



STATEMENT OF INTEREST NO. I1580.15

DATE ISSUED: December 24, 2014

USMH EXPANSION SUPPORT – STUDENT HOUSING PROJECT

**INVITATION FOR STATEMENT OF INTEREST
BY**

**CITY OF HAGERSTOWN
FINANCE DEPARTMENT
1 EAST FRANKLIN STREET, 4TH FLOOR
HAGERSTOWN MD 21740**

SUBMIT TO:

City of Hagerstown
Office of the City Clerk
1 East Franklin Street, 2nd Floor
Hagerstown MD 21740

**STATEMENT OF INTEREST
SUBMISSION DEADLINE:**

Friday, January 16, 2015

PLEASE NOTE:

This is **NOT** an invitation for bids or requests for proposals, therefore, no City terms and conditions or contractual language is contained herein, nor is it required in your response. No contract award will result from this solicitation.

Statement of Interest - I1581.15
USMH Expansion Support – Student Housing Project

Introduction

The Community’s City Center Plan provides a 10-year roadmap for eight catalyst projects that would spur \$125 million in new investment downtown through partnerships between the public and private sector. Based upon the economic analysis report conducted by our partner firm, Urban Partners, all eight projects are feasible. A summary of the Community’s City Center Plan and an Action Report of Implementation Steps completed to date are included as Attachment 1. Information about the City Center is included as Attachment 2. The full plan can be reviewed on the City web site at www.hagerstownmd.org.

One of the eight catalyst projects, Catalyst Project #3, targets the development of student housing by the private sector to support growth in enrollment by out-of-area students at the University System of Maryland at Hagerstown (USMH). This project positions owners of commercial and mixed-use buildings within two blocks of the USMH campus to make available apartment units renovated to a certain standard for a Rent Guarantee Agreement with UMSH and the City for student housing. Information about USMH is included as Attachment 3, and a Map of the USMH Student Housing Project Area is included as Attachments 4.

To implement this initiative, the City intends to facilitate the development of the first three student housing projects over the next ten years to create approximately 12 units for 24 USMH students. It is anticipated that each model project undertaken by an existing owner with vacant or convertible space will provide two-bedroom, two-bath units shared by at least two students. The City will provide a substantial incentive package for the project and facilitate development of the Rent Guarantee Agreement with USMH.

Through a Request for Statement of Interest (RFSI)/Proposals process, the City of Hagerstown and UMSH are soliciting the interest of existing City Center building owners of properties within the USMH Student Housing Project Area to become the developer/partner for the first model project in Catalyst Project #3.

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USMH Expansion Support – Student Housing Project

Description of Opportunity

The City of Hagerstown and USMH intend on selecting a developer/partner for the first model student housing project subject to the development conditions detailed below. The City will provide a substantial incentive package for the project and facilitate development of a Rent Guarantee Agreement with USMH for four units of student housing. The Rent Guarantee Agreement with the developer/partner will be for a designated period of time, provided the developer delivers the product prescribed in a Development Agreement with the City. Under the Rent Guarantee Agreement, USMH will forward names of students to the developer/partner for lease of the units in this first model student housing project, and USMH and the City will guarantee the rents for any losses experienced by the developer/partner due to vacancies.

Project Development Guidelines

This initiative assumes that owners of commercial and mixed-use buildings with vacant, under-utilized, or readily convertible space within two blocks of USMH will renovate or create four apartment units for student housing to meet the City's Partners in Economic Progress Program standards. The target date for delivery of move-in ready units is August 2015. The following project development guidelines shall apply to this project:

- The target size for each unit is 1,000 square feet and each unit shall contain two bedrooms and two bathrooms for lease to at least two students.
- It is a requirement of this project that the upper floors of the building be fully secured with exterior entry door locks, including either side of the vestibule area around the mailboxes, dusk-to-dawn lighting at the exterior doors and within the vestibule, a camera inside each exterior entry door, and an intercom system and door release button in each apartment.
- It is desirable if the property has off-street parking spaces available to be designated for the student tenants.
- Given the financial incentives being made available to this model project and the Rent Guarantee Agreement guaranteeing lease income to the owner from four units, the preferred rents will range from \$780-\$850/month per unit, plus utilities.
- The units shall be created or upgraded to comply with the following PEP Program standards:
 - All core building systems brought up to code, including access, electrical, plumbing and mechanical, fire, and energy.
 - Phone/datacom wiring to each tenant space.
 - Central HVAC system.
 - Washer and dryer.
 - 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.
 - Outdoor amenities (e.g., balconies, roof top decks, porches, etc.) where possible.

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USMH Expansion Support – Student Housing Project

Description of Opportunity (Continued)

Available Student Housing Development Incentives

Available economic incentives can provide significant benefit to the developer/partner for this model student housing project. Key incentives likely to be applicable include:

- The City of Hagerstown First Third Grant Program, which provides up to a \$250,000 grant for building development. A requirement for applying this program to student housing is that buildings must include ground floor commercial use, as negotiated in the Development Agreement. Funding has been reserved by the Mayor and City Council for the first model student housing project.
- The City of Hagerstown has applied to the State of Maryland for \$150,000 in Community Legacy grant funds to be applied to the renovation expenses to create the units in the first model student housing project. Award announcements are pending.
- The City of Hagerstown Partners in Economic Progress (PEP) Program real estate tax grant-back applicable to Years 1 through 5.
- The City and USMH will provide a Rent Guarantee Agreement for five (5) years that will guarantee rents to the developer for the four student housing units, if losses are experienced due to vacancies.
- Additional incentives available through the PEP Program include:
 - Waived permit and plan review fees and fast tracking of plan approval;
 - Benefit charges waived for two Equivalent Dwelling Units (EDU's) of water and wastewater per project (at a value of \$13,800) and ability to finance any additional EDU's needed for the project; and
 - Free and discounted parking for the first five years in public parking facilities at one space per dwelling unit.

Term of Rent Guarantee Agreement

It is the intent of the City of Hagerstown and USMH to enter into a Rent Guarantee Agreement with the selected developer/partner for the first model project for a period of five (5) years. The City of Hagerstown and USMH reserve the right to terminate the Rent Guarantee Agreement if agreed upon performance measures are not met during the five (5) year period. While the Rent Guarantee Agreement will expire in five (5) years, the student housing arrangement with USMH may be extended for an additional agreed upon timeframe, provided USMH remains satisfied with the developer's performance in providing the student housing to USMH students.

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USMH Expansion Support – Student Housing Project

Process and Criteria for Selection of Developer/Partner

Selection Process

After receipt of developer submissions for the RFSI, the City of Hagerstown and USMH will review these submissions and select a short list of developers/partners to submit Proposals. Proposals will be reviewed with the intent of selecting the initial developer/partner. The Mayor and City Council and USMH will review the recommended proposals and then authorize negotiations with the selected candidate. The selected candidate(s) should anticipate a public presentation to the Mayor and City Council and USMH.

The City of Hagerstown/USMH and the selected candidate will then enter into a period of negotiation for a detailed development agreement and a detailed Rent Guarantee Agreement. Among other items, these agreements will describe:

Development Agreement

- The specific unit products to be delivered by the developer.
- The developer's responsibility to document financial capability to complete the development.
- The specific maintenance services to be provided by the developer.
- The required level of communication between the City, USMH and the developer.
- The responsibilities of the City in the timing of development plan reviews.

Rent Guarantee Agreement

- The responsibilities of the City and USMH on guarantee of rents due to any losses experienced due to vacancies.
- The responsibilities of USMH on delivery of student tenants for lease by the developer.
- The responsibilities of the developer to lease the units to students.

Should the selected developer/partner and the City/USMH be unable to achieve agreement on the terms of these agreements, the City/USMH will proceed to enter into negotiations with an alternate candidate subject to approval by the Mayor and Council and USMH.

Selection Criteria

Criteria for ranking the Statement of Interest submissions will include:

- experience in residential development and renovation/adaptive re-use of older buildings;
- experience in management of multi-family residential properties;
- quality of the proposed development plan;
- ability to deliver the product in a timely manner; and
- financial capability to complete development of this type and scale.

Criteria for ranking the Proposals will include the above, as well as the cost effectiveness of the development proposal.

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USMH Expansion Support – Student Housing Project

Material to be Submitted by Interested Developers

- I. The first step in the process is submittal of the **Statement of Interest**, which is due by January 16, 2015 using the form provided at the end of this document. Entities interested in being considered for the designated developer/partner selection should submit the information requested in the form.

- II. Following selection of a short list of interested developer/partners, the next step in the process is submittal of a **Proposal for the Student Housing Project**, which is due by February 15, 2015. Entities short-listed for this phase of the project should submit the following:
 1. Description of how financing would be structured—anticipated mix of debt and equity; expected sources of equity. Lender references.
 2. Estimated cost to renovate or create units to the development standards outlined in this RFSI.
 3. A description of the submitter’s development plan, including detailed project budget, floor plans of units, description of amenities and finishes. Examples of product types from other developments should be submitted.

Attachments – Table of Contents

Attachment 1 Summary of Community’s City Center Plan & Action Report

Attachment 2 About City Center of Hagerstown

Attachment 3 About USMH

Attachment 4 Map of USMH Student Housing Project Area

City of Hagerstown
Catalyst Project #3 – Request for Statement of Interest (RFSI)
for Developer/Partner for Student Housing Project

Statement of Interest Submission Form

Entities interested in being considered as the designated developer/partner should submit the following information:

1. The name and legal description of the entity proposing to be the designated developer.

Name:

Title:

Phone:

Email:

Legal Company Name:

DBA Company Name (if different):

Address:

City/State/Zip:

Website:

Company Description:

2. A detailed description of the ownership structure of the entity, identifying all individuals or other legal entities holding 5% or more ownership interest in the proposing entity (“principals”). Attach resumes for all principals with 5% or greater ownership.

Project Site Information

3.A. Property Address:

Is the property located within the designated two-block area around USMH as displayed as Attachment 4 – Map of USMH Student Housing Project Area?

Yes No

(Must be located within designated area for consideration for the initial model project. Others may submit for consideration for subsequent projects.)

3.B. Number of Units Proposed at this Property Address:

(Minimum of four (4) units. If more than four (4), only four (4) will qualify for the Rent Guarantee Agreement.)

Description of Units:

(Desired 1,000 sf target size; 2 Bedrooms, 2 Bathrooms)

Unit 1:	_____ sf	_____ Bedrooms	_____ Bathrooms
Unit 2:	_____ sf	_____ Bedrooms	_____ Bathrooms
Unit 3:	_____ sf	_____ Bedrooms	_____ Bathrooms
Unit 4:	_____ sf	_____ Bedrooms	_____ Bathrooms
Unit ___:	_____ sf	_____ Bedrooms	_____ Bathrooms
Unit ___:	_____ sf	_____ Bedrooms	_____ Bathrooms

3.C. Delivery Date for Units – All units can be delivered as move-in ready by (select one)

(For the initial model project, the target move-in ready date is August 2015. Others may submit for consideration for subsequent projects.)

August 2015

August 2016

August 2017

4. A description of the experience of the entity and/or its principals in the development of multi-family residential products and in the renovation/adaptive re-use of older buildings.

5. Identification of the individuals that will be responsible for management of the construction and management of the leased units, to include a description and details of the identified firms/individuals.

6. Discussion of the financial capacity of the entity and/or principals to undertake the project and evidence of undertaking a minimum \$600,000 development as developer/owner elsewhere.

7. A statement indicating any issues of concern for the submitter in completing the development or leasing the units for student housing.

This material should be submitted **by January 16, 2015** to the:

City Clerk's Office
City of Hagerstown
1 E. Franklin Street
Hagerstown, MD 21740
Attn: RFSI Catalyst Project #3

For questions and clarification of any details of this opportunity, please submit them in writing to:

Erica Bonilla
Finance Department
City of Hagerstown
1 E. Franklin Street
Hagerstown, MD 21740
email: ebonilla@hagerstownmd.org.

Written responses will be prepared as an addendum to the RFSI and distributed to all applicants in advance of the submittal deadline.

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USMH Expansion Support – Student Housing Project
(SUBMIT 3 COPIES)

APPLICANT’S MUST STATE THE FOLLOWING:

COMPANY NAME: _____

CONTACT NAME: _____

TELEPHONE NUMBER: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP _____

This form was completed and submitted by: _____
(Please print or type full name)

Title of Individual: _____

Signature of Individual: _____

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USMH Expansion Support – Student Housing Project
(SUBMIT 2 COPIES)

Bidder's Company Name

APPLICANTS SIGNATURE

NOTE: Applicant shall use this page as a cover page when submitting their information.

Each applicant must show the full business address and telephone number of the applicant and be signed by the person legally authorized to sign contracts. All correspondence concerning the information and contract, including notice of award, copy of contract and purchase order, will be mailed or delivered to the address shown on the information in the absence of written instructions from the applicant to the contrary. Information by partnerships must be signed in the partnership name by one of the members of the partnership or by an authorized representative, followed by the signature and designation of the person signing, who shall also state the names of the individuals composing the partnership. Information by corporations must be signed with the name of the corporation, followed by the signature and designation of the officer having authority to sign. When requested, satisfactory evidence of authority of the officer signing in behalf of the corporation shall be furnished. Anyone signing the information as agent shall file satisfactory evidence of his/her authority to do so.

All documents, materials, or data resulting from this contract are the City's property. The City has the right to use and reproduce any documents, materials, and data, including confidential information, used in or developed as a result of this contract. The Applicant warrants that it has title to or right of use of all documents, materials, or data used or developed in connection with this contract. All erasures and/or changes shall be initialed by the individual making modifications to the information.

APPLICANT MUST SIGN HERE AND RETURN THIS PAGE AND THE INFORMATION FORM IN ADDITION TO SUBMITTING ANY DOCUMENTS CALLED FOR BY THE GENERAL CONDITIONS AND INSTRUCTIONS TO APPLICANT, SPECIFICATIONS, AND ANY OTHER DOCUMENTS HEREIN CONTAINED.

By signing here, Applicant does hereby attest that he/she has read fully the general conditions and instructions, specifications, and any other documents herein contained, and does understand them and will furnish and deliver all labor and materials in accordance with the specifications for the price as listed on the proposal form.

Applicant acknowledges receipt of Addenda by initialing the following:

Addendum No. 1		Addendum No. 2		Addendum No. 3	
Addendum No. 4		Addendum No. 5		Addendum No. 6	

Statement of Interest - I1581.15
USMH Expansion Support – Student Housing Project
(SUBMIT 2 COPIES)

AFFIRMATION REGARDING COLLUSION

I AFFIRM THAT:

Neither I nor, to the best of my knowledge, information, and belief, the below stated business has:

- (a) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;
- (b) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the Applicant or of any competitor, or otherwise taken any action in restraint of free competitive information in connection with the contract for which the accompanying information or offer is submitted.

AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM:

Neither I nor, to the best of my knowledge, information, and belief, the below business (as is defined in Section 16-101 (b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies (as is defined in Section 16-101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), has been convicted of, or has had probation before judgment imposed pursuant to Article 27, Section 641 of the Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other State or federal law, **except as follows** (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

COMPANY/FIRM: _____

ADDRESS: _____

AUTHORIZED SIGNATURE: _____

NAME AND TITLE PRINTED: _____

TELEPHONE & FAX NUMBER: _____

DATE: _____ FEDERAL EMPLOYER'S IDENTIFICATION NO. _____

For Informational Purposes Only: Has your company/firm been certified by the State of Maryland as a Minority Business Enterprise? (Please check below.)

_____ Yes _____ No

The Community's City Center Plan

Take a look at the future of our downtown... This is a 10-year roadmap for eight catalyst projects that will spur development in our City Center. The Community's City Center Plan includes detailed annual steps for making these concepts a reality. It creates at least 875 new permanent jobs, bringing \$125 million in new investment downtown.

This is a public-private partnership, where private developers invest 75% of the cost while funding from all levels of government will cover the rest. The City's consultants, Urban Partners, conclude that all of these projects are feasible based on their economic analysis.

This roadmap is the result of broad community input, with the consultants spending over 130 hours collecting feedback from the community. We appreciate your participation in this project to help move our downtown forward!

HAGERSTOWN



CITY CENTER

1. Office Development and Recruitment:



- Position downtown to compete for new office development using portions of Central Parking Lot
- City partners with a selected, experienced developer through a competitive process
- Estimated 154,000 square-foot new office development across three buildings
- Current parking accommodates first 70,000 square feet; additional office will require new parking deck

2. Maryland Theatre Expansion Project:



- Expand draw of downtown's largest attraction
- Grow from 150 to 225 performance days per year, increasing the audience by 60,000 annually
- Continue necessary improvements to seating and "back of house"
- Create new entrance, offices and performance space

3. USMH Expansion Support:



- Support USMH growth from 500 to 750 students
- Add facilities for culinary arts, tourism and hospitality programs
- Capture student housing opportunities downtown:
 - Three upper-floor renovation projects
 - 12 units to house 24 students

FOR MORE INFORMATION, VISIT US ONLINE AT HAGERSTOWNMD.ORG





The Community's City Center Plan

4. Hotel/Conference Center and Heritage Center/Commemorative Park:



- Construct 200-room "Upper Upscale" hotel (i.e. Sheraton, Wyndham, Hilton)
- Programmed with adjacent 20,000 square-foot conference center
- Establish Civil War Heritage Center and Commemorative Park

5. Linking City Park/WCMFA and A&E District with Trail & New Housing:



- Construct multi-use trail linking City Park with Public Square
- Add 31 new townhomes along trail in first 10 years (more later)
- Rehabilitate Dagmar Hotel and three other W. Antietam buildings as 85 loft apartments

6. Expanded Downtown Arts/Events Programming:



- Build upon positive atmosphere created by events in downtown Hagerstown
- Coordinate with Maryland Theatre programming
- Utilize Main Street and other new funding sources to expand events
- Establish consolidated events calendar

7. Expanded Operations of the City Farmers Market:



- Expand from 7 to 35 hours per week operation
- Implement private management approach
- Coordinate with existing tenants; recruit needed additional tenants
- Make necessary capital improvements
- Re-brand & promote to capture portion of estimated \$13 million in unmet demand for specialty foods

8. Expanded and Targeted Home Ownership Support:



- Aggressively market downpayment assistance
- Target Neighborhoods 1st support programs
- Target Neighborhoods 1st infrastructure and amenity improvements
- Continue acquisition, rehab and resale program
- Establish annual rental licensing inspections
- Continue excessive nuisance enforcement programs





ACTION REPORT – 4th Quarter 2014

Thanks to support and input from our partners, neighbors, businesses and organizations, the Community's City Center Plan is making positive progress. We want to update you on what has been done with the respective projects to date. Regular Action Reports such as this one track our efforts, progress and success!

Here is how the community is moving forward:

Catalyst Project #1 - Office Development and Recruitment

GOALS: To position downtown to compete for new office development using portions of Central Parking Lot to build 154,000 sf across three buildings.

ACTIONS COMPLETED:

1. Developed concept renderings. (Bushey Feight Morin Architects (BFM))
2. Received concept support from M&T Bank. (M&T)
3. Authorized staff to prepare Request for Qualifications (RFQ) to identify potential developers. (City Council)
4. Urban Partners developed a draft RFQ which was approved by the Mayor and City Council on November 25, 2014. (City)

Catalyst Project #2 - Maryland Theatre Expansion Project

GOALS: Expand and improve the facility, and grow from 150 to 225 performance days per year, increasing the audience by 60,000 annually

ACTIONS COMPLETED:

1. Approved \$100,000 in matching funds for new seating. (City Council)
2. Fundraising underway for new seating. Achieved \$390,000+ toward \$500,000 fundraising goal – 78+% of goal reached, and extended fundraising campaign through December 31, 2014. (Maryland Theatre)
3. HVAC replacement project is about 60% complete and should be finished in November. (Maryland Theatre)
4. A letter of intent has been sent to a seating company and a contract approved for floor refinishing and recarpeting. (Maryland Theatre)
5. Back-of-house facility improvements completed or underway include: basement dressing rooms remodeled; stage lighting updated; artist entry; on stage dressing rooms; stage curtains & fire curtain. (Maryland Theatre)

6. Theater is applying to the State of Maryland Arts Council for funding support for future programming and operational needs. (Maryland Theatre)

(*Actions Completed by the Maryland Theatre – Maryland Theatre staff supplied information for the actions completed for this report).

Catalyst Project #3 - USMH Expansion Support

GOALS: Support USMH growth from 500 to 750 students through the addition of new program offerings, and capture student housing opportunities with three (3) upper-floor renovation projects. The three (3) upper-floor renovation projects are planned to be implemented separately, in sequence to each other and throughout the 10 year plan.

ACTIONS COMPLETED:

1. Received concept support from USMH. (USMH)
2. Submitted Community Legacy Grant Application requesting funding. *State awards should be announced shortly.* (City Council)
3. Authorized staff to begin a process for identifying a private-sector partner for an upper-floor renovation project. (City Council)
4. Staff review of sites which may meet the model criteria to be complete in October/November, and solicitation from the private sector to be initiated in December. (City)
5. Reserved \$250,000 from the City's First-Third Grant Program. (City Council)

Catalyst Project #5 - Linking City Park/The Washington County Museum of Fine Arts and A&E District with Trail and New Housing

GOALS: Construct multi-use trail linking City Park/WCMFA with the Arts & Entertainment District, and add 31 new townhomes along trail and rehab buildings to create 85 loft apartments (in 10 years).

ACTIONS COMPLETED:

1. Developed a project timeline with planned completion by **August 2015.** (City)
2. Received concept support from property owners. (City)
3. Authorized staff to seek proposals for the design of the trail amenities. (City Council)
4. Approved the funding plan. (City Council)
5. Authorized staff to negotiate the acquisition/transfer of needed properties. (City Council)
6. Trail area surveyed and base map completed. (City)
7. Selected Mahan Rykiel Associates as the trail designer, and design is underway.
8. Walking tour and public meeting held on October 1 to receive community input for the design of the trail. (City)
9. Layout finalized for trail alignment. (City)
10. Meetings held in November 2014 with Utilities and Hagerstown Police Departments to collect their design ideas. (City)
11. Presentation of design recommendations to Mayor and City Council took place November 18, 2014.

Catalyst Project #6 – Expanded Downtown Arts/Events Programming

GOALS: Leverage resources to produce more frequent events and build upon atmosphere created by popular downtown events.

ACTIONS COMPLETED:

1. A successful Pop-Up Shop Event took place August 22-24,2014 in conjunction with Augustoberfest weekend. (Downtown Movement & City)

2. The second Holiday Pop-Up Shop Event weekend took place November 21-23 in conjunction with the Annual City Tree Lighting Event, with an encore event on Black Friday, November 28 and Small Business Saturday, November 29, 2014. (Downtown Movement & City)
3. Launched the Fall Edition of the Sounds of the Square Program providing entertainment in Public Square every Friday night for eight (8) weeks, and it will return for the Spring/Summer edition. (A&E Management Board/Washington County Arts Council/City)
4. Main Street Hagerstown designation was received and celebrated October 30, 2014. (City)
5. Revamped Wind Down Downtown Hagerstown events to larger events with added features including a kid's area, themed street activities, souvenir beverage cup, and wrist band system that allows event goers to stroll throughout the entire event area. (Maryland Theatre/City/+ Many Partners)

Catalyst Project #7 – Expanded Operations of the City Farmers Market

GOALS: Expand operations from 7 to 35 hours per week. Implement private management approach. Make necessary capital improvements. Re-brand. Recruit additional tenants.

ACTIONS COMPLETED:

1. Vendors were briefed on the Community's City Center Plan. Scheduling public input session for early Spring. (City)
2. Initial adjustments being made to the space and vendor locations to allow for inclusion of new vendors. (City)
3. Draft Request for Proposals for private management approach is under development and will be brought to Mayor and City Council for review in December or January. (City)

Catalyst Project #8 - Expanded and Targeted Home Ownership Support

GOALS: Market home ownership incentives and support Neighborhood 1st programs. Establish annual rental licensing inspections, and continue excessive nuisance enforcement programs.

ACTIONS COMPLETED:

1. Adopted amendments to require annual exterior inspections of rental properties to provide additional support to protect neighborhoods. (City Council)
2. Adopted amendments to Vacant Structures Program to provide additional support to protect neighborhoods. (City Council)
3. Authorized the addition of five (5) full-time Code Administration staff (three inspectors for neighborhood services, one coordinator/inspector for the vacant structures program, and one admin support for the programs) to help improve the quality of life in our neighborhoods. (City Council)
4. Analysis underway of conditions and acquisition opportunities within three target neighborhoods. (City)

About City Center Hagerstown

Hagerstown is a city of 39,662 founded in 1762, located at the heart of a suburban metro area with a total approximate population of 90,000. Hagerstown's City Center developed during a booming economic era in the late 19th and early 20th century and still contains today the civic, mixed-use and commercial architecture of this era in a pedestrian-friendly atmosphere. Of the 525 buildings in the City Center,

- 43% are commercial or mixed-use,
- 50% are residential (currently, approximately 1,400 occupy-able dwelling units),
- 6% are public or private institutions, and
- less than 2% are industrial.

As the Hub City, Hagerstown developed with an extensive transportation network with all roads and railroads leading to Hagerstown. Today, freight rail remains active through Hagerstown, two interstate highways (I-70 and I-81) intersect in our metro area, and the Hagerstown Regional Airport is just to the north of us.

Because Hagerstown is the county seat, the City Center maintains a sizeable share of government offices and government-related services. In 2012, there were 3,293 employees working in the City Center with 35% of them in public administration and 21% in professional services.

The City Center area contains the most significant concentration of arts, culture, education, and entertainment facilities in the region, being home to:

- the Maryland Theatre,
- Maryland Symphony Orchestra,
- Washington County Museum of Fine Arts (WCMFA),
- University System of Maryland Center at Hagerstown (USMH),
- Barbara Ingram School for the Arts (BISFA),
- Washington County Arts Council, and
- the Fletcher Branch of the Washington County Free Library.

Additionally, the downtown hosts many popular special events, including the Western Maryland Blues Fest and Augustoberfest (our German heritage festival). Attachment 2 highlights other assets in the City Center.

The City, our downtown partners, and private sector investors have been engaged in much positive activity over the past ten years to make the downtown more vital.

This investment activity in the City Center over the past 10 years resulted in \$71.8 million of public and private investment in capital projects completed and \$7.57 million under construction by the end of 2013.

Significant projects include the following:

- University System of Maryland Center at Hagerstown in 2002 to 2005 - \$13.5 million
- Barbara Ingram School of Fine Arts in 2007 to 2009 - \$10.6 million
- Private Building Renovations through the Partners in Economic Progress (PEP) Program - \$9.3 million in completed projects and \$11 million in projects underway. (data through 2014)
- Washington County Free Library Central Branch and Western Maryland Library - \$22 million

As illustrated on Attachment 3, in the past ten years,

- 16 buildings have been renovated,
- six storefront spaces upgraded,
- two hospital buildings demolished for future redevelopment, and
- two blighted properties acquired for future rehabilitation (which included demolition of an old derelict motel).

The renovations created upgraded spaces for:

- seven restaurants,
- two retail shops,
- 27 offices,
- one museum,
- one theater,
- one Church expansion,
- 29 dwelling units.

In addition, several public infrastructure improvements were made including:

- a new parking deck,
- a new parking lot,
- a new public park,
- six streetscape enhancements,
- two alley enhancements, and
- a transit center.

78% of the development activity investment in the City Center was by the public sector in this time period. As a result of the City's more recent financial incentive programs, 96% of the under-construction investments involve public-private partnerships. It is a City goal to see a greater percentage of activity by the private sector in downtown development activity in the future. As a means of facilitating this goal and removing barriers to private sector investment, the City created a rich portfolio of Invest Hagerstown incentive programs and has been increasing activity in acquisitions and building upgrades on blighted properties. The City-owned commercial properties and surface parking lots in the City Center are viewed by the City as temporary holdings for future acquisition and/or development by the private sector. Our activities in this area are intended to facilitate investment by the private sector. Consistent with this vision and the Community's City Center Plan, this current project anticipates utilizing portions of City-owned surface parking lots as pad sites for new Class A office development.

In recognition of the positive actions and planning which have recently taken place in Hagerstown and the momentum we have achieved for positive future success, Hagerstown was recently designated by the State of Maryland as Maryland Main Street Community. Hagerstown was also one of the first communities in Maryland with designation as a Maryland Arts & Entertainment District. The City Center is also a targeted area for funds through the Maryland Heritage Area Program and the Maryland Community Legacy Program.

The following pages include 1.) a Map of City Center Assets and the Main Street Hagerstown Area; and 2.) a Map of Hagerstown City Center Development Activity 2003 to 2013.



Hagerstown City Center Development Activity 2003 to 2013

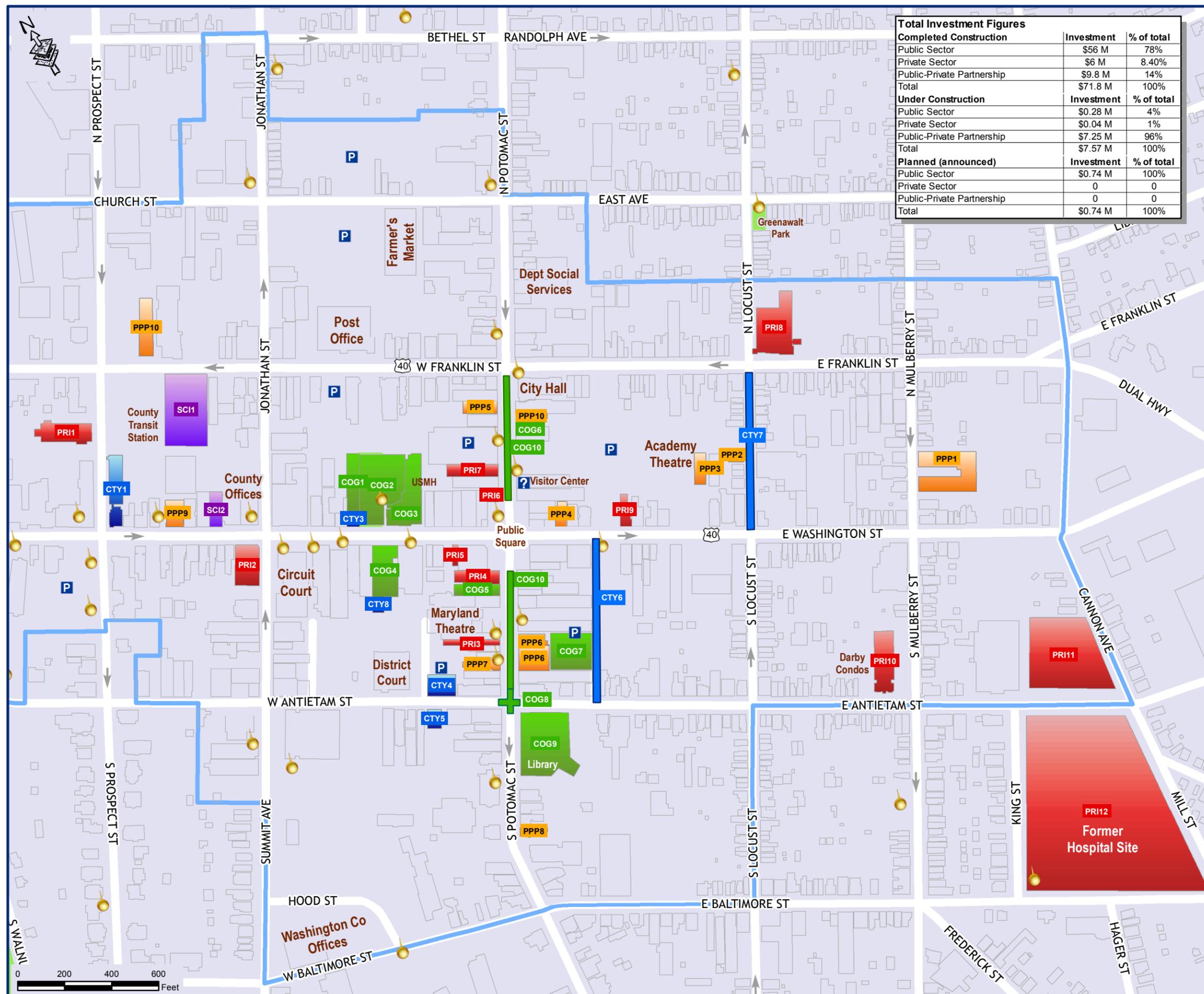
Investment Type

- Private
- Public Private Partnership
- State or County
- City and Other Government
- City
- Building

Legend

- Visitor Center
- Public Parking
- Park
- City Center
- Interpretive Plaque Site

Total Investment Figures		
Completed Construction		
Public Sector	\$56 M	78%
Private Sector	\$6 M	8.40%
Public-Private Partnership	\$9.8 M	14%
Total	\$71.8 M	100%
Under Construction		
Public Sector	\$0.28 M	4%
Private Sector	\$0.04 M	1%
Public-Private Partnership	\$7.25 M	96%
Total	\$7.57 M	100%
Planned (announced)		
Public Sector	\$0.74 M	100%
Private Sector	0	0
Public-Private Partnership	0	0
Total	\$0.74 M	100%



Key	Description	Use
PR1	H.W. Murphy Community Health Center, 24 N. Walnut Street	Offices
PR10	Darby Condominiums, 138 E. Antietam Street	Residential
PR11	Site of Former Pangborn Hall, 250 E. Antietam Street	Demolition
PR12	Site of Former Washington County Hospital, 251 E. Antietam Street	Demolition
PR2	Discovery Station, 101 W. Washington Street	Cultural
PR3	First Hose Fire Company, 33 S. Potomac Street (Museum & façade enhancement)	Mixed Use
PR4	Professional Arts Building, 5 Public Square (façade restoration)	Offices
PR5	Fat Cat Deli's space, 15 W. Washington Street	Restaurant
PR6	Bike's Snow, Skate & Surf, 1 N. Potomac Street	Retail
PR7	Gloryfire Church, 11-15 N. Potomac Street	Faith-Based
PR8	Otterbein United Methodist Church, 108 E. Franklin Street	Faith-Based
PR9	Uncle Louie G's, 34 E. Washington Street	Restaurant
PPP3	Academy Theatre, 58 E. Washington (theater and catering hall)	Cultural
PPP1	Mulberry Lofts, N. Mulberry Street	Mixed Use (Under Construction)
PPP10	Aspiring to Serve Building, 140 W. Franklin Street	Faith-Based
PPP2	Burkett's Deli, 23 N. Locust Street	Restaurant
PPP4	El Paso space, 10-12 E. Washington	Restaurant
PPP5	41-43 N. Potomac Street (The Gourmet Goat, dwelling unit)	Mixed Use
PPP6	Bowman Development on S. Potomac Street (Bulls & Bears, WCAC gallery, offices, dwelling unit)	Mixed Use
PPP7	Flying Pie Pizza, 43 S. Potomac Street	Restaurant
PPP8	Edward Jones Investments, Draper & McGinley, PA, 140 S. Potomac Street	Offices
PPP9	Wareham Building, 138 W. Washington Street	Offices (Under Construction)
PPP10	Thai Zap, 40 N. Potomac	Restaurant
SC1	County Commuter Transfer Station	Infrastructure
SC2	County Public Relations Office, 120 W. Washington Street	Offices
COG1	USMH Expansion & Business Incubator, 60 W. Washington Street	Education
COG2	University Plaza	Infrastructure
COG2	New Stage and Shade Sails in University Plaza	Infrastructure
COG3	University System of Maryland at Hagerstown (USMH)	Education
COG4	43-53 W. Washington Street - acquisition	Mixed Use
COG5	Barbara Ingram School for the Arts (BISFA)	Education
COG6	36-40 N. Potomac Street - acquisition, façade, artist lofts, art gallery	Mixed Use
COG7	A&E Parking Deck (195 spaces)	Infrastructure
COG8	S. Potomac/Antietam Intersection Enhancement	Infrastructure
COG9	Washington County Free Library	Education
COG10	Sidewalk Café Enhancements on Potomac Street	Infrastructure
CTY1	Nicodemus Building, 170 W. Washington Street (demolition of motel addition & ready for re-sale)	Offices (Under Construction)
CTY2	10 N Prospect St (Demolition)	Demolition
CTY3	Think Re-Ink, 60 W. Washington Street	Retail
CTY4	Antietam Street Parking Lot	Infrastructure
CTY5	Demolition of 19-23 W. Antietam Street	Infrastructure (Planned)
CTY6	Renaissance Way	Infrastructure
CTY7	N. Locust Street Enhancement	Infrastructure
CTY8	Updegraff Buildings, 43-53 W. Washington Street (demo rear wing, rehab storefronts on 43, new roof, firewall)	Mixed Use (Planned)

Data Sources: City of Hagerstown, 2013; Washington County, 2005
Prepared By: Hagerstown Planning & Code Admin. Div. 12/19/13

About University System of Maryland Center at Hagerstown (USMH)

The University System of Maryland at Hagerstown (USMH) opened for classes in 2005 following a \$13.5 million renovation and addition project of the old Baldwin House/Routzahn's Department store complex of historic buildings at 32-48 W. Washington Street. In the nearly 10 years since the facility opened, 1,360 students have graduated from undergraduate, graduate and post-graduate programs offered at the regional higher education center. In the fall of 2014, more than 20 programs of study were available at USMH through six highly respected state institutions: Coppin State University, Frostburg State University, Salisbury University, Towson University, University of Maryland College Park and University of Maryland University College. Programs of study were offered in the fields of nursing, education, business administration, accounting, social work, sociology, psychology, sport management, health information management, criminal justice, cybersecurity, investigative forensics, information systems management and engineering.

While initially attracting primarily non-traditional, local students, USMH has grown its traditional college-age population to be about 50 percent of total enrollment. Further, students who do not live within commuting distance are enrolling in high-demand, competitive programs, such as nursing, and seeking housing in the local area while they complete their degrees. As planned new programs, which are expected to attract students from a broad geographic region, come to fruition, this housing need is likely to grow. Student enrollment in the fall of 2014 was approaching 500. This number will increase during the next five years as current programs expand and new programs are added.

Map of USMH Student Housing Project Area

