

**31st Regular Session
Mayor and City Council
December 19, 2017
Agenda**

7:00 PM - December 19, 2017 - REGULAR SESSION -*Council Chamber, 2nd floor, City Hall*

I. CALL TO ORDER

Mayor Robert E. Bruchey, II

II. INVOCATION

Mayor Robert E. Bruchey, II

III. PLEDGE TO THE FLAG

IV. ANNOUNCEMENTS

- A. Rules of Procedure - *Adopted December 20, 2016*
- B. Use of cell phones during meetings is restricted.
- C. All correspondence for distribution to Elected Officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.
- D. Meeting schedule:
 - 1. Tuesday, January 2, 2018 - No Meeting Scheduled
 - 2. Tuesday, January 9, 2018 - Work Session at 4:00 p.m.
 - 3. Tuesday, January 16, 2018 - Work Session at 4:00 p.m.
 - 4. Tuesday, January 23, 2018 - Work Session at 4:00 p.m.
 - 5. Tuesday, January 30, 2018 - Regular Session at 7:00 p.m.

V. APPOINTMENTS

- A. Oath of Office to Councilmember Shelley McIntire
- B. George C. Newman, III, Board of Zoning Appeals – Term to Expire January 31, 2021
- C. Marshall R. Hammer, Hagerstown Loan Review Authority – Term to Expire January 31, 2021

VI. CITIZEN COMMENTS

VII. CITY ADMINISTRATOR'S COMMENTS

VIII. MAYOR AND COUNCIL COMMENTS

IX. MINUTES

November 7, 2017, November 14, 2017, November 21, 2017, and November 28, 2017

X. CONSENT

A. Parks and Engineering

- 1. Pool Management Contract for 2018 - Community Pool Service (Rockville, MD) \$

92,800.00

2. Approval of Program Open Space Application

B. Utilities

1. Utilities: Arista Contract for Utility Bill Mailing - Postage Change Order - Arista Information Systems (Duluth, GA) \$ 135,432.00

XI. UNFINISHED BUSINESS

- A. Approval of an Ordinance: Land Management Code Amendments - Revision to Cluster Subdivision Requirements of Article 4, Section D (Residential Districts)

XII. NEW BUSINESS

- A. Approval of a Resolution: Revisions to the Hagerstown Revolving Loan Fund Guidelines
- B. Approval of a Resolution: Execution of a Residential Lease Agreement for the City of Hagerstown Property Located at 38 North Potomac Street Apt #2, Hagerstown, Maryland

XIII. ADJOURN

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Mayor Robert E. Bruchey, II

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Mayor Robert E. Bruchey, II

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

- A. Rules of Procedure - *Adopted December 20, 2016*
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Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Oath of Office to Councilmember Shelley McIntire

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

George C. Newman, III, Board of Zoning Appeals – Term to Expire January 31, 2021

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Marshall R. Hammer, Hagerstown Loan Review Authority – Term to Expire January 31, 2021

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

November 7, 2017, November 14, 2017, November 21, 2017, and November 28, 2017

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Pool Management Contract for 2018 - Community Pool Service (Rockville, MD) \$ 92,800.00

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Motion_-_Complete_Consent_Agenda.pdf

Parks_-_2018_Pool_Management_Services.pdf

Description

Motion - Complete Consent
Agenda

Pool Management Contract

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: December 19, 2017

TOPIC: Consent Agenda

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

MOTION: I hereby move that all the Consent Agenda be approved as presented.

Note: If you want to discuss any one item listed on the Consent Agenda, you must first make a request to remove that item from the Consent Agenda. The item automatically is moved to the last item under New Business and may then be discussed at that time. The appropriate motion for approval then is:

“I hereby move that the Consent Agenda, with the exception of (list item and topic) be approved.”

**City of Hagerstown
Mayor and Council
Purchase / Contract Information
Meeting of 12/19/17**

Do Not Complete This Section
Approved Consent Agenda: _____
New Business: _____

Originating Department: Parks and Engineering By: Rodney Tissue
Account Number: 0140202-5329 Account / Project Name: 2018 Pool Management Services
Budget Amount: \$ 95,000 Account Balance: \$95,000 Year: 17/18 CIP Control No. N/A
Unbudgeted \$: -0- Source of Funds: General Fund

Quantity	Description	Value
1	2018 Pool Management Services	\$92,800.00

TOTAL VALUE OF PROJECT: \$92,800.00

ABOVE TO BE USED FOR:

The original contract had a 3-year base contract and three 1-year renewal options. Staff is recommending we approve the first renewal option.

Recommended Vendor:

Business Name: Community Pool Service
Address: 7668 Standish Place Ste C
City, State: Rockville, MD 20855
Bid/Proposal/Quote No.: EXTENSION OF CONTRACT

OTHER VENDORS:

Firm	City/State	Total Amount

(1) Department Manager

Staff recommends extending Community Pool Service, Inc. (CPSI) management contract for the 2018 season. Staff met with CPSI and discussed several issues to improve the operations for the 2018 season. CPSI provides all lifeguards, pool managers, and maintain the water quality. City provides cashiers and general oversight of CPSI's operations.

R. H. H. 12/5/17

Signature / Date

(2) Purchasing Agent:

Recommend approval.

Michelle H. H.
12/6/17

Signature / Date

(3) Finance Manager:

Recommend approval.

Michelle H. H.
12/6/17

Signature / Date

(4) City Administrator's Recommendation:

Approval

Valerie H. H.
12/6/17

Signature / Date



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

December 6, 2017

TO: Valerie Means, City Administrator

FROM: Rodney Tissue, Director, Parks and Engineering *Rt*

RE: Program Open Space (POS)
Annual Program

Attached you will find our recommendation for the Program Open Space funds for FY 2019 and beyond. We request that Council review the list, especially the FY 2019 portion, and provide comments. At the December 19th Regular Session, staff will request that Mayor & Council approve the priority list for FY 2019. We need to send our list to Washington County by January 5, 2018.

Staff will be present to review the proposal with Mayor & Council.

Attachments: * County request letter
* Proposed FY 19-24 Plan

c: Cathy Beach
Mark Haddock



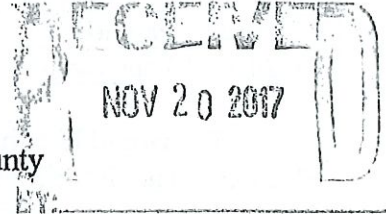
Washington County

M A R Y L A N D

DIVISION OF PUBLIC WORKS

HAGERSTOWN REGIONAL AIRPORT | HIGHWAYS | PARKS & FACILITIES | TRANSIT

MEMO



TO: Mayors of Municipal Corporations in Washington County
Hagerstown Community College
Washington County Board of Education

FROM: James L. Sterling, Director Public Works

RE: Annual Program Open Space-Acquisition & Development Program FY 2019

DATE: November 1, 2017

The Program Open Space Annual Program for Acquisition and Development Projects for FY 2019 are required to be submitted to the State Department of Natural Resources by July 1, 2018. As in past years, projects will be reviewed by the Washington County Recreation and Parks Advisory Board prior to a recommendation being made to the Board of County Commissioners for adoption of the annual program.

Please submit by Friday, January 6, 2018, requests for acquisition or development project funding in the FY 2018 Annual Program to the Washington County Department of Public Works, 100 West Washington Street, Hagerstown, Maryland, 21740. A completed application is required for each project, along with a map showing the location of the project. If no projects are submitted by January 6, 2018 then it will be assumed that you do not have any projects for consideration for the 2019 fiscal year. Please attempt to use realistic estimates when determining project costs and please do not submit more projects than may reasonably be expected to be completed in a fiscal year.

As with last year's submittal, we are also requesting with the submission of projects for the annual program, a list of projects for which you may be considering requesting POS funding in FY 2019 – FY 2023 (next 5 years).

The list should include the following information preferably in the following format if possible. See following examples:

Year	Project	Location	Est. Cost	POS Funds Requested
FY 2019	Pavilion	Snook Park	\$20,000	\$18,000
FY 2020	Land Acquisition	Regional Park	\$100,000	\$100,000

We would like this list whether or not you intend to submit for project funding in FY 2019. The list will help with long range recreation planning and will assist in developing a picture of the long term funding needs for recreation and how the amount of funding available each year could be best utilized to address future requests. Not listing a project would not eliminate it from future consideration. The annual program will still be developed on a yearly basis as required by law. We understand that priorities change from year to year and that new projects not conceived today will become high priorities in the future. If you do not have any future projects identified at this time, that is fine or if you would like the County staff to work with you to develop a list of projects, we will be happy to assist you.

After all applications are received, a time will be assigned to you to make your presentations to the Recreation and Parks Board. Presentations should be limited to 10 - 15 minutes. It is anticipated that presentations will take place during the February and March meetings of the Recreation and Parks Board.

Once presentations are completed, the Recreation and Parks Advisory Board will recommend an annual program to the County Commissioners. This program will be reviewed and adopted subject to additions, deletions or changes approved by the Board of County Commissioners.

After action is taken by the Board of County Commissioners, you will be notified as to what projects have been approved for funding and the copies of the submitted applications will be returned.

Thank you for your past cooperation and support in development of the annual POS program and we look forward to working with you in the future. If you have any questions regarding these changes or the POS program, please contact me at 240-313-2252.

CITY OF HAGERSTOWN
5-YR POS PROPOSED PLAN FY19-24 (Listed By Priority)
Last Revised 11/27/17

FY	CIP #	Project	Location/Description	Total Project Cost	POS Fund Request	City Match
2019	C0140	Urban Improvement Project	Funds for developing the open space behind the Maryland Theater, BISFA, and USMH projects	\$2, 150,000	\$300,000	\$1,150,000
FY 2019 Priority				*\$1,950,000	\$300,000	\$1,150,000
2020	C0140	Hagerstown Cultural Trail	Funds for developing triangle park near Park Circle or funds for work near City Center to support downtown project	\$200,000	\$180,000	\$20,000
2020	C0439	Amenities for Train Museum	City Park Train Museum: for a new pavilion, purchase train themed amenities such as benches, tables, trash receptacles, etc	\$20,000	\$18,000	\$2,000
2021	C0825	The Greens at Hamilton Run Improvements	Course improvements such as cart paths, tee box and green improvements	\$100,000	\$90,000	\$10,000
2021	C0822	Replace Pool Whitecoat	Potterfield Pool: replace whitecoat in deep end of main pool	\$50,000	\$45,000	\$5,000
2021	None	BMX Lights	Fairgrounds Park: Lights around perimeter of track for night races	\$40,000	\$36,000	\$4,000
2022	C0522	Parking Improvements	City Park: upper lot by tennis court, pavilion and softball fields	\$310,000	\$279,000	\$31,000
2021	C0522	Parking	City Park: Upper lot near	\$250,000	\$225,000	\$25,000

CITY OF HAGERSTOWN
5-YR POS PROPOSED PLAN FY19-24 (Listed By Priority)
Last Revised 11/27/17

FY	CIP #	Project	Location/Description	Total Project Cost	POS Fund Request	City Match
		Improvements.	Mansion House			
2023	C0626	Parking Improvements.	Fairgrounds Park: Rear lot below BMX	\$250,000	\$175,000	\$25,000
2023	C0626	Soccer Field Lights	Fairgrounds Park: add lights to soccer field for evening use	\$170,000	\$63,000	\$107,000 by others
2024	C0548	Gatekeeper's House Renovation	Fairgrounds Park	\$500,000	\$450,000	\$50,000

*Estimate per the County's funding matrix. Sources of funds are as follows:

- City \$1,150,000
- State Strategic Demolition Fund \$300,000
- State Community Parks and Playgrounds \$200,000
- State Program Open Space \$300,000
- Costs over the \$1,950,000 amount will be non-City funds

CONCEPT PLAN - OPTION B



City of Hagerstown
Mayor and City Council
Purchase - Contract Information
Meeting of: 12/19/2017

Approval For: _____
Consent Agenda: X
New Business: _____

Originating Department: Water Department **By:** Nancy Hausrath

Account Number: 52-74502-5342
50-74503-5329 **Account/Project Name:** Utility Billing Outsourcing

Budget Amount: FY18 \$65,000/
\$100,000 **Account Balance:** \$47,000/
\$68,000 **Year** FY18 **CIP Control No.:** _____

Source Of Funds: Water and Electric Operating Budget

Unbudgeted: NA

Quantity	Description	Value
Annual Estimated 224,400 Pieces	Utility Bill Mailing - Electric	\$ 85,272.00
Annual Estimated 132,000 Pieces	Utility Bill Mailing - Water	\$ 50,160

Above To Be Used For:
Annual postage expense to mail water and electric bills (regular, late notices, termination notices, and final bills) to all customers serviced by City Electric and Water Utilities. The estimated annual cost to mail Utility Bills is \$85,272 for electric and \$50,160 for Water. The contract with Arista is a Three Year Contract with Two 1-Year Renewal Options (see attachment).

An annual Purchase Order will be generated each Fiscal Year during the City's contract with Arista - the amount will be estimated on the number of accounts/bills and the postage rate at time of Purchase Order. Estimated 5-year expense to mail Electric and Water Utility Bills is \$677,160 or \$135,432 annually.

Recommended Vendor:
Business Name: Arista Information Systems
Address: 2220 Northmont Parkway - Suite 100
City, State: Duluth, GA 30096
Bid/Proposal/Quote No.: NA - Postage Only Expense

Other Vendors:

<u>Firm</u>	<u>City, State</u>	<u>Amount</u>

Comments

Department Manager (required on all unbudgeted items):

Adequate Funding is in place for the Water and Light Funds/Budgets. Annual postage expense is expected to decrease as a result of bill sorting and mailing software.

M. Spitzer

Director of Utilities

December 4, 2017

Date

Nancy Hausman

Water Operations Manager

December 4, 2017

Date

Finance Department

Recommend approval.

Michelle H. H. 12/6/17

Signature

Date

Finance Manager:

Recommend approval.

Michelle H. H. 12/6/17

Signature

Date

City Administrator's Recommendation:

Approval

Valerie G. H. 12/6/17

Signature

Date



4.0 Cost Analysis (Continued)

Postage Service: We guarantee the lowest qualified rate is charged per Certified Postal Software based on today's USPS 5 digit zip code rates that will go into effect Jan 2017. Arista is very sensitive about your total postage expense, and we start the sort at the 5 Digit Rate Level which is \$0.376 per one ounce mail piece. This is the LOWEST First Class Rate available, and you must have at least 500 pieces in a mail stream to qualify for these postal discounts. With Arista starting at this rate and your mail being concentrated within 5 Digit Zip Codes, it is anticipated that you will get a good qualification at this level.

Projected Monthly Postage Cost to mail 17000 statements is \$ 6460*

Projected quarterly postage cost for 30,000 statements is \$ 11400*

*This projection is based on our customers' average about \$.38 per one ounce mail piece.

PDF Image Service: As an optional service we can provide PDF images of your bills to view, print and archive.

Per image charge	\$ 0.01
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Projected Monthly Cost to produce 17000 PDF images is \$170.00
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"	30000 PDF	300.00
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**City of Hagerstown
Mayor and Council
Purchase / Contract Information
Meeting of 12/19/17**

Do Not Complete This Section

Approved Consent Agenda: _____

New Business: _____

Originating Department: Parks and Engineering By: Rodney Tissue
Account Number: 0140202-5329 Account / Project Name: 2018 Pool Management Services
Budget Amount: \$ 95,000 Account Balance: \$95,000 Year: 17/18 CIP Control No. N/A
Unbudgeted \$: -0- Source of Funds: General Fund

Quantity	Description	Value
1	2018 Pool Management Services	\$92,800.00

TOTAL VALUE OF PROJECT: \$92,800.00

ABOVE TO BE USED FOR:

The original contract had a 3-year base contract and three 1-year renewal options. Staff is recommending we approve the first renewal option.

Recommended Vendor:

Business Name: Community Pool Service
Address: 7668 Standish Place Ste C
City, State: Rockville, MD 20855
Bid/Proposal/Quote No.: EXTENSION OF CONTRACT

OTHER VENDORS:

Firm	City/State	Total Amount

(1) Department Manager

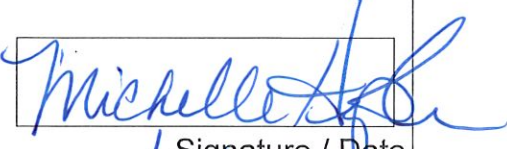
Staff recommends extending Community Pool Service, Inc. (CPSI) management contract for the 2018 season. Staff met with CPSI and discussed several issues to improve the operations for the 2018 season. CPSI provides all lifeguards, pool managers, and maintain the water quality. City provides cashiers and general oversight of CPSI's operations.

 12/5/17

Signature / Date

(2) Purchasing Agent:

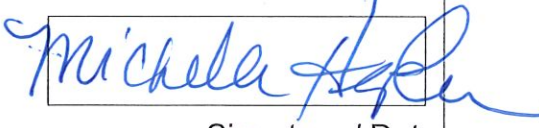
Recommend approval.


12/6/17

Signature / Date

(3) Finance Manager:

Recommend approval.


12/6/17

Signature / Date

(4) City Administrator's Recommendation:

Approval

 12/6/17

Signature / Date

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Approval of Program Open Space Application

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Program_Open_Space_(POS)_Annual_Program.pdf
Concept_Plan_-_Option_B.pdf

Description

POS Memo
Concept Plan Drawing



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

December 6, 2017

TO: Valerie Means, City Administrator

FROM: Rodney Tissue, Director, Parks and Engineering *Rt*

RE: Program Open Space (POS)
Annual Program

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Staff will be present to review the proposal with Mayor & Council.

Attachments: * County request letter
* Proposed FY 19-24 Plan

c: Cathy Beach
Mark Haddock



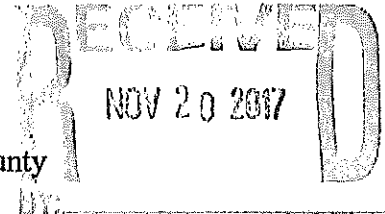
Washington County

M A R Y L A N D

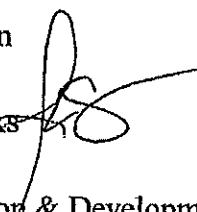
DIVISION OF PUBLIC WORKS

HAGERSTOWN REGIONAL AIRPORT | HIGHWAYS | PARKS & FACILITIES | TRANSIT

MEMO



TO: Mayors of Municipal Corporations in Washington County
Hagerstown Community College
Washington County Board of Education

FROM: James L. Sterling, Director Public Works 

RE: Annual Program Open Space-Acquisition & Development Program FY 2019

DATE: November 1, 2017

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After action is taken by the Board of County Commissioners, you will be notified as to what projects have been approved for funding and the copies of the submitted applications will be returned.

Thank you for your past cooperation and support in development of the annual POS program and we look forward to working with you in the future. If you have any questions regarding these changes or the POS program, please contact me at 240-313-2252.

CITY OF HAGERSTOWN
5-YR POS PROPOSED PLAN FY19-24 (Listed By Priority)
Last Revised 11/27/17

FY	CIP #	Project	Location/Description	Total Project Cost	POS Fund Request	City Match
2019	C0140	Urban Improvement Project	Funds for developing the open space behind the Maryland Theater, BISFA, and USMH projects	\$2, 150,000	\$300,000	\$1,150,000
FY 2019 Priority				*\$1,950,000	\$300,000	\$1,150,000
2020	C0140	Hagerstown Cultural Trail	Funds for developing triangle park near Park Circle or funds for work near City Center to support downtown project	\$200,000	\$180,000	\$20,000
2020	C0439	Amenities for Train Museum	City Park Train Museum: for a new pavilion, purchase train themed amenities such as benches, tables, trash receptacles, etc	\$20,000	\$18,000	\$2,000
2021	C0825	The Greens at Hamilton Run Improvements	Course improvements such as cart paths, tee box and green improvements	\$100,000	\$90,000	\$10,000
2021	C0822	Replace Pool Whitecoat	Potterfield Pool: replace whitecoat in deep end of main pool	\$50,000	\$45,000	\$5,000
2021	None	BMX Lights	Fairgrounds Park: Lights around perimeter of track for night races	\$40,000	\$36,000	\$4,000
2022	C0522	Parking Improvements	City Park: upper lot by tennis court, pavilion and softball fields	\$310,000	\$279,000	\$31,000
2021	C0522	Parking	City Park: Upper lot near	\$250,000	\$225,000	\$25,000

CITY OF HAGERSTOWN
5-YR POS PROPOSED PLAN FY19-24 (Listed By Priority)
Last Revised 11/27/17

FY	CIP #	Project	Location/Description	Total Project Cost	POS Fund Request	City Match
		Improvements.	Mansion House			
2023	C0626	Parking Improvements.	Fairgrounds Park: Rear lot below BMX	\$250,000	\$175,000	\$25,000
2023	C0626	Soccer Field Lights	Fairgrounds Park: add lights to soccer field for evening use	\$170,000	\$63,000	\$107,000 by others
2024	C0548	Gatekeeper's House Renovation	Fairgrounds Park	\$500,000	\$450,000	\$50,000

*Estimate per the County's funding matrix. Sources of funds are as follows:

- City \$1,150,000
- State Strategic Demolition Fund \$300,000
- State Community Parks and Playgrounds \$200,000
- State Program Open Space \$300,000
- Costs over the \$1,950,000 amount will be non-City funds

CONCEPT PLAN - OPTION B



**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Utilities: Arista Contract for Utility Bill Mailing - Postage Change Order - Arista Information Systems (Duluth, GA)
\$ 135,432.00

Mayor and City Council Action Required:

Requested approval of the Utilities Department Consent Agenda item for the Arista Postage Expense in the amount of \$135,432.00.

Discussion:

Annual postage expense to mail water and electric bills (regular, late notices, termination notices, and final bills) to all customers serviced by City Electric and Water Utilities. The estimated annual cost to mail Utility Bills is \$85,272 for electric and \$50,160 for Water. The contract with Arista is a Three Year Contract with Two 1-Year Renewal Options (see attachment).

An annual Purchase Order will be generated each Fiscal Year during the City's contract with Arista - the amount will be estimated on the number of accounts/bills and the postage rate at time of Purchase Order. Estimated 5-year expense to mail Electric and Water Utility Bills is \$677,160 or \$135,432 annually.

Financial Impact:

Account Number: 52-74502-5342		Account/Project Name: Utility Billing Outsourcing	
Budget Amount: FY18 \$65,000/ \$100,000		Account Balance: \$47,000/ \$68,000	Year: FY18 CIP Control No.:
		Source Of Funds: Water and Electric Operating Budget	
Unbudgeted: NA			
Quantity	Description		Value
Annual Estimated 224,400 Pieces	Utility Bill Mailing - Electric		\$ 85,272.00
Annual Estimated 132,000 Pieces	Utility Bill Mailing - Water		\$ 50,160

Recommendation:

Staff recommended approval

Motion:

Consent Agenda

Action Dates:

Regular Session 121917

ATTACHMENTS:

File Name	Description
Water - Arista Contract.pdf	Completed Consent

-- -- .

Agenda
Utilities
Department
Consent
Agenda
Arista
Postage
Expense
121917
Utilities
Department
Consent
Agenda
Arista
Postage
Expense
Contract
Page 121917

Utilities_Department_Consent_Agenda_Arista_Postage_Expense_Contract_Page_121917.pdf

Utilities_Department_Consent_Agenda_Arista_Postage_Expense_Contract_Page_1_121917.pdf

City of Hagerstown
Mayor and City Council
Purchase - Contract Information
Meeting of: 12/19/2017

Approval For: _____
Consent Agenda: X
New Business: _____

Originating Department: Water Department By: Nancy Hausrath

52-74502-5342
Account Number: 50-74503-5329

Account/Project Name: Utility Billing Outsourcing

Budget Amount: FY18 \$65,000/
\$100,000 Account Balance: \$47,000/
\$68,000 Year FY18 CIP Control No.: _____

Source Of Funds: Water and Electric Operating Budget

Unbudgeted: NA

Quantity	Description	Value
Annual Estimated 224,400 Pieces	Utility Bill Mailing - Electric	\$ 85,272.00
Annual Estimated 132,000 Pieces	Utility Bill Mailing - Water	\$ 50,160

Above To Be Used For:

Annual postage expense to mail water and electric bills (regular, late notices, termination notices, and final bills) to all customers serviced by City Electric and Water Utilities. The estimated annual cost to mail Utility Bills is \$85,272 for electric and \$50,160 for Water. The contract with Arista is a Three Year Contract with Two 1-Year Renewal Options (see attachment).

An annual Purchase Order will be generated each Fiscal Year during the City's contract with Arista - the amount will be estimated on the number of accounts/bills and the postage rate at time of Purchase Order. Estimated 5-year expense to mail Electric and Water Utility Bills is \$677,160 or \$135,432 annually.

Recommended Vendor:

Business Name: Arista Information Systems

Address: 2220 Northmont Parkway - Suite 100

City, State: Duluth, GA 30096

Bid/Proposal/Quote No.: NA - Postage Only Expense

Other Vendors:

<u>Firm</u>	<u>City, State</u>	<u>Amount</u>

Comments

Department Manager (required on all unbudgeted items):

Adequate Funding is in place for the Water and Light Funds/Budgets. Annual postage expense is expected to decrease as a result of bill sorting and mailing software.

M. Spiker

Director of Utilities

December 4, 2017

Date

Nancy Hausnath

Water Operations Manager

December 4, 2017

Date

Finance Department

Recommend approval.

Michelle Spiker *12/6/17*

Signature

Date

Finance Manager:

Recommend approval.

Michelle Spiker *12/6/17*

Signature

Date

City Administrator's Recommendation:

Approval

Valerie A. Harris

Signature

12/6/17

Date

City of Hagerstown
Mayor and City Council
Purchase - Contract Information
Meeting of: 12/19/2017

Approval For: _____
Consent Agenda: X
New Business: _____

Originating Department: Water Department **By:** Nancy Hausrath

Account Number: 52-74502-5342
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<u>Firm</u>	<u>City, State</u>	<u>Amount</u>

Comments

Department Manager (required on all unbudgeted items):

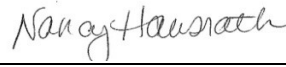
Adequate Funding is in place for the Water and Light Funds/Budgets. Annual postage expense is expected to decrease as a result of bill sorting and mailing software.



Director of Utilities

December 4, 2017

Date



Water Operations Manager

December 4, 2017

Date

Finance Department

Signature

Date

Finance Manager:

Signature

Date

City Administrator's Recommendation:

Signature

Date



4.0 Cost Analysis (Continued)

Postage Service: We guarantee the lowest qualified rate is charged per Certified Postal Software based on today's USPS 5 digit zip code rates that will go into effect Jan 2017. Arista is very sensitive about your total postage expense, and we start the sort at the 5 Digit Rate Level which is \$0.376 per one ounce mail piece. This is the LOWEST First Class Rate available, and you must have at least 500 pieces in a mail stream to qualify for these postal discounts. With Arista starting at this rate and your mail being concentrated within 5 Digit Zip Codes, it is anticipated that you will get a good qualification at this level.

Projected Monthly Postage Cost to mail 17000 statements is \$ 6460*
Projected quarterly postage cost for 30,000 statements is \$ 11400*

*This projection is based on our customers' average about \$.38 per one ounce mail piece.

PDF Image Service: As an optional service we can provide PDF images of your bills to view, print and archive.

Per image charge	\$ 0.01
------------------	---------

Projected Monthly Cost to produce 17000 PDF images is \$170.00
" 30000 PDF 300.00

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Approval of an Ordinance: Land Management Code Amendments - Revision to Cluster Subdivision Requirements of Article 4, Section D (Residential Districts)

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Ord-Cluster_Amend.pdf

Description

Approval of an Ordinance:
Land Management Code
Amendments - Revision to
Cluster Subdivision
Requirements of Article 4,
Section D (Residential
Districts).

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: December 19, 2017

**TOPIC: Approval of an Ordinance: Land Management Code
Amendments – Revision to Cluster Subdivision Requirements of
Article 4, Section D (Residential Districts).**

Charter Amendment	
Code Amendment	
Ordinance	X
Resolution	
Other	

MOTION: I hereby move that the Mayor and City Council approve an ordinance to amend Chapter 140 (Land Management Code) of the City Code. This amendment shall revise Article 4 (Zoning), Section D (Residential Zoning Districts), Subsection 6 (Cluster Subdivisions). This amendment shall extend the applicability of the cluster subdivision regulations beyond the currently permitted RMOD Zoning District to include also the RMED, RH and RO Zoning Districts, revise the minimum bulk requirements chart and require all dwellings to be on fee-simple lots for each dwelling or two-family dwelling.

Upon the effective date of this Ordinance, the newly updated Land Management Code that includes this amendment shall be identified as the Land Management Code, Version 3.3.

DATE OF INTRODUCTION:	11/28/2017
DATE OF PASSAGE:	12/19/2017
EFFECTIVE DATE:	01/18/2018

CITY OF HAGERSTOWN, MARYLAND

**AN ORDINANCE TO AMEND THE
CODE OF THE CITY OF HAGERSTOWN,
TO REVISE CHAPTER 140, *LAND MANAGEMENT CODE*
TO AMEND THE PROVISIONS FOR DEVELOPING LAND IN ACCORDANCE
WITH PROVISIONS FOR CLUSTER SUBDIVISIONS**

RECITALS

WHEREAS, by virtue of State Law and the City Charter, the City of Hagerstown regulates land use within the City; and

WHEREAS, the Mayor and Council have a responsibility to promote public health, safety and general welfare of the citizens of Hagerstown; and

WHEREAS, the Planning Commission has recommended amendments to the *Land Management Code*, Article 4 (Zoning Ordinance), Section D (Residential Zoning Districts), Subsection 6 (Cluster Developments) to revise the provisions set forth in the ordinance necessary to develop land as a “cluster subdivision” per the Code, and

WHEREAS, the Mayor and Council find it to be in the best interests of the citizens to revise Chapter 140 of the *Land Management Code* as hereafter described;

NOW THEREFORE, 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. The foregoing recitals be and are incorporated herein as if restated verbatim.
2. The Code of the City of Hagerstown is hereby amended to revise Chapter 140, *Land Management Code*, Article 4 (Zoning), Section D (Residential Zoning Districts), Subsection 6 (Cluster Developments), as follows:

See attachment

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED THAT this enacting ordinance shall become effective immediately upon the expiration of thirty calendar days following its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

Donna K. Spickler, City Clerk

Robert E. Bruchey, II, Mayor

Date of Introduction: November 28, 2017
Date of Passage: December 19, 2017
Effective Date: January 18, 2018

ATTACHMENT
AMENDMENT TO CHAPTER 140, ARTICLE 4, SUBSECTION D.6

6. Cluster Developments.

- a. **Description.** Clustering is an alternative type of development which provides for reduction in minimum lot size for residential development. It permits a reduction in the size of individual lots while maintaining the maximum gross density allowed in the district in which it is located. This land development technique involves siting clusters of home sites on smaller lots than those permitted under conventional development regulations with the remaining “saved” land being retained as common open space.
- b. **Use of Open Space.** The permanent, common open space, legally dedicated through subdivision plat recordation and deed restriction, can be used for natural conservation and/or recreational facilities for benefit of the residents of the development. Such open space may also be made available for the use and enjoyment of the general population if public dedication of the open space is accepted by the Mayor and City Council.

c. **Site Design Criteria.**

(1) Subdivision Approval for Cluster Development.

- (a) No cluster development may be constructed except in accordance with a Development Plan and Final Subdivision Plat approved by the Planning Commission under the Subdivision Regulations.
- (b) Wherever the yard and lot dimensional requirements are less than those required in non-cluster developments, they shall be shown and identified on the Development Plan and Final Subdivision Plats.

(2) Open Space.

- (a) Lot reduction shall be compensated for by the provision of one square foot of open space for each square foot of area that each lot in the subdivision is reduced below non-cluster lot area requirements, providing such minimum open space is configured for the use and enjoyment of the residents of the subdivision as the Planning Commission determines to be suitable to meet the intent of this Article. Such open space shall not be comprised of accumulations of leftover remnants of land on the site, but shall constitute meaningful contiguous areas of land which provide for the preservation of significant natural features on the land, and/or provide recreational amenities for the use of the residents of the development. The Planning Commission must be furnished satisfactory evidence as a condition of approval that such open space area will be continued and that perpetual maintenance is provided for.

- (b) Up to 25% of this area may be designated forest retention areas intended to meet the requirements of the Forest Conservation Ordinance, provided that at least 75% of the forest conservation requirement is being met within the development (retention, afforestation and street trees). The Planning Commission may consider a deviation from this forest conservation standard to allow up to 50% of open space area designated for forest retention areas intended to meet the requirements of the Forest Conservation Ordinance, provided that 100% of the Forest Conservation requirement is being met within the proposed development.
- (c) "Open space" does not include public or private streets, rights-of-way, or off-street parking.
- (d) The open space shall be either publicly or privately owned. A deed with covenants or other legal arrangements shall specify ownership of the cluster open space; method of maintenance; responsibility for maintenance; maintenance taxes and insurance; compulsory membership and compulsory assessment provisions; guarantees that any association formed to own and maintain cluster open space will not be dissolved without the consent of the Planning Commission and any other specifications deemed necessary by the Planning Commission. Unless specifically agreed to by the Mayor and Council, approval of the cluster open space does not commit the City to maintenance of the cluster open space.

(3) Buffer Zones.

Buffer zones shall, where appropriate, be included to prevent or minimize adverse impacts from adjoining areas having different types or densities of development by providing separation and barriers to objectionable views, glare, and noise. Several types of buffers may be required by the Planning Commission.

- (a) Landscaping and buffer strips may be required to reduce noise or visual impacts between developments.
- (b) Common open space, if appropriately located, may be used in satisfying buffer requirements, provided that the open space is adequately landscaped to prevent or minimize the adverse effects of the proposed development.

(4) Cluster Dimensional Requirements.

- (a) Lot area requirements shall be based on the average for the entire development.
- (b) Maximum number of townhouse units per building: Eight.

- (c) The minimum lot area, lot width and yard requirements for dwellings in cluster subdivisions shall be in accordance with the requirements set forth in the following chart.
- (d) Each single-family detached dwelling, semi-detached dwelling, two-family dwelling (as defined in Article 3), triplex dwelling unit, quadraplex dwelling unit and townhouse dwelling in a cluster subdivision shall be located on a separate fee-simple lot when constructed in a subdivision created in accordance with this subsection.

Cluster Subdivision Minimum Dimensional Requirements Schedule								
Type of Building	Minimum Lot Area (square feet)	Lot Width (minimum feet)	Minimum Lot Area Per Dwelling Unit (square feet)	Front Yard Depth (feet) (C)	Rear Yard Depth (feet) (C) (D)	Minimum Aggregate Width of Side Yards (feet)	Minimum Width of Side Yards (feet)	Number of Side Yards Required
Single-family detached	5,000	40	5,000	5	20	10	4	2
Single-family semi-detached	2,500	25	2,500	5	20	5	5	1
Two-family	5,000	65	2,500	5	20	10	4	2
Triplex (A)	4,500	65	1,500	5	20	10	5	2
Quadraplex (A)	6,000	65	1,500	5	20	10	5	2
Townhouse (B)	1,000	15	1,000	5	20	10 between buildings	5	1 (end unit)
Accessory Building	N/A	N/A	N/A	15	5	N/A	4*	N/A

NOTES:

- (A) Triplexes and quadraplexes are permitted in cluster developments only. This shall be applied as if they were permitted in other districts, and in accordance with the provisions of Subsection 6.c above. Due to their design, a triplex or quadraplex unit may not front on a public street per provisions elsewhere in this Chapter, but since fee-simple subdivision is required in cluster developments, such lots may be accessed through dedicated open space areas.
- (B) Townhouses are not a permitted use in the RMOD Zoning District. They are permitted in the RMED, RH and RO Districts.
- (C) All elements of the front and rear façades, including porches, decks or stoops, shall comply with this setback, and development shall not benefit from the provisions found elsewhere in this Section that permit such features to extend into front and rear setbacks for developments created under the standard lot area and setback provisions.
- (D) Rear yards shall have a minimum 20 foot deep area un-encumbered by sheds, detached garages or other detached buildings of any size.
- * Accessory structure side setback shall not apply on lots containing attached dwellings, along the lot line containing a party wall if the accessory structure is a garage attached to another garage on the adjacent property or a storage shed attached to another storage shed on the adjacent property.

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Approval of a Resolution: Revisions to the Hagerstown Revolving Loan Fund Guidelines

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

hereby move that the Mayor and City Council approve a resolution to adopt revised guidelines for the Hagerstown Revolving Loan Fund Program. The revised guidelines will replace and update obsolete guideline language as recommended by the Hagerstown Loan Review Authority (HLRA) and the City Attorney. The revised guidelines are attached.

Action Dates:

DATE OF INTRODUCTION: 12/19/2017
PASSAGE: 12/19/2017
DATE: 12/19/2017

DATE OF
EFFECTIVE

ATTACHMENTS:

File Name

HRLF_Guideline_Revisions_121917.pdf

Description

HRLF Guidelines

REQUIRED MOTION

MAYOR & CITY COUNCIL HAGERSTOWN, MARYLAND

December 19, 2017

TOPIC: **RESOLUTION: Revisions to Hagerstown Revolving Loan Fund Guidelines**

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

MOTION: I hereby move that the Mayor and City Council approve a resolution to adopt revised guidelines for the Hagerstown Revolving Loan Fund Program. The revised guidelines will replace and update obsolete guideline language as recommended by the Hagerstown Loan Review Authority (HLRA) and the City Attorney. The revised guidelines are attached.

DATE OF INTRODUCTION:	12/19/2017
DATE OF PASSAGE:	12/19/2017
EFFECTIVE DATE:	12/19/2017

CITY OF HAGERSTOWN, MARYLAND

**A RESOLUTION AUTHORIZING THE REPEAL OF EXISTING HAGERSTOWN
REVOLVING LOAN GUIDELINES AND REPLACEMENT WITH
REVISED HAGERSTOWN REVOLVING LOAN GUIDELINES**

RECITALS

WHEREAS, the City of Hagerstown ("City") has a Revolving Loan Fund Program ("HLRF") whose purposes are, *inter alia*, to increase the City's tax base, create and retain permanent private sector jobs, improve economic opportunity, and attract out-of-state businesses to the City; and

WHEREAS, the City last adopted Revolving Loan Guidelines ("HRLG") on or above November 10, 2010, for the purpose of establishing procedures to regulate, coordinate and facilitate workflow for underwriting new financing requests and ensuring borrower compliance with terms and conditions of the HLRF; and

WHEREAS, the Hagerstown Loan Review Authority ("HLRA") is the body responsible for reviewing loan applications above a threshold level, and approving or denying applications for the HLRF; and

WHEREAS, the City desires to repeal and revise the HRLG adopted in 2010, after receiving the advice and input of the HLRA; and

WHEREAS, a copy of the proposed revised HRLG are attached hereto; and

WHEREAS, the Mayor and Council of the City of Hagerstown find it in the best interests of the citizens of the City of Hagerstown to repeal the current HRLG and to replace them with the attached version.

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body as follows:

1. The foregoing recitals be and are hereby incorporated herein by reference; and
2. That the Hagerstown Revolving Loan Guidelines adopted by the City on or about November 10, 2010, be and hereby are REPEALED, effective immediately ;
3. That the attached Hagerstown Revolving Loan Guidelines be and hereby are ADOPTED, effective immediately and applicable to all existing accounts and to all pending applications and all applications received on or after the date of adoption; and
4. That the Mayor be and is hereby authorized to execute and deliver any other documentation necessary to effectuate the purpose of this resolution.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its approval.

ATTEST:

MAYOR AND COUNCIL

Donna Spickler, City Clerk

Date of Introduction: December 19, 2017
Date of Passage: December 19, 2017
Effective Date: December 19, 2017

Robert E. Bruchey, II

PREPARED BY:
SALVATORE & MORTON, LLC
City Attorneys:

Hagerstown Revolving Loan Guidelines

Sections I through XI of this document shall govern the use of Hagerstown Revolving Loan funds.

I. Purpose

The purpose of these guidelines is to establish policies and procedures to regulate, coordinate, and facilitate the workflow for underwriting new financing requests, servicing revolving loans, and ensuring borrower compliance with loan terms and conditions of the Hagerstown Revolving Loan Fund program (HRLF).

II. Authorization and Funding Sources

The Hagerstown Revolving Loan Fund is authorized pursuant to action by the Mayor and Council of the City of Hagerstown and capitalized through funds made available by the City of Hagerstown and the Maryland Department of Business and Economic Development.

III. Mission

The mission of the Revolving Loan Fund is to increase the City's tax base, create and retain permanent private sector jobs, improve economic opportunity and living standards for the citizens of Hagerstown by promoting local business development and expansion, attracting out-of-state businesses to locations within the City, leveraging private sector funds, and assisting the development of new technologies when other sources of funds are not available.

IV. Program Objective

The objective of the revolving loan fund is to make direct low-interest loans to businesses for certain approved activities within the Hagerstown city limits. These loans may be used to either fill the financing gap between project costs and private equity and private debt financing or to serve as the primary source of capital.

V. Equal Opportunity and Affirmative Action

Non-discrimination. No one shall be denied assistance or access to program benefits based upon race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, familial status or mental or physical disability. The City of Hagerstown will make every effort and reasonable accommodation to ensure that the administration of the Hagerstown Revolving Loan Program is conducted in a manner which will not cause discrimination or exclusion.

All loan recipients, developers, contractors, and subcontractors must agree:

- A. Not to discriminate in any manner against an employee or applicants because of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, familial status or mental or physical disability.

- B. To post and to cause subcontractors to post in conspicuous places available to employee and applicants for employment, notices setting forth the substance of this clause.
- C. To provide a fair and equal employment opportunity in accordance with Equal Employment Opportunity (EEO) laws, amendments, rules, and Executive Orders for all employees and job applicants regardless of race, color, religion, national origin, gender, sexual orientation, age, marital status, or mental or physical disability.

VI. **Eligible Activities**

Certain projects, applicants, activities and costs are eligible for revolving loan funds. The Hagerstown Loan Review Authority (HLRA) may make exceptions to all eligibility rules on a case-by-case basis with documented justification.

- A. **Eligible applicants.** An applicant shall be a small business or developer who is organized as a proprietorship, partnership, limited liability company or a corporation whose business sales are less than five million dollars (\$5,000,000) annually for each of the last two (2) years. The City of Hagerstown may make exceptions to this rule on a case by case basis. Moreover, the successful applicant must also demonstrate proof of the following:
 - 1. Ownership or lease agreements of the subject property;
 - 2. Property insurance;
 - 3. Property taxes paid and current;
 - 4. Not being delinquent on any financial obligation to the City;
 - 5. Freedom from all judgments, liens, agreements, consent decrees, stipulations for settlements, or other such actions which would prevent the applicant from participating in any program administered by the City of Hagerstown; and
 - 6. Compliance with all applicable federal and state laws and City of Hagerstown ordinances and plans.
- B. **Eligible activities.** Loan funds may be used to assist small businesses primarily by providing financial assistance for the following types of activities, including but not limited to: growth and expansion, rehabilitation, code compliance, and façade enhancement.
- C. **Eligible costs.** Eligible costs may include the following:
 - 1. Land improvements. Improvements to the land which are a portion of the project cost, including but not limited to: grading, new streets or street improvements, parking lots, utilities, and landscaping.
 - 2. Purchase or renovation of building. Purchase and, if necessary, renovation of an existing industrial or commercial facility is permitted.

3. Purchase machinery or equipment. Purchase of major items of machinery and equipment independent of land and buildings. These items must be defined to have a useful life of at least five (5) years.
4. Building construction. Construction of a new building and/or a major addition to an existing building.
5. Leasehold improvements. Revolving loan funds may be used for certain leasehold improvements provided the lease is equal to or greater than the term of the loan and the City secures a lien on the land or building, and improvements.
6. Micro-enterprise. Micro-enterprise activities are eligible for revolving loan funds.
 - a. Definition. A micro-enterprise is defined as a commercial enterprise that has five (5) or fewer employees, one or more of whom owns the enterprise.
 - b. Exemption. Micro-enterprise loan applicants may be exempt from certain requirements of these guidelines on a case-by-case basis.
7. Working Capital
8. Infrastructure Improvements. In order to promote job creation/retention for low and moderate income persons and/or to prevent or eliminate slum and blight the City may apply proceeds from the revolving loan fund to develop public infrastructure. Such infrastructure may include utilities, streets, walkways and/or parking facilities. The use of funds for these purposes must be appropriately documented as meeting economic development and redevelopment objectives.

VII. Ineligible Activities. Certain applicants, projects, activities, and cost are ineligible for revolving loan funds

- A. **Ineligible applicants.** Subject to case-by-case exceptions in Paragraph VI, any applicants not meeting the eligibility requirements outlined in Section VI, subsection A shall be ineligible to receive revolving loan funds.
- B. **Ineligible activities.** Funds may not be used for non-profit institutions, gambling organizations, pawn shops, gun shops, tanning salons, massage parlors (except businesses whose practitioners are all licensed massage therapists in accordance with the Maryland Massage Therapy Act, as amended from time to time), adult video/book stores, adult entertainment facilities, check cashing, tattoo parlors, liquor stores, lending or investment organizations, land speculation, or any activity deemed illegal by federal, state or local law or ordinance.

- C. **Ineligible costs.** Ineligible costs include but are not limited to: management fees, financing costs, franchise fees, debt repayment or consolidation, moving costs and refinancing.

VIII. Loan Terms and Conditions

The City shall make available to eligible applicants direct low-interest loans for the purpose of encouraging economic development, city center development, job creation and job retention, and preservation of business districts in the City of Hagerstown.

A. **Loan amount**

1. **Maximum loan amount.** The maximum loan available from the revolving loan fund for each eligible project is limited to two hundred thousand dollars (\$200,000.00) or 80% of total project cost, whichever is less. Loans for working capital are limited to a maximum of thirty thousand dollars (\$30,000).
2. **Minimum loan amount.** The minimum loan amount available from the revolving loan fund for each eligible project is five thousand dollars (\$5,000.00) unless restricted by other relevant programs.

- B. **Interest rate.** The interest rate shall be a fixed-rate established at PRIME plus one percent (1%) as published in the *Wall Street Journal* on the date of application but shall not be less than three percent (3%). The HLRA reserves the right to establish interest rates on a case-by-case basis based upon existing market conditions, available collateral and underwriting analysis.

- C. **Term.** The term of the loan will be tied to the useful life of the assets being financed. No loan term may exceed seven (7) years. The following general terms apply:

1. **Machinery/equipment.** The term of loans for machinery or equipment shall not exceed seven (7) years.
2. **Land/building acquisition.** The term of loans for land and/or buildings shall not exceed seven (7) years, but may be amortized over a period of up to thirty (30) years.
3. **New construction/renovation.** The term of loans for new construction or renovation shall not exceed seven (7) years, but may be amortized over a period of up to thirty (30) years.
4. **Working Capital.** The term of loans for working capital shall not exceed five (5) years.
5. **Balance due.** All balances will be due and payable if and when the loan recipient sells or otherwise transfers any part of his/her interest in the property, fails to comply with provisions contained in the loan documents, fails to meet any of the guidelines established within this document before the maturity date of the loan or relocates any part or all of the business outside the City of

Hagerstown, or any other action which in the opinion of the City would put the collectability of the loan at risk.

- D. **Job creation.** In order to maximize the effectiveness of loans made under this program, the creation or retention of jobs is vital. HRLF applicants must demonstrate projected job creation and job retention that would result from use of loan funding.
- E. **Equity participation.** There shall be a minimum twenty percent (20%) cash equity investment of total project costs required of all applicants. On applications for new or recently opened restaurants (open three years or less) the minimum equity requirement shall be forty percent (40%). Proof of cash equity is required at time of application, and may be in the form of current bank or investment statements. The HLRA may make exceptions to these rules on a case-by-case basis.
- F. **Collateral requirements.** All loan agreements will be secured by one or more of the following: promissory note, mortgage, financing statement or security agreement as determined by the City. If necessary, the City may accept a subordinate position in favor of the primary lender on the assets financed.
- G. **Letters of Commitment.** Letters of commitment from all funding sources must be submitted for the application to be deemed complete.
- H. **Personal guaranty.** Personal guarantees of persons with 5% or greater ownership in the borrowing entity shall be required.
- I. **Loan repayments.** Repayment of the loan shall begin within one (1) month of completion of construction or taking possession of machinery and equipment purchased with loan funds. The City of Hagerstown may make exceptions to this rule on a case by case basis. Projects must be completed by a date set by the City in consultation with the borrower. In the event of failure to complete the project by the date specified, the loan may be cancelled and repayment of any funds already drawn, plus interest are due and payable at that time.
- J. **Loan prepayment.** Prepayments are permitted without penalty provided the Borrower makes the City whole for any losses or costs associated with the prepayment.
- K. **Notice of award or denial.** Approved applicants may be notified in writing or by phone within 14 days of receiving a complete loan application. At that time, general timeframes for application processing to settlement should be given. Applicants who have been denied will be notified in writing not more than fourteen (14) days after final action has been taken

on their revolving loan fund application by the DCED Staff or Hagerstown Loan Review Authority (HLRA).

- L. **Loan closing documents**. The City will close the loan within ninety (90) days of final approval of the loan application. At that time, the City will deliver to the Borrower all closing documents and a final debt service schedule. In exchange, the Borrower will deliver to the City its loan obligation which is defined as a bond, note, or other evidence of obligation issued by the Borrower to evidence indebtedness under the loan agreement.
- M. **Post closing amendments and modifications**. Requests for amendments and modifications following award, closing or disbursement of funds to the underwriting of the original request shall require HLRA approval and shall be presented at the next scheduled meeting of the Board.
- N. **Loan declination**. The City of Hagerstown will not make a loan if it is determined that the loan amount would place an undue burden on the financial resources of the Borrower or the Borrower cannot demonstrate adequate financial capacity to repay the loan, the application does not meet the provisions of these guidelines, or it is otherwise determined that making the loan is not in the best interest of the City.
- O. **Appeal of denial**
 - 1. Written notice. Applicants will receive written notice of the denial of the loan and the reason(s) for the determination within fourteen (14) days of the determination.
 - 2. Petition for reconsideration. The aggrieved applicant may petition the HLRA in writing for reconsideration within fourteen (14) days from the date of the written notice of denial. The letter must state the reason(s) why the request for reconsideration is being made and provide detailed information that the reason(s) for the denial have been adequately addressed. If the applicant wishes to appear in person before the HLRA, the request must be in writing and be submitted at least seven (7) days prior to the HLRA's next scheduled meeting. Upon receipt of the written petition for reconsideration, the HLRA shall consider the petition at its next scheduled meeting and advise the petitioner in writing of its decision within fourteen (14) days of that meeting. The HLRA's decision will be final.
 - 3. Petition to Mayor and Council. In those cases in which the HLRA, upon reconsideration, reaffirms its decision to deny a loan request, the applicant may petition the Mayor and Council to review the decision. The review by Mayor and Council shall not make a determination as to the merits of the application, but shall be a

- review of the record only and shall be limited to determining if the decision of the HLRA was arbitrary and capricious.
4. Reapplication. Applicants aggrieved by the HLRA's final decision may re-apply for revolving loan funds after ninety (90) days if the concerns in the denied application are adequately and appropriately addressed.

IX. Administration

- A. **Application process.** All parties seeking revolving loan funds must file an application. Application forms may be obtained from the Office of Community and Economic Development.
 1. Components of application. Only completed applications will be reviewed for consideration by staff. A completed application is one that satisfies the checklist provided below:
 - a. Business plan describing the scope of the project, including site plans, building plans, renderings, or blueprints;
 - b. Project budget;
 - c. Private financing commitment;
 - d. Equity investment commitment;
 - e. Proposed security;
 - f. Company financial statements (3 years);
 - g. Personal financial statements (2 years);
 - h. Release for credit check;
 - i. Mortgage or lease of property to be improved;
 - j. Proof of insurance of property to be improved;
 - k. Number of jobs to be created or retained;
 - l. Wage information;
 - m. Amount of loan request; and
 - n. Other documentation as requested.
 2. Incomplete applications. Staff, in its sole discretion, will determine if the application is complete and actionable. Incomplete applications will be assigned *pending* status and the applicant will be informed in writing of the missing documentation. Incomplete applications in a pending status must be made complete within 30 days, and the applicant should be made aware of this timeframe in the missing documentation letter. Applications which have not been made complete within 30 days should be removed from pending status and the loan file closed. After 30 days, updated documentation may be required.
 3. Transmittal. Applications transmitted by phone will not be accepted. Applications may be submitted by fax or email, but must be dated, signed, and accompanied with a photocopy of a valid driver's license, State-issued Identification card, or U.S. Passport.
 4. Determination of eligibility. Applicant eligibility will be determined by staff using criteria enumerated in subsection A of this section.

5. Site inspection. As part of the eligibility determination process, the City will inspect the property or building designated for improvements for compliance with City ordinances and zoning codes.
6. Credit check. A credit check for each of the company's principals shall be conducted by staff and information obtained from the credit report may be used to determine creditworthiness and approval or decline of the loan request.
7. Loan Request Fee. The following schedule of fees shall apply:

Loan Request	Fee
\$5,000-50,000	\$100
\$50,001-100,000	\$150
\$100,001-150,000	\$200
\$150,001-200,000	\$250

- B. **Staff responsibility.** Staff shall have the general responsibility for coordinating the application process, reviewing loan application, preparing applications and recommendations for review by the HLRA, and coordinating the loan approval and service process as set forth in subsections C – E of this section.
- C. **Loan approval process.** Department of Community and Economic Development (DCED) staff will process loan applications and make recommendations to the Hagerstown Loan Review Authority (HLRA).
 1. Upon determining the eligibility of the completed application and reviewing for credit worthiness and soundness of plan, Department of Community and Economic Development (DCED) staff will forward all applications in excess of ten thousand (\$10,000) to the HLRA for action in accordance these guidelines.
For loan requests of ten thousand (\$10,000) or less, Staff shall have the authority to approve or deny the application following these guidelines.
 2. Criteria. Each application shall be reviewed to determine the economic benefit to the City of Hagerstown, credit worthiness typical to the lending community including the borrower's ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and anticipated increase in the local tax base.
 3. The HLRA will serve as the loan review committee for all loans exceeding ten thousand (\$10,000). They will also hear appeals of decision to deny requests made by DCED staff. If necessary, the committee may seek clarification or additional information before rendering a decision. Final determination on all revolving loan

- applications rests with the HLRA. Denial of loan applications for less than \$10,000 are not appealable to the Mayor & City Council.
4. Notification of action. The applicant shall be notified in writing within fourteen (14) days of the decision in accordance with the requirements set forth in Section VIII, Subsection K of these guidelines.
 5. Approval. If approved, the applicant will be provided a written commitment letter that will outline the terms and conditions of the loan approval. A copy of the commitment letter will be signed by the Borrowers and Guarantors signifying acceptance of the terms and conditions of the loan proposal and the conditions for funding. Upon the return of the executed commitment letter, DCED staff will begin the loan closing process with the City Attorney.
 6. Closing. The borrower may choose the settlement attorney. It shall be the responsibility of the borrower or borrower's attorney to coordinate review of the closing documents with the City Attorney. All costs of settlement including, but not limited to, document preparation and review, title examination and title insurance, recordation fees, and the City's legal costs (including but not limited to fees incurred for the City Attorney to prepare the note, mortgage and similar documents) shall be payable by the borrower at or before closing.
- D. **Conflict of interest.** All city officials and employees shall comply with the applicable requirements set forth in the current version of the City's Code of Ethics, set forth in Section 33 of the City Code, and as amended from time to time.
- E. **Loan servicing.** Department of Community and Economic Development (DCED) staff will coordinate loan servicing activities.
1. Monitoring. DCED staff will monitor loans for compliance with the accepted terms and conditions including job creation statistics and wage and benefit levels.
 2. Reports. DCED staff is responsible for ensuring that all required reports are filed in a timely manner.
 3. Records. Computer files and conventional paper files will be maintained for the purpose of documenting, tracking, and monitoring program and project activities. Program records will be maintained primarily by the Department of Community and Economic Development. Where applicable, the following records will be maintained:
 - a. Program records. The following program information will be maintained in the program project file, including but not limited to:
 - i. Eligibility determination records as set forth in Section IX, Subsection E (1) (a-n); report;

- ii. Progress reports;
 - iii. Property inspection;
 - iv. HLRA Resolutions;
 - v. Correspondence;
 - vi. Loan documents; and
 - vii. Executed loan agreement.
- b. Financial records. The following financial information will be maintained in the financial project file, including but not limited to:
 - i. Copy of the executed loan agreement;
 - ii. Disbursement data;
 - iii. Progress reports;
 - iv. Repayment data; and
 - v. Amortization tables.
- 4. Record retention. All program and financial records, supporting documents, statistical records, environmental review records and other records pertinent to the revolving loan program shall be maintained for a period of at least three (3) years from the final project report and project closeout date.

X. Default

Late payments received after the due date will be assessed a 5% late fee. Loan accounts that are 30 days past due will result in mailed correspondence alerting accountholder to the delinquency. Loan accounts past due by 60 days or more are considered in default and will be conveyed to the City Attorney or other collection agency for disposition. Loan accounts can also be considered in default if other conditions of the loan agreement, promissory note or mortgage are violated.

XI. Funding acknowledgement

For projects financially supported by revolving loan funds the Borrower shall:

- A. Acknowledge revolving loan fund support in certain written materials including company brochures, reports, newsletters, and press releases; and
- B. Post a City approved temporary sign on the building or expansion construction site that acknowledges financial support from the City of Hagerstown.

XII. Reporting to Mayor and Council

At least annually, staff shall report to the Mayor and Council the status of the program, including a summary of the loan portfolio. Additionally, staff shall report on the number of applications received, the number and dollar amount approved and the number denied.

Adopted by Mayor and Council: _____

REQUIRED MOTION MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Topic:

Approval of a Resolution: Execution of a Residential Lease Agreement for the City of Hagerstown Property Located at 38 North Potomac Street Apt #2, Hagerstown, Maryland

Mayor and City Council Action Required:

We are requesting review of a proposed lease agreement for a new artist tenant, Amanda Fairchild and co-occupant Andrew Laxton, at 36-40 N Potomac Street. With the support of the Mayor and City Council at the December 12, 2017 Work Session, staff will seek approval of the lease agreement during the Regular Session on December 19, 2017.

Discussion:

The City acquired the property in September 2011. The residential renovations were completed in November 2013 creating four (4) artist lofts that were fully occupied by May 2014. Renovations of the gallery space were completed in the Spring of 2015 and Engine Room Art Space opened in June 2015.

Key terms and conditions of the proposed lease include:

Unit 2:

- Recommended Artist – Amanda Fairchild and co-occupant Andrew Laxton
- One year term
- Lease is for \$6,000 annually (\$500 monthly) for approximately 800 square feet.
- Artist tenant shall contribute at least 5 hours of time weekly assisting in the operation of the Engine Room Art Gallery

The prospective tenant's art portfolio was reviewed by the Artist Review and Selection Advisory Group. Staff have worked with the prospective tenant to review all aspects of the proposed lease. A copy of the proposed lease agreement is attached.

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:**File Name**

Motion_-_Resolution_for_Lease_Agreement_for_38-40_N_Potomac_Street.pdf

Resolution_-_38-40_N_Potomac_Street_#2.pdf

DRAFT_Artist_Lofts_Residential_Lease_FAIRCHILD_and_LAXTON.pdf

Memo_Artist_Lofts_Tenant_Fairchild_and_Laxton_Apt_2.pdf

Description

Motion - Lease Agreement

Resolution - Lease Agreement

Draft lease

Memo

REQUIRED MOTION

**MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

DATE: December 19, 2017

TOPIC: **Approval of a Resolution: Execution of a residential Lease Agreement for the City of Hagerstown property located at 38 North Potomac Street Apt #2, Hagerstown, MD.**

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

MOTION: I hereby move that the Mayor and City Council approve the attached resolution authorizing the execution of a residential Lease Agreement at the City of Hagerstown property located at 38 North Potomac Street in Hagerstown, MD. The Lease will be between the City of Hagerstown and Amanda Fairchild and Andrew Laxton and shall be in effect from January 1, 2018 to December 31, 2018.

DATE OF INTRODUCTION:	12/19/2017
DATE OF PASSAGE:	12/19/2017
EFFECTIVE DATE:	12/19/2017

CITY OF HAGERSTOWN, MARYLAND

**A RESOLUTION AUTHORIZING THE CITY OF HAGERSTOWN
TO ENTER INTO A RESIDENTIAL LEASE AGREEMENT WITH AMANDA FAIRCHILD
AND ANDREW LAXTON FOR A PORTION OF THE PROPERTY KNOWN AS
THE STUDIOS ON NoPo, 38 NORTH PROSPECT STREET, HAGERSTOWN, MARYLAND**

RECITALS

WHEREAS, the City of Hagerstown owns real property known as *The Studios on NoPo*, 38 North Prospect Street, Hagerstown, Maryland, upon which artist lofts are located;

WHEREAS, a portion of said property is currently available and is intended to be used by Amanda Fairchild and Andrew Laxton, the Tenants, solely for the purposes of residential lease and the creation of art, as set forth in the attached Lease Agreement;

WHEREAS, the City of Hagerstown desires to lease a portion of said property (further described in the attached Lease Agreement) to Amanda Fairchild and Andrew Laxton, adult individuals; and

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Hagerstown, Maryland as its duly constituted legislative body as follows:

1. That the foregoing recitals are incorporated herein as if fully set forth.
2. That the City of Hagerstown be and is hereby authorized to enter into a Lease Agreement with Amanda Fairchild and Andrew Laxton, for a portion of the property located at premises known as 38 North Potomac Street, Apartment #2, Hagerstown, Maryland, pursuant to the terms of the Lease Agreement attached hereto and incorporated herein by reference.
3. That the City of Hagerstown be and is hereby authorized to execute and deliver the Lease Agreement attached hereto, and to execute any additional documentation required to effectuate the purposes of this Resolution.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE CITY
OF HAGERSTOWN, MARYLAND

Donna K. Spickler, City Clerk

By:_____
Robert E. Bruchey, II Mayor

Date of Introduction: December 19, 2017
Date of Passage: December 19, 2017
Effective Date: December 19, 2017

Residential Lease

THIS LEASE made on the 19th day of December, 2017, between City of Hagerstown, Landlord, and Amanda Fairchild, and Andrew Laxton, Tenants.

WITNESSETH, that the Landlord hereby leases to the Tenants and the Tenants hereby lease from the Landlord, premises known as *The Studios on NoPo*, 38 North Potomac Street, Apartment #2, Hagerstown, Maryland 21740.

1. **TERM.** This Lease shall be for a term of one year, beginning on the 1st day of January 2018 and ending on the 31st day of December, 2018. Thereafter, the Tenants shall be considered a month to month, periodic Tenants.

2. **RENT.** Total annual rent of Six Thousand Dollars (\$6,000) payable in equal monthly installments of Five Hundred Dollars (\$500) per month in advance on the first day of each and every month of said term, without deduction or demand at the office of the Landlord at the cashier's office, 1 East Franklin Street, Hagerstown, MD.

If this Lease commences on a day other than the first of the month, the pro-rated amount of rent for the balance of the first month shall be paid to the Landlord at the time of possession. Thereafter, rent shall be paid on the first day of each month according to the amounts described above.

3. **SERVICE CHARGES.** Landlord shall have the right to require rent payments to be made in cash, money order, Cashier's Check and/or certified check. A service charge of \$35.00 will automatically be made for each instance in which a check is returned unpaid by the Tenants's bank for any reason. A late Charge of five percent (5%) of the amount of rent due for the monthly rental period shall be assessed for any payment delinquent ten (10) days after the due date.

4. **SECURITY DEPOSIT.** In addition to payment of the first month's rent, Tenants, upon the execution of this Lease, will deposit with Landlord the sum of \$500 as Security Deposit. If the Tenants have a pet within the guidelines outlined in Section 9 of this lease, an additional \$250 shall be collected as the Pet Deposit.

This Security Deposit shall be held as security by Landlord for the full and complete performance by Tenants of Tenants' obligations under this Lease, and shall be applied at the expiration of the term of this Lease, or any extensions, thereof, if any, on account of any unpaid rent, damage due to breach of this Lease or damage to the premises by Tenants, Tenants' family, agents, or social guests in excess of ordinary wear and tear. In no event, shall Tenants apply the Security Deposit toward any month's rent due under this Lease, without prior written consent of Landlord. In the event Tenants shall have fully and completely performed Tenants' obligations under this Lease upon its termination, the Security Deposit shall be refunded to Tenants within forty-five (45) days after the termination of the Lease in accordance with the terms hereof, together with simple interest which shall have accrued in the amount required by State law, currently three percent (3%) per annum, from the receipt of the Security by Landlord. A move-in checklist will be completed by Tenants within three (3) days of moving in and Landlord will use the move-in checklist during the move out inspection to determine if any of the Tenants' deposit will be retained for cleaning or repairs after move-out. Upon Tenants' written notification to Landlord of Tenants' intention to vacate premises, the date of moving and Tenants' new address, Tenants have the right to be present when Landlord inspects the premises in order to determine the existence of any damages caused during the tenancy. Upon receipt of Tenants' written notice of Tenants' intention to vacate premises, Landlord shall notify Tenants in writing of the date and time when the premises are to be inspected. The date of inspection shall occur within five (5) days before or five (5) days after the date of moving as designated in Tenants' written notice.

5. **DELIVERY OF POSSESSION.** Delivery of possession shall occur only after the first month's rent and security deposit have been paid to the Landlord. The Landlord shall then tender two key sets for the premises to the Tenants.

6. **SUBLEASE.** Tenants shall not assign this Lease or sublet the premises, or any portion thereof, or transfer possession or occupancy thereof to any other person or persons without prior written consent of Landlord.

7. **OCCUPANTS.** Tenants agrees that the premises shall be occupied by the individuals listed below, and as set forth in the NoPo Studio Application, who are specifically declared as follows:

- Amanda Fairchild (Tenant)
- Andrew Laxton (Tenant)

Otherwise, children of the above-listed Tenants are allowed to occupy the premises. Additional persons will be permitted to occupy the Premises only upon written consent of the Landlord. Guests of Tenants will be considered additional occupants of the Premises if any such guest remains on the Premises for more than five (5) days in any 30 day period. Tenants shall notify Landlord immediately if Tenants intends to have a guest for more than five days.

8. **THE STUDIOS ON NOPO APPLICATION.** In connection with The Studios on NoPo Application, Tenants has submitted asset verification, employment verification, rental verification, and income certification statements, all of which are considered a part of the Studios on NoPo Application. Tenants have also provided authorization for the Landlord to perform credit report check(s) and criminal background check(s) for the household member(s). The parties acknowledge that Landlord relies upon the information given by Tenants in the Rental Application to enter into this Lease, and said information is incorporated herein by reference as fully as if attached hereto.

9. **ANIMALS.** One cat or dog under 25 pounds is permitted in each studio apartment, after paying the Pet Deposit described above in Section 4.

10. **MAINTENANCE, CONDITIONS, NOISE AND ALTERATIONS.**

(a) Tenants have examined the Premises and all appliances and equipment thereon owned by Landlord, and hereby accepts them in their "AS IS" condition and acknowledges that Landlord has made no representations or warranties, either expressed or implied, as to the condition or use of the Premises. Tenants shall immediately notify Landlord of any defects or dangerous conditions. Tenants shall keep the Premises in good order and condition and shall pay Landlord promptly for any repairs to the Premises or its equipment caused by Tenants' negligence or misuse or by the negligence or misuse of Tenants's invitees, licensees or guests. Tenants shall return the Premises and all fixtures, appliances and improvements therein owned by Landlord in substantially the same condition as received, including but not limited to, general cleanliness and upkeep. Tenants acknowledges that Tenants shall pay to Landlord, upon vacating the Premises, expenses as may be incurred to restore the Premises to the condition in which it was delivered to Tenants at the commencement of this Lease, reasonable wear and tear excepted.

(b) Tenants shall not make any alterations or additions to the Premises without the prior written consent of Landlord.

(c) Tenants shall maintain the premises in a clean and sanitary condition at all times; and complies with all laws, ordinances and regulations, health, fire and police regulations with respect to the Premises. Tenants shall indemnify and save Landlord from all liability arising out of any violation by Tenants of such laws or regulations or arising out of any neglect or any violation or non-performance by the Tenants of any of the covenants contained in this Lease. Landlord shall monitor the condition of the premises and maintenance of the property. If the Tenants is negligent and Landlord incurs cost to maintain property, or be charged fines or fees the Tenants will subsequently be charged for any and all costs incurred and shall be due as additional RENT.

(d) Tenants shall keep all plumbing from becoming obstructed due to negligence. NOTE: the sanitary sewer system may only be used for its designed and intended purposes. No diapers, condoms, paper towels, feminine hygiene products, or like materials may be flushed in the sanitary sewer system. If the plumbing becomes obstructed because of Tenants negligence or deliberate acts, Tenants shall pay the costs to have lines cleared.

(e) Tenants shall keep noise of occupants and guests and noise from radios, television sets, stereos, etc. to a level of sound that does not annoy or interfere with neighbors.

11. UTILITIES. The Landlord shall provide the utilities listed in Column 1 without any additional charge to the Tenants. The utilities listed in Column 2 are not included in the rent and are to be paid solely by the Tenants. The utilities payable by the Tenants in Column 2 shall be considered additional rent.

Utility	Column 1 Landlord Paid	Column 2 Tenant Paid
Heating (Electric)		X
Hot Water (Electric)		X
Cooking (Electric)		X
Lights (Electric)		X
Water/Sewer/Trash Collection	X	
Phone/Cable TV/Hard-Wired Internet		X

12. INSPECTION. Landlord shall have the right to enter the Premises at all reasonable times necessary to inspect the Premises, to control pests and vermin, and to make necessary repairs to and maintain the Premises, including but not limited to, the heating, ventilation and air conditioning systems, the plumbing system, the electrical systems, etc. When practical, the Landlord shall give Tenants a one (1) day posted written notice of its intent to inspect the premises and the approximate time for said inspection. The notice shall be posted to the front door and such posting shall meet all requirements for said notice. In case of emergency, Landlord may enter the premises immediately and without notice to Tenants. During the last 60 days of the term of this Lease or any extension thereof, Landlord or its Agent may enter the premises during daylight hours to exhibit the same, and place a "for rent" or "for sale" sign thereof.

13. USE OF PREMISES. The Premises shall be primarily used for residential and light artistic use, not to include industrial arts. Tenants shall comply with all requirements of the Landlord and by all applicable laws, ordinances, and governmental regulations. No smoking or burning of incense or candles shall be permitted on the premises.

14. **INDEMNIFICATION.** The Tenants agrees to indemnify, exonerate and save the landlord harmless from any and all suits, claims for loss, expenses, damages or injury to person or property sustained on the premises or arising out of the use of the premises by the Tenants or the Tenants's family, employees, invitees, guests or licensees.

15. **HANDBOOK.** The Tenants shall be in compliance with all property rules and regulations in the booklet titled, *The Studios on NoPo Tenants Handbook*, revised 3/2014 and hereby incorporated into this lease by reference and attached as Exhibit 2.

16. **ILLEGAL ACTIVITY.** Notwithstanding anything which in any way might be construed to the contrary, it shall be deemed to be a material breach of this Lease for Tenants, or any member of the Tenants's household to engage in and/or to suffer the engagement in any criminal activity, including drug-related criminal activity, on or off the premises, while such Tenants is a Tenants in occupancy of any housing unit under control of Landlord. The term "drug-related criminal activity" shall mean the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance [as defined in Section 102 of the Controlled Substance Act (U.S.C. 802) as amended].

17. **INSURANCE.** Tenants acknowledges that Landlord maintains insurance on the Premises, which insurance does not protect the personal property, possessions, or personal liability of Tenants. Tenants must consult her own Agent for insurance protection. It is the responsibility of the Tenants to obtain adequate insurance on personal property of Tenants placed on, in, or about the premises.

18. **CASUALTY.**

(a) If the Premises is damaged or destroyed by fire or other casualty to an extent that the use of the Premises is substantially impaired, Tenants may immediately vacate the Premises and may terminate this Lease upon written notice to Landlord given within ten (10) days of Tenants's vacation of the Premises. In the event Tenants remains in possession of the damaged Premises, Rent shall be reduced in proportion to the impairment of use of the premises until same are repaired.

(b) In the event the Premises are damaged by fire or other casualty, and Landlord elects not to restore, repair and rebuild, Landlord may terminate this Lease by giving written notice to Tenants, whereupon Tenants shall promptly vacate the premises. Rent shall be paid through the date Tenants vacates.

19. **CONDEMNATION.**

(a) If the whole or any part of the Premises shall be taken by any competent authority for public or quasi-public use or purpose, then and in that event, this Lease shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose.

(b) All damages awarded for such taking shall belong to and be the property of Landlord. Tenants shall not be entitled to any sum from Landlord or the condemning authority as compensation for the loss to the unexpired Term, nor for any other damages.

20. **BREACH AND REMEDIES.** If Tenants breaches this Lease, Landlord may repossess the Premises pursuant to judicial process, and Landlord shall have other rights as may be allowed by law. Tenants will pay the court costs charged to Landlord for notice sent for non-payment of rent, and Tenants also agrees to reimburse Landlord for all reasonable expenses incurred by Landlord, including attorney's fees as Additional Rent, if ejectment is ordered by the court.

21. **ATTORNEY FEES.** If Landlord be compelled to incur any expenses including reasonable attorney's fees in instituting and prosecuting any action or proceeding by reason of any default of Tenants hereunder, the sum or sums so paid by Landlord with all interest, costs, and damages shall be deemed to be additional rent hereunder and shall be due from Tenants to Landlord on the 1st day of the month following the incurring of such respective expenses. Tenants agrees to reimburse Landlord for any reasonable attorney fees incurred by Landlord in enforcing the provisions of this Lease. In the event that Tenants files suit against Landlord in connection with this lease and Tenants is unsuccessful in obtaining a judgment against Landlord, Tenants agrees to pay Landlord's reasonable attorney fees in defending said suit.

22. **EXTENDED ABSENCES.** Tenants shall give Landlord prior written notice of any anticipated absence from the premises in excess of seven (7) days, during which absence Landlord may enter the premises as reasonably necessary. In the event Tenants fails to give notification to Landlord of an extended absence in excess of seven (7) days, Landlord may recover actual damages, if any, from Tenants.

23. **ENTIRE AGREEMENT.** The provisions hereof together with the Rental Application and the Rules and Regulations which are incorporated herein by reference along with any addendum attached hereto and initialed by the parties represent the complete and entire agreement between the parties with respect to the Premises. This Lease cannot be changed or supplemented except by agreement in writing signed by both parties.

24. **DEFAULT.** If the premises are abandoned or become vacant during the term, the Lessor or its agents may re-enter the same by force or otherwise without being liable to any prosecution therefore and, in addition to any other remedies, re-rent the premises in whole or in part as the agent of the Lessee who in all events shall remain liable for any unpaid rentals for the full term of this Lease. Lessor may receive the rent from any such re-rental applying the same first to the payment of such expenses as the Lessor may incur in re-entering and re-letting, and then to the payment of the rent due hereunder.

If any default is made in the payment of the rent due hereunder including utilities, or if any default or violation be made in the performance of any of the covenants and agreements herein contained on the part of the Lessee to be performed, and if such default shall not be cured by the Lessee within fifteen (15) days after receipt by the Lessee of written notice from the Lessor of such default, then the relation of Lessor and Lessee, at the option of the Lessor, shall wholly cease and determine and, in addition to any other remedies, the Lessor may re-enter the premises by force, if necessary, and remove all persons therefrom and distrain for rent, if any be due, and assume and take possession of the premises and Lessee's property therein; and the Lessee, in any such event, expressly waives the service of any notice to Quit or Demand for Possession, but the Lessee shall, nevertheless, remain liable for any unpaid rental for the full term of this Agreement.

If any legal process whatsoever shall be issued for the purpose of attaching or taking in execution of any of Lessees' chattels located on the premises or Lessees' interest in the premises created by this Agreement, or if Lessee shall petition or have a petition filed against him to be adjudicated a bankrupt or insolvent, and such petition is not removed within ten (10) days, or if a receiver or trustee shall be appointed for Lessee's business or property, or if Lessee shall make a general assignment for the benefit of creditors, or if a corporate reorganization of Lessee or any arrangement with Lessee's creditors shall be approved by a court under any provision of the Federal Bankruptcy law, or if, in any other manner, the Lessees' interest under this Agreement would otherwise pass to another by operation of law, or if Lessees, without Lessor's prior written consent, shall assign or transfer to another in bulk, and not in the ordinary course of business, a major part of the materials, supplies, merchandise and other inventory, or substantially all of the fixtures and equipment located on the premises, then in any such event, Lessee

shall be deemed to have committed a material breach of this Agreement and the Lessor may, at its option, forthwith by written notice re-enter the premises, and re-rent the premises as the agent for the Lessee. Notwithstanding any such action(s) by Lessor, Lessee shall in all events remain liable for any unpaid rental for the full term of this Lease.

Lessees hereby expressly waive the benefits of all laws exempting property of any amount or value from levy and sale on execution of distress for rent, or upon any execution under any judgment that may be recovered from rent due under this Agreement.

Lessor shall in all events be entitled to the benefit of all provisions of applicable laws respecting the speedy recovery of lands and tenements held over by Tenants or proceedings in forcible entry and detainer.

25. FAILURE TO PERFORM. Tenants covenants that in case Landlord, by reason of the failure of Tenants to perform any of the provisions hereof, shall be compelled to pay or shall pay any sum of money, or shall be compelled to do or shall do any act which requires the payment of money, then the sum or sums so paid or required to be paid, together with all interest, costs and damages, shall be added to the next installment of rent due or to any subsequent installment of rent and shall be collectible as additional rent in the same manner and with the same remedies as if it had been originally reserved.

26. ADDITIONAL ITEMS / REQUIREMENTS.

1. Tenant Fairchild, in addition to rent, commits to assist in the operation of the Art Gallery on the first floor of the premises by contributing time at the Gallery without compensation for a minimum of five (5) hours per week. This obligation shall be scheduled through the Gallery Coordinator. Tenant Fairchild may also display his/her own art in the Gallery, which display shall be subject to the discretion of the Gallery Coordinator.

2. The terms of the Lease shall include the terms of the Tenants Handbook, a copy of which is incorporated herein as Exhibit 2.

4. Attached as Exhibit 1 is a lead paint notification.

5. Attached as Exhibit 3 is the wireless network benefit.

27. CRIME FREE HOUSING. Tenants, any members of the Tenants' household or a guest or other persons affiliated with the Tenants or affiliated with any member of the Tenants' household:

a. Shall not engage in criminal activity at, on or near the said premises. "Criminal activity" means the commission of any of the acts defined in the Maryland Criminal Law Code Annotated, as from time to time amended.

b. Shall not engage in any act intended to facilitate criminal activity and shall not permit the premises to be used for or to facilitate criminal activity, regardless of whether the individual engaging in the activity is a Tenants, a member of the Tenants's household, a guest, or another person affiliated with the Tenants.

c. Violation of the above provisions shall be a material breach of the Lease and good cause for immediate termination of tenancy. Proof of a violation of the Lease hereunder shall not require a criminal conviction, but shall be by a preponderance of the evidence.

28. **MODIFICATIONS.** The provisions contained in this Lease shall not be changed or modified without express consent of Tenants and Landlord.

29. **SEVERABILITY.** In the event that any term or condition of this Lease shall be determined to be void or unenforceable for any reason, then notwithstanding such determination, the balance of this Lease shall nonetheless remain in full force and effect and be construed and applied as though that term or condition was not contained herein.

This Lease contains the entire understanding between the parties hereto. There are no representations, warranties or agreements concerning the subject matter of this Lease other than as expressly set forth herein.

LANDLORD: The City of Hagerstown

TENANT: Amanda Fairchild

Signed: _____

Print: Robert E. Bruchey, II

Title: Mayor of the City of Hagerstown

TENANT: Andrew Laxton

Witness:

Witness:

Exhibit 1

LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement:

Every Tenants of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Landlord of any interesting residential real property is required to provide the Tenants with any information on lead-based paint hazards from risk assessments or inspections in the Landlord's possession and notify the Tenants of any known lead-based paint hazards. A risk assessment or inspections for possible lead-based paint hazards is recommended prior to occupancy of the rental property.

Landlord's Disclosure (initial)

_____ (a.) Presence of lead-based paint and/or lead-based hazards (check one below):

(☒) Known lead-based paint and/or lead based paint hazards are present in the housing (explain).

Structure was constructed prior to 1950 and it is likely that lead based paint was used in building components at that time.

(☐) Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b.) Records and reports available to the Landlord (check one below):

(☐) Landlord has provided the Tenants with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the housing (list documents below).

(X) Landlord has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.

Tenants's acknowledgement (initial)

_____ (c.) Tenants has received copies of all information listed above.

_____ (d.) Tenants has received the pamphlet *Protect Your Family From Lead in Your Home*

_____ (e.) Tenants has received a copy of the lead inspection certificate from Landlord (to be delivered to the Tenants upon receipt in March 2017).

_____ (f.) Tenants has received a copy of the Notice of Tenants' Rights, a Maryland Department of Environment publication from Landlord, as required by Annotated Code of Maryland, Environment Section 6-820.

Certification of Accuracy

By signing this lease, the parties agree that they have reviewed the information above and certify; to the best of their knowledge, that the information provided by the signatory is true and accurate.

LANDLORD: The City of Hagerstown

TENANT: Amanda Fairchild

Signed: _____

Print: Robert E. Bruchey, II

Title: Mayor of the City of Hagerstown

TENANT: Andrew Laxton

Witness:

Witness:

The Studios on NoPo Tenants Handbook

Welcome to the Studios on NoPo!

This Tenants handbook has been created for easy reference of answers to anticipated questions.

Maintenance Requests: Please see the *Residential Maintenance Request Information* at the end of this handbook.

Common Areas: The second floor lounge is considered a common area. Tenants are encouraged to use this area to enhance the enjoyment of their stay.

Noise: All residents and guests of the Studios on NoPo must conduct themselves in a respectful manner to the other residents and guests. Noise levels must be reasonable so as to not impair the quiet enjoyment of the other residents.

Entrance Vestibule: The entrance area is a common space. Tenants shall not change, alter, decorate or store any items in this area.

Landscaped Areas: The Landlord will maintain all landscaped areas. Tenants are not permitted to alter or change any landscaping without prior permission from the Landlord. At no time shall a planter, plant or support for a plant be attached to the structure or any component of the structure without prior permission from the Landlord.

Sanitation - Exterior of Structure: The Landlord shall maintain the exterior of the structure in a clean and sanitary manner. Tenants are responsible for ensuring that all household rubbish and garbage is secured in leak proof containers. Grocery or similar bags cannot be used for the temporary storage of rubbish and garbage. Additionally, Tenants are responsible for the timely removal of any litter caused by said Tenants or their guests.

Recycling: The City of Hagerstown offers numerous recycling programs. The Landlord encourages all Tenants and their guests to participate in the recycling programs.

Exterior Storage: Tenants are prohibited from storing (temporarily or long-term) any items outside their dwelling unit. Boxes, household items, cleaning instruments, and other such personal items must not be stored on the exterior of the structure. Items left in the common areas and entrance vestibule will be considered discarded. As such they will be disposed of at the Tenants's expense.

Stickers, flags, banners, signs, posters, or similar items: Such items are prohibited on the exterior of your dwelling unit or affixed to the interior of the unit in such a manner as to intend them to be visible on the exterior of the structure.

Smoking/Burning: Smoking is ONLY permitted at the exterior rear area of premises. Candles, Incense or similar burning devices: Use of these or any such item is prohibited.

Clothes lines, exterior blinds or similar items: These items are prohibited.

Pets: Pets are permitted, as outlined in the Lease Agreement.

Yard Sales, Flea Markets, and Porch Sales: Permission must be obtained from the Landlord prior to conducting any such sale on the premises.

Window Treatments: Mini-blinds are provided for each window. Tenants may add window treatments with permission of the Landlord. However, such window treatments must be designed and constructed for that purpose. Window treatments visible to the exterior of the structure shall not contain any messages, (written or drawn). Sheets, blankets, drawn characters, or items considered signs shall not be used as additional window treatments. The mini-blinds shall not be removed without prior permission from the Landlord.

City, State, and Federal Laws, Codes, Ordinances: Tenants and their guest must comply with any and all laws, codes, and ordinances. Any costs incurred by the Landlord for the Tenants violating the above shall be billed as rent on the next following month.

These rules are hereby incorporated into the lease and are part of said lease. Violations of rules and regulations constitute a material violation of said lease.

Acknowledge of Receipt

Tenant Amanda Fairchild

Tenant Andrew Laxton

Rev. 3/2014

Exhibit 3
WIRELESS NETWORK BENEFIT

A wireless internet connection is available via a secured network to the Tenants of the *Studios on NoPo* at 38 North Potomac Street, Hagerstown, MD. This access is for the exclusive benefit of our Tenants, with the following understandings:

- The access of this network is not to be used for any commercial venture or any illegal activity.
- The use of this wireless network is not and will not be included in the lease agreement.
- The owners may at any time without cause or notice eliminate access to this network. The Tenants is prohibited from giving others the access code to this secured network.
- The owners do not warrant against any damage or injury from the use of or access to the internet via this connection. The Tenants assumes all risk associated with use of the internet and releases, indemnifies, and holds harmless the owners in regards to internet access, the Tenants's computer and associated components and related activities.

RELEASE, INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

Whereas, The City of Hagerstown, hereinafter known as the "owners" desire to make available to the Tenants of the *Studios on NoPo*, Secured Network Wireless Internet, and

Whereas, the herein named Tenants desires to use said Secured Network Wireless Internet, the Tenants hereby releases the owners, their agents or assignees of any and all liability either real or perceived arising from damage to personal property or personal injury in gaining access to or the use of said Secured Network Wireless Internet. The Tenants hereby releases, indemnifies, and holds harmless the owners in reference to the herein described activity.

The Tenants further acknowledges that access to and use of said Secured Network Wireless Internet is not a requirement of any lease or other written or verbal agreement. Further that the access to and use of said Secured Network Wireless Internet may be terminated by the owners without notice or cause.

Further, Tenants agrees and affirms that the Tenants shall follow all laws associated with internet use and use ordinary care in the access of the Secured Network Wireless Internet. The Tenants agrees and affirms that any and all damage caused to *The Studios on NoPo*, equipment or building systems by the Tenants's unlawful use of the internet shall be the sole responsibility of the Tenants.

Tenant

Tenant

City of Hagerstown

Date

Rev. 3/2014



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

To: Valerie Means, City Administrator

From: Amanda Whitmore, Downtown Coordinator

Date: December 6, 2017

RE: Approval of New Residential Lease for 36-40 N Potomac Street Unit 2

We are requesting review of a proposed lease agreement for a new artist tenant, Amanda Fairchild and co-occupant Andrew Laxton, at 36-40 N Potomac Street. With the support of the Mayor and City Council at the December 12, 2017 Work Session, staff will seek approval of the lease agreement during the Regular Session on December 19, 2017. Key terms and conditions of the proposed lease are listed below.

Key terms and conditions of the proposed lease include:

Unit 2:

- Recommended Artist – Amanda Fairchild and co-occupant Andrew Laxton
- One year term
- Lease is for \$6,000 annually (\$500 monthly) for approximately 800 square feet.
- Artist tenant shall contribute at least 5 hours of time weekly assisting in the operation of the Engine Room Art Gallery

The prospective tenant's art portfolio was reviewed by the Artist Review and Selection Advisory Group. Staff have worked with the prospective tenant to review all aspects of the proposed lease. A copy of the proposed lease agreement is attached.

Additional Background

The City acquired the property in September 2011. The residential renovations were completed in November 2013 creating four (4) artist lofts that were fully occupied by May 2014. Renovations of the gallery space were completed in the Spring of 2015 and Engine Room Art Space opened in June 2015.

Attachments: Draft lease for Amanda Fairchild and Andrew Laxton

- c. Jill Frick, Director of DCED
Eric Deike, Director of Public Works
Michelle Hepburn, Director of Finance