

**BALTIMORE COUNTY COUNCIL
NOTES TO THE AGENDA
LEGISLATIVE SESSION 2024**

*Issued: February 22, 2024
Reissued: February 26, 2024
Work Session: February 27, 2024
Legislative Day No. 5: March 4, 2024*

*The accompanying notes are
compiled from unaudited
information provided by
the Administration and
other sources.*



OFFICE OF THE COUNTY AUDITOR

BALTIMORE COUNTY COUNCIL

March 4, 2024

NOTES TO THE AGENDA

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APPENDIX

None

* Note included in reissued package

** Addendum

**AGENDA
BALTIMORE COUNTY COUNCIL
LEGISLATIVE SESSION 2024, LEGISLATIVE DAY NO. 5
MARCH 4, 2024 6:00 P.M.**

CEB = CURRENT EXPENSE BUDGET
BY REQ. = AT REQUEST OF COUNTY EXECUTIVE

Page

CALL OF BILLS FOR FINAL READING AND VOTE

COUNCIL

- 1 Bill 4-24 – Mr. Kach - Zoning Regulations – Signs – Portable Signs
- 2 Bill 5-24 – Mr. Marks - Zoning Regulations – Capping Residential Growth in Greenleigh

APPROVAL OF FISCAL MATTERS/CONTRACTS

JENNIFER AUBERT-UTZ, ASSISTANT CHIEF, FIRE DEPARTMENT

- 3 1. Contract – Centennial Protection Group, LLC – Pre-employment background check services-FD

FAITH THOMAS, CHIEF, REAL ESTATE COMPLIANCE

- 7 2. Contract of Sale – Judith Katcoff – 1441 Rolling Road, 21228 – REC

ANTHONY RUSSELL, DEPUTY DIRECTOR, DEPARTMENT OF PUBLIC WORKS & TRANSPORTATION

- 10 3. Addendum to Contract – Johnson, Mirmiran & Thompson, Inc. – On-call Tier 2 traffic engineering design services – DPWT
- 10 4. Addendum to Contract – The Wilson T. Ballard Co. – On-call Tier 1 traffic engineering design services – DPWT

DEBRA SHINDLE, CHIEF, PROPERTY MANAGEMENT

- 14 5. Contract – Freeland Hoist & Crane, Inc. – Overhead crane and hoist – inspection, maintenance & repair services – PM
- 17 6. Contracts – (3) – Routine maintenance/repairs of wood floors – PM
- 21 7. Contracts – (3) – On-call roofing services – PM
- 25 8. Contracts – (4) – On-call carpentry services – PM

JAMES BENJAMIN, COUNTY ATTORNEY, OFFICE OF LAW

- 29 9. 2nd Amendment to Contract – Nelson, Mullins, Riley & Scarborough, LLP – Legal Services - OOL

KELLY MADIGAN, INSPECTOR GENERAL, OFFICE OF THE INSPECTOR GENERAL

- * 10. Contract - Karpinski, Cornbrooks & Karp, P.A. – Part-time legal counsel - OIG

MISCELLANEOUS BUSINESS

COUNCIL

- 33 1. Res. 6-24 – All Councilmembers – Amending the Rules of Procedure for the Baltimore County Council

FAITH THOMAS, CHIEF, REAL ESTATE COMPLIANCE

- 37 2. Res. 7-24 – Mr. Patoka(By Req.) – Accept donation – Parcel of land – 2005 Old Bosley Road, 21093

TERRY HICKEY, DIRECTOR, DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

- 40 3. Res. 8-24 – Mr. Patoka(By Req.) – Payment in lieu of property taxes (PILOT) – Essex 2 Limited Partnership

* Addendum

Bill 4-24

Council District(s) All

Mr. Kach

Zoning Regulations – Signs – Portable Signs

Bill 4-24 amends the County’s Zoning Regulations to prohibit certain portable signs displayed in a County or State right-of-way.

Under the general sign definitions, a portable sign is defined as a sign that is not securely anchored to the ground or to a building or structure, is intended to display a message and is comprised of or located on: a wheeled or movable designed framework; a motor vehicle, whether operative or not; a movable structure; or movable materials. Bill 4-24 adds to this definition that a portable sign includes “a wearable sign including a wearable sandwich board or hand-held sign.”

Under current law, no sign may be placed in, or project into or above, the street right-of-way or any area owned by a government entity unless otherwise permitted under the Baltimore County Code. This generalized prohibition has not traditionally been applied to smaller, portable signs.

Bill 4-24 amends this prohibition to apply to signs that are worn or held in addition to the current types of signs. The bill also narrows the applicable area from any “street right-of-way” to a right-of-way that belongs to the County or State. Last, the bill provides that this prohibition on certain signs in certain locations shall not prohibit on-premises signs for grand openings.

With the affirmative vote of five members of the County Council, Bill 4-24 will take effect 14 days after its enactment.

Bill 5-24

Council District(s) 5

Mr. Marks

Zoning Regulations – Capping Residential Growth in Greenleigh

Bill 5-24 sets a maximum number of residential living units permitted on a tract under specific circumstances. Currently, under the County’s Zoning Regulations there are specific development standards for residential development in the MD 43 Overlay District.

Specifically, residential uses are permitted to be built on a maximum 30 percent of the overall tract of at least 800 acres that, as of February 19, 2013, is under common ownership or control or part of a common scheme of development within the MD 43 Overlay District. Multifamily units are permitted in accordance with the regulations applicable to the Business, Major-Commercial, Town Center Core (B.M.-C.T.) Zone, except that units are permitted on any story of a proposed building.

Bill 5-24 modifies this to state that the maximum number of residential living units permitted on the overall tract under this provision is 3,300 units. For purposes of calculating the number of residential living units, each unit, regardless of type, shall be counted as one residential living unit without regard to bedroom count.

With the affirmative vote of five members of the County Council, Bill 5-24 will take effect 14 days after its enactment.

FM-1 (Contract)

Council District(s) All

Fire Department

Pre-Employment Background Check Services

The Administration is requesting approval of a contract with Centennial Protection Group, LLC to conduct personal history background investigations for Fire Department recruit class applicants. (The Police Department will continue to conduct criminal history background investigations.) The contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days. The contract provides that compensation may not exceed \$337,000 for the entire 5-year and 4-month term, including the renewal and extension periods. See Exhibit A.

Fiscal Summary

Funding Source	Maximum Compensation	Notes
County ⁽¹⁾	\$ 337,000	⁽¹⁾ General Fund Operating Budget. ⁽²⁾ For the 5-year and 4-month term.
State	--	
Federal	--	
Other	--	
Total	<u>\$ 337,000</u> ⁽²⁾	

Analysis

The contractor will perform background investigations for Fire Department recruit class applicants. The comprehensive background investigations will determine if an applicant is of good moral character and reputation, emotionally stable, and displays the behavior necessary to perform the required job duties. Each background investigation will include: a check of public records, a check of military records (if applicable), a report from a credit agency, an examination of school records, fingerprinting, and various interviews including neighbors, employers, coworkers, and personal references. The Department advised that approximately 120 background investigations will be

conducted annually (not to exceed 320 annually), and is dependent on the total number of vacancies to be filled by each recruit class. The Department and the Office of Budget and Finance, Purchasing Division advised that other agencies will be able to utilize this contract, if needed, to investigate the personal history of applicants, and the Police Department will continue to provide background investigations into criminal history. The contractor's rate is \$575 per background investigation.

The contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days on the same terms and conditions, unless the County provides notice of non-renewal. The contract provides that compensation may not exceed \$337,000 for the entire 5-year and 4-month term, including the renewal and extension periods.

Prior to the commencement of each renewal period, the County may entertain a request for an escalation in unit price in accordance with the Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower. The County may terminate the agreement by providing 30 days prior written notice.

The County awarded the contract through a competitive procurement process based on low bid from four bids received. According to the bid documents, there is not an M/WBE participation requirement.

On November 5, 2018, the Council approved a 5-year and 4-month contract effective August 1, 2018 with Centennial Protection Group, LLC to assist the Police Department with performing background investigations; the contract was to be used primarily for Department of Corrections applicants and depending on the Police Department's workload, could also be used for Fire Department applicants. (The Police Department was to continue to provide background investigations for sworn and civilian Police Department, Office of Budget and Finance, and Office of Information Technology applicants, as well as some Department of Corrections and Fire Department applicants.) The Office of Budget and Finance, Purchasing Division advised that in recent years, the Fire Department was the only agency to utilize the contract. The contract expired November 28, 2023. The Purchasing Division advised that expenditures/encumbrances under the contract totaled \$307,980 as of February 14, 2024.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

Executive Summary

Baltimore County Fire Department
CONT-FIR-2024-2126

Budget: 001-016-CC160100-SC052020

The Baltimore County Fire Department is submitting for contract with Centennial Protection Group, LLC for the purpose of conducting pre-employment background checks for potential employees of the Fire Department. The Fire Department does not use polygraph examinations as part of the background investigation process and has not included this cost in the appropriation, or required it from the bid process and pricing list.

This request, once approved, would be effective March 4, 2024 through March 3, 2025; with four (4) one-year renewal options.

The department estimates a total of 120 to 320 background investigations per year; the total compensation would not exceed \$337,000 including all renewals. This cost was calculated based on the previous agreement expenditures, and adjusted to account for the escalation that may occur over term of agreement.

The contract approved by council on November 5, 2018 was used to investigate the personal history of applicants while the Baltimore County Police Department has continued to provide background investigations into criminal history for the Fire Department since 2021. The Fire Department is the only agency to date to use the current contract the past few years, however it remains open and available to other agencies if needed. No other contractor has been utilized to conduct background investigations or polygraph examinations since the contract end on November 28, 2023. The Fire Department encumbered \$307,980 for this contractual agreement which expired November 28, 2023 to date and expended \$244,080.

The benefit of the service is to ensure that the Baltimore County Fire Department hires individuals who meet the criteria and background needed for the department.

Prepared by: Fire Department

FM-2 (Contract)

Council District(s) 1

Office of Law – Real Estate Compliance Division

1441 Rolling Road, 21228

The Administration is requesting approval of a contract to acquire approximately 0.348 acre of land for \$75,820 to remediate the encroachment of the County-owned playground at Western Hills Park onto neighboring private property. Judith Katcoff currently owns the property, which is located at 1441 Rolling Road in Catonsville. The property is zoned DR-3.5 (Density Residential – 3.5 lots per acre). The acquired land will continue to be used as a playground area, plus additional parkland, at Western Hills Park. See Exhibit A.

Fiscal Summary

Funding Source	Purchase Price	Notes
County ⁽¹⁾	\$ 75,820	⁽¹⁾ Capital Projects Fund.
State	--	
Federal	--	
Other	--	
Total	<u>\$ 75,820</u>	

Analysis

The County’s appraisal consultants, Everett Benfield Advisors and Associated Appraisers LLC, completed appraisals of the property (which includes the playground encroachment area plus additional open space) effective September 14, 2022 and August 24, 2022, respectively, recommending values of \$49,280 and \$45,200 respectively. The Office advised that following negotiations, the County and the property owner accepted a negotiated price of \$75,820. The Office further advised that the County recognized it had been using the portion of the property on which the playground was built for an extended period of time, and had the County been leasing the land, there would have been an associated cost (an estimate of this cost is unavailable). The

Office also advised that if the County were to instead relocate the equipment, there would be costs associated with a new surface area, drainage, and restoration of the private property; however, a formal estimate of these costs is unavailable. The Office advised that this is the only acquisition needed for this project.

The total 0.348-acre property to be acquired is part of a larger 1.99-acre parcel that is residentially improved with a converted residence that has been used as medical office space.

The Office advised that as of February 12, 2024, the County had expended/encumbered approximately \$6,639 for this project, excluding the amount for this acquisition.

County Charter, Section 715, requires Council approval of real property acquisitions where the purchase price exceeds \$5,000.

Executive Summary

PROGRAM TITLE: Western Hills Park

PROJECT NO.: 1260109841.991

FISCAL MATTER: Contract of Sale

PROPERTY OWNERS: Judith Katcoff

LOCATION: 1441 Rolling Road
Catonsville, MD 21228

CONSIDERATION: \$75,820

PURPOSE OF PROJECT: This contract is for the purchase of a 0.348 acre portion of 1441 Rolling Rd., Catonsville (“the Property”) to remediate the Baltimore County owned playground encroachment. Property is located on tax map 94, parcel 168, (the “Property”). Tax ID no. 0102200890.

LIMITS OF PROJECT: 0.348 acre portion of the 1.991 acre parcel with the address of 1441 Rolling Rd. Catonsville 21228

Prepared by: Office of Law – Real Estate Compliance Division

FMs-3 & 4 (2 Contract Addenda)

Council District(s) All

Department of Public Works and Transportation

On-Call Tier 1/Tier 2 Traffic Engineering Design Services

The Administration is requesting approval of addenda to two contracts, with Johnson, Mirmiran & Thompson, Inc. (FM-3) and The Wilson T. Ballard Company (FM-4), to continue to provide on-call traffic engineering services for various projects throughout the County. Johnson, Mirmiran & Thompson, Inc. will continue to provide services for “Tier 2” projects (where the cost exceeds \$10,000), and The Wilson T. Ballard Company will continue to provide services for “Tier 1” projects (where the cost is \$10,000 or less). The proposed addenda, which commence upon Council approval, increase the combined maximum compensation by \$3,000,000, from \$1,000,000 to \$4,000,000, for the entire 5-plus-year terms as follows: Johnson, Mirmiran & Thompson, Inc. by \$2,000,000, from \$750,000 to \$2,750,000, and The Wilson T. Ballard Company by \$1,000,000, from \$250,000 to \$1,250,000. The original contracts commenced December 6, 2021. See Exhibit A.

Fiscal Summary

Funding Source	Johnson, Mirmiran & Thompson, Inc. (FM-3)			The Wilson T. Ballard Company (FM-4)		
	Contract Addendum	Current Maximum Comp.	Amended Maximum Comp.	Contract Addendum	Current Maximum Comp.	Amended Maximum Comp.
County ⁽¹⁾	\$ 2,000,000	\$ 750,000	\$ 2,750,000	\$ 1,000,000	\$ 250,000	\$ 1,250,000
State	--	--	--	--	--	--
Federal	--	--	--	--	--	--
Other	--	--	--	--	--	--
Total	<u>\$ 2,000,000</u>	<u>\$ 750,000</u>	<u>\$ 2,750,000</u> ⁽²⁾	<u>\$ 1,000,000</u>	<u>\$ 250,000</u>	<u>\$ 1,250,000</u> ⁽²⁾

⁽¹⁾ Capital Projects Fund.

⁽²⁾ For the entire 5-plus-year term.

Analysis

The contractors will continue to provide on-call traffic engineering services, including traffic signal design, minor geometric design, roundabout design, traffic impact studies, data collection, maintenance of traffic plans, and various other traffic-related studies throughout the County. The Department advised that the tasks may involve preliminary studies/concept plans and/or final construction plans to be inserted into design plans for highway or bridge projects. The Department further advised that the proposed addenda are necessary due to planned capital improvement projects, which include bikeway and pedestrian infrastructure as well as traffic studies.

Services will be performed at the engineers' cost plus profit. Profit is limited to 10% of the combined total of direct labor costs plus overhead and payroll burden. Hourly rates and percentages for overhead, payroll burden, and profit must be within established County limits. The County will not encumber funding for the contracts at this time but rather will charge contract costs to specific projects upon assigning work tasks. The County may terminate the agreements by providing 30 days prior written notice.

On December 6, 2021, the Council approved the original 5-plus-year contracts with Johnson, Mirmiran & Thompson, Inc. and The Wilson T. Ballard Company not to exceed \$750,000 and \$250,000, respectively. The proposed addenda, which commence upon Council approval, increase the maximum compensation for the entire 5-plus-year terms as follows: Johnson, Mirmiran & Thompson, Inc. by \$2,000,000 to \$2,750,000, and The Wilson T. Ballard Company by \$1,000,000 to \$1,250,000. All other terms and conditions remain the same. The County's financial system indicates that as of February 14, 2024, expenditures/encumbrances under both contracts total \$935,151: \$697,873 for Johnson, Mirmiran & Thompson, Inc. and \$237,278 for The Wilson T. Ballard Company.

The Department advised that on July 28, 2021, the Professional Services Selection Committee (PSSC) selected the contractors from 15 submittals based on qualifications and experience; one submittal was deemed non-responsive. According to the bid documents, there is a 20% M/WBE participation requirement.

The County's financial system indicates that as of February 16, 2024, the County currently has 16 other contracts with Johnson, Mirmiran & Thompson, Inc. and 5 other contracts with The Wilson T. Ballard Company.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

EXECUTIVE SUMMARY

On-Call Traffic Engineering Design Services Project 2019-04

Scope of Contract

- Develop traffic signal design plans for new locations with ADA facilities and perform utility coordination
- Develop traffic signal design for upgrades to existing signalized intersections with ADA facilities and perform utility coordination
- Develop maintenance of traffic plans including detour plans
- Review traffic impact studies and provide comments
- Perform traffic data collection including turning movement counts with pedestrians and bicyclists
- Perform traffic data collections using portable tube counts or other means to gather average daily traffic data
- Conduct speed studies to determine average, 85th percentile and other measures
- Develop traffic calming measures based on speed studies
- Conduct other traffic studies related to safety or traffic operations. Studies could include pedestrian and bicycle studies, parking studies, signal warrant studies, multi-way stop studies and signal timing studies
- Perform origin-destination studies through the use license plate matching, big data sources such as Streetlight or sampling
- Prepare minor geometric design plans such as the addition of turn lanes including specifications and estimates
- Develop roundabout design plans including analysis of location to determine number of lanes needed and type. Specifications and estimates will be prepared
- Prepare multi-modal designs including bicycle facilities
- Plans could include the design of signing, pavement marking and lighting
- Attend and present at meeting with the County
- Prepare materials and make presentation at public meetings
- Provide contract plans and specifications in accordance with SHA Specifications for Consulting Engineering Services (Latest Edition), AASHTO (Latest Edition), and SHA Traffic Signal Design Guidelines, adjusting for any County Amendments
- Perform computer drafting/design work using MicroStation or AutoCADD
- Plan and field review, reports, preliminary field investigations, utility review and final review
- Develop special provisions and estimates for final documents

Purpose - To provide professional on-call traffic engineering services which will include traffic signal design, minor geometric design, roundabout design, traffic impact studies, data collection, M.O.T. plans and various other traffic related studies county-wide. While the majority of the tasks are expected to be signal design projects, the number and type of project assignments to be performed will depend solely on the County's needs. These tasks may involve preliminary studies/concept plans and/or final construction plans to be inserted into design plans for a highway or bridge project by others or to be done by one of the County's on-call contractors.

Term - Three (3) years, two (2) one (1) year renewals.

Vendor Selection – PSSC meeting on July 28, 2021

Vendor Name-Johnson, Mirmiran, & Thompson (Tier 2)	Vendor Name: The Wilson T. Ballard Company (Tier 1)	Total
Original Contract Value: \$ 750,000	Original Contract Value: \$ 250,000	Original Contract Value: \$ 1,000,000
Amended Contract Value: \$ 2,750,000	Amended Contract Value: \$1,250,000	Amended Contract Value: \$ 4,000,000

Prepared by: Department of Public Works and Transportation

FM-5 (Contract)

Council District(s) All

Property Management

Overhead Crane and Hoist – Inspection, Maintenance & Repair Services

The Administration is requesting approval of a contract with Freeland Hoist & Crane, Inc. to provide annual maintenance, inspection, and repair services for overhead crane and hoist systems and related equipment located at County-owned facilities (e.g., pumping stations, fire stations, Glen Arm facility). The contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days. The contract provides that compensation may not exceed \$267,059 for the entire 5-year and 4-month term, including the renewal and extension periods. See Exhibit A.

Fiscal Summary

Funding Source	Maximum Compensation	Notes
County ⁽¹⁾	\$ 267,059	⁽¹⁾ General Fund Operating Budget and/or Capital Projects Fund. ⁽²⁾ For the entire 5-year and 4-month term.
State	--	
Federal	--	
Other	--	
Total	<u>\$ 267,059</u> ⁽²⁾	

Analysis

The contractor will provide all labor, materials, tools, equipment, and supervision necessary for annual maintenance, inspection, and repair services of various manufacturers' overhead crane and hoist systems and related equipment located at County-owned facilities. Hourly rates for repair services are \$90 (during normal business hours, Monday through Friday, 7:00 a.m. to 5:00 p.m.) or \$95 (outside of normal business hours). Annual maintenance and inspection services for cranes and hoists range from \$360 to \$2,000, depending on the facility and number of units. The markup for parts and materials and rental equipment is 10%.

The contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days on the same terms and conditions, unless the County provides notice of non-renewal. The contract provides that compensation may not exceed \$267,059 for the entire 5-year and 4-month term, including the renewal and extension periods.

Prior to the commencement of each renewal period, the County may entertain a request for an escalation in unit prices in accordance with the Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower. The County may terminate the agreement by providing 30 days prior written notice.

The County awarded the contract through a competitive procurement process; the contractor was the only bidder. Property Management advised that there is not an M/WBE participation requirement.

On February 5, 2018, the Council approved a similar 5-year and 4-month contract (effective December 1, 2017) not to exceed \$180,000 with Pollock Research and Design, Inc. The Office of Budget and Finance, Purchasing Division advised that the contract expired March 30, 2023 and that expenditures/encumbrances under the contract total \$151,181, including \$10,793 since the contract's expiration.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

Executive Summary

Property Management is requesting the approval of a contract for Freeland Hoist & Crane, Inc. for labor, materials, tools, equipment and supervision necessary for annual maintenance, inspection and repair of overhead crane and related services throughout the County.

In no event shall the total compensation paid to the Contractor exceed the sum of Two Hundred Sixty-Seven Thousand Fifty-Nine Dollars and Twenty-Eight Cents (\$267,059.28) during the entire term of this Agreement including renewals thereof. This Agreement shall be effective when it has been executed by the parties and shall continue through one year (the "Initial Term"). The County reserves the right to renew this Agreement for four (4) additional one (1) year renewal options on the same terms and conditions. The County shall have the option of extending this Agreement at the end of the Initial Term or any renewal term for an additional 120 days on the same terms and conditions.

Prior to the commencement of subsequent renewal terms, the County may entertain a request for an escalation in accordance with the current Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower.

Prepared by: Property Management

FM-6 (3 Contracts)

Council District(s) All

Property Management

Routine Maintenance/Repairs of Wood Floors

The Administration is requesting approval of three contracts, with MasterCare Flooring, Inc., Young’s Floor Service and Remodeling Company, Inc., and Miller Flooring Company d/b/a Miller Sports Construction, to provide routine repairs, replacement, refinishing, and re-lining of wood floors in County-owned and/or operated facilities. Each contract commences upon Council approval and continues through April 30, 2028, with the option to extend the term an additional 120 days. The contracts provide that compensation may not exceed the amount appropriated for these services for the entire contract term. Property Management advised that estimated compensation for all contractors combined totals \$141,801 for the entire approximate 4-year and 6-month term, including the extension period. See Exhibit A.

Fiscal Summary

Funding Source	Combined Total Compensation	Notes
County ⁽¹⁾	\$ 141,801	⁽¹⁾ General Fund Operating Budget and/or Capital Projects Fund. ⁽²⁾ Estimate for the entire approximate 4-year and 6-month term.
State	--	
Federal	--	
Other	--	
Total	<u>\$ 141,801</u> ⁽²⁾	

Analysis

The contractors will provide all labor, equipment, materials, supervision, tools, and related incidentals required to perform routine repairs, replacement, refinishing, and re-lining of wood floors in County-owned and/or operated facilities. Property Management advised that it anticipates the contractor will routinely maintain 39 projects during the contract.

Hourly labor rates range from \$52.50 to \$140, depending on the contractor, staff/skill level (i.e., lead or apprentice technician), and time status (regular, off-hours, or emergency). Unit rates range from \$1.20 to \$90 per sq. ft. depending on the type of service (e.g., refinishing, replacing, or re-lining of wood floors), the size of the project (greater than or less than 100 sq. ft.), and the type of wood flooring to be serviced. Property Management advised that in non-urgent situations, it will obtain proposals for each project and assign the work to the contractor with the lowest proposal.

Each contract commences upon Council approval and continues through April 30, 2028, with the option to extend the term an additional 120 days on the same terms and conditions, unless the County provides notice of non-renewal. The contracts provide that compensation may not exceed the amount appropriated for these services for the entire contract term. Property Management advised that estimated compensation for all contractors combined totals \$141,801 for the entire approximate 4-year and 6-month term, including the extension period.

The Office of Budget and Finance, Purchasing Division advised that BCPS reserves the right to cap pricing adjustments, and increases shall not exceed five percent of the price for the immediately preceding year. The County may terminate the agreements by providing 30 days prior written notice.

The County awarded the contracts as a cooperative procurement of existing competitively-bid 4-year and 10-month Board of Education of Baltimore County (on behalf of Baltimore County Public Schools) agreements that were awarded in June 2023. According to the bid documents, there is a 15% M/WBE participation requirement.

The Purchasing Division advised that the County entered into two similar 5-year contracts, effective June 5, 2018, with MasterCare Flooring, Inc. and Miller Flooring Company d/b/a Miller Sports Construction, which were cooperatively procured via existing competitively-bid Board of Education of Baltimore County agreements. The Purchasing Division further advised that the contracts were not presented for Council approval because they were considered commodity contracts. (Property Management advised that the contracts also included a service component.) The contracts expired June 4, 2023. The County's financial system indicates that as of February 12, 2024, the County expended/encumbered \$169,630 under the contracts: \$58,286 to MasterCare Flooring, Inc. and \$111,344 to Miller Flooring Company. Property Management advised that no services have been provided since the contracts' expiration.

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year...” As previously mentioned, the County entered into two prior 5-year contracts which included a service component without obtaining Council approval; accordingly, this situation constitutes a violation of the aforementioned section of the County Charter.

Executive Summary

Property Management is requesting the approval of contracts with MasterCare Flooring, Inc., Miller Flooring Company dba Miller Sports Construction, and Young's Floor Service and Remodeling Co for all necessary labor, equipment, materials, supervision, tools, and related incidentals required to perform routine repairs, replacement, refinishing, and re-lining of wood floors.

In no event shall the total compensation paid to the Contractor exceed the sum of the County Council approved appropriation during the entire term of this Agreement, including renewals thereof. This Agreement shall be effective when it has been executed by the County and shall continue through April 30, 2028 (the "Initial Term"). The County shall have the option of extending this Agreement at the end of the Initial Term for an additional 120 days on the same terms and conditions.

This Agreement has a MBE/WBE goal of 15%.

BCPS reserves the right to cap pricing adjustments. Increases shall not exceed five percent (5%) of the price for the immediately preceding year.

Prepared by: Property Management

FM-7 (3 Contracts)

Council District(s) All

Property Management

On-Call Roofing Services

The Administration is requesting approval of three contracts, with Dynamic General Contracting, LLC, Citiroof Corporation, and Simpson Unlimited, Inc., to provide on-call roofing services at various County-owned and/or operated buildings on an as-needed basis. Each contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days. The contracts provide that compensation for all contractors combined may not exceed \$2,029,564 for the entire 5-year and 4-month term, including the renewal and extension periods. See Exhibit A.

Fiscal Summary

Funding Source	Combined Maximum Compensation	Notes
County ⁽¹⁾	\$ 2,029,564	⁽¹⁾ General Fund Operating Budget and/or Capital Projects Fund. ⁽²⁾ For the entire 5-year and 4-month term.
State	--	
Federal	--	
Other	--	
Total	\$ 2,029,564 ⁽²⁾	

Analysis

The contractors will provide all labor, materials, tools, equipment, and supervision to perform on-call roofing services at various County-owned and/or operated buildings on an as-needed basis. The contractors will provide services for all types of low-and steep-slope roofing, including gutters and downspouts; vents; drains; skylights; insulation; and roof decking. Property Management advised that there are 8 roof replacement/repair projects remaining in FY 2024.

Hourly labor rates range from \$40 to \$172.50, depending on the contractor, staff/skill level (e.g., unskilled laborer, skilled mechanic), and time status (i.e., regular time/overtime); the mark-up for materials is 10% for Citiroof Corporation, 10% for Dynamic General Contracting, LLC, and 25% for Simpson Unlimited, Inc. Property Management advised that in non-urgent situations, it will obtain proposals for each project and assign the work to the contractor with the lowest proposal.

Each contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days on the same terms and conditions, unless the County provides notice of non-renewal. The contracts provide that compensation for all contractors combined may not exceed \$2,029,564 for the entire 5-year and 4-month term, including the renewal and extension periods.

Prior to the commencement of each renewal period, the County may entertain a request for an escalation in unit prices in accordance with the Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower. The County may terminate the agreements by providing 30 days prior written notice.

The County awarded the contracts through a competitive procurement process from four bids received; one bid was deemed non-responsive. According to the bid documents, there is a 23% M/WBE participation requirement.

On June 4, 2018, the Council approved two similar “tier 2” (for projects greater than \$25,000 with 25% M/WBE subcontracting requirement) 5-year and 4-month contracts with J & K Contracting, Inc. and Phoenix Contracting Services, Inc., and on October 15, 2018, the Council approved two similar “tier 1” (for projects less than \$25,000) 5-year and 4-month contracts, with Citiroof Corporation and Bollinger Roofing Company, Inc., with compensation for all contractors combined not to exceed \$4,386,478 and specific maximum compensations of \$2,834,566 and \$2,835,201 for J & K Contracting Inc. and Phoenix Contracting Services, Inc., respectively. Property Management advised that the County terminated the agreements with Bollinger Roofing Company, Inc. effective March 30, 2022 and with J & K Contracting Inc. effective December 10, 2021; the contract with Phoenix Contracting Services, Inc. expired October 3, 2023; and the contract with Citiroof Corporation expired February 14, 2024. The County’s financial system indicates that as of February 13, 2024, the County expended/encumbered \$2,122,820 under the

contracts: \$0 to J & K Contracting, Inc., \$1,753,166 to Phoenix Contracting Services, Inc., \$358,680 to Citiroof Corporation, and \$10,974 to Bollinger Roofing Company, Inc. Property Management advised that it does not anticipate any roofing projects occurring between February 14, 2024 (the expiration of the Citiroof Corporation contract) and March 4, 2024 (Council consideration of the proposed contracts).

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

Executive Summary

Property Management is requesting the approval of a contract for Dynamic General Contracting LLC, Citiroof Corporation, and Simpson Unlimited Inc. for labor, materials, tools, equipment, and supervision for on-call roofing services throughout the County.

In no event shall the total compensation paid to the Contractor exceed the sum of Two Million, Twenty-Nine Thousand, Five Hundred Sixty-Four Dollars and Thirty-Six Cents (\$2,029,564.36). The Agreement shall be effective when it has been properly signed by all parties and when executed by the County (the "Initial Term"). The County reserves the right to renew this Agreement for four (4) additionally one (1) year renewal options on the same terms and conditions. The County shall have the option of extending this Agreement at the end of the Initial Term or any renewal term for an additional 120 days on the same terms and conditions.

There is a 23% MWBE goal on this contract.

Prior to the commencement of subsequent renewal terms, the County may entertain a request for an escalation in accordance with the current Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower.

Prepared by: Property Management

FM-8 (4 Contracts)

Council District(s) All

Property Management

On-Call Carpentry Services

The Administration is requesting approval of four contracts, with Colossal Contractors, Inc., E.A.R.N. Contractors, Inc., Hayes Construction Company, and Total Contracting, Inc., to provide on-call carpentry services for County-owned and/or operated buildings. Each contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days. The contracts provide that compensation for all contractors combined may not exceed \$13,561,091 for the entire 5-year and 4-month term, including the renewal and extension periods. See Exhibit A.

Fiscal Summary

Funding Source	Combined Maximum Compensation	Notes
County ⁽¹⁾	\$ 13,561,091	⁽¹⁾ General Fund Operating Budget and/or Capital Projects Fund. ⁽²⁾ For the entire 5-year and 4-month term.
State	--	
Federal	--	
Other	--	
Total	\$ 13,561,091 ⁽²⁾	

Analysis

The contractors will provide all labor, materials, tools, equipment, and supervision necessary to provide carpentry services at County-owned and/or operated buildings on an as-needed basis. Services include structural and finish carpentry; roofing, decking and flooring work; painting, caulking, and sealing; construction of outside structures; minor masonry; insulation; power

washing; and installation and repair of doors and frames, storm windows, acoustical tile ceilings, and sheet rock.

Hourly labor rates range from \$25 to \$180, depending on the staff/skill level (e.g., carpenter's apprentice, unskilled; truck driver) time status (regular or overtime), and the contractor. The mark-up for subcontractor services ranges from 12% to 20% and for materials and equipment rental rates range from 10% to 15%, depending on the contractor. Property Management advised that in non-urgent situations, it will obtain proposals for each task and assign the work to the contractor with the lowest proposal. Property Management also advised that it outsources larger carpentry projects, whereas it has 10 carpenters/general maintenance mechanics who perform carpentry tasks throughout the County.

Each contract commences upon Council approval, continues for 1 year, and will renew automatically for four additional 1-year periods with the option to extend the initial term or any renewal term an additional 120 days on the same terms and conditions, unless the County provides notice of non-renewal. The contracts provide that compensation for all contracts combined may not exceed \$13,561,091 for the entire 5-year and 4-month term, including the renewal and extension periods.

Prior to the commencement of each renewal period, the County may entertain a request for an escalation in unit prices in accordance with the Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower. The County may terminate the agreements by providing 30 days prior written notice.

The County awarded the contracts through a competitive procurement process based on low bid from six bids received. According to the bid documents, there is a 25% M/WBE participation requirement per task over \$10,000.

On November 5, 2018, the Council approved three similar 5-year and 4-month contracts, with Total Contracting, Inc., JB Contracting, Inc., and Hayes Construction Company, with combined compensation not to exceed \$5,224,208. The County's financial system indicates that as of February 14, 2024, the County expended/encumbered \$5,112,787 under the contracts: \$2,201,380 to Total Contracting, Inc., \$1,177,180 to JB Contracting, Inc., and \$1,734,227 to Hayes Construction Company.

The County's financial system indicates that as of February 14, 2024, the County has three other contracts with Colossal Contractors, Inc., two other contracts with E.A.R.N. Contractors, Inc., one other contract with Total Contracting, Inc., and no other contracts with Hayes Construction Company.

County Charter, Section 715, requires that "any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year...."

Executive Summary

Property Management is requesting the approval of a contract for Colossal Contractors, Inc., EARN Contractors, Inc., Hayes Construction Company, and Total Contracting, Inc. for on-call carpentry services at various County-owned and operated buildings.

In no event shall the total compensation paid to the Contractor exceed the sum of Thirteen Million, Five Hundred Sixty One Thousand, Ninety-One Dollars and Zero Cents (\$13,561,091.00) during the entire term of this Agreement including renewals thereof. The Agreement shall be effective when it has been properly signed by all parties and when executed by the County (the "Initial Term"). The County reserves the right to renew this Agreement for four (4) additionally one (1) year renewal options on the same terms and conditions. The County shall have the option of extending this Agreement at the end of the Initial Term or any renewal term for an additional 120 days on the same terms and conditions.

There is a 25% per-task MWBE goal on this contract.

Prior to the commencement of subsequent renewal terms, the County may entertain a request for an escalation in accordance with the current Consumer Price Index – All Urban Consumers – United States Average – All Items (CPI-U), as published by the United States Department of Labor, Bureau of Labor Statistics at the time of the request, or up to a maximum 5% increase on the current pricing, whichever is lower.

Prepared by: Property Management

FM-9 (Contract Amendment #2)

Council District(s) All

Office of Law

Legal Services

The Administration is requesting approval of a second amendment to a contract with Nelson Mullins Riley & Scarborough LLP to continue to provide outside legal counsel with respect to class action litigation filed against the County. The proposed amendment, which commences upon Council approval, increases the maximum compensation by \$50,000, from \$1,200,000 to \$1,250,000, for the entire contract term. The contract commenced November 1, 2021. See Exhibit A.

Fiscal Summary

Funding Source	Contract Amendment	Current Maximum Compensation	Amended Maximum Compensation
County ⁽¹⁾	\$ 50,000	\$ 1,200,000	\$ 1,250,000
State	--	--	--
Federal	--	--	--
Other	--	--	--
Total	<u>\$ 50,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,250,000</u> ⁽²⁾

⁽¹⁾ Self Insurance Fund.

⁽²⁾ For the entire contract term.

Analysis

The contractor serves as co-lead counsel for the County with respect to Fair Labor Standards Act (FLSA) class action litigation currently pending before the U.S. Court of Appeals for the Fourth Circuit. Representation includes all matters preparatory to and including litigation. The contract provides that the County will work cooperatively with the contractor to provide the necessary

information and materials, and the County will make business and technical decisions as it deems appropriate.

The Office advised that due to the complex and time-intensive nature of the litigation, the volume and nature of the services exceeded the reasonable expectations of the parties at the time of entering into the agreement, including a number of factors beyond the parties' control. The Office further advised that discovery in this matter has caused the litigation to be far more extensive in scope and cost than initially contemplated, requiring an increase in the value of the contract. The Office also advised that the contractor anticipates that legal fees and expenses could increase by up to an additional \$50,000.

On November 1, 2021, the Council approved the original contract not to exceed \$450,000, which continues through the completion of the litigation, including any and all appeals. On June 6, 2022, the Council approved the first amendment to the contract, increasing the maximum compensation by \$750,000 to \$1,200,000, for the entire contract term. The proposed second amendment, which commences upon Council approval, increases the maximum compensation by \$50,000 to \$1,250,000, for the entire contract term. All other terms and conditions remain the same. The County may terminate the agreement by providing 30 days prior written notice. The Office advised that as of February 8, 2024, approximately \$1,161,716 has been expended/incurred for services.

The County awarded the original contract as a noncompetitive 902(f) award secured in the best interest of the County because it does not have available in-house attorneys with the requisite subject matter expertise. The Office further advised that due to the need to conduct extensive discovery and prepare motions, there was insufficient time to initiate a competitive procurement process.

County Charter, Section 902(f), states that "when... [competitive] bidding is not appropriate, a contract shall be awarded only by competitive negotiations, unless such negotiations are not feasible. When neither competitive bidding nor competitive negotiations are feasible, contracts may be awarded by noncompetitive negotiations."

County Charter, Section 510 states "nothing in this article shall be construed as preventing the county executive, with the approval of the county council, from engaging the services for a temporary period of any attorney or attorneys for legal work of an extraordinary nature when the work to be done is of such character or magnitude as to require legal services in addition to those provided by the regular staff of the Office of Law."

County Charter, Section 715, requires that “any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year....”

Executive Summary

The Administration is requesting approval of a second amendment to a contract with Nelson Mullins Riley & Scarborough, LLP who is currently serving as co-lead counsel for the County with respect to Fair Labor Standards Act (FLSA) class action litigation in federal court. The contract commenced on November 1, 2021 and continues through the completion of the litigation, including any and all appeals. Compensation currently may not exceed \$1,200,000 for the entire contract term.

Due to the complex and time-intensive nature of the litigation, the volume and nature of the services exceeded the reasonable expectations of the parties at the time of entering into the agreement, including a number of factors beyond the parties' control.

The Contractor anticipates that legal fees and expenses could increase by up to an additional \$50,000. As a result, the amendment would increase the not to exceed sum to \$1,250,000.

Prepared by: Office of Law

MB-1 (Res. 6-24)

Council District(s) All

All Councilmembers

Amending the Rules of Procedure for the Baltimore County Council

Resolution 6-24 is a comprehensive update and modernization of the Council's Rules of Procedure. The resolution changes the Council process for consideration of bills, formalizes several unwritten customs, and modernizes outdated language or obsolete references.

Consideration of Bills and Amendments

Currently, the Rules of Procedure require a bill to be placed on an agenda, at minimum, three times and follow an approximately 30-day cycle: first, for introduction at a legislative meeting, where only the bill title and number are read; second, at the work session preceding the final vote, where the bill is discussed; and third, at the legislative meeting approximately one month after introduction, when the bill either receives a final vote or is extended to the following legislative meeting. Amendments to a bill are only introduced and considered at the legislative meeting when the final vote is scheduled.

Resolution 6-24 sets forth a new schedule for consideration of bills and amendments, whereby a bill will still follow a 30-day cycle, but will appear on an agenda at least four times, and amendments may be introduced earlier in the legislative process.

After introduction at a legislative meeting, a bill is placed on the agenda for the next regularly scheduled work session, which typically occurs on Tuesday of the following week. This bill is marked as a bill for first consideration. A note summarizing the bill and its fiscal impact must be prepared by the Secretary and Auditor and published prior to this work session. The bill is then discussed at the work session and subject to public comment. After first consideration, the bill is placed on the agenda for the next regularly scheduled work session (typically held two weeks later) and marked as a bill for second consideration; the Secretary and Auditor must update the note as necessary with additional information and a summary of any introduced amendments. Finally, the bill is placed on the agenda for the legislative meeting immediately following second consideration for a final reading and vote.

Introduction of Amendments

After a bill is introduced, a Councilmember may introduce amendments for consideration and discussion at any work session or legislative meeting where the bill appears on the agenda. However, amendments are not voted on until the legislative meeting at which the bill is set for final reading and vote. An amendment may be introduced by a regular process or a rules suspension process.

Introduction of an amendment under the regular process occurs when the amendment has been circulated to all Councilmembers and posted on the Council's website by a certain deadline. For work sessions, the deadline is two hours before the start of the work session. For legislative meetings, the deadline is 10:00 a.m. on the legislative meeting day when the bill is scheduled for final reading and vote. An amendment that is introduced under the regular process may be withdrawn by the lead sponsor at any time prior to the call for a vote on the amendment.

An amendment may be introduced under the rules suspension process only at the legislative meeting for which the bill is scheduled for final reading and vote. In order for a Councilmember to introduce an amendment under this process, there must first be a motion to suspend the Council's Rules for the purpose of introducing the amendment. The motion to suspend the rules must pass by an affirmative vote of five Councilmembers. If the rules are suspended, the amendment may be introduced.

Technical amendments that were not introduced under the regular process, but which do not alter the substance of a bill, may be introduced at any time prior to the bill's final vote without a vote to suspend the rules. Passage of an amendment requires the affirmative vote of at least four Councilmembers, regardless of the process through which it was introduced.

Introduction of County Executive Legislation

Resolution 6-24 also clarifies the process for introducing bills or resolutions by request of the County Executive. Currently, if the County Executive wishes to introduce a bill or resolution, it is transmitted to the Council Chair for consideration. As a matter of custom and courtesy, the Chair introduces the bill or resolution under the Chair's name with the statement "by request of County Executive." Resolution 6-24 formalizes this process. The new rule requires the bill or resolution to follow the normal filing deadline for Council bills or resolutions. The rule also sets forth that, in the event the Chair does not introduce a bill or resolution submitted for introduction by the County Executive or withdraws a bill or resolution so introduced, the Chair shall notify the County

Executive in writing at least two hours before the legislative meeting at which the bill or resolution is scheduled for introduction or final reading and vote.

Withdrawal of Bills or Resolutions

Resolution 6-24 sets forth a new rule regarding the withdrawal of a bill or resolution. Currently, the rules do not contemplate the withdrawal of a legislative item. However, the Council's custom has been to permit the sponsor of a bill or resolution to withdraw it at any time until final reading and vote. The new Rule 16 formalizes this custom by allowing the sponsor to withdraw a bill or resolution at any time prior to the final reading and vote by notifying the Secretary. Rule 16 also sets forth that in the event that a bill or resolution has more than one sponsor, only the lead sponsor has the authority to withdraw it.

Consideration of Resolutions

Currently, the Council's Rules of Procedure do not fully set forth the process by which a resolution is considered and approved. Resolutions are only referenced as an item that may appear on the agenda. The informal custom for consideration of resolutions is that they appear on the work session immediately following introduction and receive a final vote at the next legislative meeting, which generally places resolutions on a two-week cycle.

Resolution 6-24 formalizes the process for consideration of resolutions by adopting some procedures similar to those for consideration of bills while retaining the current two-week cycle for resolutions. The introduction of a resolution will follow some of the same procedures as a bill and must be in a form set forth by the Secretary. Specifically, resolutions must follow the new Rules 24, 25, and 28, which respectively govern the reprinting of bills, the reading of bills, and the call of bills for final reading and vote. While the rules will now require a resolution to be discussed at a work session and be subject to public comment, the new requirements of first and second consideration are not applied to resolutions.

Except for a resolution for the approval of a Planned Unit Development (PUD), a resolution may be considered for final reading and vote at the next scheduled legislative meeting following introduction. Currently, the sponsor of a resolution may defer indefinitely the final reading and vote on a resolution. A new rule sets a deadline for final vote. If no Council action is taken on a resolution within 45 days of its introduction, the resolution shall expire and fail.

Testimony at Work Sessions and Public Hearings

Currently, the Council's Rules of Procedure set forth rules for allowing speakers to give testimony at special hearings. This nomenclature for meetings to take public testimony is obsolete. Today, the Council takes public testimony at two types of meetings: work sessions and public hearings. Accordingly, Resolution 6-24 updates the Rules of Procedure for Special Hearings to reflect the

Council's current nomenclature for these meetings as well as the Council's current process for registering speakers and taking public testimony.

Technical Updates and Modernization

Resolution 6-24 enacts a host of technical changes and updates. All gendered language such as "Chairman" and "Councilman" have been updated to be gender-neutral. Inconsistencies in several terms, phrases, and numbers have been amended to be the same across the entire body of rules. Obsolete references to special meetings under the County Charter have been updated to the Charter's current nomenclature of emergency sessions. Rule numbers have also been updated.

In the spirit of the new procedure these rules set forth, Resolution 6-24 will be discussed for a second time at the work session on February 27, 2024 and will be up for a final reading and vote at the March 4, 2024 legislative session.

Resolution 6-24 shall take effect April 1, 2024.

MB-2 (Res. 7-24) Donation

Council District 3

Mr. Patoka (By Req.)

Office of Law – Real Estate Compliance Division

Accept Donation – Parcel of Land – 2005 Old Bosley Road, 21093

This resolution authorizes the County to accept a donation of an approximate 0.23-acre parcel of land located near 2005 Old Bosley Road in Lutherville-Timonium from I.H. Hammerman II et al. valued at \$17,000. The Office advised that the transfer of the land, which is adjacent to County local open space across from the Warren Elementary School Recreation Center, is intended to be used for recreational purposes. See Exhibit A.

County Charter, Section 306, vests in the County Council the power to accept gifts.

This resolution shall take effect from the date of its enactment.

Executive Summary

PROGRAM TITLE: 2005 Old Bosley Rd. Donation

PROJECT NO.: 10000766

FISCAL MATTER: Resolution

- PROPERTY OWNERS:
1. I.H. Hammerman, II
 2. Lois S. Hammerman
 3. Mark Lee Hammerman
 4. I.H. Hammerman, II, Trustee U/D/T of Amy-Sue Hammerman Dated June 12, 1986
 5. I.H. Hammerman, II, Trustee U/D/T of S.L. Hammerman, II dated June 12, 1986
 6. I.H. Hammerman, II, Trustee U/D/T of Sandye Hammerman Nast Dated June 12, 1986
 7. S.L. Hammerman, VIB Trust (Equitable Bank, N.A., Trustee) (I.H. Hammerman, II, Trustee) (Lois S. Hammerman, Trustee)
 8. E.B.H. Trust U/D/T Dated September 30, 1965 F/B/O Sandye Hammerman Nast (I.H. Hammerman, II, Trustee) (Norman G. Cohen, Trustee) (Henry D. Blair, Jr., Trustee)
 9. E.B.H. Trust U/D/T Dated September 30, 1965 F/B/O S.L. Hammerman, II (I.H. Hammerman, II, Trustee) (Norman G. Cohen, Trustee) (Henry D. Blair, Jr., Trustee)
 10. E.B.H. Trust U/D/T Dated September 30, 1965 F/B/O Mark Lee Hammerman, II (I.H. Hammerman, II,

- Trustee) (Norman G. Cohen, Trustee) (Henry D. Blair, Jr., Trustee)
11. E.B.H. Trust U/D/T Dated September 30, 1965 F/B/O Amy-Sue Hammerman, II (I.H. Hammerman, II, Trustee) (Norman G. Cohen, Trustee) (Henry D. Blair, Jr., Trustee)
 12. A.H. Trust U/D/T Dated November 10, 1965 F/B/O Amy-Sue Hammerman (I.H. Hammerman, II, Trustee)
 13. M.L.H. Trust U/D/T Dated November 10, 1965 F/B/O Mark Lee Hammerman (I.H. Hammerman, II, Trustee)
 14. S.H. Trust U/D/T Dated November 10, 1965 F/B/O Sandye Hammerman Nast (I.H. Hammerman, II, Trustee)
 15. A.H. Trust U/D/T Dated October 30, 1961 F/B/O Amy-Sue Hammerman (I.H. Hammerman, II, Trustee)

PROPERTY INTEREST TO
BE DONATED:

0.23 acres (10,019 sq. ft.) +/-

LOCATION:

2005 Old Bosley Rd.
Tax ID no. 0819066715;
Lutherville-Timonium, Maryland 21093

DONATION VALUE:

\$17,000

PURPOSE OF PROJECT:

To obtain approval of the County Council to accept the donation of 0.23 acres adjacent to County local open space across from Warren Elementary School Recreation Center for recreational purposes.

LIMITS OF PROJECT:

N/A

Prepared by: Office of Law – Real Estate Compliance Division

MB-3 (Res. 8-24) PILOT

Council District(s) 7

Mr. Patoka (By Req.)

Department of Housing and Community Development

Payment in Lieu of Property Taxes – Essex 2 Limited Partnership

Resolution 8-24 authorizes the County to enter into a 10-year agreement with Essex 2 Limited Partnership for stipulated payments-in-lieu of real property taxes (PILOT) in order to provide financial assistance for the renovation of the 209-unit senior (aged 62 and older) affordable housing community located at 1000 Franklin Avenue in Essex. The agreement shall be effective July 1, 2025 and is estimated to result in a property tax loss of \$5,508,409 over the 10-year term, a decrease from the estimated property tax loss of \$5,728,296 under the existing PILOT. See Exhibit A.

Fiscal Summary

Funding Source	Property Tax Reduction under New PILOT	Property Tax Reduction under Existing PILOT	Difference in Property Tax Reduction
County	\$ 5,508,409 ⁽¹⁾	\$ 5,728,296 ⁽²⁾	\$ 219,887 ⁽³⁾
State	--	--	--
Federal	--	--	--
Other	--	--	--
Total	<u>\$ 5,508,409</u>	<u>\$ 5,728,296</u>	<u>\$ 219,887</u>

⁽¹⁾ Estimated net present value of property tax loss under the new PILOT over the 10-year term of the new PILOT agreement.

⁽²⁾ Estimated net present value of property tax loss under the existing PILOT over the 10-year term of the new PILOT agreement.

⁽³⁾ Amount that revenues will increase based on the terms of the new PILOT agreement.

Analysis

According to the Department, under a planned change in ownership amongst related entities, Essex 2 Limited Partnership will become the owner of an existing affordable housing community known as the Essex Co-op Apartments that serves low-income seniors aged 62 and older. The community was built in 1981 and consists of 209 1-bedroom units located at 1000 Franklin Avenue in Essex. Of the 209 units, 208 are leased to households earning up to 60% of the area median income (e.g., up to \$51,120 for an individual and \$58,440 for a family of two) pursuant to an agreement between the owner and the U.S. Department of Housing and Urban Development (HUD) dated February 25, 2005.

The Department advised that under the new ownership structure, Essex 2 Limited Partnership will renovate the property. Renovations will consist of kitchen and bathroom upgrades, painting, and new flooring in all units; upgrades to the lobby, community room, offices, recreation area, community kitchen, and mailroom; and site improvements including parking lot repairs, sidewalk replacement, and landscape upgrades. The Department anticipates that the renovations will begin in fall 2024 and will be completed in spring 2025.

Resolution 8-24 authorizes the County to enter into a 10-year PILOT agreement (effective July 1, 2025) with Essex 2 Limited Partnership with payments-in-lieu of taxes in the amount of \$300 per unit in the first year; increasing 3% per year in the second through fifth years; \$400 per unit in the sixth year; and increasing 3% per year in the seventh through tenth years. The PILOT agreement will reduce County real property tax revenue for the earlier of 10 years or as long as the property owner continues to maintain the affordability restrictions. The property owner shall make annual payments at the end of each calendar year, and the tax payment shall be made prior to payment of any debt service on the property.

Payments in the first year will total \$62,700 (\$300 per unit for 209 units). Estimated PILOT-generated revenue is \$17,606 more than the amount generated by the existing PILOT, and \$604,200 less than the estimated County property tax revenue amount, in the first year. PILOT-generated revenue is estimated to be a net present value amount of \$5,508,409 less than the County property tax amount over 10 years (assuming the assessed value of the property is equal to the project cost of approximately \$60.6 million; the property value increases by 3% each year; and the present-value discount rate equals 5% per year). Under the existing PILOT, PILOT-generated revenue is estimated to be a net present value amount of \$5,728,296 less than the County property tax amount over 10 years using the same assumptions; therefore, the new PILOT

agreement will result in an additional \$219,887 in property tax revenues over the 10-year period. Should the property no longer maintain its affordability restrictions, Essex 2 Limited Partnership will be liable for all foregone County property taxes.

The Department advised that estimated project costs total approximately \$60.6 million and will be financed as follows:

Low-Income Housing Tax Credit (4%)	\$	18,894,000
Loan from Related Entity		18,280,023
Federal Housing Administration 221d4 Loan		15,072,100
Project's Existing Replacement Reserve		3,418,237
Deferred Developer Fee		2,149,875
Bond Interest During Construction Period		1,719,952
Project's Operating Income Contributed to Pay Development Cost during the Construction Period		1,093,025
Owner's Equity		100
	Total	<u>\$ 60,627,312</u>

The Annotated Code of Maryland, Tax-Property Article, Section 7-506.1 exempts certain subsidized rental housing projects from property taxation if the owner and governing body of the County agree to negotiated payments-in-lieu of real property taxes.

On December 5, 2005, the Council approved a 35-year PILOT agreement with Essex Non-Profit Housing Corporation to provide financial assistance for capital improvements to the Essex Co-op Apartments. As noted, according to the Department, Essex 2 Limited Partnership, a related entity, will acquire the apartment complex from Essex Non-Profit Housing Corporation, at which point the existing 35-year PILOT will terminate. The Department advised that Essex Non-Profit Housing Corporation is in compliance with the terms of the existing PILOT.

This resolution shall take effect from the date of its passage by the County Council.

Essex 2 Limited Partnership PILOT

EXECUTIVE SUMMARY

Essex 2 Limited Partnership (LP) (“Essex Co-Op”) has requested Payment In Lieu of Taxes (“PILOT”) for existing 209-unit senior housing project located at 1000 Franklin Avenue, Essex, Maryland 21221.

Essex 2 Limited Partnership will acquire from Essex Non-Profit Housing Corporation (the “Current Owner”), which is the general partner of Owner, a parcel of land located at 1000 Franklin Avenue in Essex, Baltimore County, Maryland (tax ID #1800007067) (the “Property”), improved by a 209-unit rental housing development thereon, for elderly households whose incomes do not exceed 60% of the median income for the Baltimore metropolitan area (the “Project”).

Essex Co-op is an existing affordable housing community serving low-income seniors aged 62 and older. The building was built in 1981 and all of its 209 units are one (1) bedroom, one bathroom. Of those units, twenty-two (22) are accessible and are 730 square feet. Two hundred eight (208) units are section 8 project based subsidized with HUD. This development currently has an existing pilot with Baltimore County.

Purpose of Request of New Pilot

Essex 2 LP plans to refinance the current mortgage held on this project. Work to be performed and anticipated hard costs will be for the renovations to the property. The renovations are grouped into three categories: site, building exterior and interior renovations. All units will be refurbished with new kitchen appliances, cabinets, countertops, updated bathrooms, painting and new flooring. Renovations will include upgrades to the lobby, community room, offices, recreation area, community kitchen and mail room.

Site improvements include repairs to the asphalt parking lot, concrete sidewalk replacements, and landscape upgrades.

Exterior renovations include installation of new roofing, refurbishing and re-caulking of all windows.

Estimated project costs total approximately \$61 million and will be financed as follows

Federal Housing Administration 221d4 Loan	15,072,100.00
Low-Income Housing Tax Credit (4%)	18,894,000.00
Seller Loan -Essex Non-Profit Housing Corporation	18,280,023.00
Owner's Equity	100.00
Bond Interest during construction period	1,719,952.00
Project's Operating Income contributed to pay development cost during the construction period	1,093,025.00
Deferred Developer Fee (Essex 2 LP (Limited Partnership))	2,149,875.00
Project's Existing Replacement Reserve	3,418,237.00

PILOT: Essex 2 LP has requested a ten (10) year PILOT, commencing on July 1, 2025 of \$300 per unit for the first year, with annual escalation of 3% (4% if the Property is transferred or sold subject to the Covenants and the PILOT Agreement), for years 2-5 of the PILOT. In year 6, the Tax Payment will increase to \$400 per unit, with annual escalation of 3% (4% if the Property is transferred or sold subject to the Covenants and the PILOT Agreement), for years 7-10 of the PILOT.

Payments due annually in arrears. The Tax Payment shall be made prior to payment of any debt service on the Property.

The difference between the amount of stipulated payments in lieu of taxes remitted to the County under this Agreement and the amount of full real estate taxes which would have otherwise been paid based on the assessed value of the Property, shall be repaid upon default prior to the Termination Date. Any payment under this provision shall be limited to the extent of available proceeds after repayment of all debt and other obligations, which constitute liens on the Property.

The obligations of Essex 2 LP to operate the Property as rental housing for eligible residents will be set forth in covenants (the "Covenants") contained in a Deed of Trust, Assignment of Leases and Rents, Regulatory Agreement, and Security Agreement (the "Deed of Trust") to be recorded among the Land Records of Baltimore County.

Prepared by: Department of Housing and Community Development