant funds and Grantee shall have no right, title, or interest in or to any of the undisbursed Grant funds;
 - ii) The Department may demand repayment from Grantee of any portion of the Grant proceeds that the Department, in its sole discretion, determines were not expended in accordance with this Agreement, plus all costs and reasonable attorneys' fees incurred by the Department in recovery proceedings; and
 - iii) The Department, in its sole discretion, may demand repayment of all Grant funds disbursed to Grantee, plus all costs and reasonable attorneys' fees incurred by the Department in recovery proceedings.
- d) In addition to exercising any or all of the rights and remedies contained in this Agreement, the Department at any time may proceed to protect and enforce all rights available to the Department by suit in equity, action at law, or by any other appropriate proceedings, all of which shall survive the termination of this Agreement.
- e) Grantee agrees to return any remaining proceeds of the Grant to the Department upon termination of the Agreement, whether due to default, completion of the Project, or for any other reason.

10) Grantee's Certifications. Grantee certifies that:

a) Grantee is a Community Development Organization or a Community Development Financial Institution

- and has the requisite power and authority to enter into and carry out the transactions contemplated by this Agreement.
- b) This Agreement has been duly authorized, executed, and delivered by Grantee, and is the valid and legally binding act and agreement of Grantee.
- c) Regarding conflicts of interest:
 - i) A conflict of interest occurs when an employee, director, officer, board member, volunteer, or elected official (each, an "Interested Person"), who has a direct or indirect interest in the Grant or receives any benefit from the Grant, is involved in the selection, award or administration of the Grant.
 - ii) If the use of any of the Grant funds could lead to a conflict of interest, any Interested Person must disclose his or her interest to the Grantee and, in connection with the proposed use giving rise to the conflict of interest, not participate in any aspect of the decision-making process regarding how the Grant funds will be allocated or expended, including discussion and debate as well as actual voting.
 - iii) Grantee shall establish and follow a written conflict of interest policy (the "Conflict of Interest Policy") that, at a minimum, must include the requirement set forth in Section 10(c)(ii). Grantee shall obtain signatures from each Interested Person on an annual basis that confirms that such Interested Person has read, understands, and will follow Grantee's Conflict of Interest Policy.
- d) The representations, statements, and other matters contained in the Application are and remain true and complete in all material respects.
- e) Prior to commencement of the Project, Grantee has obtained or will obtain all federal, state, and local government approvals, permits, and licenses that may be required to accomplish the Project and the scope of work.
- f) Grantee has not been, nor currently is, the subject of an investigation by any federal, state, or local governmental entity for alleged criminal or civil violations of laws or regulations enforced by these entities.
- 11) <u>Liability</u>. Grantee releases the Department from, agrees that the Department shall not have any liability for, and agrees to protect, indemnify, and save harmless the Department from and against any and all liabilities, suits, actions, claims, demands, losses, expenses, and costs of every kind and nature, including reasonable attorneys' fees, incurred by, or asserted or imposed against the Department, as a result of or in connection with the Project, except for the gross negligence or willful misconduct of the Department. This Section shall survive the term of this Agreement.
- 12) <u>Indemnification</u>. Grantee agrees that all costs incurred by the Department as a result of the liabilities, suits, actions, claims, demands, losses, expenses, or costs, as described in Section 11 and Section 14 of this Agreement, including reasonable attorney's fees, shall be immediately and without notice due and payable by Grantee to the Department, except for claims arising solely from the Department's willful misconduct or gross negligence. Grantee's obligation to indemnify the Department shall survive the term of this Agreement. If Grantee is a Local Government, any indemnification or other obligation to reimburse or

compensate the Department provided by the Grantee pursuant to this Agreement exists to the extent permitted by law and is subject to appropriations as well as the notice requirements and damages limitations stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. Sec. 5-301, et seq. (2006 Repl. Vol.) (the "LGTCA"); Md. Code Ann. Art. 25A, Sec. 1A (2005 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2006 Repl. Vol.), all as amended from time to time (together, the "Local Government Indemnification Statutes"), and is not to be deemed as a waiver of any immunity that may exist in any action against a local government for its officers, agents, volunteers and employees.

13) Nondiscrimination and Drug and Alcohol Free Workplace; Fair Practices Certification.

- a) Grantee may not discriminate against and hereby certifies that it prohibits discrimination against and will not discriminate against any person on the basis of race, color, religion, ancestry, creed or national origin, sex, marital status, physical or mental handicap, sexual orientation, or age in any aspect of its projects, programs or activities.
- b) Grantee shall comply with applicable federal, State, and local laws regarding discrimination and equal opportunity in employment, housing, and credit practices, including:
 - i) Titles VI and VII of the Civil Rights Act of 1964, as amended;
 - ii) Title VIII of the Civil Rights Act of 1968, as amended;
 - iii) Title 20 of the State Government Article, Annotated Code of Maryland, as amended;
 - iv) The Department's Minority Business Enterprise Program, as amended;
 - v) The Governor's Executive Order 01.01.1989.18 relating to Drug and Alcohol Free Workplaces, and any Department or State regulations adopted or to be adopted to carry out the requirements of that Order;
 - vi) The Fair Housing Amendments Act of 1988, as amended; and
 - vii) The Americans with Disabilities Act of 1990, as amended.
- 14) Environmental Certification and Indemnification; Lead Paint. In connection with the ownership, lease, rehabilitation, construction, operation or demolition of real property or improvements thereon that are or may become a part of the Project (collectively and individually, "Property"):
 - a) Grantee represents, warrants, and covenants that, other than as disclosed to the Department in writing prior to the Effective Date, there are no known hazardous materials located on the Property, that it will not cause or allow any hazardous materials to be placed on the Property, that it will carry out the Project in compliance with all requirements imposed by any governmental authority with respect to any hazardous materials that may be placed on the Property, and that to the best of its knowledge the Property is in compliance with all applicable federal and State environmental laws and regulations. De minimis amounts of household cleaning supplies, office supplies and petroleum-based products used in the ordinary course of operating the Property and which are stored and disposed of in accordance with applicable laws are not considered hazardous materials.

- b) Grantee shall indemnify and hold the Department, its employees and agents harmless from all loss, liability, damage, costs, and expenses of any kind whatsoever, including as a result of any lawsuit brought or threatened, settlement reached, or governmental order, and including reasonable attorneys' fees, for failure of the Property to comply in all respects with all environmental requirements. Grantee's obligation to indemnify the Department shall survive the term of this Agreement.
- c) Grantee covenants that it shall comply with all federal, State, and local laws and requirements concerning the treatment and removal of lead paint from the Property.

15) Non-Sectarian Certifications.

- a) Other than as disclosed to the Department in writing, Grantee certifies that no part of the Grant funds, no part of the Project, and no part of the Property, shall be used for the furtherance of sectarian religious instruction, or in connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination, including (but not limited to) religious services, religious instruction, or other activities that have an explicitly religious content.
- b) Grantee certifies that it will provide services of the Project to clients on a nondiscriminatory basis, including (but not limited to) the provision of services without regard to the creed, religion, or religious affiliation of the clients.

16) Insurance.

- a) Grantee shall maintain or shall cause to be maintained property and commercial general liability insurance coverages on the Project and Property both during and after construction or rehabilitation, and if necessary, Grantee shall pay the expense of such insurance.
- b) Grantee shall determine whether the Project is located in a 100-year flood plain, as designated by the United States Department of Housing and Urban Development. If the Project is located in a 100-year flood plain, Grantee shall require flood insurance coverage, and if necessary, Grantee shall pay the expense of such insurance.
- c) Grantee shall require, or shall cause any subrecipients to require, the general contractor to provide general contractor's insurance coverage for comprehensive public liability, property damage liability/builder's risk, and workers' compensation in the form and amounts satisfactory to the Department.
- d) Insurance coverages shall be provided by a company that is registered with the Maryland Insurance Agency and authorized to transact business in the State.
- e) To the extent applicable, insurance coverage shall be in force prior to the disbursement of the Grant proceeds and shall contain terms and coverages satisfactory to the Department.
- f) To the extent required by the Department, Grantee shall submit to the Department an ACORD insurance certificate naming the Department and the Grantee as loss payee and additional insured.

- g) To the extent required by the Department, ACORD insurance certificates shall provide for notification to the Department and Grantee prior to Project-related cancellation of any insurance policies.
- h) If Grantee is a Local Government, the insurance requirements contained herein may be satisfied through evidence of a self-insurance program satisfactory to the Department.
- 17) Notices. All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing. Any such communication, unless otherwise specified, shall be deemed effective as of the date it is mailed, postage prepaid, addressed as follows:
 - a) Communications to the Department shall be mailed to:

Department of Housing and Community Development Division of Neighborhood Revitalization 7800 Harkins Road Lanham, Maryland 20706 Attn: Community Legacy Program

with a copy to:

Office of the Attorney General 7800 Harkins Road Lanham, Maryland 20706 Attention: Division of Neighborhood Revitalization

b) Communications to Grantee shall be mailed to:

City of Hagerstown 14 North Potomac Street, Suite 200 A Hagerstown, MD 21740 Attention: Ms. Megan Flick

- 18) <u>Amendment</u>. This Agreement may not be amended except by a written instrument executed by the Department and Grantee.
- 19) Execution. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or by electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes.
- 20) <u>Electronic Signature</u>. The parties agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes, and shall have the same force and effect as an original handwritten signature. Without limitation, "electronic signature" shall include: faxed versions of an original handwritten signature; electronically scanned and transmitted versions (e.g., via pdf) of an original

- handwritten signature; and any typed signature (including any electronic symbol or process attached to, or associated with, the Agreement) adopted by the parties with the intent to sign the Agreement.
- 21) Assignment. This Agreement may not be assigned without the prior written approval of the Department.
- 22) Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the Grant.
- 23) Governing Law. This Agreement shall be construed, interpreted, and enforced in accordance with the laws of the State without regard to conflict of laws provisions.
- 24) <u>Term of Agreement</u>. Unless sooner terminated pursuant to the terms of this Agreement or extended by an amendment to the Agreement, this Agreement shall be effective as of the date it is executed by the Department (the "Effective Date") and shall continue in full force and effect until the later of (i) the Department's receipt and approval of the Final Report; or (ii) the final satisfaction of any Loan proceeds or obligations regarding any Collateral.
- 25) <u>Further Assurances and Corrective Instruments</u>. Grantee agrees that it will, from time to time, execute and deliver, or cause to be delivered, such amendments hereto and such further instruments as may be required by the Department to comply with any existing or future State regulations, directives, policies, procedures, and other requirements, or to further the general purposes of this Agreement.
- 26) <u>Delay Does Not Constitute Waiver</u>. No failure or delay of the Department to exercise any right, power or remedy consequent upon default shall constitute a waiver of any such term, condition, covenant, certification or agreement of any such default or preclude the Department from exercising any right, power or remedy at any later time or times.
- 27) <u>Technical Assistance</u>. If the Project is not being completed or performed in a manner satisfactory to the Department, or Grantee has violated a provision of this Agreement, prior to the Department declaring a default, the Department may request that Grantee accept technical assistance the Department feels is necessary for the Project to proceed in a manner acceptable to the Department.
- 28) Department's Signs. If required by the Department, Grantee agrees to display one or more signs identifying the Project as a recipient of financial assistance under the Program if the Department furnishes such sign(s). Grantee shall be responsible for the installation of the signs. In the event that a license, permit, or other permission is required from a local jurisdiction in order to display said signs, Grantee agrees to pay all requisite license or permit fees.
- 29) Notice Regarding Disclosure of Information Relating to the Project. The Department intends to make available to the public certain information regarding the Project and the Grantee. In addition, the Department may be required to disclose information about the Project to the Board of Public works and the Maryland General Assembly and may desire to disclose such information to other State officials or their staff, local government officials or their staff, and other lenders and funding sources. The Department is also required to disclose information in response to a request for information made pursuant to the Public Information Act, §4-101 et seq. of the General Provisions Article, Annotated Code of Maryland (the "PIA Act"). Information that may be disclosed to any of the foregoing, including the public, may include, among

other things, the name of the Grantee; the name, location, and description of the Project; the date and amount of financial assistance awarded by the Department; the terms of the financial assistance; use of funds; information contained in the application for financial assistance; a copy of the Application; and the sources, amounts and terms of other funding used to complete the Project, including capital contributions from the Grantee. Certain information may be exempt from disclosure under the PIA Act. Requests for disclosure of information made pursuant to the PIA Act are evaluated on an individual basis by the Department. If Grantee believes that any of the information it has provided to the Department is exempt from disclosure, Grantee should attach a statement to this Agreement describing the information it believes to be exempt from disclosure and provide an explanation therefor. The Department cannot guarantee non-disclosure of such information but may consider Grantee's statement when responding to a request made pursuant to the PIA Act.

30) CONFESSION OF JUDGMENT. IF THE PRINCIPAL AMOUNT OF THIS AGREEMENT, ANY INSTALLMENT OF INTEREST OR PRINCIPAL, OR ANY OTHER PAYMENT DUE UNDER THIS AGREEMENT IS NOT PAID WHEN DUE, WHETHER BY MATURITY, ACCELERATION OR OTHERWISE, EACH OBLIGOR WHO SIGNS THIS INSTRUMENT HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR CLERK OF ANY COURT OF RECORD IN THE UNITED STATES OR ELSEWHERE TO APPEAR FOR AND, WITH OR WITHOUT DECLARATION FILED, CONFESS JUDGMENT AGAINST IT AND IN FAVOR OF THE HOLDER OF THIS AGREEMENT (THE "HOLDER"), AT ANY TIME, WITHOUT A PRIOR HEARING, AND IN THE AMOUNT OF THE OUTSTANDING PRINCIPAL BALANCE OF THIS AGREEMENT, ALL ACCRUED AND UNPAID INTEREST, OUTSTANDING FEES AND LATE CHARGES, AND ALL OTHER AMOUNTS PAYABLE TO THE HOLDER UNDER THE TERMS OF THIS AGREEMENT, INCLUDING COSTS OF SUIT AND REASONABLE ATTORNEYS' FEES INCURRED AS A RESULT OF, RELATED TO, OR IN CONNECTION WITH ANY DEFAULT UNDER THE AGREEMENT AND ANY EFFORTS TO COLLECT ANY AMOUNT DUE UNDER THE AGREEMENT OR ANY JUDGMENTS ENTERED THEREON.

THE AUTHORITY AND POWER TO APPEAR FOR AND ENTER JUDGMENT AGAINST ANY OBLIGOR ON THIS AGREEMENT SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF OR BY ANY IMPERFECT EXERCISE THEREOF; SUCH AUTHORITY MAY BE EXERCISED ON ONE OR MORE OCCASIONS OR FROM TIME TO TIME IN THE SAME OR DIFFERENT JURISDICTION AS OFTEN AS HOLDER SHALL DEEM NECESSARY AND DESIRABLE, FOR ALL OF WHICH THIS AGREEMENT SHALL BE SUFFICIENT WARRANT; IF ENFORCEMENT OF THIS AGREEMENT RESULTS IN HOLDER OBTAINING A MONEY JUDGMENT AGAINST ANY OBLIGOR ON THIS AGREEMENT, HOLDER'S RIGHT TO APPEAR AND CONFESS JUDGMENT FOR AMOUNTS DUE, INCLUDING THE PAYMENT AND REIMBURSEMENT OF ATTORNEYS' FEES AND COSTS ARISING AFTER THE ENTRY OF JUDGMENT (INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES AND COSTS INCURRED TO COLLECT THE JUDGMENT OR LIQUIDATE AND COLLECT ANY COLLATERAL PLEDGED IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER GRANT DOCUMENTS) SHALL NOT BE EXTINGUISHED BY OR MERGED INTO ANY SUCH JUDGMENT BUT SHALL SURVIVE THE JUDGMENT AS A CLAIM AGAINST ANY SUCH OBLIGOR AND ANY SUCH COLLATERAL.

EACH OBLIGOR ON THIS AGREEMENT HEREBY WAIVES AND RELEASES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL PROCEDURAL ERRORS AND ALL

RIGHTS OF EXEMPTION, APPEAL, STAY OF EXECUTION, INQUISITION, AND EXTENSION UPON ANY LEVY ON REAL ESTATE OR PERSONAL PROPERTY TO WHICH SUCH OBLIGOR MAY OTHERWISE BE ENTITLED UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR OF ANY STATE OR POSSESSION OF THE UNITED STATES OF AMERICA NOW IN FORCE AND WHICH MAY HEREINAFTER BE ENACTED.

THIS SECTION SHALL NOT APPLY TO LOCAL GOVERNMENTS.

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WITNESS/ATTEST:

CITY OF HAGERSTOWN

Donne St. Squile

By: July JUL (SEAL)

Name: The Honorable Emily Keller

Title: Mayor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a principal department of the State of Maryland

Bv:

By: fimell C, Holl (SE

9/13/21

Date Executed on behalf of the Department/
Effective Date

Approved for form and Legal sufficiency

Assistant Attorney General

Exhibits

Exhibit A - Project Description, Scope of Work, and Special Conditions

Exhibit B - Project Budget

Exhibit C - Project Schedule

EXHIBIT A - CL-2021-Hagerstown-00268 PROJECT DESCRIPTION, SCOPE OF WORK, AND SPECIAL CONDITIONS

Project Name: CDC Acquisition/Rehab Fund

1. Project Description:

Support the CDC Acquisition/Rehab of Blighted Buildings fund to subsidize a land bank.

2. Project Address(es):

Various addresses within the City of Hagerstown's Sustainable Community boundary.

3. Scope of the Project:

Assist community development corporations in Hagerstown to function as land banks and acquire targeted properties and prep them for re-sale for home-ownership or quality rental units.

4. Project Financing (Evidence and Use of Funding Sources):

Community Legacy will contribute \$150,000 towards assisting local community development organizations to purchase and prep properties for resale. The City of Hagerstown will contribute \$150,000 through a developer match. Total Project cost: \$300,000.

5. Special Conditions:

If this award contains capital funds; all capital funds are to be used strictly for approved capital activities. The disbursement of grant funds requires that the Project be in a designated Sustainable Community at the time the funds are disbursed. Grantee will submit evidence of appropriate site control over the property or properties (e.g., Contract of Sale, Memorandum of Understanding, HUD-1 Settlement Statement, etc.) acceptable to the Program prior to disbursement of grant funds.

EXHIBIT B - CL-2021-Hagerstown-00268 PROJECT BUDGET

Project Name: CDC Acquisition/Rehab Fund

The control of the co	AWARD FUNDS		OTHE	OTHER SOURCES OF FUNDS		
USE OF FUNDS BY ACTIVITY	Capital Amount	Operating Amount	Applicant's Contribution	Name(s) of Other Source(s)	Other Source Amount	TOTALS BY ACTIVITY
Site Pre-Dev: Acquisition	\$0	\$0	\$0		\$0	\$0
Site Pre-Dev: Arch/Eng Design	\$0	\$0	\$0		\$0	\$0
Site Pre-Dev: Demolition	\$0	\$0	\$0		\$0	\$0
Site Pre-Dev: Infrastructure	\$0	\$0	\$0		\$0	\$0
Site Pre-Dev: Stabilization	\$0	\$0	\$0		\$0	\$0
Site Dev: New Construction	\$0	\$0	\$0		\$0	\$0
Site Dev: Rehabilitation/ Renovation	\$0	\$0	\$0		\$0	\$0
Operations: Studies and Planning	\$0	\$0	\$0		\$0	\$0
Operations: Proj Admin (Cash)	\$0	\$0	\$0		\$0	\$0
Operations: Proj Admin (In-Kind)	\$0	\$0	\$0		\$0	\$0
Other (a): Stabilization/Demolition	\$150,000	\$0	\$0	Developer Match	\$150,000	\$300,000
Other (b): {OtherBDescription}	\$0	\$0	\$0		\$0	\$0
Other (c):	\$0	\$0	\$0		\$0	\$0
Other (d):	\$0	\$0	\$0		\$0	\$0
TOTALS:	\$150,000	\$0	\$0		\$150,000	\$300,000

Total Award: \$150,000 Total Project Cost: \$300,000

EXHIBIT C - CL-2021-Hagerstown-00268 PROJECT TIMELINE

Project Name: CDC Acquisition/Rehab Fund

Activity Start Date	Activity End Date	Description of Activity (100 characters or less)
04/01/2021	04/30/2021	Commencement Date
05/01/2021	05/31/2023	CDC and/or Land Bank partner identified and mobilized
05/01/2021	05/31/2023	Vacant/blighted properties targeted and acquired by CDC/Land Bank
05/01/2021	05/31/2023	Vacant/blighted properties demolished and/or stabilized for resale
05/01/2021	05/31/2023	Vacant/blighted properties sold to new, private ownership
06/01/2023	06/30/2023	Completion Date
07/01/2023	08/15/2023	Final Report due within 45 days after completion
Wal 1200 Texts		
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Topic: Memorandum of Understanding with the Office of the State Fire Mars DiBacco	shal – <i>Fire Chief J</i>	ohn
Mayor and City Council Action Required:		
Discussion:		
Financial Impact:		
Recommendation:		
Motion:		
Action Dates:		
ATTACHMENTS: File Name MemoMOU_State_Fire_Marshal.pdf	Description Memo - MOU State Fire Marshal and HFD	e



CITY OF HAGERSTOWN, MARYLAND

John E DiBacco Fire Chief

September 16, 2025

TO:

Scott Nicewarner, City Administrator

FROM:

Fire Chief John E. DiBacco

JED: Baus

SUBJECT:

Memorandum of Understanding with Office of the State Fire Marshal

Staff respectfully requests approval from Mayor and Council for a revised Memorandum of Understanding (MOU) with the Office of the State Fire Marshal (OSFM). This revised MOU is necessary due to the recent changes in operations, mission, and focus of the Hagerstown Fire Department Fire Marshals Office.

The original MOU was signed by all parties on March 11, 2022. It delineated the roles, duties, and responsibilities of the HFD-FMO and the OSFM. The only responsibility being reassigned from HFD to the OSFM is "all fire and explosive investigations". There are no other changes in roles or responsibilities of either party.

While the current Fire Marshal and Deputy Fire Marshal will retain their law enforcement credentials, the focus of the FMO will be plans reviews and permits, life safety inspections, and community risk reduction activities. This change will allow HFD to conduct internal testing and promotion for new fire inspectors, and not require months long attendance at a police academy. This shortening of training time and refocus on core mission duties will enhance public fire safety for our citizens and businesses.

Thank you for your continued support and consideration.

<u>Topic:</u> Youth Curfew/Youth Truancy Discussion – <i>Mayor & City Council</i>
Mayor and City Council Action Required:
<u>Discussion:</u>
Financial Impact:
Recommendation:
Motion:
Action Dates:

<u>Topic:</u> Recovery Residence Regulations - Amanda Gregg, Chief Housing Development Officer and Paul W. Fulk, Neighborhood Services M	_
Mayor and City Council Action Required:	
Discussion:	
Financial Impact:	
Recommendation:	
Motion:	
Action Dates:	
ATTACHMENTS: File Name Recovery_Residence_Regulations_Memo_9.2025.pdf	Description Recovery Residence Regulations Memo



CITY OF HAGERSTOWN, MARYLAND

Department of Housing & Community Development

One East Franklin Street • Hagerstown, MD 21740
E-mail: codecompliance@hagerstownmd.org

Telephone: 301-739-8577, ext. 103 • Website: www.hagerstowndhcd.org

MEMORANDUM

TO: Scott Nicewarner, City Administrator

FROM: Paul W. Fulk, Neighborhood Services Manager

Amanda Gregg, Chief Housing and Community Development Officer

DATE: September 11, 2025

SUBJECT: Recovery Residence Regulations

Staff from the Department of Housing & Community Development will be present at the September 16th Mayor and City Council meeting to discuss Maryland law regulations related to gaps in the licensing of community behavioral health treatment, care, or rehabilitation services which creates challenges for the City of Hagerstown. This presentation will focus on the exemptions in the state law and how those exemptions are jeopardizing the vulnerabilities of these residents.

Maryland Law Requirements

Discussions about regulating community-based behavioral health programs and services at the state level intensified in 2011 with the appointment of a workgroup. This resulted in new regulations being adopted in 2016 to license certain community behavioral health treatment, care, and rehabilitation services. The law has been amended several times since adoption.

There are several programs and services which require a license with the state. Some of which are group homes, halfway houses, outpatient treatment programs, mobile treatment services, withdrawal management, and opioid treatment. Certain licenses do include limited requirements to comply with local sanitation, building, fire, and zoning codes/requirements.

The most recent amendments in 2025 mandated licenses for those programs and services. The Maryland Department of Health is the enforcement agency for non-compliance. They can impose penalties of up to \$500 for each day of a violation but not exceed \$15,000 in one month.

Group Home and Halfway House

In basic terms, a halfway house is a specific type of group home. Therefore, when a group home is mentioned, this includes a halfway house. COMAR Title 10, Subtitle 63, Community-Based Behavioral Health Programs and Services requires group homes to be licensed.

Maryland law defines a small group home as "a private group home that admits at least 4 but not more than 9 individuals." A large group home is "a private group home that admits at least 10 but not more than 16 individuals." The City Land Management Code (Chapter 140) defines group homes the same as the state, minus the term "private."

The term "private" utilized in the state definitions because these facilities do not include a facility owned or leased by the state or any public agency. The Group Home definition does not also include facilities regulated by the Department of Juvenile Services or the Departmental Disabilities Administration. Additionally, not included in the license requirements is "any facility that is organized wholly or partly to make a profit; or a foster home that is the domicile of the foster parent."

Group Homes, small and large, are permitted in several zoning districts in Hagerstown. Large group homes are restricted depending on the structure type and construction year. Again, these facilities are required to be licensed by the state. Group Homes are licensed in the Rental Facilities Program.

Recovery Residences and Sober Living Homes

A Recovery Residence, per state law, "provides alcohol—free and illicit—drug—free housing to individuals with substance—related disorders or addictive disorders or co—occurring mental disorders and substance—related disorders or addictive disorders; and does not include clinical treatment services." Sober Living Homes are Recovery Residences, the terms are used interchangeably. Recovery Residences are not licensed by the state. They are specifically exempted from license requirements in state law.

There is a certification program in Maryland for Recovery Residences; however, the certification is voluntary. The Maryland Certification of Recovery Residence has four levels a residence could be certified in. The certification requirements are similar to the National Alliance for Recovery Residences.

Since the program is voluntary, why would a recovery residence become certified? Once a facility becomes certified they can accept state funds, advertise as a certified residence, and inform investors of their certification. There are state grants available for these facilities. However, to receive a state grant, the recovery residence must be certified with the National Alliance for Recovery Residences, not Maryland's certification. There are other regulations that the facility must follow to obtain state grants.

Challenges

Although there is a voluntary certification program, there is no state established living standards for the Recovery Residences. There are onsite inspections of these residences with the certification program, if a place participates; however, these inspections focus on meeting the program standards for running this type of facility and not on the livability of the structure.

Our department along with the Permit's Office have been alerted to these facilities for unsafe and unlawful conditions. Predominately, the unsafe and unlawful conditions have been overcrowding and unpermitted work. "Bedrooms" have been created in attics and basements lacking proper egress. Single family homes have been overcrowded. Residential structures that have the minimum square footage for 6 people have more than double that number of beds for residents in the structures.

Next Steps

Knowing the challenges the City is experiencing, staff is seeking guidance on how to address Recovery Residences in Hagerstown.

Option 1

Establish a City program mandating a certification either through the State or National program. The program would require a Recovery Residence to register with the City and provide a copy of their current certification with the State or National program. The City program can also establish inspection standards which would document the number of occupants for structures. The inspection standards would also address work requiring a permit and any other standards the City would desire for these facilities.

Option 2

Classify Recovery Residence as a "rental unit" or modify the rental unit definition and add these types of facilities to the Rental Facilities Program (Chapter 197). A rental unit is currently defined as "any single dwelling unit located in the City which is rented, leased or let, whether for consideration or not, by the owner of said premises to one or

more tenants for occupancy as a residence. As used in this chapter, a "rental unit" shall include a rooming unit contained in a rooming house facility or dormitory. A "rental unit" shall not include a unit actually being used for traditional hotel, motel, bed-and-breakfast, nursing home or hospital purposes."

Due to the nature of these structures, they could be classified as a rooming house. A rooming house is defined in Chapter 197 as "a rental facility which consists of rental units that are not equipped with individual bathroom and kitchen facilities but share common bathroom and kitchen facilities within the rental facility." If a recovery residence use is deemed as a rooming house by City definition, this would create other requirements for these facilities such the permitted use in zoning districts and sprinkler requirements.

Since the rental facilities ordinance is an established program, inspection standards are already in place for the safety and welfare of occupants.

Option 3

Continue with the current protocol addressing Recovery Residences as they are discovered or reported to City departments. Any properties with overcrowding issues would be addressed as a property maintenance violation and any unpermitted work would be required to obtain proper permits. Continue to work with the state delegation on mandating a certification or license through legislation at the state level.

Staff Request

Provide staff with direction on the next steps to address Recovery Residences.

C: City Attorney
Jim Bender, City Engineer
Blaine Mowen, Chief Code Official
Emily McFarland, Neighborhood Services Programs Coordinator

<u>Topic:</u> Property Management Licensing - Amanda Gregg, Chief Housing & Development Officer and Paul Fulk, Neighborhood Services Management	
Mayor and City Council Action Required:	
Discussion:	
Financial Impact:	
Recommendation:	
Motion:	
Action Dates:	
ATTACHMENTS: File Name Property_Management_Licensing_Memo_9.2025.pdf	Description Property Management Licensing Memo



CITY OF HAGERSTOWN, MARYLAND

Department of Housing & Community Development

One East Franklin Street • Hagerstown, MD 21740

E-mail: codecompliance@hagerstownmd.org

Telephone: 301-739-8577, ext. 103 • Website: www.hagerstowndhcd.org

MEMORANDUM

TO: Scott Nicewarner, City Administrator

FROM: Paul W. Fulk, Neighborhood Services Manager

Amanda Gregg, Chief Housing and Community Development Officer

DATE: September 11, 2025

SUBJECT: Property Management Licensing

Staff from the Department of Housing & Community Development will be present at the September 16th Mayor and City Council meeting to discuss licensing property management companies.

Around the Country

There are 40 states across the country that require a property manager to be licensed as a real estate broker. In the quad state area, Pennsylvania, Virginia, and West Virginia require a real estate broker license to operate a property management company. There are 4 states and the District of Columbia that require a separate property management license to operate in their location. Finally, there are 6 states that have no license requirements for property management companies, Maryland is one of those 6 states.

Maryland Real Estate Commission Licenses

The Maryland Department of Labor, Real Estate Commission, licenses Brokers, Associate Brokers, and Salespersons. The Department does not license property managers. Broker, Associate Broker, and Salesperson licenses are valid for 2 years. In order to renew a license, a licensee must complete 15 hours of continuing education credits (CEUs). Of those 15 hours, 1.5 hours must be in fair housing laws and 3 hours must include property management, landlord, and tenant laws.

Licensed real estate brokers or licensed persons affiliated with a licensed broker in Maryland may provide real estate brokerage services. These services include but not limited to selling, buying, exchanging, or leasing any real estate; or collecting rent for the use of any real estate.

Maryland REALTORS ® Association

The Maryland REALTORS ® Association is a non-profit real estate association for Maryland licensed real estate professionals. The association offers to its members a MD Residential Property Management Certification (MRPMC). Maryland REALTORS ® has recognized many licensed realtors venture into property management "without the foundational knowledge required to be successful." Therefore, they created this certification to enhance licensees understanding of legal and practical issues they may face as a property manager. As mentioned earlier, this certification is only available to Maryland Licensed Real Estate Professionals that are part of this association.

National Property Management Certifications

There are two national property management associations where people can obtain a Property Manager Certification. One is the National Property Management Association (NPMA) which offers three levels of certification. The other national group is the National Association of Residential Property Managers (NARPM). This association offers six types of certifications for property management companies.

There are annual membership fees for the national agencies. NPMA is \$145 annual for individuals and \$135 per person for companies. There are discounts for companies with multiple employees. NARPM has a membership fee of \$320 per year and \$760 for a company up to 4 employees. Additional employees are \$125 per person, per year. Each organization has a fee amount for the certifications they offer.

Maryland's Legislation Attempts

Maryland lawmakers have attempted three times in the last eight general assembly sessions to establish a law for property management licensing/registration. The first introduction was in 2017 with SB520. This received an unfavorable report from the Education, Health, and Environmental Affairs Committee and did not move forward. The bill was sponsored by former Senator Young from Frederick County.

Another bill was sponsored in 2020 by several Delegates to require Property Manager Registration. The bill sponsors included current Delegate Rogers (Anne Arundel), Delegate Brooks (now current Baltimore County Senator), current Delegate Charkoudian (Montgomery), Delegate Davis (current Maryland Treasurer), current Delegate Fennell (Prince George's), and current Delegate Turner (Prince George's). Two former Delegates, Carey (Anne Arundel) and Delegate Miller (Carroll & Howard) were also co-sponsors of the bill. HB0929 received a favorable vote in 2020 from the Economic Matters Committee. The bill passed its third reading 134-0 and was sent to the Judicial Proceedings Committee for the Senate. The bill did not move from this committee and did not move to Senate for any reading or vote.

The most recent cross-filed bill was introduced in 2021 (HB0239) and (SB0073). The bill was sponsored by Delegate Rogers from Anne Arundel and former Senator Young from Frederick. This bill received a favorable review from Economic Matters Committee and passed the House with a 100-32 vote. The bill did not move in the Senate as it was assigned to the Education, Health, and Environmental Affairs Committee where it received an unfavorable report.

The bill in 2021 received support from the Maryland Realtors, Maryland Building Industry Association, Maryland Multi-Housing Association Inc., the Maryland Chapter of NAIOP (The Association for Commercial Real Estate), and the Maryland Attorney General Consumer Protection Division.

Previous bills have failed twice in the, now known as, Education, Energy and the Environment Committee. One of the items this committee reviews is licensing and regulation of businesses. The item that appears to be a point of contention is the requirement for a surety bond to the Maryland Real Estate Commission. Those that are in opposition to the bills have raised concerns about smaller property management companies ability to obtain a surety bond for the coverage required by the proposed bills.

On an additional note, legislators have also attempted to license community managers every year since 2021. These bills have not passed.

Local License Requirements

Previous Maryland proposed legislation has defined property management services as "leasing, managing, renting, or handling of trust money of a property."

Based on review of other state laws and the license requirements for Real Estate personnel in Maryland, a property manager license program should include:

- A test with a passing score of 75%, and
- CEU component to ensure licensees are current on regulations

Or require a local property management company to obtain a certification through a national agency that must be submitted with a local license application.

The proposed state legislation required registration and a surety bond. There was no testing or CEU components in any previous proposed legislation. Based on staff's review of enacted legislation in other states, a testing and CEU component is crucial to licensing qualified individuals.

Staff would recommend working with our state delegation to support a future state bill to license property management companies. The Housing & Community Development Department does not have the manpower to administer a program meeting the community needs.

C: City Attorney Emily McFarland, Neighborhood Services Programs Coordinator

Topic: Non-Local Rental Property Owners - Amanda Gregg, Chief Housing and Paul Fulk, Neighborhood Services Manager Mayor and City Council Action Required:	g & Development Officer
Discussion:	
Financial Impact:	
Recommendation:	
Motion:	
Action Dates:	
ATTACHMENTS: File Name	Description
Non-local_Rental_Property_Owners_Memo_9.2025.pdf	Non-local Rental Property Owners Memo



CITY OF HAGERSTOWN, MARYLAND

Department of Housing & Community Development

One East Franklin Street • Hagerstown, MD 21740

E-mail: codecompliance@hagerstownmd.org

Telephone: 301-739-8577, ext. 103 • Website: www.hagerstowndhcd.org

MEMORANDUM

TO:

Scott Nicewarner, City Administrator

FROM:

Paul W. Fulk, Neighborhood Services Manager

Amanda Gregg, Chief Housing and Community Development Officer

DATE:

September 11, 2025

SUBJECT:

Non-local Rental Property Owners

Staff from the Department of Housing & Community Development will be present at the September 16th Mayor and City Council meeting to discuss non-local rental property owners and having local contact.

Rental Property Owner Locations

The following property owner percentages is based State Department of Taxation and Assessment for the licensed Rental Facilities with the Department.

- 43% owned by Hagerstown residents/businesses
- 7% owned by Washington County residents/businesses, not including Hagerstown
- 26% owned by Maryland residents/businesses, not including Washington County and Hagerstown
- 4% owned by Pennsylvania residents/businesses
- 9% owned by Virginia residents/businesses
- 2% owned by West Virginia residents/businesses
- 9% owned by other states residents/businesses (23 states & DC)
- <1% owned by international resident/businesses

A property management company could manage any of the rental properties in Hagerstown as a property owner may hire them to deal with day-to-day operations of owning a rental property.

Resident Agent

In Maryland, domestic and foreign corporations, limited liability companies, limited partnerships, limited liability partnerships, and business trusts are required to appoint and maintain a resident agent. A resident agent is a designated point of contact responsible for receiving important legal and state documents on behalf of the business. A resident agent must be a person residing in Maryland that is over 18 years old or a business entity, such as a corporation or LLC, authorized to conduct business in the state. The agent must have a physical address in Maryland where they can receive mail. This means the resident agent cannot have a P.O. Box. The agent must be available at their registered address during normal business hours to accept documents.

A resident agent does not mean they have a relationship with a corporation other than they are appointed by the business entity to receive documentation.

Local Representative Requirement

The Rental Facilities Ordinance (Chapter 197) requires the name, street address and telephone number of a designated contact person for all licensed rental properties. The designated contact can be the property owner; it does not have to be a local person or local property management company.

Other jurisdictions require a local representative to be the designated contact person for rental property. A review of Maryland Rental License programs found the City of Cumberland has such requirements. Cumberland requires that if a rental property owner does not reside within Allegany County, Maryland, the property shall appoint a local agent for each dwelling unit. The agent must reside in Allegany County, Maryland or have a principal office located within the county.

Scranton, PA has a similar requirement for their rental license program. They require the landlord must live within a 20-mile drive of the rental unit or have a designated manager whose primary residence is within a 20-mile drive. Charleston, SC requires a local representative living within 30-miles of Charleston if the property owner is out of state.

Staff could not find a rental licensing program that required a local contact to be a property management company. The requirements are for a local representative, which could be a person or a local property management company.

Staff Recommendation

Staff would recommend working with the state delegation on establishing a minimum standard for property management companies prior to considering a local contact person amendment to the Rental Facilities Ordinance. This recommendation is so a standard would be established for property management companies in the event a

non-local property owner selected a property management company to serve as their local contact.

C: City Attorney Emily McFarland, Neighborhood Services Programs Coordinator

<u>Topic:</u> Lodging Out of Doors Ordinance 30 Day Update – <i>Police Chief Paul 'Joey' Kifer - Material to be Presented</i>
Mayor and City Council Action Required:
<u>Discussion:</u>
Financial Impact:
Recommendation:
Motion:
Action Dates:

<u>Topic:</u> Hagerstown Police Standards and Mental Health Project Grant – <i>Pol Kifer</i>	lice Chief Paul 'Jo	oey'
Mayor and City Council Action Required:		
<u>Discussion:</u>		
Financial Impact:		
Recommendation:		
Motion:		
Action Dates:		
ATTACHMENTS:		
File Name	Description	
HPD_PAC_Grant.pdf	HPD PAC Grant	



CITY OF HAGERSTOWN MARYLAND

DEPARTMENT OF POLICE 50 N. Burhans Blvd.

Non-Emergency 301-790-3700 Emergency 240-313-4345 Fax 301-733-5513

September 8, 2025

To:

Scott Nicewarner,

City Administrator

From: Paul J. Kifer,

Chief of Police

Re:

Acceptance - Hagerstown Police Standards and Mental Health Project Grant

I am requesting Mayor & Council approval to accept a State of Maryland grant entitled "Hagerstown Police Standards and Mental Health Project" in the amount of \$147,800.

This grant will help to enhance internal accountability and promote officer wellness in Washington County, Maryland. This grant also includes mental health training for Peer Support Officers, confidential counseling with a clinician experienced in first responder care, and a department-wide wellness conference.

This program funds support contractual services, travel, and training.

Thank you.

