

Mayor and Council

111th Special Session and Work Session

October 20, 2020

Agenda

"The City of Hagerstown will promote a diverse, business-friendly, and sustainable community with clean, safe, and strong neighborhoods."

"The City of Hagerstown shall be the model provider of the most efficient and highest quality customer services to be known as the municipal location of choice for all"

In accordance with CDC guidelines, attendees are required to wear face coverings, and seating is limited to provide social distancing.

"Voting is the expression of our commitment to ourselves, one another, this country, and this world." Sharon Salzberg

4:00 PM SPECIAL SESSION

1. Approval for Used Vehicle Purchase for Hagerstown Police Department from Hagerstown Ford

4:00 PM WORK SESSION

1. Proclamation - Economic Development Week 2020
- 4:10 PM** 2. Preliminary Agenda Review
- 4:20 PM** 3. Removal of Parking Meters from Select Parking Lots - *Eric Deike, Director of Public Works*
- 4:35 PM** 4. Urban Improvement Project: Update of Funding and Land Acquisition Negotiations for Plaza - *Rodney Tissue, City Engineer*
- 4:50 PM** 5. Update - Cascades Tissue Group - *Nancy Hausrath, Director of Utilities, and Nathan Fridinger, Electric Operations Manager*
- 5:00 PM** 6. Review of Farmer's Market Property -25 West Church Street and Possible Addition to the Competitive Negotiated Sale Program - *Doug Reaser, Business Development Specialist, and Jonathan Kerns, Community Development Manager*
- 5:10 PM** 7. Request to Purchase CNS Building: 170 W. Washington Street - *Jonathan Kerns, Community Development Manager, and Kaitlin Bell, Economic Development Specialist*
- 5:20 PM** 8. City Sponsorships - *Kitty Clark, Community Events Coordinator, and Michelle Hepburn, Director of Finance*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

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

Topic:

Approval for Used Vehicle Purchase for Hagerstown Police Department from Hagerstown Ford

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Motion_-_Approval_of_Used_Vehicle_Purchase_for_HPD.pdf

Description

Motion - Purchase of Used Vehicle

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: October 20, 2020

TOPIC: Approval for Used Vehicle Purchase for Hagerstown Police
Department

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

MOTION: I hereby move for Mayor and Council approval of the purchase of a used vehicle from Hagerstown Ford for \$ 24,515.00 to replace a police vehicle that was damaged in an accident.

This purchase will be made with funds from insurance claims for previously destroyed vehicles.

DATE OF PASSAGE: October 20, 2020

COMMENTS

(1) DEPARTMENT MANAGER:

WE HAVE LOST 2 PATROL CARS RECENTLY DUE TO ACCIDENTS AND WITH THE HOLD ON CIP PURCHASES OF ADDITIONAL CARS THAT WERE BUDGETED WE ARE SEEKING ALTERNATIVE OPTIONS TO REPLACING THE 2 CARS IN OTHER WAYS. WE LOCATED A FEW USED CARS AND FOUND THIS ONE WITH LOW MILES AND LOW COST. THE MONEY USED IS INSURANCE MONEY FROM THE UNRECOVERED CARS.

Cheryl Lawler 10/16/2020
Signature/Date

(2) PURCHASING AGENT:

Recommend approval.

Jason L. Miller 10/16/2020
Signature/Date

(3) FINANCE MANAGER:

Funding of \$72,429 is available for use from insurance reimbursement proceeds from other damaged HPD vehicles.

Michelle Hapner 10/16/20
Signature/Date

(4) CITY ADMINISTRATOR'S RECOMMENDATION:

* Verbally approved by Scott Nicewarner 10/16/20

Signature to follow

* see note

Signature/Date



CITY OF HAGERSTOWN MARYLAND

DEPARTMENT OF POLICE
50 N. Burhan St.
October 14, 2020

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

To: Scott Nicewarner,
City Administrator

From: Paul J. Kifer, *PK*
Chief of Police

Ref: Pre-Owned Police Vehicle Insurance Purchase

The Hagerstown Police Department is seeking Mayor and Council approval to purchase a pre-owned vehicle from Hagerstown Ford to replace a police vehicle that was damaged in an accident. This price of this vehicle is \$24,515.00 and is the lowest of 3 quotes.

This purchase will be made with funds from insurance claims for previously destroyed vehicles.



A Nationally Accredited Law Enforcement Agency



Fast & Easy

Customer: CITY OF HAGERSTOWN
Address:
City:
State:
Zip Code:
Driver's License:
Phone: (301) 739-8577

Trade Information

Make: Model:
Year: Mileage:
VIN:

Vehicle of Interest

Stock #: R12230
Make: FORD
Model: EXPLORER
Year: 2017 Mileage: 30,728
VIN: 1FM5K8D86HGC44149
Color: WHITE

MSRP	\$22,860.00
Rebate	\$0.00
Sale Price	\$24,000.00
Trade Allowance	\$0.00
Trade Payoff	\$0.00
Trade Equity (+/-)	\$0.00
Accessories	\$0.00
We Owe	\$0.00
Processing Charge	\$500.00
Sub Total	\$24,500.00
Tax	\$0.00
Tag Fee	\$15.00
Down Payment	\$0.00
Remaining Balance	\$24,515.00

Customer Signature

Date

Manager Approval

Date

Printed by Bob Bruchey at 10/7/2020 1:41:54 PM

3.5 L.A.

**FORRESTER LINCOLN**

Sales 888-497-5853 Service 888-865-3759 Parts 888-395-0784 Local 717-263-9525

832 Lincoln Way East, Chambersburg, PA 17201

The health and safety of our staff, customers, and community is our top priority. [Read an Important message from Forrester Lincoln.](#)

**VALUE YOUR TRADE**

Enter Year Make Model Trim

Used 2017 Ford
EXPLORER XLT SUV
 VIN: 1FM5K8D82HGC64527 Stock: 22159

On The Lot at Forrester Lincoln

DETAILED PRICINGNo Haggle, No
Hassle Price**\$29,900**

We're here to help 888-497-5853
 Local 717-263-9525

Our family serving your family since 1965. [Get to Know](#)

(<https://www.forresterlincoln.com/live-market.htm>)

Odometer	31,240 miles
Fuel Economy	16.0/23.0 mpg City/Hwy
Exterior Color	☐ Oxford White
Interior Color	☐ Medlum Light Camel
Body	SUV
Transmission	Automatic

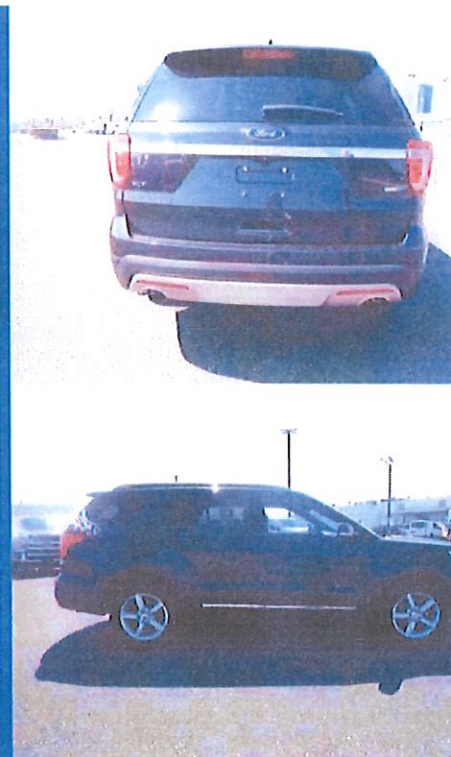


#KEYSTONEKINDNESS



(717) 264-5104

301 Walker Road Chambersburg, PA 17201



KeystoneFord.com

Where you're more than just a "deal" - You're family!

717-264-5104

Used 2017 Ford

Explorer XLT

VIN #: 1FM5K8DH7HGC82148 | Stock #: P6172A

Keystone Price

\$29,100

Keystone Price

\$29,100

Fuel Efficiency Rating

City MPG

16

Hwy MPG

23

Any MPG listed is based on model year EPA mileage ratings. Use for comparison purposes only. Your actual mileage will vary, depending on how you drive and maintain your vehicle, driving conditions, battery pack age/condition (hybrid only) and other factors. For

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

Topic:

Proclamation - Economic Development Week 2020

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Preliminary Agenda Review

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

October_27__2020_Preliminary_Agenda.pdf

Description

October 27, 2020
Preliminary Agenda



**112th REGULAR SESSION
MAYOR & CITY COUNCIL
OCTOBER 27, 2020
AGENDA**

Preliminary Agenda

In accordance with CDC guidelines, attendees are required to wear face coverings at all times, except when
addressing the Mayor and City Council. Seating is limited to provide for social distancing.

7:00 p.m. REGULAR SESSION – Council Chamber, 2nd floor, City Hall

I. CALL TO ORDER - Mayor Robert E. Bruchey, II

II. INVOCATION

III. PLEDGE TO THE FLAG

IV. ANNOUNCEMENTS

- A. Rules of Procedure – *Effective January 21, 2020*
- 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, November 3, 2020 – Election Day – No Meeting Scheduled
 - 2. Tuesday, November 10, 2020 – Meet with Washington County Delegation – TBD
 - 3. Tuesday, November 10, 2020 - Work Session at 4:00 p.m.
 - 4. Thursday, November 12, 2020 – Informal Orientation Session – BuroBox – Time TBD
 - 5. Tuesday, November 17, 2020 – Regular Session at 7:00 p.m.
 - 6. Monday, November 23, 2020 – Oath of Office to New Administration – Location and Time TBD
 - 7. Tuesday, November 24, 2020 – First Work Session of New Administration – Time TBD

V. CITIZEN COMMENTS

Citizens are welcome to provide comments in person or by sending an email to
councilcomments@hagerstownmd.org no later than 5:00 p.m. on Tuesday, October 27, 2020.
Include your full name, home street address, and topic of your comments. You may attach a letter to the email, or
write your comments in the body of the message. The City Clerk will read your name, address,
and provide a summary of the comments.
The full copy of the comments will be provided for public viewing as part of the minutes.

VI. MINUTES

September 1, 2020, September 15, 2020, September 17, 2020, September 22, 2020, and September 29, 2020

VII. CONSENT AGENDA

- A. Finance/Billing
 - 1. Utility Billing – Postage and Bill Processing – Arista Information Systems (Duluth, GA) \$ 144,000.00
- B. Information Technology and Support Services:
 - 1. Building Blocks Software Renewal – OpportunitySpace, Inc. (d.b.a. “Tolemi”) (Boston, MA) \$ 12,000.00
- C. Department of Parks and Engineering:
 - 1. 2021 Annual Independence Day Fireworks Display – Zambelli Fireworks (Warrendale, PA) Not to Exceed \$ 25,000.00
- D. Planning and Code Administration:
 - 1. Snow and Ice Abatement Contract – Servtec Custodial, Inc. (Hagerstown, MD) \$ 30,000.00
- E. Police Department
 - 1. AVCC Annual Subscription Fee – LexisNexis (Chicago, IL) \$ 17,199.00
- F. Department of Public Works:
 - 1. Bulk Road Salt – Cargill, Inc. (North Olmstead, OH) \$ 58.94 per ton
- G. Utilities:
 - 1. Water – RCW Water Treatment Plant HMI Upgrades – ABB, Inc. (Cleveland, OH) \$ 304,487.00

VIII. UNFINISHED BUSINESS

- ✓ A. Approval of an Ordinance: Saylor House Landmark Overlay
- ✓ B. Approval of an Ordinance: Sanitary Sewer Easement – NorthPoint Development LLC
- ✓ C. Approval of an Ordinance: Transfer of Stormwater Pond on Professional Boulevard to the City

IX. NEW BUSINESS

- ✓ A. Introduction of an Ordinance: 170 W. Washington Street
- B. Introduction of an Ordinance: Quit Claim – 352 Summit Avenue
- C. Introduction of an Ordinance: Code Amendments, Chapter 82, Discriminatory Practices
(material to be presented)
- ✓ D. Introduction of an Ordinance: UIP Land Acquisition
- E. Approval of a Resolution: Renewal of User Agreement with Hagerstown Fairgrounds Softball Association
- F. Approval of a Resolution: Renewal of User Agreement with Hagerstown Area Police Athletic League
- G. Approval of a Resolution: Alter Traffic Flow by Making Alley 1-76 One-Way Southbound and Alley 1-77 One-Way Westbound
- ✓ H. Approval of a Resolution: Community Legacy Grant Application
- ✓ I. Approval of a Resolution: Strategic Demolition Grant Application
- J. Approval of a Resolution: Agreement for Salt Purchase from State of Maryland
- ✓ K. Approval of Addition of Farmers’ Market to CNS
- L. Approval of Acceptance of 2020-2021 Recruitment and Retention Grant for Hagerstown Police Department
- M. Approval of After School Program - BTJ Dance Class (After School Program) – Hagerstown Housing Authority \$ 3,500.00
- N. Approval of After School Program at the Parkside Community Center - Hagerstown Housing Authority \$ 18,881.00

New Business continued:

- O. Approval of Contractor Selection Process for Community Legacy Grant Funded Project for First Hose Company (33 S. Potomac Street)
- P. Approval of Funding for a Community Coalition Lobbyist
- Q. Approval of Property Abatement Fund Expenditure for Demolition of 341 Jonathan Street

✓ Items that have been discussed and reviewed previously or are of a routine nature and, therefore, additional information may not be attached to this agenda.

X. CITY ADMINISTRATOR COMMENTS

XI. MAYOR & COUNCIL COMMENTS

XII. ADJOURN

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

Topic:

Removal of Parking Meters from Select Parking Lots - *Eric Deike, Director of Public Works*

Mayor and City Council Action Required:

Discussion:

To request from council to remove parking meters from select parking lots and use only permits or PayByPhone. See the attached.

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Memo_2020_Remove_Select_Parking_Meters.pdf

Description

Memo Removal of Parking
Meters from Select Parking
Lots



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

(301)739-8577 ext. 178

October 2, 2020

To: Scott Nicewarner, City Administrator

From: Eric B. Deike, Director of Public Works

RE: Removal of Parking Meters from Select Parking Lots

RECOMMENDATION

Staff is seeking the approval of council to remove the parking meters from the Antietam Street Parking Lot, Market House Parking Lot, the Rochester Parking Lot and the Bryan Center Parking Lot. Drivers would either need a parking permit (except for the Antietam Lot where permit parking is not allowed) or use the PayByPhone mobile application to pay for parking.

DISCUSSION

The Parking System recently entered into an agreement with PayByPhone Technologies Inc. (aka PayByPhone) to allow drivers to pay for parking using a contactless and wireless payment method. The adoption rate by drivers using this app has been very encouraging. In light of this fact, staff would like to remove the parking meters from a select number of parking lots and make the PayByPhone app the singular method of payment for hourly parking.

1. Antietam Street Parking Lot: Located on West Antietam Street, this lot is almost exclusively used by those visiting the District Court House. It has historically been a location for vandalism and theft from the parking meters. The use of PayByPhone in this lot has been tremendous. Drivers would also have an option of paying with a credit card in the private parking lot on the west side of the courthouse should they choose to do so. This lot contains 22 parking stalls.
2. Rochester Parking Lot: This lot sits on the corner of W. Washington Street and South Prospect Street next to the Women's Club. There are 96 parking stalls of which only 21 utilize a parking meter. The majority of the lot was converted to permit parking a number of years ago. By converting to PayByPhone for all the parking stalls, this opens the lot up for anyone to use. The surrounding streets would still have parking meters that accept cash or wireless payment.
3. Market Parking Lot: This lot serves the Market House at 25 W. Church Street. Of the 183 parking stalls, the United States Postal Service has a contract to lease up to 74 of the parking spaces of their choice. Another dozen parking stalls are designated for the exclusive use of the Hagerstown Fire Department. Annual cash sales are light at approximately \$1500. This lot is mostly metered parking stalls.
4. Bryan Centre Parking Lot: This is very small lot located on W. Franklin Street across from the Post Office. The lot only has 6 parking stalls of which one is a designated handicap space. There will continue to be street meters available along Franklin that will accept cash and wireless payments.

The Central Parking Lot and the Elizabeth Hager Parking Lot will continue to accept cash and wireless payment as will the street meters. Given the current rate of \$0.50 per hour and the \$0.33 transaction rate for PayByPhone, staff believe a cash payment option still needs to exist.

Removing the parking meters from these select parking lots will alleviate the threat of vandalism and theft of cash from the meters. It also reduces the cost of replacing older meters and the maintenance of the existing parking meters. Finally, it will help staff better gauge the acceptance of wireless payments to possibly go completely cashless for parking sales sometime at a future date.

Staff would also suggest that all the handicap parking spaces be converted to paid parking as well. The handicap space in the Antietam Street Parking Lot, the 2 handicap spaces in the Elizabeth Hager Parking Lot and the 1 handicap street space on South Potomac near the library already require payment to park. The timing may be right to convert all the handicap stalls in all the parking lots to paid parking.

FINANCIAL IMPACT

The financial impacts are as follows:

1. Estimated cost for new additional signs and stickers is \$1,000. Funding will be from the Parking Fund.
2. The city receives the full revenue from each parking session. There is no loss of revenue to the Parking Fund from using PayByPhone.
3. People tend to spend more money when paying with a credit card for goods and services. There could be slight uptick in revenues by using this online service and phone app.
4. Reduction in theft of coins and the expense of repairing and replacing parts of the parking meters. Locks cost \$21.12 each and the collection cups cost \$2.73 each. These items are made in China and can take 3 months for delivery.

CONCLUSION

No formal resolution or ordinance should be needed for this action. Staff is simply seeking approval to move forward with this proposal. The parking lots could be converted to fully wireless payment by January 2021 as it will take some time to coordinate with PayByPhone, remove the meters and install the new signs.

Staff looks forward to discussing this proposal with the Mayor and Council and will be in attendance to answer any questions.

Cc: Jason Rodgers
Michelle Hepburn



Antietam Street Parking Lot outlined in red.

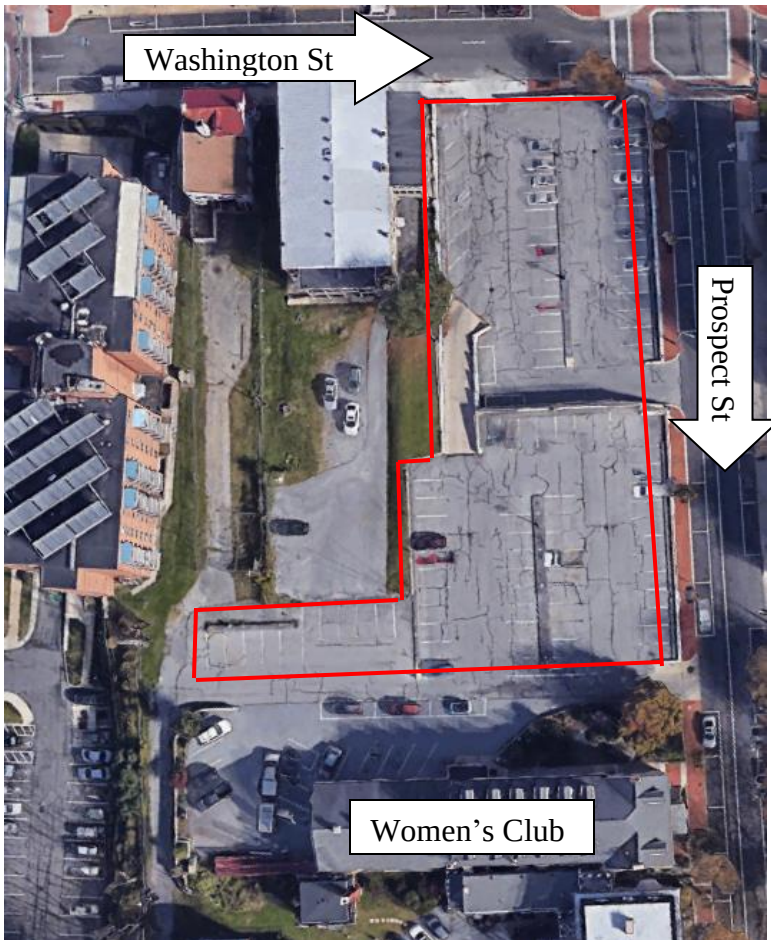


Parking spaces on the east side of the District Courthouse. All other parking along the courthouse is privately held.

51 W. Memorial Blvd. • Hagerstown, MD 21740
FAX (301)791-6761



Antietam Street Parking Lot looking northwest.

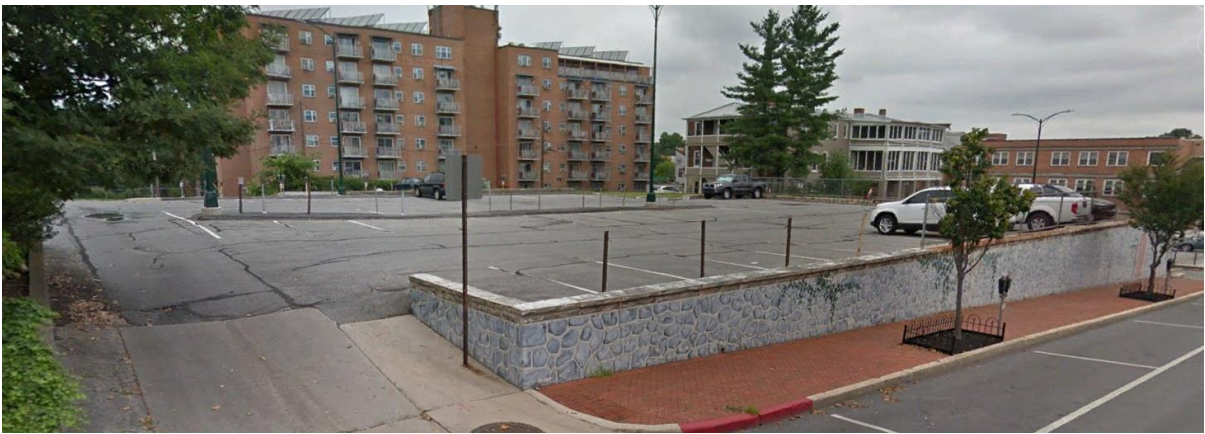


Rochester Parking Lot outlined in red

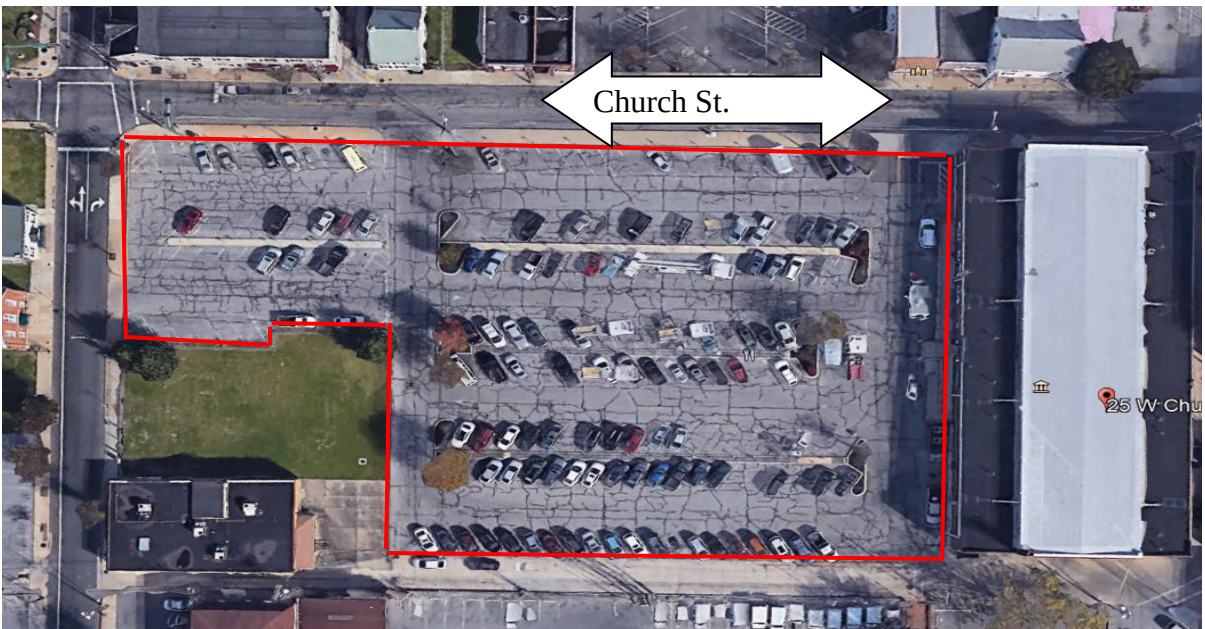
51 W. Memorial Blvd. • Hagerstown, MD 21740
FAX (301)791-6761



Rochester Parking Lot looking northwest; lower lot



Rochester Parking Lot looking northwest; upper lot



Market House Parking lot outlined in red



Market House Parking Lot looking southeast towards the Market House



Bryan Center Parking Lot outlined in red



Bryan Center Parking Lot looking south from Franklin St. The city only rents the 6 parking stalls in the forefront of the photo. The remaining parking seen in the photo are privately managed.

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

Topic:

Urban Improvement Project: Update of Funding and Land Acquisition Negotiations for Plaza
- *Rodney Tissue, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Urban_Improvement_Project.Update.pdf

Description

Urban Improvement Project:
Update of Funding and Land
Acquisition Negotiations for
Plaza



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

TO: Scott Nicewarner, City Administrator

FROM: Rodney Tissue, City Engineer 

DATE: October 20, 2020

RE: **Urban Improvement Project: Update of Funding and Land Acquisition Negotiations for Plaza**

We would like to update you on our progress and obtain Mayor and Council approval of a Purchase Agreement to acquire land from Hager5 needed for this project.

1. Funding Status:

Staff has *tentatively* secured additional funding for the project. In addition to the \$800,000 in grants we secured, it appears that approximately \$650,000 in surplus State bond bill proceeds from BISFA project will be conveyed to the Plaza construction. The budget will be as follows:

Source	Funding
Program Open Space Grant (Trail portion only)	\$300,000
MHAA Grant (Trail portion only)	\$100,000
Community Legacy Grant	\$400,000
Existing City Bond Funds	\$172,000
Future City Bond Funds (only if needed)	\$259,000+/-
Surplus State bond bill proceeds from BISFA project (requires sub-recipient agreement for City to be beneficiary)	\$650,000+/-
TOTAL PHASE II FUNDING	\$1,881,000+/-

The process to obtain this additional bond bill funds is as follows:

- Board of Education signed-off on sub recipient agreement last week and returned funds to County
- The County is set to execute a sub recipient agreement to have the City added as a beneficiary of the surplus bond bill funds

The additional State funds may require Davis Bacon wage rates and other criteria that staff is investigating with assistance from County staff. The Purchase Agreement is contingent upon us receiving these additional funds.

2. Status of Land Acquisitions:

- a. **Hager5:** We have a *verbal* agreement with Greg Snook on the acquisition of Hager5 lands including all of 43/47 West Washington Street, a portion of the rear of 49/53 West Washington Street, and a strip of land off their parking lot that fronts on Antietam Street. See the attached Exhibit B for details.

Hager5 is willing to accept the *appraised* value for the land we need and to reimburse them for costs they incurred as part of the UIP project, including work to move the project along at its earliest conceptual

Parks and Recreation Division

351 North Cleveland Avenue • Hagerstown, MD 21740
Ph: 301.739.8577 Ext. 169 • Fax: 301.790.0171

Engineering Division

1 East Franklin Street • Hagerstown, MD 21740-4817
Ph: 301.739.8577 Ext. 125 • Fax: 301-733.2214

stage. Contingent on the financing being finalized, they are asking \$399,000 as spelled out in the Agreement.

Hager5 and our attorneys prepared the attached DRAFT Purchase Agreement to acquire the land needed for the project. This agreement has numerous "out" clauses for us contingent upon funding, State and County cooperation, etc.

- b. **District Court:** We also continue to work with the State of Maryland [technically Maryland Department of General Services (DGS)] and District Court to use ½ of the paper alley along the west side of their building. This alley dates back to an original deed dated April 18, 1868. The legal description for the District Court property recognizes the 11' "private alley" as its western boundary. The SDAT tax maps reflect the alley as an intervening "no man's land" between the Hager5 and DGS properties with neither owning the fee simply interest despite having a joint interest in the use of the alley.

After months of discussion, we arrived at a verbal agreement regarding splitting the 11' wide "private alley" in half. Our goal is to use the "Hager5 half" of this alley, plus purchase an additional 10 feet for Hager5. We have requested DGS quit claim or grant an easement as to the Hager5 portion of the alley. This appears to finally be moving in a positive direction and future City Council actions will be required for this issue.

- c. **Washington County:** A Deed of Easement Agreement was sent to the County legal staff in September of last year. This would grant the City the right to construct and maintain the public plaza and the City and the general public shall have full and free use of the easement for the purposes named including: recreational purposes, gatherings, entertainment, temporary parking of school busses, tour busses, service vehicles and the like.

The County will also need an easement from us to place their dumpster and possibly a communication monopole tower on the 43/47 West Washington Street land we acquire from Hager5. Details of this are still being worked on.

Time is of the essence now since most of our grant money expires in 2021. We would like to introduce an ordinance for the purchase of the property at the Regular Session on October 27, with the effective date occurring in December. We also will need three or four months to subdivide the property to be purchased, pass Ordinances (as to the County Easement and the District Court Alley Quitclaim/Easement), finish the design, acquire State approvals, bid and award the contract so at best we are into summer 2021 timeframe for construction. Construction needs to begin no later than June, 2021.

If the schedule slips, our grant funds may be in jeopardy. By September of 2021, BISFA will hopefully be in full operation and access to the rear of the building will need to be provided on a daily basis for school buses, daily trash removal and delivery trucks. The Maryland Theater tractor trailers and tour busses, along with other vehicular and pedestrian traffic must also be coordinated with.

Staff will be present at the Work Session to discuss this project in detail.

Attachments: Draft Purchase Agreement
Exhibit A Concept Plan
Exhibit B Map of proposed land acquisition

Cc: Michelle Hepburn
Greg Snook
Jon Kerns
Jason Morton
Greg Deike

PROPERTY ACQUISITION AGREEMENT

THIS PROPERTY ACQUISITION AGREEMENT (this “**Agreement**”) is entered into this _____ day of _____ 2020 (the “**Effective Date**”), by and between the **CITY OF HAGERSTOWN**, a Maryland municipal corporation (the “**City**”) and **HAGER5, LLC**, a Maryland limited liability company (the “**Hager5**”).

RECITALS

A. Hager5 is the owner of those certain parcels of real property located at 43-53 W. Washington Street, Hagerstown, Maryland (TM 306, Parcel 2250; Tax Acct. No. 03-018180) (the “**43 W. Washington Street Property**”); 55-59 W. Washington Street, Hagerstown, Maryland (TM 306, Parcel 2248; Tax Acct. No. 03-000826) (the “**55 W. Washington Street Property**”); and 50-56 W. Antietam Street (TM 306; Parcel 2064; Tax Acct. No. 03-022595 (the “**50-58 W. Antietam Property**”) (collectively, the “**Hager5 Property**”).

B. The City intends to construct an extension of its Cultural Trail from its present terminus at West Antietam Street northward to West Washington Street, as well as a Public Plaza behind 33- 35 West Washington Street (collectively, the “**Urban Improvement Project**”) as more particularly shown and described on the Concept Plan attached hereto and incorporated herein as **Exhibit A** (collectively, the “**Improvement Plans**”).

C. To facilitate the Urban Improvement Project, the City desires to acquire certain portions of the Hager5 Property in fee simple and to acquire certain easements over, across, under and through portions of the Hager5 Property (collectively, the “**Acquired Property**”), all for the purpose of constructing and maintaining the Urban Improvement Project. The particular portions of the Hager5 Property to be conveyed to the City in fee simple and the easement areas to be conveyed are shown and described on the Property Acquisition exhibit dated October 15, 2020 and attached hereto and incorporated herein as **Exhibit B** (the “**Acquisition Plan**”).

D. In exchange for conveyance of the Acquired Property, the City agrees to (i) pay Hager5 the monetary consideration provided for herein; and (ii) not construct, install or maintain any public restroom facilities on any portion of the Acquired Property, all as more particularly set forth and described herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are made a part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Incorporation of Recitals and Defined Terms.** Hager5 and the City agree that the foregoing Recitals are true, complete, and hereby incorporated by reference.

Monetary Consideration. The City agrees to purchase and Hager5 agrees to sell the fee simple and easement areas specifically identified and described on the Acquisition Plan for the aggregate purchase price of THREE HUNDRED NINETY-NINE THOUSAND SEVEN HUNDRED NINETY AND 00/100 DOLLARS (\$399,000.00) (the “**Monetary Consideration**”) allocated as follows:

- \$125,000 appraised value 43/47/49 W. Washington Street (based on **\$15/sf**)
- \$18,000 appraised value portion of 51/53 W. Washington Street (based on **\$15/sf**). City shall also receive an easement (257 sf) for a portion of 51/53 West Washington;
- \$46,000 appraised value 10' strip of 50 – 58 W. Antietam Street parking adjacent paper alley (based on **\$15/sf** + compensation for lost parking spaces)
- \$149,600 reimbursement for building demolition and associated work
- \$37,717 reimbursement for legal, architect, and surveyor fees
- \$22,683 overhead and administration
- **\$399,000 TOTAL**

2. **Closing.** Closing on the transfer of the Acquired Property from Hager5 to the City (the "**Closing**") shall occur within FIFTEEN (15) days immediately following satisfaction of the Closing Conditions (defined below). No later than FIVE (5) days prior to Closing, the City shall provide to Hager5 for review and approval (not to be unreasonably withheld, conditioned or delayed), a draft Deed (the "**Deed**") for the conveyance of the Acquired Property, which contains a covenant of further assurances and which also contains a reservation of rights entitling Hager5 to access and maintain the retained portion of the properties located at 51-53 W. Washington Street and 43-47 W. Washington Street, including all buildings and improvements located or later constructed thereon, as identified on Exhibit B. At Closing, Hager5 shall deliver *inter alia* the final, executed Deed, the form and substance of which shall be mutually agreeable to the City and Hager5, and the City shall deliver *inter alia* the Monetary Consideration. The City shall be responsible for paying all settlement/closing fees, title search and title insurance costs, and all other costs and expenses related to or arising from Closing. Hager5 shall be responsible for its own attorney's fees and any real property taxes or utility service charges due, but unpaid as of the date of Closing. It is the parties mutual understanding that, as an instrument of writing transferring property to a political subdivision of the State of Maryland, the Deed shall be exempt from recordation tax (MD Code, Tax-Property, §12-108(a)(1)); transfer tax (MD Code, Tax-Property, §13-207(a)(1)); and agricultural transfer tax (MD Code, Tax-Property, §13-305(h)).

3. **Title.** Buyer shall have the right to inspect the status of title to the Property. Promptly after execution hereof, Buyer may obtain at Buyer's expense a title report or title commitment ("**Commitment**") and, at Buyer's election, a UCC lien search for the Property. Buyer may also obtain, at Buyer's sole cost and expense, a current ALTA/ASCM survey of the Property. In the event the Commitment discloses or Buyer becomes aware of any lien on the Property created by Seller that can be discharged or satisfied by the payment of money ("**Monetary Title Matters**"), Seller shall discharge or satisfy such Monetary Title Matters on or prior to the Closing Date. If Seller fails to discharge or satisfy any such Monetary Title Matters as aforesaid, Buyer, at its sole option, and in addition to any other rights and remedies it may have under this Agreement, at law and/or in equity, shall have the right to discharge and satisfy the same from the proceeds of the Purchase Price to be paid to Seller at closing. Title to the Property shall be subject only to the following matters: (i) the lien of real estate taxes and sewer and water rents not yet due and payable; and (ii) such matters appearing on the Commitment to which Buyer shall fail to object (collectively, the "**Permitted Exceptions**"). Title to the Property shall be insurable, together with such title insurance endorsements as Buyer may reasonably request, at regular rates (including applicable rates for such endorsements) from a title insurance company licensed in the State of Maryland and selected by Buyer. In the event Buyer's review of title to the Property reveals any matters that are unacceptable to Buyer in its sole and absolute discretion (other than Monetary Title Matters which Seller is required to remedy as aforesaid), Buyer shall notify Seller thereof within twenty (20) days after the Effective Date (the "**Objection Notice**"). Within ten (10) days after receipt of the Objection Notice, Seller shall notify Buyer in writing, whether Seller

shall undertake to cure such unacceptable exception(s). In the event Seller elects not to cure any unacceptable exception or is unable with the exercise of due diligence to satisfy said objection before the Closing Date, Buyer may, at its option, either (a) accept title subject to the objections raised by Buyer, without an adjustment of the Purchase Price, in which event each of said objections shall be deemed waived for all purposes and considered a Permitted Exception, or (b) terminate this Agreement. If Buyer shall terminate this Agreement, then (i) this Agreement shall be deemed to have terminated as of the date of Buyer's notice without need for any further action by either party, and (ii) neither Buyer nor Seller shall have any further obligations to one another hereunder, except for those which expressly survive termination of this Agreement.

4. **Representations and Warranties of Seller.** Seller hereby makes the following representations and warranties to Buyer, all of which are made as of the Effective Date and shall be true and correct in all material respects on and as of the Closing Date.

4.1 **Enforceability: Authorization.** This Agreement and the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto are, or will be when executed and delivered by Seller, the legal, valid and binding obligations of Seller and enforceable against Seller in accordance with its terms. Seller has obtained all consents necessary for, and possesses full authority and legal right to authorize Seller's entry into and performance of this Agreement, the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto and/or the transactions contemplated hereby or thereby.

5.2 **Ownership of the Property.** Seller is the fee simple record and beneficial owner of the Property. No person or entity has an option, right of first refusal or other similar right to acquire all or any portion of the Property. Seller has performed all obligations under and is not in default in complying with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements applicable to the Property.

5.3 **No Conflicts.** Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Seller is a party.

5.4 **Third Party Consents.** All consents required from any governmental authority or third party in connection with the execution and delivery of this Agreement by Seller or the consummation by Seller of the transactions contemplated hereby have been made or obtained or shall have been made or obtained by the Closing Date.

5.5 **Leases.** The following leases exist on the Property: none.

5.6 **Other Agreements.** Seller is not a party to, nor does Seller have knowledge of, any agreements relating to the Property.

5.7 **Condemnation, Violation of Laws, Etc.** Excepting City Code violations which have been noted but not yet cited, Seller has not received notice of, and, to Seller's knowledge, there are no existing violations of any federal, state, county or municipal laws, ordinances, orders, codes, regulations or requirements affecting all or any portion of the Property, including, without limitation, violations of housing, building, safety, health, environmental, fire or zoning ordinances, codes and regulations of the respective jurisdictions within which the Property is located or any certificate(s) of occupancy issued for the Property.

5.8 **No Flood Hazard Area.** To Seller's knowledge, no portion of the Real Property is located in an area designated by any governmental entity as a flood hazard area.

5.9 **Hazardous Conditions.**

(i) During Seller's ownership of the Property there have been no, and there are no pending or, to Seller's knowledge, threatened: (A) claims, complaints, notices, or requests for information received by Seller with respect to any alleged violation of any Environmental Law with

respect to the Property, or (B) claims, complaints, notices, or requests for information to Seller regarding potential or alleged liability under any Environmental Law with respect to the Property.

(ii) To Seller's knowledge, no conditions exist at, on, or under the Property that, with the passage of time or the giving of notice or both, would constitute a Hazardous Condition or give rise to liability under any Environmental Law.

(iii) Seller has not received notice of any violation of any orders, directives, requirements, permits, certificates, approvals, licenses, and other authorizations relating to Environmental Laws with respect to the Property.

(iv) To Seller's knowledge there are no aboveground tanks in excess of 275 gallon storage capacity or any underground storage tanks (collectively, "USTs") at the Property. Seller has not removed or abandoned any USTs at the Property and Seller has no knowledge of the existence, abandonment or removal of USTs at the Property.

(v) To Seller's knowledge there are no polychlorinated biphenyls ("PCBs") or friable or damaged asbestos at the Property, and Seller has not removed (or required or requested the removal of) any PCBs or damaged or friable asbestos from the Property, and Seller has no knowledge of the previous existence of any PCBs or damaged or friable asbestos at the Property.

For purposes of this Agreement, the following terms shall have the meaning as indicated:

"Environmental Law" shall mean: (i) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§9601 et seq.) as amended; (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), as amended; (iii) the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.), as amended; (iv) the Clean Air Act (42 U.S.C. §§ 7401 et seq.) as amended; (v) the Clean Water Act (33 U.S.C. §§ 1251 et seq. as amended; (vi) the Toxic Substances Control Act (15 U.S.C. §§2601 et seq. as amended; (vii) the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.) as amended; (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), as amended; (ix) the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), as amended; (x) any state, county, municipal or local statutes, laws or ordinances similar or analogous to the Buyer statutes listed in parts (i) - (ix) of this definition; (xi) any amendments to the statutes, laws or ordinances listed in parts (i) - (x) of this definition, regardless of whether the same are in existence on the date hereof; (xii) any rules, regulations, guidelines, directives, orders or the like adopted pursuant to or to implement the statutes, laws, ordinances and amendments listed in parts (i) - (xi) of this definition; and (xiii) any other law, statute, ordinance, amendment, rule, regulation, guideline, directive, order or the like relating to environmental or other matters covered by the foregoing.

"Governmental Authorities" shall mean any board, bureau, commission, department or body of any municipal, township, county, city, state or federal governmental unit, or any subdivision thereof, having or acquiring jurisdiction over any of the Property or the ownership, management, operation, use or improvement thereof.

"Hazardous Conditions" shall mean the presence on, in or about the Property (including ground water) of Hazardous Materials, the concentration, condition, quantity, location or other characteristic of which fails to comply with applicable Environmental Laws. "Hazardous Material" shall mean any chemical, substance, waste, material, equipment or fixture defined as or deemed hazardous, toxic, a pollutant, a contaminant, or otherwise regulated under any Environmental Law, including but not limited to, petroleum and petroleum products, waste oil, halogenated and non-halogenated solvents, PCBs, asbestos and asbestos containing materials.

5.10 **Litigation.** No proceeding, suit or litigation relating to Seller or the Property or any part thereof is pending or, to Seller's knowledge, threatened in any court or other tribunal or before any Governmental Authority. Seller is not the subject of, nor has Seller received any written notice of or threat that it has or will become the subject of, any actions or proceedings under the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. ("Bankruptcy Code"), or under any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary

and including, without limitation, proceedings to set aside or avoid any transfer of any interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

5.11 FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "**Code**"), and the sale of the Property is not subject to the federal income tax withholding requirements of such section of the Code.

5.12 Mechanic's Liens. There are no claims for labor performed, materials furnished or services rendered in connection with the development, construction, improvement, renovation or repair of the Property with respect to which liens may or could be filed against the Property, either pending or threatened.

5.13 Tax Matters. No federal or other taxing authority (each, a "**Taxing Authority**" and collectively, the "**Taxing Authorities**") has asserted in writing any tax deficiency, lien, interest or penalty against Seller or the Property that has not been paid, and there is no pending audit or inquiry from any Taxing Authority relating to Seller or the Property, and to Seller's knowledge, no event has occurred and no condition or circumstance exists which presents a material risk that any tax deficiency, lien, interest, penalty or other assessment will be imposed against Seller or the Property.

5.14 Re-Zoning. Seller is not a party to, nor does Seller have any actual knowledge of, any threatened proceeding for the rezoning of the Property or any portion thereof, or the taking of any other action by governmental authorities that would have an adverse or material impact on the value of the Property or use thereof.

5.15 Condemnation. Seller has not received any written notice advising it of any pending or threatened condemnation or other governmental taking proceedings affecting all or any part of the Property.

5.16 Except as otherwise provided herein, Seller is making no warranties as to the condition of the property and the property is being sold "AS IS."

6 No Public Restrooms. The City agrees that it shall not construct, install or maintain any public restroom facilities on any portion of the Acquired Property. This provision shall survive Closing and recording of the Deed and, at the request of Hager5, the City shall memorialize this restriction by separate written agreement.

7 Closing Conditions.

A. *Subdivision*. A subdivision plat (the "**Subdivision Plat**") for those portions of the Acquired Property to be transferred in fee simple shall have received final approval from all applicable State, County and City agencies and be in recordable form at or immediately prior to Closing. The City shall be responsible for preparing and securing all approvals of the Subdivision Plat, and Hager5 shall cooperate to the extent necessary to effect the Subdivision.

B. *State Conveyance*. Hager5 shall have secured from the State of Maryland Department of General Services (DGS) for the benefit of the City a perpetual easement or Quit Claim Deed (the "**State Conveyance**") confirming the City's exclusive right to use the western five and half foot (5'6") portion of the eleven foot (11') "private alley" located adjacent to the Washington County District Court property owned by DGS and the property owned by Hager5 and located at 50-58 W. Antietam Street.

C. *County Easement*. The City and Board of County Commissioners of Washington County shall have entered into a written Deed of Easement Agreement and Maintenance Agreement for the real property located directly

behind 33 – 35 West Washington Street and depicted on Easement Plat dated 7/15/19. Those same parties shall have also entered into a written “Dumpster Easement” whereby the County’s dumpster shall be moved to a location on property to be purchased by the City pursuant to this Property Acquisition Agreement, including a dumpster enclosure to be constructed by the City.

D. *State Funding.* The City shall have received no less than SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000.00) from State bond funding not utilized by the Barbara Ingram School for the Arts and redirected to the Urban Improvement Project.

E. City shall provide stormwater management for redevelopment of property located at 43 – 53 West Washington Street.

8 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and transferees. This Agreement shall also be deemed to run with the land.

9 **Notice.** Notices and other communications required or permitted to be given hereunder shall be deemed to have been duly given if in writing and delivered by recognized overnight delivery service, or by fax (with a hard copy to be sent promptly thereafter by overnight delivery), as follows:

To Hager5

To the City

10 **Governing Law.** Regardless of its place of execution, this Agreement shall be governed by the laws of the State of Maryland as to interpretation, construction, and performance.

11 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties, there being no other terms, oral or written, except as herein expressed.

12 **Counterparts.** This Agreement (i) may be executed in two (2) or more counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same instrument; (ii) may be executed by copies of physically signed documents exchanged via email attachment in PDF format or equivalent.

13 **Exhibits Incorporated.** Each Exhibit attached to and referred to in this Agreement is hereby incorporated by reference as though set forth in full where referred to herein.

14 **Amendments.** This Agreement may be amended, changed or modified only by written amendment executed by the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing signed by the party charged.

15 **Further Agreements.** Hager5 and the City shall at any time and from time to time after Closing, upon request of the other, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged or delivered, all such further acts, deeds, conveyances and assurances as may reasonably be required for the better conveying, transferring, assuring and confirming the terms and conditions contemplated herein.

16 **Time of the Essence.** Time shall be of the essence of this Agreement.

17 **Survival.** The obligations, agreements and covenants contained herein or liabilities accrued under this Agreement which, by their terms, require their performance after the expiration or termination of this Agreement shall be enforceable after the Closing or other *de jure* termination of this Agreement, the parties specifically acknowledging that the Closing and the execution and recordation of deeds contemplated herein shall not terminate the obligations of the parties that are intended and by their terms survive the Closing.

18 **Severability.** If any provision of this Agreement shall be determined to be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby, and every provision of this Agreement shall remain in full force and effect and enforceable to the fullest extent permitted by law.

19 **Waiver.** Neither party's waiver of the other's breach of any term, covenant or condition contained in this Agreement shall be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition in this Agreement.

20 **Assignment.** This Agreement may not be assigned by either party without the express written consent of each party. However, Hager5 shall have the right to assign this Agreement without the consent of the City to (1) any entity resulting from a merger or consolidation with Hager5 or any organization purchasing substantially all of Hager5's assets, (2) any entity succeeding to substantially all the business and assets of Hager5, (3) any entity controlling, controlled by or under common control with Hager5, or (4) any entity resulting from the reorganization of Hager5 outside of bankruptcy organization.

21 **Headings.** Headings are intended only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Hager5 and the City have executed this Agreement as of the date set forth above.

ATTEST

CITY OF HAGERSTOWN

_____ By: _____

STATE OF MARYLAND, COUNTY OF WASHINGTON, to wit:

I HEREBY CERTIFY that on this _____ day of October 2020, before me, the Subscriber, Notary Public in and for the State and County aforesaid, personally appeared _____ and he acknowledged the foregoing instrument to be his act and deed on behalf of the City of Hagerstown and he did further certify that he is duly authorized to make this acknowledgement on its behalf and that he is duly authorized to execute this Agreement on its behalf.

WITNESS my hand and Notarial Seal this _____ day of May 2020.

Notary Public

My commission expires:

[SIGNATURES AND NOTARY CONTINUED ON NEXT PAGE]

WITNESS/ATTEST

HAGER5, LLC

Name:

Title:

STATE OF MARYLAND, COUNTY OF WASHINGTON, to wit:

I HEREBY CERTIFY that on this _____ day of October 2020, before me, the Subscriber, Notary Public in and for the State and County aforesaid, personally appeared and acknowledged the foregoing instrument to be his/her act and deed and he/she did further certify that he/she is duly authorized to execute this Agreement.

WITNESS my hand and Notarial Seal this _____ day of October 2020.

Notary Public

My commission expires:

LEGEND

- Extension to Hagerstown Cultural Trail
- Hagerstown Cultural Trail extension with concrete pavers, seating and planting
- Extension to University Plaza
- Building facade focal point
- Seating and potential back-drop
- Seating area with movable tree
- Event space with room for truck and service. Concrete surface with pavers and scoring to create texture
- Planters in pavement - medallions or pavers

Map Labels:

- WASHINGTON COUNTY CIRCUIT COURT
- WASHINGTON COUNTY BUILDING
- COLUMBIA BANK
- BB&T
- POTOMAC BEAD COMPANY
- WESTERN MARYLAND CONSORTIUM
- THE PLUM
- COMPTROLLER OF MARYLAND
- BARBARA INGRAM SCHOOL
- THE MARYLAND THEATER
- DISTRICT COURT FOR WASHINGTON COUNTY
- WEST WASHINGTON STREET
- SOUTH POTOMAC STREET
- WEST ANTIETAM STREET
- SUMMIT AVE

North Arrow: 60° north

Exhibit "A"

PAGERS TOWN, MIAMI

WEST WASHINGTON STREET



#59 W. WASHINGTON ST.

#51-53 W. WASHINGTON ST.

#43-47-49 W. WASHINGTON ST.

#35 W. WASHINGTON ST.

#33 W. WASHINGTON ST.

ROCHESTER PLACE

REAR #27
W. WASHINGTON ST.

LIBRARY ALLEY

MARYLAND
THEATER

DISTRICT
COURT
BUILDING

ROCHESTER PLACE
ALLEY No. 2-99

#50-58 WEST ANTIETAM
10' WIDE STRIP
PROPERTY TO CITY
APPROX. 2,333 SF

Remove 33 spaces, Add 18 spaces : Net loss of 15 spaces

HAGER 5 PARKING LOT

PRIVATE
PARKING

HAGER 5 HALF OF PRIVATE ALLEY
TO THE CITY
5.5' WIDE = APPROX. 1,182 SF

EASEMENT
FOR BUILDING
MAINTENANCE

#43-47-49 WEST WASHINGTON LOT 8,589 SF
MINUS POTOMAC BEAD ADDITION OF 442 SF
LEAVES A NET OF 8,147 SF

#43-47-49 WEST WASHINGTON
POTOMAC BEAD ADDITION
RETAINED BY HAGER 5
APPROX. 442 SF

#51-53 W. WASHINGTON
PROPERTY TO CITY
APPROX. 1,182 SF

#51-53 WEST
WASHINGTON
EASEMENT AREA
APPROX. 257 SF

EXHIBIT
"B"

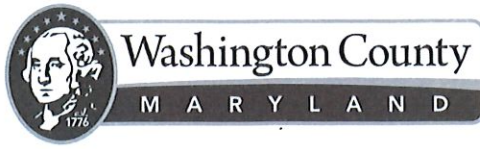
CITY OF HAGERSTOWN, MARYLAND
PARKS AND ENGINEERING

URBAN IMPROVEMENT PROJECT
PROPOSED PROPERTY LINES

10/15/2020

62-201-Property Aquisition

WEST ANTIETAM STREET



Open Session Item

SUBJECT: Hagerstown Urban Improvement Project-Capital Bond Bill Grant Application Submission

PRESENTATION DATE: October 20, 2020

PRESENTATION BY: Susan Buchanan, Director, Office of Grant Management

RECOMMENDED MOTION: Move to approve the submission of the FY21 Maryland Capital Bond Bill application, accept awarded funds, and approve execution of grant documents upon receipt from the Maryland Department of General Services and move to approve the subsequent execution of a Subrecipient with the City of Hagerstown, who will be added as a beneficiary on the Capital Bond Bill.

REPORT-IN-BRIEF: In 2017, Governor Hogan authorized five years of Capital Bond Bill funding totaling \$7.5 million for the Urban Improvement Project. The County has received the application packet for the fourth year of funding in the amount of \$2,500,000. Once the application is submitted the State will provide a grant agreement to the County for review and execution.

DISCUSSION: The Department of General Services (DGS) has provided the County with the application for the fourth year of Capital Bond Bill funding for the Hagerstown Urban Improvement Project. The amount of funding allocated in FY20 is \$2,500,000. The total amount of funding authorized over 5 years is as follows:

2018	\$1,500,000
2019	\$750,000
2020	\$500,000
2021	\$2,500,000
2022	\$2,250,000

The funding will be used to reimburse costs associated with the Urban Improvement Project including the Maryland Theatre Expansion, Barbara Ingram School Expansion and proposed multi-use Plaza. Once the application is submitted to the Department of General Services, a grant agreement for the funding will be sent to the County for execution.

DGS is adding the City of Hagerstown to the Capital Bond Bill to allow them to receive reimbursement for expenses associated the construction of a multi-use Plaza. This addition will necessitate the execution of an additional Subrecipient Agreement between the City of Hagerstown and the County.

FISCAL IMPACT: The grant will provide \$2,500,000 for costs associated with various components the Urban Improvement Project.

CONCURRENCES: N/A

ATTACHMENTS: N/A

AUDIO/VISUAL TO BE USED: N/A

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

Topic:

Update - Cascades Tissue Group - *Nancy Hausrath, Director of Utilities, and Nathan Fridinger, Electric Operations Manager*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Cascades_WS_Memorandum_20201020.pdf

Description

Memorandum



425 East Baltimore Street

Hagerstown, MD 21740-6105

October 15, 2020

To: Scott Nicewarner, City Administrator

From: Nathan Fridinger, Electric Operations Manager
Nancy Hausrath, Director of Utilities

Subject: Update – Cascades Tissue Group

Background:

Hagerstown Fiber & Light/First Urban Fiber purchased 15.14 acres in 1994 to construct a, now defunct, paper de-inking/manufacturing facility at 273 Memorial Boulevard. The construction price of the facility has been touted as high as \$175M. The MELP and the surrounding nine acres were purchased so that waste material could be burned/converted to electricity and an electric substation could be built to serve the facility. The Hagerstown Light Department provided the original construction and financing of the privately owned electric substation in the amount of \$3.152M. The facility operated for a short period of time in the late nineties and closed after experiencing operational difficulties and a supposed collapse of the recycled paper market. HF&L filed bankruptcy, the legal proceeding continued for a few years, and Newstech MDLLP purchased the property for \$1.125M in 2002 (the total purchase price, which included the equipment was approximately \$7M). Cascades Tissue Group MD purchased the property for \$2.418M in 2006, with what we understand to be a total purchase price of approximately \$5M.

When the Cascades Tissue Group purchased the properties in 2006, they expressed concern regarding environmental issues on the nine acre property that contained the private substation. The City negotiated the return of this property and negotiated a lease for the footprint of the substation site, charging a fee equal to the taxes owed on the property assessed as though it is privately owned.

Revenues:

- A Facilities Charge as described in the Assignment and Assumptions Agreement (AAA) for the original substation construction is recuperated through monthly payments, which has a remaining principal balance of \$806,950.61 and 38 remaining payments scheduled through November 2023.
- An Electric Power Service Agreement (EPSA) guarantees an annual minimum net revenue of \$70,000 set to end November 2023 or annual auto renewals thereafter, unless a party gives notice to terminate one year before the end of the term.
- A Lease Agreement (LA) providing a payment of \$3,403 annually for the property on which the substation equipment resides with 85 years remaining.

Settlement:

9/2/2020 – With anticipation to sell the property along with potential buyers' being deterred by the substation, Cascades proposed to:

- provide the City with a cash payment of \$800,000,
- request to terminate all agreements, and
- be responsible for demolition of the substation within 6 months

9/23/2020 – As a result of interest in the substation from a potential buyer, Cascades altered their proposal to:

- provide the City with a cash payment of \$800,000,
- request the City assign the EPSA and LA to the new, unknown, buyer, and
- revert to the 9/2/2020 proposal should the City not agree to assign or the sale not proceed with the substation asset.

9/25/2020 – Following an offer between Cascades and a buyer with supposed interest in the substation, Cascades reinforced the 9/23/2020 proposal with the exception of “or the sale not proceed with the substation asset.”

10/7/2020 – With direction from Mayor and City council, the City submitted a final, counter proposal to Cascades requesting

- they meet their current financial obligations of \$879,735.80 (principal balance, plus minimum annual net revenue due as of 9/28/20),
- remain committed to the 9/2/2020 offer to remove the substation from the site, and
- contact the City’s attorney to develop a Settlement Agreement.

10/8/2020 – As a response, Cascades provided the City with three alternate scenarios

Scenario 1: The 9/2/2020 proposal

Scenario 2: The 9/25/2020 proposal

Scenario 3: a. Cascades pays \$879,735.80 to the City
b. The City assigns the EPSA and LA to the buyer
c. The City and the Buyer come to terms of new agreements
d. The City terminates the assigned agreements

Aside from a brief telephone conversation, Staff has had no further correspondence with Cascades as of this date.

REQUIRED MOTION MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Topic:

Review of Farmer's Market Property -25 West Church Street and Possible Addition to the Competitive Negotiated Sale Program - *Doug Reaser, Business Development Specialist, and Jonathan Kems, Community Development Manager*

Mayor and City Council Action Required:

We seek Mayor and City Council direction on adding the Farmer's Market Property to the CNS program. If staff receive direction to add this property to the CNS program, a motion to approve this action will be scheduled for the October 27th Regular Session.

Discussion:

Staff members will attend the October 20, 2020 Work Session of the Mayor and City Council to review the Farmer's Market property, 25 West Church Street, and the possibility of adding this property to the City's Competitive Negotiated Sale (CNS) program with the goal of transferring the property to the private sector.

25 West Church Street Property Considerations

- An appraisal of the 25 West Church Street building structure was performed by William G Bowen, Inc. and has a current market value of **\$600,000** (appraisal did not include parking area parcels adjacent to the building)
- Separate Land appraisal report valued Market House parking lot areas at **\$370,000**
- Current Hagerstown Fire Department operations located in the northern half of the building
- City Farmer's Market and private vendor businesses operations in the southern half of the building
- Engineering and Planning and Code Administration vehicles utilize the building's below grade parking garage
- United States Postal Service leases 74 Market Lot parking spaces for annual rent of \$40,000
- Farmer's Market Building is managed and maintained within the City's General Fund

Competitive Negotiated Sale Process

A brief summary of the Competitive Negotiated Sales Process is as follows:

- The Competitive Negotiated Sale is a process that facilitates the sale of City-owned properties with the goal of returning the property to the private sector for its redevelopment and highest/best use.
- The City of Hagerstown makes real estate available for purchase and redevelopment.
- The Department of Community and Economic Development (DCED) coordinates the process and accepts purchase applications.
- The Mayor and City Council identifies properties to be offered for sale and ultimately approves any development concept and purchase.

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

102020_Farmers_Market_CNS.pdf

Description

Farmers Market Add to
CNS



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

TO: Scott Nicewarner, City Administrator

FROM: Doug Reaser, Business Development Specialist
Jonathan Kerns, Community Development Manager

DATE: October 14, 2020

RE: Review of Farmer's Market Property -25 West Church Street
and possible addition to the Competitive Negotiated Sale program

Staff members will attend the October 20, 2020 Work Session of the Mayor and City Council to review the Farmer's Market property, 25 West Church Street, and the possibility of adding this property to the City's Competitive Negotiated Sale (CNS) program with the goal of transferring the property to the private sector.

25 West Church Street Property Considerations

- An appraisal of the 25 West Church Street building structure was performed by William G Bowen, Inc. and has a current market value of **\$600,000** (appraisal did not include parking area parcels adjacent to the building)
- Separate Land appraisal report valued Market House parking lot areas at **\$370,000**
- Current Hagerstown Fire Department operations located in the northern half of the building
- City Farmer's Market and private vendor businesses operations in the southern half of the building
- Engineering and Planning and Code Administration vehicles utilize the building's below grade parking garage
- United States Postal Service leases 74 Market Lot parking spaces for annual rent of \$40,000
- Farmer's Market Building is managed and maintained within the City's General Fund

Competitive Negotiated Sale Process

A brief summary of the Competitive Negotiated Sales Process is as follows:

- The Competitive Negotiated Sale is a process that facilitates the sale of City-owned properties with the goal of returning the property to the private sector for its redevelopment and highest/best use.
- The City of Hagerstown makes real estate available for purchase and redevelopment.
- The Department of Community and Economic Development (DCED) coordinates the process and accepts purchase applications.
- The Mayor and City Council identifies properties to be offered for sale and ultimately approves any development concept and purchase.

We seek Mayor and City Council direction on adding the Farmer's Market Property to the CNS program. If staff receive direction to add this property to the CNS program, a motion to approve this action will be scheduled for the October 27th Regular Session.

Attachments: Motion adding 25 West Church Street to CNS program

REQUIRED MOTION

MAYOR & CITY COUNCIL HAGERSTOWN, MARYLAND

DATE: October 27, 2020

TOPIC: **Approval to add Farmer's Market Property - 25 West Church Street to the City's Competitive Negotiated Sale (CNS) Process**

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

MOTION: I hereby move for the Mayor & City Council to approve the addition of 25 West Church Street Farmer's Market Property and adjacent parking areas to the City's Competitive Negotiated Sale (CNS) Process, with the goal of transferring the property to the private sector and returning the property to the tax rolls. The property will be added to CNS with a list price of \$970,000 based on a recently conducted appraisal. Purchase proposals will need to accommodate existing City offices located in the building and will be evaluated based on both offer price and how the future use of the property will contribute to the vitality of downtown.

DATE OF INTRODUCTION: 10/27/2020

DATE OF PASSAGE: 10/27/2020

EFFECTIVE DATE: 10/27/2020

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

Topic:

Request to Purchase CNS Building: 170 W. Washington Street - *Jonathan Kerns, Community Development Manager, and Kaitlin Bell, Economic Development Specialist*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

102020_Intro_CNS_170_W_Wash_St.pdf

Description

Request to Purchase 170
W Washington Street



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

TO: Scott Nicewarner, City Administrator

FROM: Jonathan Kerns, Community Development Manager
Kaitlin Bell, Economic Development Specialist

DATE: October 15, 2020

RE: Request to purchase CNS Building: 170 W. Washington Street

Mayor and Council Action Requested

Staff request Mayor & City Council approval to move forward with the sale of the City-owned property at 170 West Washington Street. This property has been advertised for sale as part of the City's Competitive Negotiated Sale (CNS) program. Mr. Pat Grace of Trademark Investments, LLC, has submitted an application and purchase price as well as required documents and examples of his past projects consisting of historic redevelopments.

Details of Purchase

Nicodemus House: 170 West Washington Street

Mr. Grace's purchase offer currently stands as follows:

- Purchase price for 170 W. Washington Street- \$1,000
- Realtor Commissions - \$0
- \$500.00 deposit required
- Planned investment of \$1,143,095.00 for property renovations to then maintain as a mixed-use building including a commercial space and Downtown Student Housing at market rate rents
- Developer to submit final development plan for City Council approval by December 31, 2020 as requirement for settlement.
- Settlement to occur before February 28, 2020
- Mr. Patrick Grace will be DBA 170 West Washington Partners LLC for this property acquisition

Mr. Grace is an experienced developer in the Baltimore, Maryland and Washington, DC area. He has founded two complementary businesses, Greater Baltimore Construction and Trademark Property Management. With his involvement in real estate for 20 + years and the success of his two businesses, he is able to provide a spectrum of real estate services such as sourcing, analyzing, developing, constructing and managing properties. Most notably, is Pat's primary focus and dedication to the rehabilitation of historic properties. Staff recommends moving forward with the sale of 170 W. Washington Street with the terms described above. These terms are reflected in the draft purchase agreement (attached).

Background of 170 W. Washington Street:

The Nicodemus Building is a c.1890's Romanesque Revival urban dwelling that has been used commercially for many years. The building was built as a residence for John L. Nicodemus, president of the bank located at 101 W. Washington Street (now the Discovery Station museum). After taking shape into a hotel/motel, the property was condemned in 2005 due to numerous property violations. After the property became bank owned, the city purchased the property in 2013 for \$27,500 with the intention of transferring it into private ownership again. This property has been vacant since 2005 and substantial renovations are required to make the property habitable. The building is prominently located on a hill along a heavily traveled arterial (US40) through Downtown Hagerstown, at a traffic light.

Staff will be available during the work session to answer any questions on the proposed property sale.

Attached: Trademark Flier
 Draft Purchase Agreement

c: Jason Morton, City Attorney
 Jill Thompson, Director DCED
 Review Committee

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: October 27, 2020

TOPIC: Introduction of an Ordinance: Authorizing the Sale of Property
Located at 170 West Washington Street

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

MOTION: I hereby move for the Mayor and City Council to introduce an Ordinance authorizing the sale of two City-owned parcels located at 170 West Washington Street to 170 West Washington Partners LLC for the sum of \$1,000. The sale will provide the opportunity for approximately \$1.1 million of private investment for mixed used property redevelopment. The sale will be in accordance with all terms and conditions outlined in the attached Purchase Agreement.

DATE OF INTRODUCTION:	10/27/2020
DATE OF PASSAGE:	11/17/2020
EFFECTIVE DATE:	12/18/2020

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made as of the ____ day of _____ 2020, by 170 West Washington Partners LLC ("**Buyer**") and the City of Hagerstown, a Maryland municipal corporation ("**Seller**").

RECITALS

A. Seller is the owner in fee simple of certain improved real property consisting of 2 parcels of land located in the City of Hagerstown, Maryland known as 12 North Prospect Street (Tax Map 306; Parcel 0553) and 170 West Washington Street (Tax Map 306; Parcel 0554) and identified in a Deed to Seller dated March 22, 2013 and recorded at Liber 4497, Folio 0187. The foregoing real property and improvements are collectively referred to herein as the "**Property**".

B. Seller has agreed to sell the Property to Buyer, and Buyer has agreed to purchase the Property from Seller, under all of the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated herein by reference as a substantive part of this Agreement.

2. Purchase and Sale of the Property. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property in accordance with the terms of this Agreement.

3. Purchase Price: Terms of Payment.

3.1 Purchase Price. The aggregate purchase price for the Property ("**Purchase Price**") shall be ONE THOUSAND DOLLARS (\$1,000.00), subject to adjustments and prorations as set forth below and in Section 5.

3.2 Terms of Payment. The Purchase Price shall be paid by Buyer as follows:

3.2.1. Upon both parties signing this Agreement, a deposit of \$500.00 shall be paid to Seller available funds by cash, certified check or wire transfer.

3.2.2. Upon closing under this Agreement, the balance of the Purchase Price shall be paid to Seller in 100% available funds by cash, certified check or wire transfer.

4. Closing. The closing of the purchase and sale of the Property shall be **held on or before February 28, 2021**.

4.1 Seller's Closing Deliverables. At the closing, Seller shall deliver the following documents (collectively the "Closing Documents") and such other items described below:

4.1.1 a special warranty deed to the Property including a covenant of further assurances, duly executed and acknowledged by Seller and in proper form for

recording, conveying fee simple title to the Property to Buyer or its designee subject to all conditions, restrictions, rights of way and easements of record and any Permitted Exceptions. Buyer hereby acknowledges and agrees that the deed shall contain a covenant prohibiting use of the Property as a bail bond business, a store front church, Hookah Shop, pawn shop, check cashing shop, gun shop, adult bookstore/video store, massage parlor, tanning salon, or tattoo business for a period of 10 years.

4.1.2 a certificate updating the representations and warranties made pursuant to Section 7;

4.1.3 a FIRPTA affidavit;

4.1.4 any transfer tax statements, declarations, filings and other similar documents that may be necessary, to the extent the same are required to be executed by Seller;

4.1.5 a closing statement conforming to the proration and other relevant provisions of this Agreement; and

4.1.6 such other information as Buyer may reasonably require to demonstrate Seller's due authorization and performance of this Agreement and the foregoing documents.

4.2 Buyer's Closing Deliverables. At the closing, Buyer shall deliver the following:

4.2.1 the balance of the Purchase Price as adjusted pursuant to the terms hereof;

4.2.2 a closing statement conforming to the proration and other relevant provisions of this Agreement; and

4.2.3 a certificate updating the representations and warranties made pursuant to Section 8.

5. Closing Adjustments/Costs.

5.1 Expense Adjustments. The following items of expense shall be adjusted as of 11:59 p.m., of the day immediately preceding the Closing Date such that Seller shall be responsible for all days prior to the Closing Date and Purchaser shall be responsible for the Closing Date and all days thereafter:

5.1.1 Taxes. Real estate, personal property, ad valorem taxes, assessments payable in installments and front foot benefit charges payable in installments that are due and payable with respect to Seller and the Property, respectively, on the basis of the most current bills or other current information available. Assessments payable in a lump sum and not in monthly installments, if any, for improvements completed prior to the Closing Date, whether assessment therefor has been levied or not, shall be paid by Seller or allowance therefor made at the closing.

5.1.2 Utilities. Fuel, water and sewer service charges, and charges for gas, electricity, telephone and all other public utilities. If there are meters on the Property

measuring the consumption of water, gas or electric current, Seller shall cause such meters (for utilities for which Seller, and not tenants, are responsible) to be read not more than one (1) day prior to the Closing Date, and shall pay promptly all utility bills for which Seller is liable upon receipt of a statement therefor. Purchaser shall be liable for and shall pay all utility bills for services rendered after such meter readings.

5.2 Final Reconciliation. The adjustments described in this Section 5 shall be paid on the Closing Date. If the amount of any of the adjustments described in this Section 5 cannot be determined on the Closing Date, the adjustment therefor shall be made within thirty (30) days after the Closing Date by cashier's check. In making the adjustments required by this subsection, Seller shall be given credit for all amounts prepaid for the Closing Date and any period thereafter, and Seller shall be charged with any unpaid charges for the period prior to the Closing Date.

5.3 Closing Costs. Buyer shall pay all expenses of examination of title, title insurance commitment and title premiums. All state, county, city, local, and municipal transfer and recordation taxes, if any, owing with respect to the sale of the Property, if any, shall be paid by Buyer. Each of Buyer and Seller shall pay their own attorneys' fees and expenses incurred in connection with this negotiation of this Agreement and the closing of the transactions contemplated hereby.

6. Title. Buyer shall have the right to inspect the status of title to the Property. Promptly after execution hereof, Buyer may obtain at Buyer's expense a title report or title commitment ("**Commitment**") and, at Buyer's election, a UCC lien search for the Property. Buyer may also obtain, at Buyer's sole cost and expense, a current ALTA/ASCM survey of the Property. In the event the Commitment discloses or Buyer becomes aware of any lien on the Property created by Seller that can be discharged or satisfied by the payment of money ("**Monetary Title Matters**"), Seller shall discharge or satisfy such Monetary Title Matters on or prior to the Closing Date. If Seller fails to discharge or satisfy any such Monetary Title Matters as aforesaid, Buyer, at its sole option, and in addition to any other rights and remedies it may have under this Agreement, at law and/or in equity, shall have the right to discharge and satisfy the same from the proceeds of the Purchase Price to be paid to Seller at closing. Title to the Property shall be subject only to the following matters: (i) the lien of real estate taxes and sewer and water rents not yet due and payable; and (ii) such matters appearing on the Commitment to which Buyer shall fail to object within thirty (30) days of the date of this Agreement (collectively, the "**Permitted Exceptions**"). Title to the Property shall be insurable, together with such title insurance endorsements as Buyer may reasonably request, at regular rates (including applicable rates for such endorsements) from a title insurance company licensed in the State of Maryland and selected by Buyer. In the event Buyer's review of title to the Property reveals any matters that are unacceptable to Buyer in its sole and absolute discretion (other than Monetary Title Matters which Seller is required to remedy as aforesaid), Buyer shall notify Seller thereof within twenty (20) days after the Effective Date (the "**Objection Notice**"). Within ten (10) days after receipt of the Objection Notice, Seller shall notify Buyer in writing, whether Seller shall undertake to cure such unacceptable exception(s). In the event Seller elects not to cure any unacceptable exception or is unable with the exercise of due diligence to satisfy said objection before the Closing Date, Buyer may, at its option, either (a) accept title subject to the objections raised by Buyer, without an adjustment of the Purchase Price, in which event each of said objections shall be deemed waived for all purposes and considered a Permitted Exception, or (b) terminate this Agreement. If Buyer shall terminate this Agreement, then (i) this Agreement shall be deemed to have terminated as of the date of Buyer's notice without need for any further action by either party, and (ii) neither Buyer nor Seller shall have any

further obligations to one another hereunder, except for those which expressly survive termination of this Agreement.

7. Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Buyer, all of which are made as of the Effective Date and shall be true and correct in all material respects on and as of the Closing Date.

7.1 Enforceability: Authorization. This Agreement and the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto are, or will be when executed and delivered by Seller, the legal, valid and binding obligations of Seller and enforceable against Seller in accordance with its terms. Seller has obtained all consents necessary for, and possesses full authority and legal right to authorize Seller's entry into and performance of this Agreement, the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto and/or the transactions contemplated hereby or thereby.

7.2 Ownership of the Property. Seller is the fee simple record and beneficial owner of the Property. No person or entity has an option, right of first refusal or other similar right to acquire all or any portion of the Property. Seller has performed all obligations under and is not in default in complying with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements applicable to the Property.

7.3 No Conflicts. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Seller is a party.

7.4 Third Party Consents. All consents required from any governmental authority or third party in connection with the execution and delivery of this Agreement by Seller or the consummation by Seller of the transactions contemplated hereby have been made or obtained or shall have been made or obtained by the Closing Date.

7.5 Leases. The following leases exist on the Property: none.

7.6 Other Agreements. Seller is not a party to, nor does Seller have knowledge of, any agreements relating to the Property.

7.7 Condemnation, Violation of Laws, Etc. Excepting City Code violations which have been noted but not yet cited, Seller has not received notice of, and, to Seller's knowledge, there are no existing violations of any federal, state, county or municipal laws, ordinances, orders, codes, regulations or requirements affecting all or any portion of the Property, including, without limitation, violations of housing, building, safety, health, environmental, fire or zoning ordinances, codes and regulations of the respective jurisdictions within which the Property is located or any certificate(s) of occupancy issued for the Property.

7.8 No Flood Hazard Area. To Seller's knowledge, no portion of the Real Property is located in an area designated by any governmental entity as a flood hazard area.

7.9 Hazardous Conditions.

(i) During Seller's ownership of the Property there have been no, and there are no pending or, to Seller's knowledge, threatened: (A) claims, complaints, notices, or requests for information received by Seller with respect to any alleged violation of any Environmental Law with respect to the Property, or (B) claims, complaints, notices, or requests for information to Seller regarding potential or alleged liability under any Environmental Law with respect to the Property.

(ii) To Seller's knowledge, no conditions exist at, on, or under the Property that, with the passage of time or the giving of notice or both, would constitute a Hazardous Condition or give rise to liability under any Environmental Law.

(iii) Seller has not received notice of any violation of any orders, directives, requirements, permits, certificates, approvals, licenses, and other authorizations relating to Environmental Laws with respect to the Property.

(iv) To Seller's knowledge there are no aboveground tanks in excess of 275 gallon storage capacity or any underground storage tanks (collectively, "USTs") at the Property. Seller has not removed or abandoned any USTs at the Property and Seller has no knowledge of the existence, abandonment or removal of USTs at the Property.

(v) To Seller's knowledge there are no polychlorinated biphenyls ("PCBs") or friable or damaged asbestos at the Property, and Seller has not removed (or required or requested the removal of) any PCBs or damaged or friable asbestos from the Property, and Seller has no knowledge of the previous existence of any PCBs or damaged or friable asbestos at the Property.

For purposes of this Agreement, the following terms shall have the meaning as indicated:

"Environmental Law" shall mean: (i) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§9601 et seq.) as amended; (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), as amended; (iii) the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.), as amended; (iv) the Clean Air Act (42 U.S.C. §§ 7401 et seq.) as amended; (v) the Clean Water Act (33 U.S.C. §§ 1251 et seq.) as amended; (vi) the Toxic Substances Control Act (15 U.S.C. §§2601 et seq.) as amended; (vii) the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.) as amended; (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), as amended; (ix) the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), as amended; (x) any state, county, municipal or local statutes, laws or ordinances similar or analogous to the Buyer statutes listed in parts (i) - (ix) of this definition; (xi) any amendments to the statutes, laws or ordinances listed in parts (i) - (x) of this definition, regardless of whether the same are in existence on the date hereof; (xii) any rules, regulations, guidelines, directives, orders or the like adopted pursuant to or to implement the statutes, laws, ordinances and amendments listed in parts (i) - (xi) of this definition; and (xiii) any other law, statute, ordinance, amendment, rule, regulation, guideline, directive, order or the like relating to environmental or other matters covered by the foregoing.

"Governmental Authorities" shall mean any board, bureau, commission, department or body of any municipal, township, county, city, state or federal governmental unit, or any subdivision thereof, having or acquiring jurisdiction over any of the Property or the ownership, management, operation, use or improvement thereof.

"Hazardous Conditions" shall mean the presence on, in or about the Property (including ground water) of Hazardous Materials, the concentration, condition, quantity, location or other characteristic of which fails to comply with applicable Environmental Laws. "Hazardous Material" shall mean any chemical, substance, waste, material, equipment or fixture defined as or deemed hazardous, toxic, a pollutant, a contaminant, or otherwise regulated under any Environmental Law, including but not limited to, petroleum and petroleum products, waste oil, halogenated and non-halogenated solvents, PCBs, asbestos and asbestos containing materials.

7.10 Litigation. No proceeding, suit or litigation relating to Seller or the Property or any part thereof is pending or, to Seller's knowledge, threatened in any court or other tribunal or before any Governmental Authority. Seller is not the subject of, nor has Seller received any written notice of or threat that it has or will become the subject of, any actions or proceedings under the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. ("Bankruptcy Code"), or under any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary and including, without limitation, proceedings to set aside or avoid any transfer of any interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

7.11 FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the **"Code"**), and the sale of the Property is not subject to the federal income tax withholding requirements of such section of the Code.

7.12 Mechanic's Liens. There are no claims for labor performed, materials furnished or services rendered in connection with the development, construction, improvement, renovation or repair of the Property with respect to which liens may or could be filed against the Property, either pending or threatened.

7.13 Tax Matters. No federal or other taxing authority (each, a **"Taxing Authority"** and collectively, the **"Taxing Authorities"**) has asserted in writing any tax deficiency, lien, interest or penalty against Seller or the Property that has not been paid, and there is no pending audit or inquiry from any Taxing Authority relating to Seller or the Property, and to Seller's knowledge, no event has occurred and no condition or circumstance exists which presents a material risk that any tax deficiency, lien, interest, penalty or other assessment will be imposed against Seller or the Property.

7.14 Re-Zoning. Seller is not a party to, nor does Seller have any actual knowledge of, any threatened proceeding for the rezoning of the Property or any portion thereof, or the taking of any other action by governmental authorities that would have an adverse or material impact on the value of the Property or use thereof.

7.15 Condemnation. Seller has not received any written notice advising it of any pending or threatened condemnation or other governmental taking proceedings affecting all or any part of the Property.

7.16 Except as otherwise provided herein, Seller is making no warranties as to the condition of the property and the property is being sold "AS IS."

8. Representations and Warranties of Buyer.

8.1. Buyer hereby represents and warrants to Seller that: (i) Buyer is a limited liability company formed and existing under the laws of the State of Maryland and is in good standing; (ii) this Agreement and the documents, affidavits, certificates and other instruments to be executed and delivered by Buyer pursuant hereto are, or will be when executed and delivered by Buyer, legally binding on, and enforceable against, Buyer in accordance with their respective terms except as the same may be limited by applicable bankruptcy, insolvency, reorganization, receivership and other similar laws affecting the rights and remedies of creditors generally and by general principles of equity (whether applied by a court of law or equity); and (iii) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Buyer is a party.

8.2. The parties acknowledge that this property is being sold for less than fair market value in order to promote the City's efforts to revitalize its downtown core. In consideration thereof, Buyer agrees to the following: (1) Buyer shall perform all acts necessary to bring any and all residential rental units in the Property up to any and all applicable building and livability codes (including but not limited to the City of Hagerstown's Rental Facilities Ordinance at Chapter 197 of the City Code) within twelve (12) months of purchase. Thereafter, Buyer shall attempt to rent the rental units in the Property at market rate.

8.3. Buyer shall include following amenities in each residential unit:

- Central HVAC system.
 - Washer and dryer.
 - Dishwasher.
 - Wood veneer or solid wood kitchen and bathroom cabinets.
 - Approved solid surface counter tops in kitchen and bathrooms.
 - Refinished or new hardwood floors or wall-to-wall carpeting in areas other than kitchen and bathrooms.
 - Where possible, outdoor amenities should be provided for tenants (e.g., balconies, roof top decks, back porches, sunrooms, etc.).
- Each residential unit shall meet the following minimum square footages requirements:
- 400 square feet for an efficiency unit
 - 500 square feet for a one-bedroom unit
 - 650 square feet for a two-bedroom unit
 - 900 square feet for a three-bedroom unit

8.4. Buyer shall submit a detailed development plan and marketing plan on or before December 31, 2020 that shows how it plans to attract residential and commercial tenants to the project. The development plan and marketing plan shall be subject to Mayor and Council approval in its sole and absolute discretion, with said approval being a condition precedent to close on this Agreement.

8.5. Buyer shall apply for the following City Programs:

- Partners in Economic Progress (PEP) Program;
- Invest Hagerstown Grant Program;
- Life Safety Infrastructure Grant Program; and
- Student Housing RFP

8.6. Buyer's minimum investment in the renovations to the Property shall be not less than ONE MILLION DOLLARS (\$1,000,000.00) and shall occur within one (1) year of closing. Any grants awarded to Buyer shall be counted toward the ONE MILLION DOLLAR threshold.

8.7 The obligations contained in Paragraph 8.2, 8.3, 8.5 and 8.6 shall survive closing.

9. Seller Covenants.

9.1 Inspection. Seller shall make available to Buyer during normal business hours prior to the Closing Date all information in Seller's or its management agent's possession or control concerning the Property, including, without limitation, all books and records and plans and specifications.

9.2 Operation and Maintenance. Seller agrees that from the date of this Agreement to the Closing Date, Seller will, at its sole cost and expense: (i) maintain the Property in its current condition (ii) comply with and perform all material provisions and obligations to be complied with and/or performed by Seller under each Contract; (iii) not mortgage or otherwise encumber all or any part of the Property; and (iv) maintain in full force and effect its current all-risk casualty insurance policy for the Property.

9.3 Contracts. Seller shall not enter into any Contracts of any kind with respect to the Property or any portion thereof.

9.4 Leases. Seller shall not enter into any leases or other occupancy agreements of any kind with respect to the Property or any portion thereof.

9.5 Correspondence. Promptly upon receipt, Seller shall provide Buyer with copies of any notices (including all written notices and summaries, including requests for rental concessions), and sales reports and correspondence received from tenants, neighboring property owners, any insurance company which carries insurance on the Property or Board of Fire Underwriters, from any Governmental Authorities or from any other person or entity with respect to the Property or any portion thereof.

9.6 Title and Encumbrances. Seller hereby agrees that, after the date of this Agreement, it shall not take any action affecting title to the Property or encumbering the Property (except for actions effectuating the release of liens or encumbrances in accordance with the terms of this Agreement) unless consented to by Buyer, which consent may be withheld in Buyer's sole and absolute discretion. In all events, Seller will cause to be removed, paid off, released and/or discharged at closing any mortgage, judgment, deed of trust, lien or other evidence of a monetary charge against the Property and any lien or other encumbrance affecting title to the Property and arising subsequent to the date of the Commitment referred to above.

9.7 Real Estate Tax Assessments. Prior to the Closing Date, Seller shall not institute any proceeding or application for a reduction in the real estate tax assessment of the Real Property for any tax year without the prior written consent of Buyer, which consent may be withheld in Buyer's sole and absolute discretion.

9.8 Payment of Taxes. Seller shall pay all federal, state, county, local and foreign income, excise, real and personal property, sales and other taxes, if any, which first become due and payable prior to or on the Closing Date.

9.9 Claims. Seller hereby agrees to cooperate with Buyer in connection with the pursuit of any claims resulting from or based on an event that occurred prior to closing that are covered under the liability insurance policies for the Property that were in

effect prior to closing to assist Buyer in filing a claim under such insurance policies, including, but not limited to executing any assignment of such policy or proceeds to Buyer. The obligations of Seller under this Section shall survive closing for a period of three (3) years.

10. Conditions Precedent to Buyer's Obligation to Purchase. The obligation of Buyer to acquire the Property and to perform the other covenants and obligations to be performed by it on the Closing Date shall be subject to the following conditions precedent (which conditions precedent shall inure solely to the benefit of Buyer and no other person or entity, including, without limitation, Seller, shall have any right to waive or defer any of such conditions in whole or in part):

(i) Seller shall have performed in all material respects its covenants and obligations required by this Agreement to be performed or complied with by it on or before the Closing Date.

(ii) All of Seller's representations and warranties in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date and Seller shall have executed and delivered to Buyer, upon written Request by Buyer, a certificate, dated as of the Closing Date, to the foregoing effect.

(iii) Delivery of possession of the Property to Buyer at Closing, which shall be in substantially the same condition it is in on the date of this Agreement, subject to casualty and/or condemnation and the provisions of this Agreement relating thereto. The property shall be in broom-clean condition at Closing.

(iv) Title to the Property on the Closing Date shall be in accordance with Section 6, above.

11. Condemnation and Casualty. If prior to the Closing Date Seller receives written notice of any pending or threatened condemnation proceedings or actions or if there occurs any damage, destruction or casualty with respect to all or any portion of the Property, Seller shall promptly notify Buyer thereof in writing. In the event there occurs: (i) any actual or pending condemnation of any portion of the Property; or (ii) any casualty, Buyer shall have the right to terminate this Agreement by giving notice to Seller within thirty (30) days after receipt of Seller's notice advising Buyer of the occurrence of any casualty or condemnation. If: (i) Buyer fails to notify Seller of Buyer's election to terminate this Agreement within such 30-day period; or (ii) Buyer elects to proceed to closing and not terminate this Agreement, then Buyer shall proceed to closing, without adjustment of the Purchase Price, subject to such condemnation or casualty, in which event at closing, Seller shall, as applicable: (A) assign to Buyer any condemnation award or rights thereto paid or payable or otherwise accruing to Seller on account of such condemnation; or (B) assign to Buyer all of Seller's right, title and interest in and to the proceeds of any casualty insurance payable to Seller on account of such casualty and pay to Buyer an amount equal to any deductible or coinsurance applicable to the casualty insurance under such insurance policies. If Buyer timely elects to terminate this Agreement as aforesaid, neither Buyer nor Seller shall have any further rights or liability under this Agreement except for such rights and liabilities as expressly survive termination hereof.

12. Breach/Termination.

12.1 Breach by Seller. If Seller shall fail to perform its covenants or agreements hereunder and such failure shall continue for five (5) days after written notice from Buyer, or if any of Seller's representations and warranties set forth in this Agreement are not true and correct in all material respects on the date hereof or on the Closing Date, Buyer shall have the right, at its sole option, to: (i) terminate this Agreement with neither party having any further rights or obligations to the other under this Agreement except such rights and obligations as expressly survive termination of this Agreement; or (ii) pursue any legal or equitable remedies to which Buyer may be entitled on account of the foregoing, including, without limitation, specific performance and recovery of actual third party costs and expenses incurred by Buyer with respect to this Agreement, the Property and the Inspections, up to a maximum of Ten Thousand Dollars (\$10,000.00).

12.2 Breach by Buyer.

12.2.a. ***Before closing.*** If Buyer shall fail to perform any of the covenants or agreements to be performed by it hereunder and such failure shall continue for five (5) days after written notice from Seller, or if any of Buyer's representations and warranties set forth herein shall not be true and correct in all material respects as of the date made or deemed made, Seller's sole and exclusive remedy shall be to terminate this Agreement, and retain all of Buyer's Deposit, all other claims for losses, damages, costs and expenses being waived.

12.2.b. ***After closing.*** If Buyer shall fail to perform any of the covenants or agreements to be performed by it hereunder and such failure shall continue for five (5) days after written notice from Seller, or if any of Buyer's representations and warranties set forth herein shall not be true and correct in all material respects as of the date made or deemed made, Seller shall have the right to sue for all losses, damages, claims (including but not limited to claims for specific performance), costs and expenses (including but not limited to any incidental and/or consequential damages).

12.3 Litigation Costs. In the event of any litigation between the parties with respect to this Agreement, including any action for specific performance that may be brought by Buyer as provided above, the prevailing party shall be entitled to recover reasonable attorney's fees and expenses.

13. Brokers. Each party hereto represents and warrants to the other that it has dealt with no brokers or finders in connection with this transaction. Each of the parties hereto hereby represents and warrants that neither has authorized any real estate broker, agent or finder to act on its/their behalf in connection with the transaction contemplated by this Agreement, nor does it have any knowledge of any other broker, agent or finder purporting to act on its behalf in respect to this Agreement and the sale of the Property to be made pursuant hereto, and that the other party hereto shall have no liability to any broker for compensation, commission or otherwise. Each party agrees that it shall indemnify, defend and save the other harmless from and against any cost, expense, claim, loss, liability or damages, including reasonable attorneys' fees, and court costs, resulting from a breach of the foregoing representation and warranty by such party. The provisions of this Section shall survive closing or termination of this Agreement.

14. Entire Agreement/Modification. This Agreement (including Addendum No. 1, Addendum No. 2 and EPA Pamphlet, attached hereto), and the Closing Documents contain the entire agreement between the parties relating to the conveyance of the Property, all prior negotiations between the parties are merged into this Agreement and there are no promises,

agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as set forth in this Agreement, including the exhibits attached hereto, and the Closing Documents. No change or modification of this Agreement or any of the Closing Documents shall be valid unless the same is in writing and signed by each of the parties hereto or thereto. No waiver of any of the provisions of this Agreement or any of the Closing Documents executed or to be executed in connection herewith shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

15. Miscellaneous.

15.1 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the respective personal representatives, successors and permitted assigns of the parties hereto.

15.2 Governing Law: Venue. The provisions of this Agreement shall be governed by the laws of the state of Maryland, without regard to the conflicts of laws provisions thereof. Any suit involving any dispute or matter arising under this Agreement may only be brought the Circuit Court for Washington County, Maryland or the District Court of Maryland for Washington County. All parties hereto consent to such jurisdiction.

15.3 Notices. Any notice, demand, consent/election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and delivered (i) personally, or (ii) sent by certified or registered mail, postage prepaid, return receipt requested, or (iii) by a nationally recognized overnight courier. A notice must be addressed to a party as indicated below. Any notice hereunder shall be deemed duly delivered (x) when delivered, with written receipt, if personally delivered or delivered by nationally recognized overnight courier, or (y) three (3) days after mailing, if mailed by certified mail, return receipt requested, postage prepaid. Any party may designate a change of address by written notice to the other in accordance with the provisions set forth above, which notice shall be given at least ten (10) days before such change of address is to become effective.

Seller's notice address:

Jonathan Kerns
Dept. of Community & Economic Development
N. Potomac Street
Hagerstown, MD 21740

With a copy to:

Jason Morton
82 West Washington St
Ste 100
Hagerstown, MD 21740

Buyer's notice address:

With a copy to:

15.4 Incorporation. Each and all of the exhibits and schedules attached hereto are hereby incorporated into this Agreement by reference.

15.5 Further Assurances. Seller agrees that it will, at any time and from time to time after the Closing Date, upon reasonable request of Buyer, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required for the better assigning, transferring, granting, assuring and confirming to Buyer, or to its successors and assigns of, or for aiding and assisting in collecting and reducing to possession, any or all of the assets or property being transferred to Buyer pursuant to this Agreement; provided, however, that any instruments to be executed by Seller shall be in form and substance reasonably acceptable to Seller and in no event shall Seller be required to incur any liability or obligation in addition to that which it is obligated to incur under this Agreement. The provisions of this Section shall survive the closing of the transactions contemplated by this Agreement.

15.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto. Fax or email copies of this Agreement shall be sufficient for all purposes.

16. Risk of Loss. Risk of loss or damage from fire or other casualty until recordation of the deed conveying the Property to Buyer is assumed by Seller.

17. Rules of Construction. Section captions used in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references to "Sections", without reference to a document other than this Agreement are intended to designate articles and sections of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, unless specifically designated otherwise. The use of the term "including" shall mean in all cases "including but not limited to," unless specifically designated otherwise. No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

18. Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or legal holiday in Maryland, in which event the period runs until the end of the next day which is not a Saturday, Sunday or such legal holiday.

19. Time of the Essence. Time shall be of the essence under this Agreement.

20. No Third Party Beneficiaries. None of the rights or obligations provided hereunder shall inure to the benefit of any third party.

21. Waiver of Trial by Jury. THE PARTIES HERETO HEREBY AGREE TO WAIVE ANY RIGHTS THEY MIGHT OTHERWISE HAVE TO A TRIAL BY JURY UNDER ANY PROVISION OF ANY APPLICABLE LAW.

22. Any approvals required under the provisions of this Agreement by City shall be as duly authorized by the Mayor and Council as its duly constituted legislative body.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

ATTEST:

SELLER:

CITY OF HAGERSTOWN
A Maryland municipal corporation

Name:

By: _____
Robert E. Bruchey, II
Mayor

ATTEST:

BUYER:

Name:

By: _____

ABOUT US

Trademark Investments, LLC

Historic Rehabilitation
and Development



443.718.0803 | info@trademarkprops.com | www.trademarkprops.com

Trademark Investments

Historic Rehabilitation and Development

OVERVIEW

- Key Focus on Development, Construction, and property management in the prime high growth Baltimore & Washington, D.C. Metropolitan Area
- Add value to historic real estate assets through adaptive reuse, value engineering, and working with the local Chap authorities, Maryland Historical Trust, and the National Park Service to secure tax credit subsidies.
- Leveraging our outstanding relationships and brand recognition with our investor base.
- A deep understanding of the local rental markets from extensive property management experience in the Baltimore & Washington, D.C. Metropolitan area



INVESTMENT STRATEGY

MISSION

Trademark Investments aims to transform communities by acquiring vacant or underused properties and convert them into high-end, affordable workforce housing and commercial space.

TARGETED ACQUISITIONS:

Distressed and/ or underutilized historic properties in downtown areas near schools, hospitals, and central business districts.



The Totman Building located at 208 E. Redwood St. was vacant for several years prior to our purchase, and is now a 26 unit, fully occupied mixed use building in the heart of the business district.

Trademark Investments

Historic Rehabilitation and Development

WHAT WE DO



URBAN REVITALIZATION MASTER PLANNING

We provide urban revitalization planning services to our community and municipal partners, who often need expertise in understanding what it takes to kick-start healthy urban communities. We can offer this expertise on a broad or on a narrower scale, such as our work to renovate the historic communities throughout Mount Vernon and the greater Baltimore City area. Our clients depend on that knowledge, that insight, and that experience. We have market-leading experience in using the best financing tools available to turn vision and plans into reality. We routinely utilize and layer complex financing tools, such as historic tax credits, to successfully implement our best revitalization strategies.

HISTORIC REHABILITATION

Our historical rehabilitation services seek to complement the surrounding built environment and foster the best traits of a walkable, sustainable, urban lifestyle. We have successfully used historic renovation and new construction urban infill to contribute to high density communities. We are continually evolving and thinking innovatively as we use the best designs, city views, and modern amenities to make our next project the best home our residents can find.

Trademark Investments

Historic Rehabilitation and Development

OUR SERVICES

DEVELOPMENT
CONSTRUCTION
MANAGEMENT



DEVELOPMENT

Trademark Investments provides comprehensive real estate development services including deal structuring and financing, design, construction management, and property management. Because we provide development services that transform buildings, neighborhood blocks, and ultimately communities, our developments are the catalysts for, or the continued momentum of, broader neighborhood revitalization strategies. Trademark Investments provides a wide array of mixed-use and residential development services within two categories: Urban Revitalization Master Planning and Historic Rehabilitation.

CONSTRUCTION

As a respected contractor with our original roots in the Greater Baltimore region, Greater Baltimore Construction specializes in construction and general contracting services for Mixed-use and the multifamily residential market, both new construction, rehab and historic rehab.

Greater Baltimore Construction consistently drives terrific value to each project by integrating our talent throughout each step of the planning and construction phases of a project. From the execution of highly complex mid-rise buildings to single story structures located in historic communities, our extensive experience allows for each client's project to be tailored to their site and their project.

MANAGEMENT

We provide professional, knowledgeable and experienced representation for your leasing and property management needs. You control and retain ownership of your property, while we manage it to provide the greatest return on your investment. Our staff is equipped with the proper management software to be able to quickly interact with current tenants, market to prospective tenants, respond to maintenance requests, and manage various accounts:

- » Full leasing services, including tenant screening
- » Move in/move out reports
- » Maintenance
- » Rent collection
- » Eviction services/suit filings



Trademark Investments



TRADEMARK
PROPERTIES

Trademark Investments

Historic Rehabilitation and Development

WHO WE ARE

TEAM MEMBERS



PATRICK GRACE | PRINCIPAL

Patrick Grace has been involved in the real estate industry for 20+ years and has been the owner of Trademark Investments since 2005. Since that time he has founded Trademark's two complimentary businesses, Greater Baltimore Construction and Trademark Property Management. The companies provide a spectrum of real estate services including sourcing, analyzing, developing, constructing, and managing properties. Their primary focus has been the rehabilitation of historic properties into multifamily or mixed-use, while securing federal, state, and local tax credits and incentives. Their projects help to serve the company's long-term commitment to providing affordable luxury housing to the Mid-Atlantic region, while restoring the historic architecture that makes the area unique. Mr. Grace received his bachelor's degree from James Madison University and his MBA from Georgetown University.



SEAN SIGMON | ASSET MANAGER

Sean Sigmon joined Charm City Development, LLC in 2018 after graduating from the University of Maryland at College Park. Sean holds a bachelor's degree in Economics and minored in both Real Estate Development and Public Policy. While in college, Sean interned with Morgan Properties where he gained valuable experience in the Real Estate industry and as a Property Manager. As our Asset Manager, Sean takes pride in making sure each property maximizes in potential and return on investment. Sean takes the lead in directing all property marketing, leasing, maintenance up-keep, and resident relations to protect the Asset of the investor and to add value to that asset.

Trademark Investments

Historic Rehabilitation and Development

WHO WE ARE

TEAM MEMBERS



THOMAS JACOBI INVESTOR RELATIONS

Thomas Jacobi is the head of investor relations for Trademark Investments. He joined the company in 2017 after several years of private real estate development. Thomas is an experienced and successful entrepreneur and real estate investor who has an appreciation for the region's history, cultural offerings, and accessibility. Once an opportunity is identified, Thomas is able to leverage his track record and experience to reach back into his pool of investors to raise the equity capital needed to fund the projects.

A seasoned film professional, Thomas also runs Jacobi Films Inc., an international film production company that works with firms such as National Geographic, Discovery, and Netflix.

Trademark Investments

Historic Rehabilitation and Development

CURRENT & PAST PROJECTS

406 M Street, NW



Purchased in 2006 this historic property is located in the heart of Washington D.C.'s Mount Vernon neighborhood. The property was completely gutted and converted into apartments, and then ultimately developed and sold as individual condominium units, the last of which were sold in 2018.



7 WEST MULBERRY STREET

"The Old Cathedral School", this property was America's first Catholic School. Located directly across from the historic Basilica, it was vacant and neglected prior to our purchase in 2015. has been restored and the property now consists of historic architecture, 10 apartments and a ground floor office. The property was recently featured on several episodes of the Ellen DeGeneres Show.



"THE TOTMAN BUILDING" 208 E REDWOOD STREET

The original Baltimore Stock Exchange Building, the property was completely destroyed in the Great Baltimore Fire of 1904, and rebuilt in 1906. It was vacant for several years prior to our purchase and is now a 26 unit, fully occupied mixed use building in the heart of the business district. The property was delivered in late 2017 and features complete restoration of the original architecture.



1018 Florida Avenue, NE

A vacant property in NE Washington, D.C, this was converted into 16 new construction condominiums in 2009. 100% of the units were under contract prior to completion of the project, and sold out immediately.

Trademark Investments

Historic Rehabilitation and Development

CURRENT & PAST PROJECTS

1212-1214 EUTAW PLACE



Completed in 2020, this historic property had been vacant since 1992 when we purchased it. The building had no roof and severe damage, but was ultimately converted to 23 apartments and 3 retail spaces. It was fully leased within 45 days of completion.



411 N. CHARLES STREET

This former doctor's office had been vacant for over a decade when we purchased it in 2016. It had severe interior and exterior damage from a decade of neglect. Completed in 2018, the property is now a gorgeous 10 unit apartment building with 1 retail space. It has been 100% occupied since completion.



803 CATHEDRAL STREET

This historic property in the heart of Mount Vernon was vacant and in desperate need of repairs when we purchased it in 2015. It is now a 10 unit apartment building providing workforce housing.



19 EAST FAYETTE STREET

This property is located in the heart of downtown Baltimore and is slated to be complete Spring 2021. It was originally the Baltimore Savings and Loan Building and is registered on the list of national historic properties. It was a 75% vacant commercial building when we purchased it, and will be transformed into a 29 unit apartment building with garage parking.

PAST PROJECTS





REQUIRED MOTION MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Topic:

City Sponsorships - *Kitty Clark, Community Events Coordinator, and Michelle Hepburn, Director of Finance*

Mayor and City Council Action Required:

Discussion:

Staff will attend the October 20 Work Session to present information about the Department of Community and Economic Development's sponsorship of downtown events. The amount currently budgeted for sponsorships is \$41,500. The attached spreadsheet shows a 2 year history of these events and recommended sponsorship amounts for FY21. Staff seek guidance on FY21 funding levels for sponsorships in light of the impacts of Covid-19 on the City budget.

Background:

The Department of Community and Economic Development (DCED) provides sponsorships to support events taking place in the City that have a positive impact on local businesses and offer benefits to its citizens. Sponsorship funds help to offset the cost of these events, which sometimes include charges for overtime city staff. The majority of these events take place downtown, which in turn draw people downtown. As shown on the attached spreadsheet, sponsorship amounts range from \$50 to \$10,000, with the majority in the \$1500-\$5000 range. At the end of 2019, DCED staff devised a sponsorship request form to assess requests. The criteria for selection include:

- Organization's demonstrated need;
- Potential of the event to improve the quality of life for Hagerstown residents;
- Potential for the event to bring people downtown;
- Economic impact and opportunity for downtown businesses.

Organizations began using this request form in December, 2019, for events scheduled to take place in FY20 and FY21. In a non-pandemic year, we would have asked organizations to make their FY22 requests in December, 2020, with that information used by staff to build the FY22 budget.

We also ask sponsored organizations to submit a final report that provides us with both qualitative and quantitative information we use for reporting and in compiling case studies helpful to other organizations interested in producing events downtown.

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

102020_City_Sponsorships.pdf

Description

City Sponsorships



CITY OF HAGERSTOWN, MARYLAND

Department of Community & Economic Development

TO: Scott Nicewarner, City Administrator
FROM: Kitty Clark, Community Events Coordinator
DATE: October 8, 2020
SUBJECT: City Sponsorships

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c: Jill Thompson, Director of Community and Economic Development

City Sponsorship of Downtown Events				
FY21 Budget - Downtown Events - \$41,500				
Organization/Event	FY19 Amount Funded	FY20 Amount Funded	FY21 Draft/ Discussion Amount	NOTES
Alsatia Club-Thunder in the Square (September)	\$ 1,842.50	\$ 1,480.00	\$ -	Event cancelled in FY21
Antietam Velo Club-Tour of Washington County (June)	\$ 2,750.00	\$ 3,000.00	\$ 3,000.00	Assumes event will take place in Spring, 2021. FY20 event still needs documentation or refund.
Auxiliary Police Donation for Support of Events	\$ 500.00	\$ -	\$ -	DCED did not make this donation in FY20 and no decision yet for FY21
B&G Club-Over the Edge (April originally; October in CY2020)	n/a	\$ 3,000.00	\$ 3,000.00	Recommended amount assumes event will take place again in Spring, 2021.
BISFA Benefactor Sponsorship (all year)	\$ 3,000.00	\$ 3,000.00	\$ 1,500.00	FY21 sponsorships are half off due to some cancelled events in FY20
Community Free Clinic-St. Patrick's Run (March)	\$ 2,500.00	\$ -	\$ 2,500.00	Event cancelled in FY20; recommended amount assumes event will take place in March, 2021.
Hagerstown City Ballet- The Spell (June)	\$ -	\$ -	\$ -	Event cancelled in FY20; not re-scheduled to our knowledge
Korean War Memorial Event (July)	\$ 50.00	\$ 50.00	\$ -	Event cancelled in FY21
Krumpe's Donut 5K (August)	\$ 250.00	\$ 250.00	\$ -	Event cancelled in FY21
MD International Film Festival (March)	\$ 1,500.00	\$ -	\$ 2,500.00	Event cancelled in FY20; recommended amount assumes event will take place in Spring, 2021
MD Theatre (previously High Rock) for Donut Drop (December)	\$ 10,000.00	\$ 10,000.00	?	FY21 event has been modified. Seeking guidance on sponsorship amount from Mayor and Council.
MD Theatre for Thunder in the Square (September)	\$ 500.00	\$ 500.00	\$ -	Event cancelled in FY21
MD Theatre for Wind Downs (May-September)	\$ 4,000.00	\$ -	\$ -	Event stopped after FY19
MEG-Shakespeare in the Park (June)	\$ 3,000.00	\$ -	\$ 3,000.00	Event cancelled in FY20; recommended amount assumes event will take place Spring, 2021.
Summer Slide (August)	\$ 2,000.00	\$ 2,000.00	\$ -	Event cancelled in FY21
Visit Hagerstown CVB-USA Cycling (June - July)	\$ 5,000.00	n/a	\$ -	This event did not take place in FY20 or FY21
Washington County Free Library - Various Events (year long)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	
WCAC - Community Art Exhibit Award (December)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
TOTAL SPONSORSHIPS FUNDED/REQUESTED	\$ 41,392.50	\$ 27,780.00	\$ 20,000.00	