

Mayor Tracey Furman

**Council Member Darin Bartram
Council Member Nate Engle**



**Council Member Conor Crimmins
Council Member Ann Lichter**

Released: March 18, 2024

**Wednesday, March 20, 2024
Town Council Meeting – 7:00 pm**

The Town Council Meeting will be held in person and via the Zoom Video Conferencing application.

The Council Meeting will begin at 7:00 pm. For those wishing to access the meeting through Zoom, please use the following Zoom Video Conferencing link:

<https://us02web.zoom.us/j/84600426065?pwd=R2M0V3BiVURQc3NyOCtrZGs1UUZidz09>

Meeting ID: 846 0042 6065

Password: 087005

Or you may join the meeting by calling: +1 301 715 8592 US (Washington D.C) and entering the Meeting ID and Password above.

CALL TO ORDER

PLEDGE OF ALLEGIENCE

MOMENT OF SILENCE

APPROVAL OF MINUTES

Closed Session - Town Council Meeting Minutes of February 13, 2024

Public Session – Town Council Meeting Minutes of February 13, 2024

THE MAYOR AND TOWN COUNCIL

1. Acknowledge:

- a. The Mayor and Council sent a letter to the Transportation and Environment Committee of the Montgomery County Council, requesting that the proposed Summit Avenue Extended project be included and adequately funded within the County's FY25 Capital Improvement Plan.

2. Love People Records (Fawcett Street Closure):

**Town of Kensington 3710 Mitchell Street Kensington, MD 20895
Phone 301.949.2424 Fax 301.949.4925
www.tok.md.gov**

- a. Review the proposed partial street closure request for the 10400 block of Fawcett Street by Love People Records for an event on April 20, 2024.

TOWN MANAGER AND STAFF

PUBLIC APPEARANCES

(The public is invited to speak on any subject that is not a topic on tonight's agenda)

ORDINANCES, RESOLUTIONS, AND REGULATIONS

(Ordinances, resolutions, and regulations to be introduced or adopted following appropriate procedures required by the Town Code; or resolutions that may require discussion by the Mayor and Council prior to approval)

1. **Ordinance No. O-01-2024 (Public Hearing)** – Public Hearing for an Ordinance of the Mayor and Council of the Town of Kensington Authorizing the Acquisition of Certain Property located at 10528 St. Paul Street, Kensington, Maryland, for a Public Purpose.
 - a. *The Public Hearing will be held open until 4:00 pm on Monday, April 8, 2024.*
2. **Ordinance No. O-02-2024 (Introduction)** – Introduction of an Ordinance of the Mayor and Council of the Town of Kensington to Appropriate and Adopt the Fiscal Year 2024 – 2025 (FY25) Budget and to Levy a Tax on Certain Real and Personal Property under the provisions of §6-203 of the Tax-Property Article of the Annotated Code of Maryland, as Amended.
 - a. *The Public Hearing will be set for Wednesday, April 10, 2024, 7:00 pm.*
3. **Resolution No. R-03-2024** – A Resolution of the Mayor and Council of the Town of Kensington Authorizing a Contract Agreement with Brudis & Associates, Inc., to provide Engineering and Support Services for a Storm Drain Study along the 3500 and 3600 blocks of Farragut Avenue.
 - a. *Will require approval by an extra-majority vote of the Town Council (waiving advertising procedure).*
4. **Resolution No. R-06-2024** – A Resolution of the Mayor and Council of the Town of Kensington to Authorize the Town Manager to extend the auditing contract with Linton Shafer Warfield & Garrett, P.A., Certified Public Accountants, to perform the Annual Audit for Fiscal Years 2023-2024, 2024-2025, and 2025-2026.
5. **Resolution No. R-07-2024** – A Resolution of the Kensington Town Council Confirming Appointments made by the Mayor to the Development Review Board (DRB).
6. **Resolution No. R-08-2024** – A Resolution of the Mayor and Council of the Town of Kensington Authorizing the Town Manager to contract for the installation of a speed hump along the 10600 block of St. Paul Street.
7. **Resolution No. R-09-2024** - A Resolution of the Kensington Town Council Confirming Appointments made by the Mayor to the Board of Supervisors of Elections.
Resolution No. R-10-2024 – A Resolution of the Mayor and Council of the Town of Kensington Authorizing a Budget Amendment for Fiscal Year 2023-2024 (FY24), in which \$1,148,193.00 will be deducted from both Anticipated Revenue (Grants – ARPA) and Proposed Expenditures (Capital Improvement Budget – PW-005), and reallocate these funds to Anticipated Revenue and Proposed Expenditures within the Fiscal Year 2024-2025 (FY25) Budget.

ADJOURNMENT

(The Mayor and Council may move to close the meeting and may move to reopen the meeting)

THE NEXT SCHEDULED MEETING(S) OF THE MAYOR AND TOWN COUNCIL WILL BE HELD:

April 10, 2024, 7:00 pm

Mayor Tracey Furman

Council Member Darin Bartram
Council Member Nate Engle



Council Member Conor Crimmins
Council Member Ann Lichter

March 6, 2024

The Honorable Evan Glass
Chair, Transportation & Environment Committee
Montgomery County Council
100 Maryland Avenue
Rockville MD 20850

RE: Kensington Summit Avenue Extension
Montgomery County CIP

Dear Chairman Glass:

Members of the Kensington Town Council and I recently had the opportunity to meet with you, along with additional members of the County Council during separate meetings, in an effort to encourage broad support for extending Summit Avenue, and request that the project remain and be adequately funded within the County's FY25 Capital Improvement Program (CIP). The significance of extending Summit Avenue would have a profound impact on the Kensington community beyond just the alleviation of traffic congestion, as the roadway would allow for both economic and housing opportunities far beyond what has been envisioned within the Kensington and Vicinity Sector Plan of 2012. The project would also allow for improved pedestrian access and safety improvements by enhancing the connection between the Town and the historically significant Ken-Gar community.

While the roadway extension was originally recommended by Montgomery Planning back in 1972 and reaffirmed within our most recent Sector Plan (2012), the Town took the opportunity in 2023 to convene a two-day Technical Assistance Panel (TAP) facilitated by the Urban Land Institute (ULI) to evaluate how the proposed Summit Avenue Extended project would reimagine and transform Kensington within our northwest quadrant between Connecticut Avenue and Summit Avenue.

Within the TAP report, the existing traffic concerns along Connecticut Avenue, specifically at the intersections of University Boulevard (MD 193), Plyers Mill Road, and Knowles Avenue (MD 547) are highlighted, in which MCDOT has previously evaluated these intersections as well and assigned them with failing grades. While the intent of the TAP report was not necessarily to be a transportation analysis, the report does clearly highlight our traffic congestion concerns, and provides clarity on how the extension of Summit Avenue would help alleviate congestion along Connecticut Avenue, Plyers Mill Road, Knowles

Avenue, and Summit Avenue, and also provide economic and housing opportunities through future mixed-use redevelopment projects.

We understand that many of the economic and housing opportunities recommended within the TAP report would be long-term redevelopment projects, but these cannot happen without first extending Summit Avenue, as this will provide access to these parcels from multiple directions, which should be a short-term priority for Montgomery County by adequately funding the project within the FY25 CIP. The Town of Kensington absorbs an incredible amount of thru-way traffic due to the rapid development all around us, to include projects in North Bethesda, Wheaton, the future Purple Line at Chevy Chase Lake, and the BRAC realignment of the National Naval Medical Center and Walter Reed.

The Town of Kensington can no longer support development around us if Montgomery County is not willing to fund and support the necessary infrastructure our community desperately needs to reach the visions outlined within Thrive Montgomery 2050.

We strongly encourage the County Council to support the Summit Avenue Extended project and reject the County Executive's recommendation to move this project out beyond FY30. Furthermore, we ask that this project be adequately funded within the FY25 CIP, as this project will have a profound impact on the quality of life for not only our residents, but the greater Kensington community as a whole.

Sincerely,



Tracey Furman
Mayor

CC: Andrew Friedson, Council President
Marilyn Balcombe, Transportation & Environment Committee
Kate Stewart, Transportation & Environment Committee
Kensington Town Council

Love People Records

10429 Fawcett Street
Rockville, MD 20853
(301) 453-2421

Record Store Day

20th April 2024, 10:00 AM - 6:00 PM

OVERVIEW

Love People Records plans to celebrate Record Store Day, within the store and outside the store using a blocked off Fawcett Street from the start of the driveway at Karlee's Deli, stretching to the Howard Avenue crosswalk.

Every year, Record Store Day is celebrated globally in the Spring and the Fall. This spring, RSD falls on Saturday April 20th, and the goal is to support independent record stores by giving access to exclusive releases as part of the attempt to redirect the focus to the "desirable, special things to be found at these local, independently-owned small businesses". **Love People Records** plans to celebrate with a rotation of DJ's, sales and a gathering of music lovers. We plan to partner with food vendors, and possibly local alcohol vendors to assist in providing refreshments.

We request approval from the Town of Kensington with blocking off a small portion of Fawcett Street between 10429 Fawcett Street and Howard Avenue.

Please refer to the below photo that represents the small section between two red lines that we are requesting to be blocked off to traffic. The exiting driveway traffic from antique village remains open with a **right turn only** limitation upon exiting.



Thank you for your consideration.

Q & Rita Francis

Owners, Love People Records

ORDINANCE
OF THE MAYOR AND COUNCIL OF THE TOWN OF KENSINGTON AUTHORIZING
THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 10528 ST. PAUL
STREET, KENSINGTON, MARYLAND, FOR A PUBLIC PURPOSE

WHEREAS, pursuant to §5-202 of the Local Government Article, Annotated Code of Maryland, the Town of Kensington (hereinafter, the “Town”) has the power to pass such ordinances as it deems necessary to assure the good government of the municipality; protect and preserve the municipality's rights, property, and privileges; preserve peace and good order; secure persons and property from danger and destruction; and protect the health, comfort, and convenience of the residents of the Town; and

WHEREAS, pursuant to §5-203 of the Local Government Article, Annotated Code of Maryland, the Town pursuant to State law is authorized to acquire real property by purchase; and

WHEREAS, Section 602 of the Charter of the Town of Kensington implements and authorizes the Mayor and Town Council to exercise the authority granted under State law, including the acquisition of real property for any public purpose; and

WHEREAS, the Mayor and Town Council have determined that the acquisition of the real property located at 10528 St. Paul Street, Kensington, MD 20895, currently owned by 9323B and 9327 Fraser Avenue, LLC, as further referenced in a deed recorded at Liber 23212, folio 525, in the Land Records of Montgomery County, Maryland, is required in order for the Town to make provision for a new Public Works Facility; and

CAPS	: Indicate matter added to existing law.
[Brackets]	: Indicate matter deleted from law.
Asterisks * * *	: Indicate matter remaining unchanged in existing law but not set forth in Ordinance
CAPS	: Indicate matter added in amendment
[Brackets]	: Indicate matter deleted in amendment

WHEREAS, the Mayor and Town Council desire to use the authority granted to the Town under State Law and the Town Charter to acquire the property for a future Public Works facility.

Section 1. **NOW THEREFORE BE IT ORDAINED AND ENACTED** by the Mayor and Council of the Town of Kensington that the acquisition of the property located at 10528 St. Paul Street, Kensington, MD 20895, for the purchase price of \$925,000.00 for the public purpose of use as the Town's Public Works Facility.

Section 2. **BE IT FURTHER ORDAINED AND ENACTED** by the Mayor and Council of the Town of Kensington that upon formal introduction of this proposed Ordinance, the Town Clerk shall distribute a copy to each Council member and shall maintain a reasonable number of copies in the office of the Town Clerk. The proposed ordinance or a fair summary thereof together with a notice setting out the time and place for a public hearing thereon and for its consideration by the Council, shall be:

- a. Posted at the town hall by the next business day;
- b. Posted on the official town website;
- c. Sent to those persons listed on the official town email list/mail subscription service; and
- d. Published once prior to the public hearing in the town newsletter or sent by substitute regular mail to newsletter circulation addresses.

The public hearing shall be held at least fifteen (15) days after introduction and may be held separately or in connection with a regular or special council meeting and may be adjourned from time to time. All persons interested shall have an opportunity to be heard. This Ordinance shall become effective on _____ provided that the ordinance or a fair summary thereof is:

- a. Posted at the town hall by the next business day for at least two (2) weeks;

- b. Posted on the official town website;
- c. Sent to those persons listed on the official town email list/mail subscription service;
- and
- d. Published once in the town newsletter.

If any part or provision of this ordinance is lawfully declared to be invalid, the part or provision held to be invalid shall not affect the validity of the ordinance as a whole or any remaining part thereof or of the Code.

INTRODUCED by the Mayor and Council of the Town of Kensington, Maryland at a public meeting assembled on the ____ day of _____ 2024.

ADOPTED by the Mayor and Council of the Town of Kensington, Maryland at a public meeting assembled on the ____ day of _____ 2024.

EFFECTIVE the ____ day of _____, 2024.

ATTEST:

TOWN OF KENSINGTON

By: _____
Susan Engels, Clerk-Treasurer

By: _____
Tracey Furman, Mayor

**APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:**

Suellen M. Ferguson, Town Attorney



Jeremy S. Scholtes, Esq.
jscholtes@milesstockbridge.com
(301) 698-2318

October 27, 2023

VIA FIRST CLASS MAIL AND EMAIL: michele@marylandpropertylaw.com

Michele McDaniel Rosenfeld
The Law Office of Michele Rosenfeld LLC
1 Research Court, Suite 450
Rockville, Maryland 20850

Re: Counteroffer

SETTLEMENT PURPOSES ONLY – NO PREJUDICE TO THE PARTIES

Dear Ms. Rosenfeld:

As you are aware Miles & Stockbridge P.C. represents 9323B and 9327 Fraser Avenue, LLC (the “Landlord”), in connection with the Town of Kensington’s (the “Town”) potential purchase of the Landlord’s property located at 10528 St. Paul Street, Kensington, Maryland 20895 (the “Property”).

On May 2, 2023, on behalf of your client, the Town, you sent an offer to purchase the Landlord’s Property, via Ms. Barbara Warner, for \$925,000.00, which offer was supported by an appraisal from Lipman Frizzell & Mitchell LLC, dated February 21, 2023 (the “LFM Appraisal”). Upon receipt of the Town’s offer, we consulted with Ms. Warner, an appraiser, and other necessary consultants. Our appraiser has appraised and assessed the fair market value of the Property at **\$1,010,000.00 (rounded)**. Enclosed with this letter you will find a current market value assessment from Michael P. Pugh, MAI, dated October 11, 2023.

In summary, Mr. Pugh determined the fair market value of the Property using the sales comparison approach. Mr. Pugh reviewed similar sales in Montgomery County and Prince George’s County, which indicated a range of values from \$175 to \$210 per square foot of gross building area. Mr. Pugh’s comparison sales included office and warehouse spaces and excluded condominium sales, and none of the four comparison properties were the same as the LFM Appraisal’s comparison properties. Ultimately, Mr. Pugh valued the Property at \$195 per square foot of gross building area or \$1,010,888.00 (or \$1,010,000.00 (rounded)). The supporting letter is relatively short, so I will not further restate the straight-forward explanation provided therein.

Accordingly, Landlord offers to sell the Property to the Town for **\$1,010,000.00**.

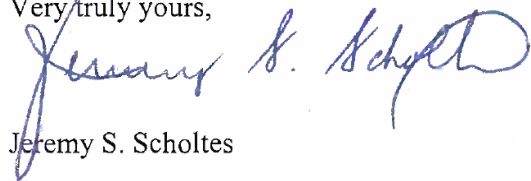
Among other things, the Town offered to include in the purchase terms a lease-back to Landlord for a period of years. Landlord appreciates the offer but is not interested in this term at this time. However, at this junction, Landlord does request the following to be included in the terms of a

future settlement: (1) the Town covers all transaction costs of the purchase, (2) closing of the purchase does not occur prior to November 1, 2024, as Landlord has a current lease with a tenant running through September 30, 2024, and (3) the Town takes the Property "As Is" at time of closing, with or without tenant. As you might imagine, my client does not want to be in a position at the end of the existing tenancy where Landlord would have to make repairs or improvements to the Property when the tenant departs nor be in a position of having to ensure the Property is vacant if the tenant holds over.

While it may not matter to the Town at this juncture, the Landlord will continue exploring 1031 or 1033 options while this negotiation continues.

Please do not hesitate to contact me should you have any questions. You or your colleagues can reach me at (301) 698-2318 or jscholtes@milesstockbridge.com or Lauren Fleming at (410) 385-3513 or lfleming@milesstockbridge.com.

Very truly yours,



Jeremy S. Scholtes

cc: Lauren S. Fleming (lfleming@milesstockbridge.com)

Enclosure (Michael P. Pugh, MAI, Supporting Letter dated October 11, 2023)

PUGH REAL ESTATE GROUP, LLC

REAL ESTATE APPRAISERS

POST BOX 378

FREDERICK, MARYLAND 21705

(301) 898-1178

FACSIMILE: (301) 898-3697

October 11, 2023

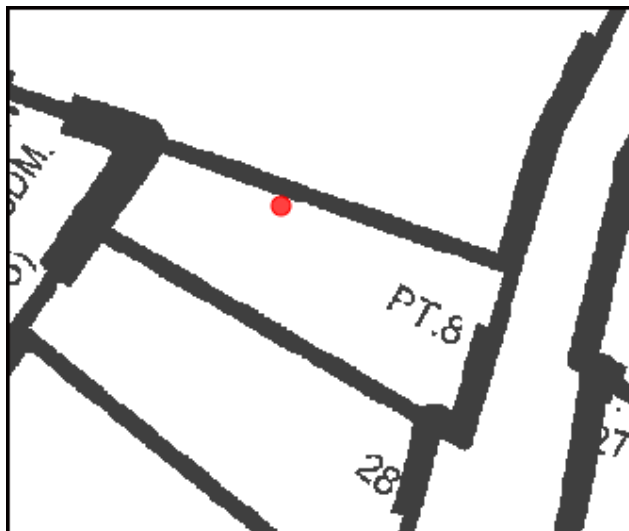
Mr. Jeremy Scholtes, Esquire
Principal
Miles and Stockbridge
30 West Patrick Street
Suite 600
Frederick, Maryland 21701

Re: 10528 Saint Paul Street
Kensington, Maryland

Dear Mr. Scholtes;

You asked me to provide you with a current market value for the property identified above. This memorandum provides you comparable sales that are relevant to the subject property and my opinion of value using the sales comparison approach.

The subject site is one lot (Lot P8) located on the west side of Saint Paul Street in the City of Kensington. The site includes 8,712 square feet of land area and includes approximately 74 feet of road frontage. Please note the tax map for the subject site:



The subject property is improved with a two-story office/warehouse building with approximately 5,134 square feet of gross building area, resulting in a Floor-to-Area ratio (FAR) of .5893. According to the Montgomery County land records, the building was originally constructed in 1974.

Pugh Real Estate Group, LLC

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The subject property is currently zoned Commercial Neighborhood (CR-4.0; C-3.5; R-3.5; H-300) by the Montgomery County Planning Department. The CRN zone is intended for small downtown, mixed-use, pedestrian-oriented centers and edges of larger, more intense downtowns. Retail tenant ground floor footprints are limited to preserve the town center scale. Transit options may include light rail, Metro, and bus. The Commercial/Residential Zones are a family of mixed-use zones that allow a range of densities and heights. These zones are designed to encourage a mix of commercial and residential uses; create interactive streets; provide meaningful public spaces; and foster jobs and services where people can live, work, shop and play within a given neighborhood. There are three Commercial/Residential Zone classifications which define the types of uses and the method of development allowed:

- CR Neighborhood (CRN)
- CR Town (CRT)
- Commercial Residential (CR)

The CRN Zone allows standard method development; the CRT and CR Zones allow standard and optional method development. Optional method development requires the provision of public benefits, which are based on a point system specified in the zoning ordinance.

Reviewing similar sales in the market area (Montgomery and Prince George's County) indicates a range of values ranging from \$175 to \$210 per square foot of gross building area. The sales, which are reflected in the addendum to this memorandum, are most similar to the subject property since they all include both office and warehouse space. In addition, I did not include condominium sales since condominium sales are somewhat misleading since the transaction includes only a fractional interest in the land. The subject property is not included in a condominium regime.

Reviewing this information I feel a reasonable value for the subject property would be \$195 per square foot or \$1,010,888 – or \$1,010,000 (rounded).

If you have any questions please do not hesitate to contact me.

Sincerely,



Michael P. Pugh, MAI
Certified General Real Estate Appraiser
State of Maryland – License No. 04-29481

ADDENDUM

SUBJECT PROPERTY: 10528 ST PAUL STREET, KENSINGTON, MARYLAND					
SALE NUMBER	1	2	3	4	SUBJECT
SALE DATE	11/7/2022	12/16/2021	10/28/2021	10/27/2021	NA
SALE PRICE	\$2,950,000	\$2,150,000	\$3,200,000	\$3,191,300	NA
GROSS AREA (SQ FT)	18,500	11,250	17,341	16,111	5,184
LOCATION	GAITHERSBURG	HYATTSVILLE	ROCKVILLE	BELTSVILLE	KENSINGTON
PARKING	YES	YES	YES	YES	YES
BUILT	1990	1991	1972	1986	1974
ZONE	IL	CSC	IL	IH	CRN
UTILITIES	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PUBLIC
PRICE/SF	\$159	\$191	\$185	\$198	
TRANSACTIONAL ADJUSTMENTS					
PROPERTY RIGHTS	FEE SIMPLE	LEASED FEE	FEE SIMPLE	LEASED FEE	
	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
FINANCING	TYPICAL	TYPICAL	TYPICAL	TYPICAL	
	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
SALE CONDITIONS	ARMS	ARMS	ARMS	ARMS	
	LENGTH	LENGTH	LENGTH	LENGTH	
	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
EXPENDITURES	NO	NO	NO	NO	
AFTER PURCHASE	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
MARKET CONDITIONS	STABLE	STABLE	STABLE	STABLE	
	0%	0%	0%	0%	
FINAL ADJUSTED PRICE	\$159	\$191	\$185	\$198	
ELEMENTS OF COMPARISON					
LOCATION	10%	10%	5%	10%	
BUILDING AGE/QUALITY	-5%	-5%	0%	-5%	
SITE SIZE	0%	0%	-10%	-10%	
PARKING	0%	0%	0%	0%	
ZONE	0%	0%	0%	0%	
BUILDING SIZE	10%	5%	0%	0%	
NET PHYSICAL ADJUSTMENTS	15%	10%	-5%	-5%	
FINAL ADJUSTED PRICE	\$183	\$210	\$175	\$188	

IMPROVED SALE ANALYSIS

IMPROVED Sale Number: 1

Property Address

7410 Lindbergh Drive
Gaithersburg, Maryland 20879

Legal Description

Tax Account Number: 01-02653905
Liber 23041/Folio 143
Montgomery Airpark Business Center
Tax Map GU31/Grid 00/Parcel 000/Neighborhood 20000.16
Block B/Lot 8
First Election District
Montgomery County, Maryland
43,901 SF of Land
18,500 SF of Gross Building Area
Built: 1990
Montgomery County, Maryland

Zoning

Classification/Governance

IL/Light Industrial

Transaction Summary

Sale Date: 11/7/2022

Price: \$2,950,000

Grantor: Kian, Lee

Grantee: Mercy Chapel

Price Per GSF: \$159.46

Days on Market: N/A

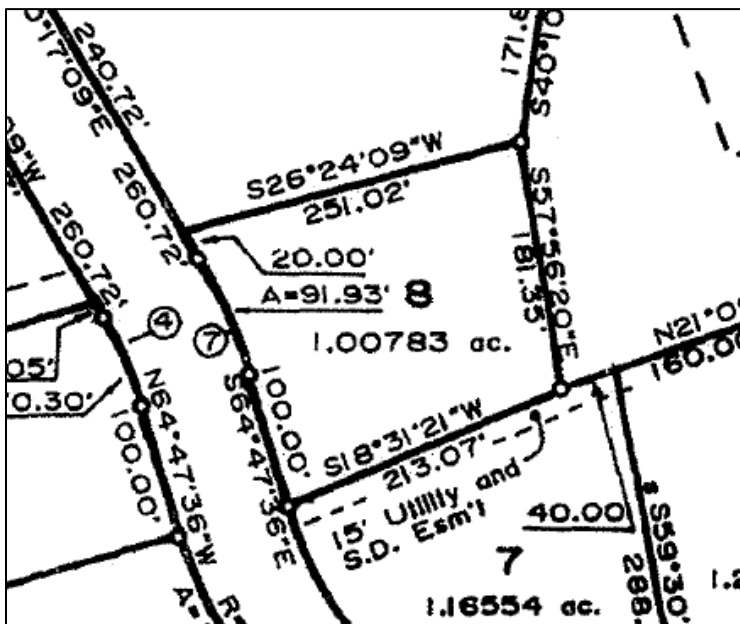
Comments

As mentioned previously, Lot 8 is improved with a warehouse/office flex building that has approximately 18,500 square feet of gross building area. According to Montgomery County land records, building was originally constructed in 1988. The entire building and site are leased to Mercy Seat Chaple (purchaser; also referred to as The Redeemed Christian Church of God, Mercy Seat Chaple) who use it for religious services, storage, and special events.

The building has a total of 7,800 square feet of office space (42% of the building total) that is two-stories along the front of the building. The warehouse area includes approximately 10,700 square feet of building area.



COMPARABLE PROPERTY PHOTO



COMPARABLE SALE TAX MAP

IMPROVED SALE ANALYSIS

IMPROVED Sale Number: 2

Property Address

5951 Arbor Street
Hyattsville, Maryland

Legal Description

Tax Account No. 02-0086306
Liber 46752/Folio 243
Tax Map 58
Grid F3
19,166 Square Feet of Land
11,250 SF of Gross Building
Area
Built: 1991
Prince George's County,
Maryland

Zoning

Classification/Governance
CSC

Transaction Summary

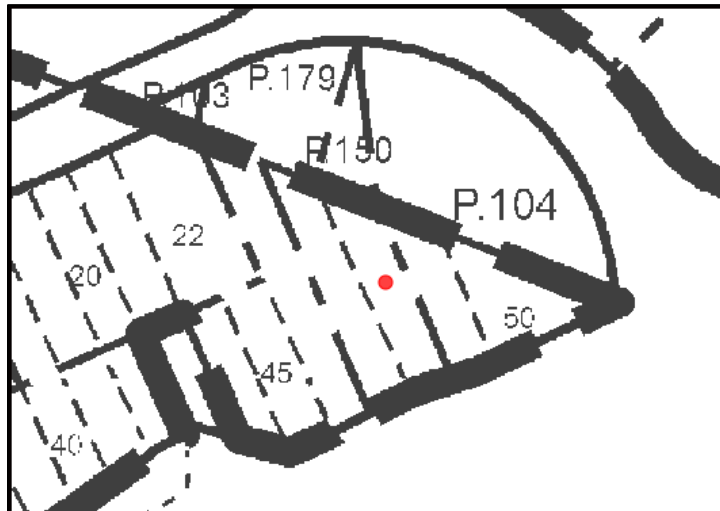
Sale Date: 12/16/2021
Price: \$2,150,000
Grantor: George Welbourne
Grantee: Arbor Street, LLC
Price Per GSF: \$191.11
Days on Market: 570

Comments

Purchased by tenant, site
includes 18 surface parking
spaces. Ceiling height 18' and
includes 2,000 square feet of
finished office space, remainder
is warehouse.



COMPARABLE PROPERTY PHOTO



COMPARABLE SALE TAX MAP

IMPROVED SALE ANALYSIS

IMPROVED Sale Number: 3

Property Address

1175 Taft Street
Rockville, Maryland

Legal Description

Tax Account No. 04-03748310
Liber 64549/Folio 116
Tax Map GR53
Block 4/Lot 20
Southlawn Office and Industrial
Center
60,657 Square Feet of Land
17,341 Sq. Ft. of Gross Building
Area
Built: 1972
Montgomery County, Maryland

Zoning

Classification/Governance

IL/Light Industrial

Transaction Summary

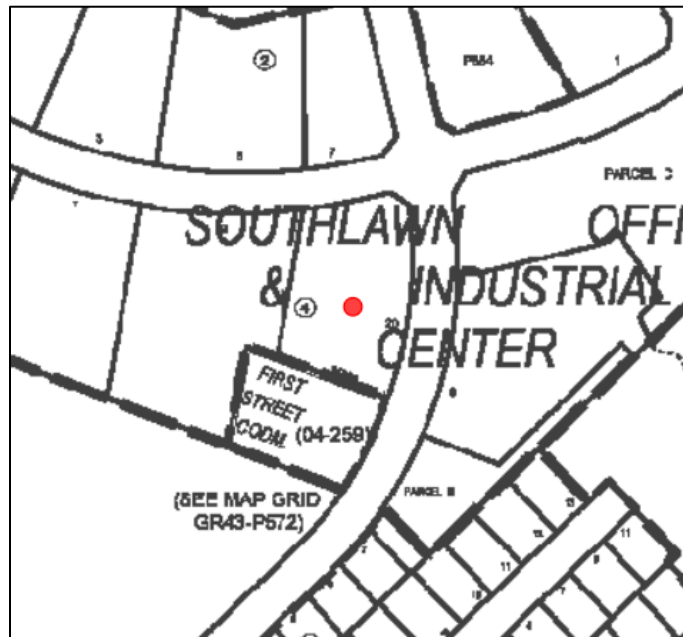
Sale Date: 10/28/2021
Price: \$3,200,000
Grantor: Siena Corporation
Grantee: Ziba Real Estate
Price Per GSF: \$184.53
Days on Market: N/A

Comments

Purchased by tenant, site
includes 50 surface parking
spaces. Ceiling height 12'-14'
and includes one elevated
loading dock.



COMPARABLE PROPERTY PHOTO



COMPARABLE SALE TAX MAP

IMPROVED SALE ANALYSIS

IMPROVED Sale Number: 4

Property Address

6718 Industrial Drive
Beltsville, Maryland

Legal Description

Tax Account No. 01-0070896
Liber 46532/Folio 1
Tax Map 13/Grid D3
Parcel B
44,207 Square Feet of Land
16,111 Sq. Ft. of Gross Building
Area
Built: 1986
Prince George's County,
Maryland

Zoning

Classification/Governance

IH

Transaction Summary

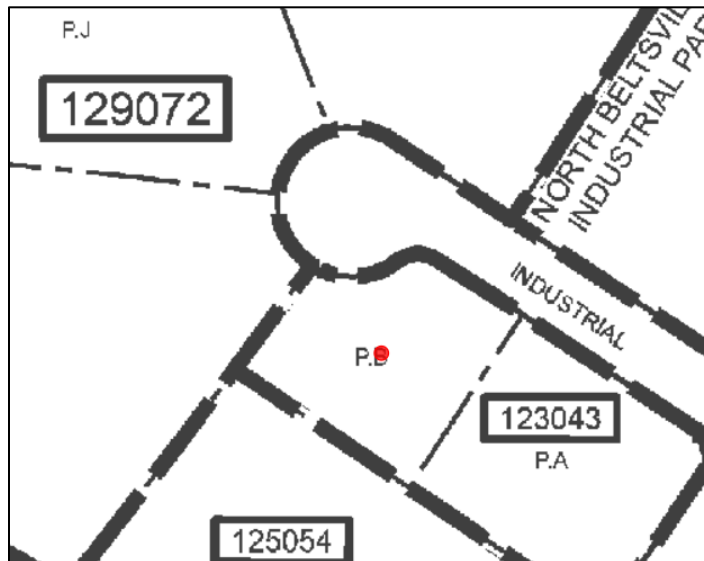
Sale Date: 10/27/2021
Price: \$3,191,300
Grantor: 6718 Industrial Dr.
LLC
Grantee: Kenneth Marks, et al
Price Per GSF: \$198.08
Days on Market: N/A

Comments

Multi-tenant flex building that
includes 49 onsite parking
spaces. Warehouse ceiling is
18' and office 11'. Property was
fully occupied at the time of
sale.



COMPARABLE PROPERTY PHOTO



COMPARABLE SALE TAX MAP

CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 4) We have not appraised the property within the past three years proceeding this assignment.
- 5) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 6) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 9) I have made a personal inspection of the property that is the subject of this report.
- 10) No one provided significant real property appraisal assistance to the person signing this certification.
- 11) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 13) As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Designated Members.



Michael P. Pugh, MAI
Certified General Real Estate Appraiser
State of Maryland – License No. 04-29481

PURCHASE AGREEMENT

between

Town of Kensington (a Municipal
Corporation)(as Purchaser)

And

9323B and 9327 Fraser Avenue, LLC
(as Seller)

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is effective (**Effective Date**) on the _____ day of _____, 2024, by and between 9323B and 9327 Fraser Avenue, LLC ("Seller"), and Town of Kensington, a Municipal Corporation, ("Purchaser").

RECITALS

A. Seller owns in fee simple 10528 St. Paul Street, Kensington, MD 20895, located in Montgomery County, Maryland (the "Land"), comprised of 8,712 square feet, with Tax ID number 13- 01025723, described as part of Lot 8, "Knowles Estates" shown in Plat Book 1, Plat number 24 recorded in the Land Records of Montgomery County, Maryland, being the same property conveyed to 9323B and 9327 Fraser Avenue, LLC by Deed dated February 7, 2003, and recorded at Liber 23212, folio 525 in the said land records.

B. Seller has agreed to sell to Purchaser, and Purchaser has agreed to purchase from Seller for a public purpose, said land and improvements thereon (as hereinafter defined), subject to the satisfaction of all terms and conditions herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

Definitions

Section 1.1 Defined Terms. For all purposes of this Agreement, the following terms shall have the respective meanings set forth below:

"Agreement" shall mean this Purchase Agreement in its present form, together with any amendments thereto.

"Bankruptcy Law" shall mean Title 11, U.S. Code, and any similar state law for the relief of debtors.

"Business Days" shall mean any day of the week other than a Saturday, Sunday or holiday.

"Closing" shall have the meaning set forth in Section 11.1.

"Closing Date" shall mean November 1, 2024, or such earlier date as the parties may agree.

"Condition" shall mean those conditions precedent to Purchaser's obligation to proceed to Closing hereunder set forth in Article IX below.

"Contracts" shall have the meaning set forth in Section 8.4.

"Deposit" shall mean the cash payments made by Purchaser to Seller's Escrow Agent to Section 4.1.

"Easement Agreements" shall mean any and all easement agreements, reciprocal easement agreements, declarations of covenants, conditions, restrictions and easements or similar agreements or understandings which burden or benefit the Land and under which Seller has any obligations, and all supplements, amendments, modifications and memoranda thereof, relating to the development, use, operation, management, maintenance or occupancy of the Land.

"Environmental Law" shall mean any federal, state or local law, ordinance, rule, regulation, requirement, guideline, code, resolution, order or decree (including consent decrees and administrative orders) in effect on the Date of this Agreement which regulates the use, generation, handling, storage, treatment, transportation, decontamination, clean-up, removal, encapsulation, enclosure, abatement or disposal of any Hazardous Material, including the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Sections 2601, et seq., the Clean Water Act, 33 U.S.C. Sections 1251 et seq., the Hazardous Materials Transportation Act, 49 U.S.C., Section 1802, their state analogues, and any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material.

"Escrow Agent" shall mean Purchaser's escrow agent: Bay Title Company.

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

"Hazardous Material" shall mean any flammable, explosive, radioactive or reactive materials, any asbestos (whether friable or non-friable), any pollutants, contaminants or other hazardous, dangerous or toxic chemicals, materials or substances, any petroleum products or substances or compounds containing petroleum products, including gasoline, diesel fuel and oil, any polychlorinated biphenyls or substances or compounds containing polychlorinated biphenyls, and any other material or substance defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic materials," "contamination," and/or "pollution" within the meaning of any Environmental Law.

"Land" shall mean the parcel of land more particularly described in Exhibit A.

"Legal Requirements" shall mean all laws, ordinances, rules, regulations, orders and requirements of all Governmental Authorities relating to, or regulating, the ownership, use, operation, management, maintenance and repair of the Property, including zoning laws, fire, safety and health laws and Environmental Laws, and any obligations imposed on the owner of the Property in connection with any site plan approval of the Property or any part thereof, or zoning proffers relating to the Property or any part thereof.

"Licenses" shall mean all licenses, authorizations, approvals and permits issued by Govern-

mental Authorities relating to Seller's use, operation, ownership or maintenance of the Property.

"Litigation" shall have the meaning set forth in Section 5.2(g).

"Mortgage" shall mean a mortgage, deed of trust or other security instrument of the type commonly given to secure loans or advances on, or the unpaid purchase price of, real property in the jurisdiction in which the Property is located.

"Permitted Exceptions" shall have the meaning specified in Section 8.3.

"Person" shall mean an individual, estate, trust, partnership, corporation, Governmental Authority or other legal entity.

"Property" shall mean the Land and improvements thereon and the other rights described in Section 2.1.

"Purchase Price" shall mean the purchase price for the Property specified in Section 3.1.

"Title Commitment" shall have the meaning set forth in Section 8.3.

ARTICLE II

Purchase and Sale of the Property

Section 2.1 Property to be Sold. On the Closing Date, and subject to the terms and conditions set forth in this Agreement, Seller agrees to convey to Purchaser, and Purchaser agrees to purchase from Seller:

(a) the Land and improvements described herein and on Exhibit A attached hereto by special warranty deed.

(b) all right, title and interest of Seller, if any, in any land lying in the bed of any street, road, avenue or alley, open or closed, adjacent to or abutting the Land, to the center line thereof;

(c) all Easement Agreements and other easements, covenants and other rights appurtenant to, and all the estate and rights of Seller in and to, the Land; and

(d) all right, title and interest of Seller in and to the proceeds of, or any award made for, a taking of all or any part of the Property by any Governmental Authority pursuant to the exercise of its power of eminent domain.

ARTICLE III

Purchase Price and Terms of Payment

Section 3.1 Amount. The purchase price to be paid by Purchaser to Seller for the Property

is One Million, Ten Thousand Dollars (\$1,010,000.00).

Section 3.2 Payment. On the Closing Date, and subject to the terms and conditions of this Agreement, Purchaser shall pay the Purchase Price to, or for the account of, Seller in the manner provided in Section 11.1, subject to the adjustments and prorations set forth in Article XII.

ARTICLE IV

Deposit

Section 4.1 Delivery of Deposit. Within three (3) Business Days after Purchaser delivers a fully-signed counterpart of this Agreement to Seller, Purchaser shall deliver to Purchaser's Escrow Agent a deposit in the amount of Ten Thousand Dollars (\$10,000), to be held by Escrow Agent as a good faith deposit under this Agreement (the "Deposit").

Section 4.2 Cash Deposit. The payment of the Deposit shall be in the form of a good check payable to the order of, or a wire transfer of federal funds to, Escrow Agent. Escrow Agent shall hold the Deposit in a federally insured account and shall pay the Deposit to the party entitled thereto in accordance with the terms of this Agreement.

Section 4.3 Disposition of Deposit.

(a) In the event of any termination of this Agreement pursuant to Section 8.5 or Section 13 below, the Deposit shall be disposed of as provided pursuant to the relevant provision of such section.

(b) In the event that Purchaser and Seller shall proceed to Closing hereunder, the Deposit shall be paid to Seller as part of the Purchase Price.

ARTICLE V

Representations and Warranties of Seller

Seller makes the following representations and warranties to Purchaser for the purpose of inducing Purchaser to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement:

Section 5.1 Representations and Warranties regarding Authority and Status.

(a) Authorization. Seller has obtained the requisite authorizations for Seller's execution and delivery of this Agreement and the transactions contemplated hereby.

(b) No Conflicting Agreements. The execution and delivery by Seller of, and the performance and compliance by Seller with the terms and provisions of, this Agreement do not violate any of the terms, conditions or provisions of (i) any agreement to which Seller is a party or by which Seller of any portion of the Property is bound, or (ii) to Seller's knowledge, any judgment, order, injunction, decree, regulation or ruling of any court or other Governmental Authority to which Seller is subject.

(d) Approvals. No authorization, consent, order, approval or license from, filing with, or other act by any Governmental Authority or other Person is or will be necessary to permit the valid execution and delivery by Seller of this Agreement or the performance by Seller of the obligations to be performed by it under this Agreement.

(e) Absence of Bankruptcy. Seller has not commenced (within the meaning of any Bankruptcy Law) a voluntary case, consented to the entry of an order for relief against it in an involuntary case, or consented to the appointment of a custodian of Seller, or for all or any substantial part of Seller's property, nor has a court of competent jurisdiction entered an order or decree under any Bankruptcy Law that is for relief against Seller in an involuntary case or appoints a custodian of Seller or for all or any substantial part of its property.

Section 5.2 Representations and Warranties regarding Real Estate and Legal Matters.

(a) Assessments. No assessments have been made against the Property which are unpaid and delinquent, including, without limitation, those for construction of sewer, water, gas and electric lines and mains, streets, sidewalks and curbs and other public improvements.

(b) Condemnation. Other than the Purchaser's proposal, Seller has not received from a Governmental Authority notice of any, and to Seller's knowledge there is no, pending or contemplated condemnation proceedings affecting the Property.

(c) Mechanics' Liens. All bills and claims for labor performed and materials furnished to or for the benefit of the Property for all periods prior to the Closing Date have been (or prior to the Closing Date will be) paid in full, and on the Closing Date there shall be no mechanics' liens or materialmen's liens (whether or not perfected) on or affecting the Property.

(d) Litigation. There are no investigations, actions, suits, proceedings or claims pending or, to Seller's knowledge, threatened in writing against or affecting Seller or the Property, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign (collectively, "Litigation").

(e) Compliance with Laws. Seller has not received a written notice from any Governmental Authority that the Property (or any part thereof) is not in compliance with any Legal Requirement applicable to the Property.

(f) Environmental Matters. To Seller's knowledge, the Property does not contain, and there is not located on or about the Property, any of the following Hazardous Materials: No solid or liquid wastes of any kind or character have ever been deposited or disposed of on or in the Property; no chemicals or other hazardous substances are now or ever have been stored or maintained on or in the Property. Seller has not received any written complaint, order, summons, citation, notice of violation, directive letter or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials. To Seller's knowledge, there are no underground storage tanks located on the Property. Seller has not removed, or caused to be removed, any underground storage tanks from the Property and, to Seller's knowledge, no underground storage tanks were removed from the Property before Seller acquired title to the Property.

(g) Taxes. Seller has paid all taxes due on the Property and prior to Closing shall pay all taxes accruing with respect to the Property. There is not pending, and Seller is not aware of any threatened, proceeding to determine the assessed value of the Property or the real estate taxes payable with respect to the Property.

(h) Hidden Conditions. To Seller's knowledge, the Property does not contain, and there are not located on or about the Property any other hazardous or hidden conditions that are in the Seller's control and are likely to cause personal injury or death to the occupants or invitees.

Section 5.3 Representations and Warranties regarding Contracts and Other Documents.

(a) Leases. There are no tenancies, leases or occupancy agreements (collectively, "Lease") affecting the Property, except the existing lease with Serve-Pro, which ends on September 30, 2024. There exists no right of first refusal or other purchase option with respect to the Property in any Lease or otherwise.

(b) Mortgages. There are no mortgages or deeds of trust on the Property.

Section 5.4 "As Is" Sale. Purchaser hereby agrees to accept possession of the Property on the Closing Date in an "as is" condition. Except as otherwise expressly set forth herein, Seller makes no representations or warranties, express or implied, as to the physical condition of the Property or as to any other matter relating to the Property.

ARTICLE VI

Representations and Warranties of Purchaser

Section 6.1 General Purchaser makes the following representations and warranties to Seller for the purpose of inducing Seller to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement:

(a) Approvals. This Purchase Agreement has been duly approved by the Mayor and Council of the Town of Kensington.

(b) No Conflicting Agreements. The execution and delivery by Purchaser of, and the performance and compliance by Purchaser with, the terms and provisions of this Agreement do not violate any of the terms, conditions or provisions of (i) Purchaser's organizational documents, (ii) to Purchaser's knowledge, any judgment, order, injunction, decree, regulation or ruling of any court or other Governmental Authority to which Purchaser is subject, or (iii) to Purchaser's knowledge, any agreement or contract to which Purchaser is a party or to which it is subject.

ARTICLE VII

Additional Obligations of Seller

Section 7.1 Possession. Seller agrees to give full, complete and actual possession of the Property to Purchaser on the Closing Date.

Section 7.2 Affirmative Covenants. Between the Date of this Agreement and the Closing Date, Seller agrees that it shall:

- (a) manage, maintain and operate the Property only in the ordinary and usual manner, maintaining in full force and effect all existing insurance policies;
- (b) give prompt notice of any fire or other casualty or event affecting the physical condition of the Property after the Date of this Agreement;
- (c) deliver to Purchaser, promptly after receipt by Seller after the Date of this Agreement, a copy of notices of violation issued by Governmental Authorities with respect to the Property and, at its sole cost and expense, and remedy before the Closing Date all violations of Legal Requirements affecting or relating to the Property;
- (d) notify Purchaser, promptly after Seller acquires knowledge thereof, of any facts or events which would cause any of Seller's representations and warranties made herein to be untrue or incorrect in any material respect;
- (e) perform, observe and comply with all terms and provisions of all Easement Agreements to be performed, observed or complied with by Seller as owner of the Property;
- (f) maintain in full force and effect all Licenses for the Property and timely apply for renewals of all Licenses which will expire before the Closing Date; and
- (g) promptly deliver to Purchaser any document regarding the Property coming into possession of Seller which was not available on the Date of this Agreement.

Section 7.3 Negative Covenants. Between the Date of this Agreement and the Closing Date, Seller agrees that, without Purchaser's written consent in each case, it will not:

- (a) make or allow to be made any changes to the physical condition of the Property;
- (b) voluntarily grant, create or assume any Mortgage, lien, lease, encumbrance, easement, covenant, condition, right-of-way or restriction upon the Property other than the Permitted Exceptions, or take any action affecting the title to the Property as it exists on the effective date of the Title Commitment (as defined in Section 8.3 below); provided that any such encumbrance after the date hereof shall not be deemed a Permitted Exception;
- (c) permit occupancy of, or enter into any new lease for, all or any portion of the Property or amend or extend any existing lease except on a month-to-month basis;
- (d) after expiration of the feasibility study period, if there has been no termination of this contract by the Purchaser during the feasibility study period, offer the Property for sale to any other Person, consider unsolicited offers from any other Person for the purchase of the Property or enter into a contract for the sale of the Property to any other Person, whether or not such contract is contingent on the termination of this Agreement. Seller reserves the right to consider backup offers

during this Purchase Agreement which would become effective upon termination of this Purchase Agreement;

(e) object to or otherwise oppose any application made or approval sought by Purchaser in connection with Purchaser's contemplated use of the Property; or

(f) enter into any new Contract (as defined in Section 8.4 below) or modify or extend any existing Contract.

Section 7.4 Further Assurances. Seller agrees that it will, at any time and from time to time after the Closing Date, upon request of Purchaser, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required for assigning, transferring, granting, assuring and confirming to Purchaser, or to its successors and assigns, any or all of the assets or property being sold to Purchaser pursuant to this Agreement.

Section 7.5 Expenses. Seller agrees to pay (a) all expenses incurred by it in connection with the negotiation, execution and performance of Seller's obligations under this Agreement and the transactions contemplated hereby, including the fees and expenses of its legal counsel and (b) any and all expenses incurred in connection with any Contract (as defined in Section 8.4 below).

Section 7.6 Cancellation of Contracts. Seller shall cancel, as of the Closing Date, any and all Contracts (as defined in Section 8.4 below), except for any Contract that Purchaser has elected to assume in accordance with Section 8.4 below.

ARTICLE VIII

Feasibility Period

Section 8.1 Purpose; Duration, Etc. Purchaser shall have that period of sixty (60) days from the Date of this Agreement (the "Feasibility Period") within which to conduct such tests and investigations with respect to the Property as it shall deem necessary and/or appropriate to its determination to proceed to Closing. During the Feasibility Period, Purchaser shall, at its sole cost and expense, (a) undertake and finalize its title and survey investigations, and (b) have the right to conduct all desired due diligence investigations, tests and studies with respect to the Property including, without limitation, a Phase I Environmental assessment, zoning, engineering, soil and environmental tests and studies. Following the Feasibility Period, and assuming the contract has not been terminated, Purchaser shall have the right with due notice to the Seller to enter upon the Property for non-invasive design and engineering purposes.

Section 8.2 Delivery of Due Diligence Items; Access. Upon reasonable notice from Purchaser to Seller, Seller agrees to allow Purchaser and Purchaser's agents or representatives reasonable access to the Property (during business hours) for purposes of any non-intrusive physical or environmental inspection of the Property necessary in the reasonable discretion of Purchaser to evaluate and analyze the feasibility of the Property for Purchaser's intended use thereof. Purchaser shall not conduct or authorize any physically intrusive testing of, on, or under the Property, without first obtaining Seller's written consent as to the timing and scope of work to be performed, such consent not to be unreasonably withheld, conditioned or delayed.

Section 8.3 Title Examination. Purchaser shall have the right to obtain, at Purchaser's sole cost and expense, a commitment for issuance of title insurance policy, subject to the Permitted Exceptions (as hereinafter defined) (the "Title Commitment") and an ALTA survey of the Property (the "Survey"), which Title Commitment and Survey Purchaser obtain at its sole cost and expense. Purchaser shall advise Seller in writing not later than five (5) days prior to the expiration of the Feasibility Period of any matters disclosed by the Title Commitment and/or the Survey to which Purchaser objects, and of any requirements in the Title Commitment to be satisfied by or on behalf of Seller (each, an "Objection", and collectively, the "Objections"). If any such Objection is made and Seller does not refuse to in writing to satisfy such Objection(s) at least three (3) Business Days prior to the expiration of the Feasibility Period, Seller shall be deemed to have undertaken to cause such Objections to be satisfied on or prior to Closing. If no such Objection is made, all matters of record as of the effective date of the Title Commitment and which would have been disclosed by an accurate ALTA survey of the Property shall be deemed to be the "Permitted Exceptions". At Closing, Seller shall convey title to the Property by special warranty deed to Purchaser free and clear of all exceptions to title other than the Permitted Exceptions; provided, however, that in no event shall any financing lien, mechanic's lien or other monetary encumbrance on the Property be deemed a Permitted Exception, whether or not Purchaser Objects to the same.

Section 8.4 Contracts. Within three (3) Business Days of the Effective Date of this Agreement, Seller shall deliver to Purchaser true and correct copies of any and all contracts and agreements to which Seller is party (or which otherwise relate to the Property) providing for the management, operation, supply, maintenance, repair of the Property, including service agreements, maintenance contracts, contracts for the purchase or delivery of labor, services, materials, utilities or supplies and equipment rental agreements or leases, which will binding upon Purchaser and/or the Property as of or after Closing (collectively, the "Contracts"). On or before the expiration of the Feasibility Period, Purchaser shall notify Seller in writing of any Contracts Purchaser elects to assume at Closing. Purchaser's failure to timely elect to assume any Contract as provided above shall be deemed to be an election by Purchaser to have Seller terminate such Contract on or before the Date of Closing. At or prior to Closing, Seller shall cause any Contract not assumed by Purchaser to be terminated, which termination shall be effective not later than Closing.

Section 8.5 Purchaser's Right to Terminate. Purchaser shall have the right, in its sole and absolute discretion, for any reason and no reason, on or before the expiration of the Feasibility Period, to terminate its obligation to purchase the Property by giving Seller written notice of termination (the "Termination Notice"). If the Termination Notice is timely given, Escrow Agent is hereby directed to return the Deposit to Purchaser and neither party shall have any further obligations or liabilities hereunder except as expressly set forth in this Agreement.

ARTICLE IX

Conditions Precedent to Purchaser's Obligations

The obligations of Purchaser to purchase the Property from Seller and to perform the other covenants and obligations to be performed by it on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Purchaser):

Section 9.1 Seller's Representations and Warranties True. The representations and

warranties made by Seller in Article VI shall be true and correct on the Date of this Agreement and shall be true and correct on and as of the Closing Date with the same force and effect as if such representations had been made on and as of such date, and Seller shall have executed and delivered to Purchaser a certificate, dated as of the Closing Date, to the foregoing effect.

Section 9.2 Seller's Performance. Seller shall have performed all covenants and obligations required by this Agreement to be performed by them on or before the Closing Date.

Section 9.3 Title to Property. On the Closing Date, Seller shall convey to Purchaser title to the Property as required pursuant to Section 8.3 above.

Section 9.4 Uncured Notices of Violations. On the Closing Date, there shall be no uncured notices of violations issued by Governmental Authorities with respect to the Property.

Section 9.5 Seller's Delivery of the Property. On the Closing Date, Seller shall deliver the Property to Purchaser.

Section 9.6 No Casualty, Condemnation, Etc. On the Closing Date, there shall have been (i) no condemnation action proposed or pending, (ii) no casualty, which has not been fully repaired, (iii) no change in zoning or other laws affecting the use or occupancy of the Property subsequent to the Date of this Agreement, (iv) no change in the environmental condition of the Property subsequent to the execution of this Agreement, (v) no change in title to the Property subsequent to the effective date of the Title Commitment.

ARTICLE X

Condemnation

Section 10.1 Absence of Threatened or Pending Condemnation. On the Closing Date, and as a condition precedent to the obligation of Purchaser to purchase the Property pursuant to this Agreement, there shall be no threatened or pending condemnation with respect to any portion of the Property.

Section 10.2 Effect of Condemnation. If (i) any portion of the Property is condemned after the Date of this Agreement, Purchaser may, at its sole option: (i) terminate this Agreement, in which case Escrow Agent shall return the Deposit to Purchaser and no party shall have any further liability or obligation to any other party under this Agreement, except as otherwise provided in Article V; or (ii) elect to proceed with the Closing, in which case Seller shall assign to Purchaser all condemnation proceeds (or right to condemnation proceeds if such condemnation is still pending) with respect to such condemnation.

ARTICLE XI

Closing

Section 11.1 Closing Date and Escrow. The closing of the purchase and sale of the Property (the "Closing") shall take place on November 1, 2024, and be held at the office of Bay Title Company, 125 West Street, 4th Floor, Annapolis, MD 21404 on the Closing Date or through a remote style closing with the Escrow Agent. Not later than 2:00 PM on the Closing Date, Purchaser shall affect a wire transfer of Federal funds to the Escrow Agent's escrow account in an amount equal to the sum

of (i) the Purchase Price and (ii) the net amount (if any) of the costs, expenses, prorations and adjustments payable by Purchaser under this Agreement, less (iii) the Deposit. After the Escrow Agent's receipt of the wire transfer of funds and immediately following the recordation of the Deed vesting fee simple title to the Property in Purchaser or its designee, (i) the Escrow Agent shall disburse to Seller an amount equal to the Purchase Price reduced by the net amount of the costs, expenses, prorations and adjustments payable by Seller under this Agreement; (ii) the Escrow Agent shall deliver to Purchaser all other documents and instruments received by it which, in accordance with the terms of this Agreement, are to be delivered by Seller to Purchaser at the Closing; and (iii) the Escrow Agent shall deliver to Seller all other documents and instruments received by it which, in accordance with the terms of this Agreement, are to be delivered by Purchaser to Seller at the Closing.

Section 11.2 Seller's Deliveries. At the Closing, Seller shall deliver to Purchaser the following:

- (a) the Special Warranty Deed of the Property to Purchaser or its designee, signed by Seller;
- (b) a certification as to Seller's non-foreign status which complies with the provisions of Section 1445(b)(2) of the Internal Revenue Code of 1986, as amended, signed by Seller;
- (c) an Owner's Affidavit signed by Seller, addressed to the title insurance company designated by Purchaser, with respect to the absence of claims which would give rise to mechanics' liens, the absence of parties in possession of the Property and the absence of unrecorded easements granted by Seller, in the form reasonably required by the title insurance company to eliminate the exceptions for those matters from Purchaser's title insurance policy;
- (d) such certificates, affidavits and other documents as may reasonably be required by the title company issuing the Title Policy to enable the title company to insure title at Closing subject only to the Permitted Encumbrances;
- (e) the Closing Statement referred to in Section 12.1, signed by Seller;
- (f) a certificate, signed by Seller, that all the representations and warranties made by Seller in Article V are true and correct on the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date;
- (g) such documents as are customary and reasonably required in furtherance of the transactions contemplated hereby.

Section 11.3 Purchaser's Deliveries. At the Closing, Purchaser shall deliver to Seller the Closing Statement referred to in Section 11.1, signed by Purchaser.

Section 11.4 Delivery in Escrow. The delivery to the Escrow Agent of the Purchase Price, the executed Deed and all other documents and instruments required to be delivered by either party to the other by the terms of this Agreement shall be deemed to be a good and sufficient tender of performance of the terms hereof.

ARTICLE XII

Closing Adjustments and Prorations

Section 12.1 General. All rentals, revenues and other income generated by the Property and all utilities, maintenance charges and other expenses incurred in connection with the ownership, management and operation of the Property shall be paid or shall be prorated between Seller and Purchaser in accordance with the provisions of this Article. For purposes of the prorations and adjustments to be made pursuant to this Article, Purchaser shall be deemed to own the Property and therefore be entitled to any revenues and be responsible for any expenses for the entire day upon which the Closing occurs. Any net adjustment in favor of Purchaser shall be credited against the Purchase Price at the Closing. Any net adjustment in favor of Seller shall be paid in cash at the Closing by Purchaser to Seller.

Section 12.2 Taxes and Assessments.

(a) Real Estate Taxes at Closing. Any delinquent real estate taxes assessed against the Property for the period prior to the Date of this Agreement shall be paid (together with any interest and penalties) by Seller at the Closing.

(b) Post-Closing Supplemental Taxes. If, after the Closing Date, any additional or supplemental real estate taxes are assessed against the Property by reason of back assessments, corrections of previous tax bills or other events occurring or accruing before the Date of this Agreement, Seller and Purchaser shall prorate the real estate taxes at the Final Closing Adjustment to provide the appropriate credit to Purchaser.

(c) Post-Closing Refunds of Taxes. Any refunds of real estate taxes made after the Closing shall be held by Purchaser (and, if received by Seller, shall be delivered promptly to Purchaser to be held in accordance with this Section) and shall first be applied to the unreimbursed costs incurred in obtaining the refund, the balance, if any, shall be paid to Seller (for the period prior to the Date of this Agreement) and to Purchaser (for the period commencing on and after the Date of this Agreement).

(d) Pending Tax Proceedings. If any proceeding to determine the assessed value of the Property or the real estate taxes payable with respect to the Property has been commenced before the Date of this Agreement and shall be continuing as of the Closing Date, Purchaser shall be entitled to control the prosecution of such proceeding or proceedings to completion and to settle or compromise any claim therein. Seller agrees to cooperate with Purchaser and to execute any and all documents reasonably requested by Purchaser in furtherance of the foregoing.

Section 12.3 Closing Costs and Transfer Taxes. Seller's legal fees, if any, will be paid by Seller. Fees for the preparation of the Deed, the title exam, survey, and the Closing Agent's, and Buyer's legal fees and any other proper charges assessed to Buyer will be paid by Buyer. Recordation and transfer taxes, if any, shall be paid by the Buyer.

ARTICLE XIII

Termination

Section 13.1 Reasons for Termination. This Agreement may be terminated upon written notice given to the Escrow Agent and the other party:

(a) by Purchaser at the Closing if any one of the conditions set forth in Article IX or Article X (each, a "Condition" and collectively, "Conditions") is not satisfied on the Closing Date; or

(b) by Seller if Purchaser shall fail to make any payment of the Deposit when due, which failure shall continue for five (5) days after receipt by Purchaser from Seller of written notice thereof, or if closing does not occur within 30 days after the end of the Feasibility Period or any extension.

Section 13.2 Purchaser's Default. If Purchaser defaults in Purchaser's obligation to purchase the Sale Property without fault on Seller's part and without failure of title or any conditions precedent to Purchaser's obligations under this agreement, Seller shall have the right, as Seller's sole remedy, to retain the Deposit paid hereunder as liquidated damages and not as a penalty, and thereafter the parties shall be released from all further liability hereunder at law and in equity.

13.3 Seller's Default. If Seller defaults in Seller's obligation to sell the Property, Purchaser shall have, as Purchaser's sole remedies, the option to demand the return of the Initial Deposit or file suit for specific performance to compel Seller's performance under this Contract.

ARTICLE XIV

Indemnification

Section 14.1 By Seller. Subject to the provisions of Section 14.3, if Closing occurs, Seller agrees to indemnify, hold harmless and defend Purchaser from and against:

(a) all debts, liabilities and obligations arising from business done, transactions entered into or other events occurring before the Closing Date with respect to the ownership, management, operation, maintenance and repair of the Property;

(b) any loss, liability or damage suffered or incurred by Purchaser arising out of or resulting from injury or death to individuals or damage to property sustained on the Property before the Closing;

(c) any loss, liability or damage suffered or incurred by Purchaser because any representation or warranty made by Seller in this Agreement, or in any document furnished to Purchaser in connection with the Closing, is false or misleading in any material respect;

(d) any loss, liability or damage suffered or incurred by Purchaser because of the non-fulfillment of any covenant or agreement on the part of Seller under this Agreement; and

(e) all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Purchaser in connection with any action, suit, proceeding, demand, assessment or

judgment incident to any of the matters indemnified against in this Section 14.1.

Section 14.2 By Purchaser. Subject to the provisions of Section 14.3, if Closing occurs, and subject to and without waiving common law and other governmental immunities and the provisions of §5-301 *et seq.* and §5-507, Local Government Tort Claims Act, Courts and Judicial Proceedings Article, Annotated Code of Maryland, Purchaser agrees to indemnify, hold harmless and defend Seller from and against:

(a) all debts, liabilities and obligations arising from business done, transactions entered into or other events occurring on and after the Closing, by the Purchaser, with respect to the ownership, management, operation, maintenance and repair of the Property;

(b) any loss, liability or damage suffered or incurred by Seller arising out of or resulting from injury or death to individuals or damage to property sustained on the Property on or after the Closing;

(c) any loss, liability or damage suffered or incurred by Seller because any representation or warranty made by Purchaser in this Agreement, or in any document furnished to Seller in connection with the Closing, shall be false or misleading in any material respect;

(d) any loss, liability or damage suffered or incurred by Seller because of the non-fulfillment of any covenant or agreement on the part of Purchaser under this Agreement; and

(e) all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Seller in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section 14.2.

(t) Except as otherwise provided above in the event of any litigation between Seller and Purchaser, each party shall pay its own attorney fees.

Section 14.3 Limitations on Indemnification Obligations. The obligations of Seller to indemnify Purchaser pursuant to Section 14.1 and the obligations of Purchaser to indemnify Seller pursuant to Section 14.2 are limited as follows:

(a) Limit on Seller's Obligation after Closing. If the Closing is consummated, Seller shall not have any liability or obligation to Purchaser pursuant to Section 14.1 with respect to any misrepresentation or breach of warranty unless Seller receives notice of such misrepresentation or breach of warranty before the expiration of six (6) months after the Closing Date.

(b) Limit on Purchaser's Obligation after Closing. If the Closing is consummated, Purchaser shall not have any liability or obligation to Seller pursuant to Section 14.2 with respect to any misrepresentation or breach of warranty unless Purchaser receives notice of such misrepresentation or breach of warranty within six (6) months after the Closing Date.

Section 14.4 Brokers. Purchaser and Seller acknowledge that neither party has engaged the services of a real estate broker or agent with respect to the advertising, marketing, sale or purchase of the Property.

ARTICLE XV

Miscellaneous Provisions

Section 15.1 Entire Agreement. This Agreement contains the entire agreement between the parties relating to the purchase and sale of the Property, all prior negotiations between the parties (including any letter of intent) are merged by this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement, or any other agreement referred to herein, shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

Section 15.2 Counterparts. This Agreement may be executed in any number of counterparts and it shall not be necessary that each party to this Agreement execute each counterpart.

Section 15.3 Benefit and Burden. All terms of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties hereto and their successors and assigns.

Section 15.4 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by the laws of the State of Maryland.

Section 15.5 Notices.

(a) Manner of Giving Notice. Each notice, request, demand, consent, approval or other communication (hereafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which Seller or Purchaser is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly given (i) upon receipt or refusal if delivered by courier with receipt therefor or by electronic mail (if confirmatory notice is also given), and (ii) on the next Business Day after having been sent by Federal Express or other overnight courier service.

(b) Addresses for Notices. All notices shall be addressed to the parties at the following addresses:

(1) if to Seller:

(2) if to Purchaser:

Matthew J. Hoffman
Town Manager

Town of Kensington
3710 Mitchell Street
Kensington, MD 20895
MJHoffman@tok.md.gov

With a copy to:

Suellen M. Ferguson, Esq.
Council Baradel
125 West Street, Fourth Floor
Annapolis, MD 21401
Email: Ferguson@CouncilBaradel.com

(3) if to Escrow Agent:

Bay Title
125 West Street, Fourth Floor
Annapolis, MD 21401
Email: VCH@CouncilBaradel.com

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses or designate an additional person or persons or an additional address or addresses, for its notices.

Section 15.6 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 15.7 Waiver of Jury Trial. Seller and Purchaser waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matter arising out of or in any way connected with this Agreement.

Section 15.9 Interpretation. Paragraph headings shall not be used in construing this Agreement. Each party acknowledges that such party and its counsel, after negotiation and consultation, have reviewed and revised this Agreement. As such, the terms of this Agreement shall be fairly construed and the usual rule of construction, to the effect that any ambiguities herein should be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any amendments, modifications or exhibits hereto or thereto.

Section 15.10 Assignment. Seller's interest in this Agreement may not be assigned by Seller, and the Property may not be conveyed by Seller, without the prior written consent of Purchaser. Purchaser shall have the right to assign this Agreement, without the consent of Seller, to any limited liability company in which Purchaser is a member or a manager, directly or indirectly.

Section 15.11 Third Party Beneficiary. This Agreement is entered into solely for the

benefit of the Purchaser and Seller. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement, except as set out herein.

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

SELLER:

9323B AND 9327 FRASER AVENUE, LLC

By: _____

Name:

Title: Managing Member

PURCHASER:

TOWN OF KENSINGTON

By: _____

Name: Tracey Furman

Title: Mayor

Budget Ordinance No. O-02-2024**Introduced: March 20, 2024****Public Hearing: April 10, 2024****Adopted: _____**

AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF KENSINGTON TO APPROPRIATE AND ADOPT THE FISCAL YEAR 2024 – 2025 (FY25) BUDGET AND TO LEVY A TAX ON CERTAIN REAL AND PERSONAL PROPERTY UNDER THE PROVISIONS OF §6-203 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED.

WHEREAS, §5-205 *et seq.* of the Local Government Article, Annotated Code of Maryland, authorizes the Mayor and Town Council to provide for the control and management of its finances and expend money for any public purpose and for the safety, health, and general welfare of the Town and its occupants; and

WHEREAS, §6-203 of the Tax-Property Article, of the Annotated Code of Maryland (as amended), grants authority to municipal corporations to levy a tax on personal property, land, and improvements thereon, within the municipal corporation; and

WHEREAS, Article VIII, “Finance”, Section 801, “Fiscal Year”, of the Town Charter states that the Fiscal Year of the Town shall begin on July 1, 2024, and end on June 30, 2025; and

WHEREAS, Section 802, “Proposed Budget”, of the Town Charter states that the Town Manager shall submit to the Council prior to the third Monday in April, a Budget of anticipated revenues, proposed operating expenditures, and proposed capital project expenditures, along with a written financial plan for the succeeding fiscal year; and

WHEREAS, Section 803, “Adoption”, of the Town Charter states that prior to adopting the Budget, the Council shall hold a public hearing following due notice and a favorable vote of at least a majority of the total elected membership of the Council shall be necessary for adoption.

NOW THEREFORE, the Mayor and Town Council of Kensington does hereby adopt the following Budget Ordinance:

AN ORDINANCE TO APPROPRIATE AND ADOPT THE FISCAL YEAR 2024 – 2025 (FY25) BUDGET AND TO LEVY A TAX ON CERTAIN REAL AND PERSONAL PROPERTY UNDER THE PROVISIONS OF §6-203 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED.

FY25 Budget - Town of Kensington					
ANTICIPATED REVENUE					
	General Property Taxes		\$	1,576,713	
	Other Taxes		\$	850,500	
	Licenses & Permits		\$	45,700	
	Intergovernmental Revenues		\$	449,626	
	Fines & Fees		\$	2,000	
	Miscellaneous Revenue		\$	302,000	
	Grants - ARPA		\$	1,148,193	
TOTAL ANTICIPATED REVENUE					\$4,374,732
	Re-Appropriation		\$	246,806	
TOTAL ANTICIPATED FUNDS AVAILABLE					\$4,621,538
PROPOSED EXPENDITURES					
	General Government		\$	1,455,358	
	Public Works		\$	1,230,023	
	Public Safety		\$	331,671	
	Parks & Recreation		\$	193,000	
	Non-Departmental		\$	25,000	
					\$3,235,052
	Capital Improvement Budget		\$	1,386,486	
TOTAL PROPOSED EXPENDITURES					\$4,621,538

SECTION 1:

BE IT ORDAINED AND ORDERED this _____ day of May, 2024, by the Kensington Town Council, acting under and by virtue of the authority granted to it by §5-205 *et seq.* of the Local Government Article, Annotated Code of Maryland, and Article VIII of the Kensington Town Charter, that the budget for Fiscal Year July 1, 2024, through June 30, 2025, attached hereto and incorporated herein by reference, be and the same hereby is appropriated and adopted.

SECTION 2:

AND BE IT FURTHER ORDAINED AND ORDERED, this _____ day of May, 2024, by the Kensington Town Council, acting under the virtue of the authority granted to it by §6-203 of the Tax-Property Article, of the Annotated Code of Maryland (as amended), and Article VIII of the Kensington Town Charter, hereby levies a tax at the rate of One thousand, three hundred twelve ten-thousandths

cents (**\$0.1312**) per One Hundred Dollars of full value assessment on all taxable **Real Property** located within the corporate limits of the Town of Kensington.

SECTION 3:

AND BE IT FURTHER ORDAINED AND ORDERED, this _____ day of May, 2024, by the Kensington Town Council, acting under the virtue of the authority granted to it by §6-203 of the Tax-Property Article, of the Annotated Code of Maryland (as amended), and Article VIII of the Kensington Town Charter, hereby levies a tax at the rate of eighty cents (**\$0.80**) per One Hundred Dollars of full value assessment on all taxable **Personal Property** located within the corporate limits of the Town of Kensington.

SECTION 4:

AND BE IT FURTHER ORDAINED AND ORDERED, this _____ day of May, 2024, by the Kensington Town Council, acting under the virtue of the authority granted to it by §8-101 of the Tax-Property Article of the Annotated Code of Maryland (as amended), and Article VIII of the Kensington Town Charter, hereby levies a tax at the rate of five dollars (**\$5.00**) per One Hundred Dollars of full value assessment on all taxable **Personal Property** set forth by §8-101 of the Tax-Property Article, of the Annotated Code of Maryland (as amended):

1. Operating personal property of a railroad;
2. Operating personal property of a public utility that is machinery or equipment used to generate electricity or steam for sale;
3. All other operating personal property of a public utility; and
4. Machinery and equipment, other than operating personal property of a public utility, that is used to generate electricity or steam for sale or hot or chilled water for sale that is used to heat or cool a building.

SECTION 5:

AND BE IT FURTHER ORDAINED AND ORDERED, this _____ day of May, 2024, by the Kensington Town Council, hereby adopts the imposition of a full-year, one-half year, three-quarter year, and one-quarter year tax levies, authorized pursuant to §10-102, 10-103, 10-104, and 10-105 of the Tax-Property Article of the Annotated Code of Maryland (as amended), and authorizes and empowers Montgomery County, Maryland, to collect and remit the same to the Town of Kensington, consistent with the imposition and collection of such levies on real property by Montgomery County.

AND BE IT FURTHER ORDAINED AND ORDERED, this _____ day of May, 2024, by the Kensington Town Council that the transfer of funds by Resolution within the Operating and Capital Improvements Budget may occur.

AND BE IT FURTHER ORDAINED AND ORDERED, this _____ day of May, 2024, by the Kensington Town Council, acting under and by virtue of the authority granted to it by §5-201 *et seq.* of the Local Government Article, Annotated Code of Maryland, and Article VI, “Powers of the Council”, Section 601, “General Powers” of the Town Charter that:

(1) If any part of provision of this ordinance is declared by a court of competent jurisdiction to be invalid, the part of provision held to be invalid shall not affect the validity of the ordinance as a whole or any remaining part thereof; and

(2) This ordinance shall take effect on the 1st day of July, 2024, provided the following:

(a) Posted at Town Hall by the next business day following introduction; and

(b) Posted on the official Town website; and

(c) Sent to those persons listed on the official Town email list/mail subscription service; and

(d) Published once prior to the public hearing in the Town newsletter or sent by substitute regular mail to newsletter circulation addresses.

INTRODUCED by the Mayor and Town Council of Kensington, Maryland at the regular public meeting assembled on the 20th day of March, 2024.

ADOPTED by the Mayor and Town Council of Kensington, Maryland at the regular public meeting assembled on the _____ day of May, 2024.

EFFECTIVE the 1st day of July, 2024.

TOWN OF KENSINGTON
PROPOSED BUDGET FY 2025

PROPOSED BUDGET 2024- 2025

REVENUE FUND

GENERAL PROPERTY TAXES	Rates	
Real Property Tax	0.1312	924,403
Personal Property Tax - Utilities	5.0000	515,734
Personal Property Tax - Business	0.8000	136,576
	SUBTOTAL	<u>\$1,576,713</u>

OTHER TAXES		
Income Taxes		850,000
Admissions and Amusements Tax		500
	SUBTOTAL	<u>\$850,500</u>

LICENSES & PERMITS		
Town Building and Sign Permits		18,000
Parking Permits		3,400
Cable Franchise Fees		21,800
Traders' Licenses		2,500
	SUBTOTAL	<u>\$45,700</u>

INTERGOVERNMENTAL REVENUE		
County Tax Duplication		297,875
Highway User Funds		147,525
Bank Shares		4,226
	SUBTOTAL	<u>\$449,626</u>

FINES AND FEES		
SafeSpeed Camera Program		0
Parking & Municipal Infractions		2,000
	SUBTOTAL	<u>\$2,000</u>

OTHER		
Town Hall Rentals		15,000
Park Rentals		2,500
Municipal Events		9,500
Interest		175,000
Miscellaneous		100,000
	SUBTOTAL	<u>\$302,000</u>

GRANTS		\$1,148,193
	TOTAL REVENUE	<u>\$4,374,732</u>
	UNAPPROPRIATED SURPLUS	246,806
	TOTAL REVENUE INCLUDING UNAPPROPRIATED SURPLUS	<u>\$4,621,538</u>

EXPENDITURES

GENERAL GOVERNMENT

PERSONNEL SERVICES

Salaries & Wages	585,410
Social Security, Medicare, Unemployment Taxes	43,835

Workers Compensation Insurance	5,527
Health, Life, and Employee Benefits	64,233
Retirement - 401 (A) Money Purchase Plan	47,427
SUBTOTAL	<u>\$746,433</u>
OPERATING EXPENSES	
ELECTED OFFICIALS	
Mayor and Council Compensation	24,000
Mayor and Council Legislative, Education, Travel	17,900
SUBTOTAL	<u>\$41,900</u>
PROFESSIONAL SERVICES	
Town Attorney	50,000
Audit	14,500
Other Professional Services	136,925
SUBTOTAL	<u>\$201,425</u>
TOWN GOVERNMENT OPERATIONS	
Town Hall Maintenance	139,500
Town Hall Utilities	45,700
Town Hall Equipment	9,000
Economic Development & Commercial Revitalization	191,350
Office Expenses	34,800
Office Equipment/Furniture	2,500
Insurance	22,000
Municipal Dues, Memberships and Fees	11,250
Conferences, Training, & Travel	6,500
Miscellaneous	3,000
SUBTOTAL	<u>\$465,600</u>
<hr/>	
TOTAL GENERAL GOVERNMENT EXPENSES	<u>\$1,455,358</u>
EXPENDITURES	
PUBLIC WORKS	
PERSONNEL SERVICES	
Salaries & Wages	420,366
Social Security, Medicare, Unemployment Taxes	30,909
Workers Compensation Insurance	20,802
Health, Life, and Employee Benefits	103,853
Retirement - 401 (A) Money Purchase Plan	37,393
SUBTOTAL	<u>\$613,323</u>
OPERATING EXPENSES	
OPERATING SUPPLIES	
Conferences, Training, and Travel	500
Drug Testing	1,000
Uniforms, Gloves, Vests, Boots, and Shirts	3,500
Small Equipment Purchases	12,500
Vehicle Fuel Expenses	13,500
Small Equipment Maintenance and Repairs	3,500
Vehicle Repairs	20,000
Shop Supplies and Tools	4,000
Miscellaneous	1,000
SUBTOTAL	<u>\$59,500</u>

TRASH, BRUSH, RECYCLING, AND LEAF COLLECTION

Trash, Brush, and Recycling Collection	279,500
Leaf Collection and Other Disposal Fees	27,000
SUBTOTAL	<u>\$306,500</u>

INFRASTRUCTURE

Street Sweeping	12,000
Street Maintenance	20,000
Street Name Signs	20,000
Snow Removal	8,500
Sidewalk Repair	15,000
Storm Drain Maintenance	15,000
Landscaping Vegetation Management	25,000
Landscaping Street Trees Maintenance and Planting	125,000
Garage Maintenance, Miscellaneous & Utilities	10,200
SUBTOTAL	<u>\$250,700</u>

TOTAL PUBLIC WORKS EXPENSES	<u>\$1,230,023</u>
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PUBLIC SAFETY**PERSONNEL SERVICES**

Salaries & Wages	199,721
Social Security, Medicare, Unemployment Taxes	15,029
Workers Compensation Insurance	8,652
Health, Life, and Employee Benefits	12,935
Retirement - 401 (A) Money Purchase Plan	6,333
SUBTOTAL	<u>\$242,671</u>

OPERATING SUPPLIES & SERVICES**PUBLIC UTILITIES AND PROFESSIONAL SERVICES**

Parking Lot Lighting (Metropolitan)	1,500
Public Street Lighting	65,000
Traffic Control & Engineering	18,000
Miscellaneous	4,500
SUBTOTAL	<u>\$89,000</u>

TOTAL PUBLIC SAFETY EXPENSES	<u>\$331,671</u>
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PARKS & RECREATION**FACILITIES AND PUBLIC UTILITIES**

Park Utilities	11,250
SUBTOTAL	<u>\$11,250</u>

OPERATING SUPPLIES AND PROFESSIONAL SERVICES

Small Equipment Maintenance and Repairs	15,000
Equipment Purchases	14,000
Landscape Architecture Services	3,000
Miscellaneous	1,000
SUBTOTAL	<u>\$33,000</u>

LANDSCAPING

Landscaping and Vegetation Management	25,000
Parks and Town Hall Landscaping	40,000
SUBTOTAL	<u>\$65,000</u>

TOWN MUNICIPAL EVENTS		
Municipal Events - Labor Day Parade and Festival		35,200
Municipal Events - Other Municipal Events		48,550
	SUBTOTAL	\$83,750
TOTAL PARKS RECREATION EXPENSES		\$193,000
NON DEPARTMENTAL Contingency		25,000
TOTAL NON DEPARTMENTAL EXPENSES		\$25,000
TOTAL OPERATING BUDGET		\$3,235,052
CAPITAL IMPROVEMENTS PROGRAM		\$1,386,486
TOTAL CIP BUDGET APPROPRIATIONS		\$1,386,486
TOTAL OPERATING & CIP EXPENDITURES		\$4,621,538

Resolution No. R-03-2024
Adopted:

A Resolution of the Mayor and Council of the Town of Kensington Authorizing a Contract Agreement with Brudis & Associates, Inc., to provide Engineering and Support Services for a Storm Drain Study within the area of the 3500 and 3600 blocks of Farragut Avenue.

WHEREAS, pursuant to Chapter II, "Government and Administration", Article 4, "Purchasing and Contracts", Section 2-405, "Professional Services Contracts", the Council may decide by an extra-majority vote (defined as one more than a majority of those present and voting) to authorize the Town Manager to enter into negotiated procurement for professional services rather than advertise; and

WHEREAS, the Town requested a proposal from Brudis & Associates, Inc., to conduct a Storm Drain Study and provide Engineering Support Services with regards to proposed storm drain improvements along the 3500 and 3600 blocks of Farragut Avenue; and

WHEREAS, Brudis & Associates provided a Contract proposal (EXHIBIT A) to the Town for Engineering and Support Services for a Storm Drain Study; and

WHEREAS, the Mayor and Council have determined that it is in the public interest to authorize the Town Manager to accept the proposal from Brudis & Associates, Inc., with a contract price of \$57,237.50.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Kensington, Maryland, that the Town Manager be and is hereby authorized to enter into a Contract Agreement in substantially the form attached, with a contract price not to exceed \$60,000.00, with Brudis & Associates, Inc.

Adopted by the Town Council this 20th day of March, 2024.

Effective this 20th day of March, 2024.

ATTEST: TOWN OF KENSINGTON, MARYLAND

By: _____
Susan C. Engels, Clerk – Treasurer

Tracey C. Furman, Mayor



February 21, 2024

Town of Kensington
ATTN: Matt Hoffman, Town Manager
Department of Public Works
3710 Mitchell Street
Kensington, MD 20895

RE: Proposal for Farragut Avenue Drainage Design Services

Dear Mr. Hoffman:

Pursuant to your request, Brudis & Associates, Inc. (BAI) is pleased to submit our proposal to provide engineering services for storm drain Drainage Design Services for Farragut Avenue.

The attached scope of services (Attachment A) details the specific tasks to be performed for this project, as well as the estimated manhours and design fee of **\$57,237.50** for detail drainage design services. (Attachment B).

BAI offers the necessary experience and resources to complete this assignment. Should you have any questions or require any additional information, please do not hesitate to contact me at 443-946-6806 or mbastakoti@brudis.com.

Very Truly Yours,
BRUDIS & ASSOCIATES, INC.

Mahendra Raj Bastakoti, P.E.
Deputy Director, Water resources

P:\23-011 Kensington Storm Drain System Support Services\Correspondence\Proposals\Drafts\EWO #3 Farragut Ave

ATTACHMENT A

Scope of Work

Project Background

The Town of Kensington has requested for Drainage Analysis and design Support services for a stretch of Farragut Avenue from Lexington Street to St. Paul Street. The properties along this section of Farragut Avenue have been experiencing flooding issues during the recent rainfall events. According to the video data provided by the Town and discussion held during the site visit the ponding appears to be the effect of the inadequate drainage system along Farragut Avenue. The water travels towards east from a high point approximately 200' west of the intersection of Farragut Avenue and Lexington Street. In the existing conditions there are no other storm drain inlets along the Farragut Avenue between Lexington Street and St. Paul Street except the two curb inlets approximately 150' west of intersection of Farragut Ave and St. Paul Street. According to the Town and the homeowners, during heavy storms, the runoff along the Farragut Ave overflows the driveway and spills into the yards of the houses adjacent to the street. The homes on both sides of Farragut Avenue have experienced water ponding in their back yards.

Project goals and Understanding

The goal of this project is to investigate the cause of the drainage issue along Farragut Avenue from Lexington Street to St. Paul Street and identify potential solutions to mitigate it. A preliminary solution identified by the town is to install four (4) curb opening inlets east of Lexington Ave along Farragut Avenue to intercept the runoff along the gutter pan before it flows into the front yard of the adjacent properties. It is understood that for the conveyance, storm drain pipes will be proposed along the center of Farragut Avenue. There are existing subsurface utilities such as water, sewer, and gas lines along this section of the road. Relocation of some of these utilities may be necessary to construct a new storm drain pipeline. BAI will prepare a storm drain design that will have a minimal impact on the existing utilities. Once such layout has been finalized, locations of conflict with the existing utilities will be identified and test pits for those locations will be requested. It may be necessary to install storm drain inlets and pipes in the private properties and connect them to the new public storm drain system along Farragut Ave to resolve issues regarding the accumulation of the storm water in the backyard of the properties. BAI will conduct drainage study and will identify best location for such inlets and storm drain systems and will inform the town for coordination with the homeowners. It is assumed that the future maintenance of these storm drain systems in the private properties will be carried out through a maintenance agreement with the property owners and a storm drainage easement will not be required.

Based on this background information, goal and understanding of the project and subsequent coordination with the Town of Kensington, this scope assumes the following conditions:

Task 1 – Concept Design:

BAI will perform the following task for Task 1:

- a) BAI will download available GIS topographic information including the Town's available storm drain information. If needed, BAI will supplement GIS data by digitizing approximate limits of private facilities (driveways, planters, play equipment, fences etc.) based on aerial information and site investigation to ensure there's no impact to these features.
- b) BAI will prepare a drainage area map for the existing condition and will perform a site visit to verify the drainage area delineation of the existing storm drain system.

- c) BAI will perform the necessary check of the existing drainage pattern at the existing inlets within the project limit. It may be necessary access the private lots to assess the existing drainage patterns, BAI will inform the Town of Kensington in advance if such access is needed.
- d) Once the drainage pattern is established, BAI will prepare conceptual layout of the proposed improvements to address the current issues. The improvement may involve localized grading, creation of drainage swales, installation of new inlets, manholes and storm drain pipes. If needed, BAI will propose inlets storm drains along the private properties to convey the runoff to the public system along Farragut Ave.
- e) BAI will perform storm drain calculation for the conceptual layout. During this step, BAI will check the spread at the newly proposed inlets and will conduct a concept level storm drain computation. The storm drain design will be done for a 10-year storm unless otherwise stated in the design. BAI will prepare concept level drainage design report which will include the project understanding, goals, methodology and the hydraulic computations. No hydraulic grade line computation will be provided at this stage.
- f) BAI will submit concept level storm drain design plan and the drainage report to the Town for review.
- g) BAI will address any comments Town may have on the concept design. A maximum of two (2) review cycles is anticipated including the initial submission.
- h) BAI will provide coordination/attend meeting (maximum 1) with other utility stakeholder within the project area during concept design.

Task 2 – Detail Design:

Once the concept design has been reviewed and approved by the Town, BAI will provide following under task 2 services.

- a) BAI will develop a detail storm drain plan including storm drain layout, grading, profiles, structure, and pipe schedules.
- b) BAI will update the drainage design report including hydraulic grade line computations.
- c) BAI will develop design for the erosion and sediment control for the proposed improvements.
- d) BAI will prepare cost estimate based on the final design plans.
- e) BAI will submit the storm drain design, erosion and sediment control plan, cost estimate and final drainage report for the town's review and approval.
- f) BAI will address any comments Town may have on the detail design. A maximum of two (2) review cycles is anticipated including the initial submission.
- g) BAI will provide coordination/attend meeting (maximum 1) with other utility stakeholder within the project area during detail design stage.

Assumptions and Exclusion

- A survey CAD file of the existing storm drain system will be provided by the Town of Kensington.
- Subsurface utility designation, if required, shall be provided by the Town of Kensington.
- No test pit is included, if required, it shall be provided by the Town of Kensington.
- Town of Kensington will provide/coordinate any as-built drawings of the existing storm drain system that are available.
- It is assumed that upgrades to the existing downstream system is not required and are not part of this proposal.
- No floodplain analysis and HEC-RAS analysis will be required.
- No stormwater management assessment or design will be required.
- No permitting will be required, if the existing storm drain system requires permitting, a separate proposal will be provided.

- The study and the design will be limited to the existing storm drain systems within the project limits (Farragut Ave. between Lexington Street and St. Paul St.)
- Any tree removal permit.
- Any subsurface utility coordination, permitting and relocation will be done/provided by others.
- Any associated property boundary survey, easement acquisition or plat preparation is not included.
- Any items not specifically mentioned in the scope of work.

Anticipated Schedule

BAI will make two design submittals. The anticipated schedule will be updated and finalized once BAI receives notice to proceed.

- Notice to Proceed..... 03/14/2024
- Survey Completed..... 04/12/2024
- Concept Design..... 05/17/2024
- Detail Design.....06/28/2024
- Final Approval..... 08/02/2024

Note: The schedule anticipates 2 weeks for each review.

MANHOUR ESTIMATE

TOWN OF KENSINGTON
DEPARTMENT OF PUBLIC WORKS
 ESTIMATE OF HOURS
 DESCRIPTION OF WORK ACTIONS
 TASK NAME:

CONTRACT NO.
 TASK NO.

FARRAGUT AVENUE DRAINAGE DESIGN

	Task	Principle / Associate	Project Manager	Highway Engineer	Structural Engineer	H&H Engineer	Technician	Total
1	Task 1 – Concept Design							
a	Data collection		2			8	20	30
b	Develop DA Map and Site verification		6			20		26
c	Drainage analysis		4			12	4	20
d	Develop concept plan		4			16	24	44
e	Concept drainage report and computation		4			36	24	64
f	Concept Design Submission		4			4		8
g	Address Comments		12			36	34	82
h	Utility coordination		12			4		16
	Total Task 1		48			136	106	290
2	Task 2 - Detail Design							
a	Update storm drian plan, profiles, details and schedules					12	32	44
b	Update drainage report and computations		3			16	8	27
c	Erosion and sediment control plans		4			24	32	60
d	Cost Estimate		2			6		8
e	Detail design plans and report submission		4			4	4	12
f	Address comments		10			26	30	66
g	Utility coordination		8			4		12
	Total Task 2		31			92	106	229
	Item 1 & 2 Hours	0	79	0	0	228	212	
	Rate		\$ 162.50	\$ 112.50	\$ 112.50	\$ 125.00	\$ 75.00	
	Item 1 & 2 Cost	\$ -	\$ 12,837.50	\$ -	\$ -	\$ 28,500.00	\$ 15,900.00	\$ 57,237.50
3	Total							
	Total Hours	0	79	0	0	228	212	519
	Total Bid Price		\$ 12,837.50	\$ -	\$ -	\$ 28,500.00	\$ 15,900.00	\$ 57,237.50

Resolution No. R-06-2024
Adopted:

A Resolution of the Mayor and Council of the Town of Kensington to Authorize the Town Manager to extend the auditing contract with Linton Shafer Warfield & Garrett, P.A., Certified Public Accountants, to perform the Annual Audit for Fiscal Years 2023-2024, 2024-2025, and 2025-2026.

WHEREAS, an Annual Audit and Uniform Financial Report on the Town's finances are required by the State of Maryland; and

WHEREAS, in 2017, and again in 2021, the Town entered into a contract for auditing services with Linton, Shafer, Warfield & Garrett, P.A. ("Auditors") to prepare these documents on behalf of the Town; and

WHEREAS, the Mayor and Council have determined that it is in the public interest to extend the contract to include fiscal year 2024, with options for fiscal years 2025 and 2026; and

WHEREAS, pursuant to Section 2-405, "Professional Services Contracts", of the Town Code, the Mayor and Town Council may, by an extra-majority vote, authorize the Town Manager to enter into a negotiated procurement for professional services rather than advertise; and

WHEREAS, the Mayor and Council have determined, based on their review of the Auditor's proposal, along with past service to the Town, to extend the contract without advertising for an amount not to exceed \$14,500 for fiscal year 2024, and for the option fiscal years 2025 (\$14,750) and 2026 (\$15,000).

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Kensington, in a public meeting assembled, that the Town Manager is hereby authorized to extend the Auditing contract with Linton, Shafer, Warfield and Garrett, P.A., to perform the annual Audit and prepare the Uniform financial Report for Fiscal Year 2023-2024, with the option to include Fiscal Years 2024-2025, and 2025-2026, with appropriate amendments to the contract, subject to review and approval of the Town Attorney.

Adopted by the Town Council this 20th day of March, 2024.

Effective this 20th day of March, 2024.

ATTEST: TOWN OF KENSINGTON, MARYLAND

By: _____
 Susan C. Engels, Clerk – Treasurer

 Tracey C. Furman, Mayor

Resolution No. R-07-2024

Adopted:

A Resolution of the Kensington Town Council Confirming Appointments
Made by the Mayor to the Development Review Board.

WHEREAS, Chapter II, “Government and Administration”, Article 1, “Town Offices and Procedures”, Section 2-102, “Standing Committees”, of the Town Code states that the Mayor and Council shall agree upon and specify the duties of each member of the Council, and such duties shall not be changed without the consent of the Mayor and Council; and

WHEREAS, the Mayor and Town Council created the Development Review Board (“DRB”) by Resolution, No. R-05-2013, consisting of five (5) members to be appointed from time-to-time by the Mayor, with approval of the Council, along with two (2) Council Members to be assigned at the Town’s annual Organizational Meeting; and

WHEREAS, the Mayor has proposed re-appointing Mark Hudson (Business) and Leslie Maxam (Resident) for two-year terms on the Development Review Board; and

NOW, THEREFORE, BE IT RESOLVED by the Kensington Town Council that the following appointments by the Mayor are confirmed as follows:

Mike Henehan	Professional	3951 Baltimore Street	Two Year Term Expires	4-30-2026
Andrew Roud	Professional	3814 Washington Street	Two Year Term Expires	4-30-2026
Michael Gordon	Resident	3420 Wake Drive	Two Year Term Expires	4-30-2026

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Kensington Town Council that the following terms continue as follows:

Mark Hudson	Business	3804 Howard Avenue	Two Year Term Expires	4-30-2025
Leslie Maxam	Resident	3913 Warner Street	Two Year Term Expires	4-30-2025
Darin Bartram	Council	3515 Farragut Avenue	Council Assignment	6-30-2024
Conor Crimmins	Council	10547 St. Paul Street	Council Assignment	6-30-2024

ADOPTED by the Town Council of Kensington, Maryland at the regular public meeting assembled on the 20th day of March, 2024.

EFFECTIVE the 30th day of April, 2024.

ATTEST: TOWN OF KENSINGTON, MARYLAND

By: _____
Susan C. Engels, Clerk – Treasurer

Tracey C. Furman, Mayor

Resolution No. R-08-2024

Adopted:

A Resolution of the Mayor and Council of the Town of Kensington
Authorizing the Town Manager to contract for the installation of a speed
hump along the 10600 block of St. Paul Street.

WHEREAS, Article VI, “Powers of the Council”, Section 602, “Specific Powers”, Subsection (40), “Streets”, of the Town Charter states that the Council shall have the power to construct, maintain and improve the streets and to control the public ways of the Town; and

WHEREAS, Chapter IV, “Traffic and Vehicles”, Article 3, “Traffic Control”, Section 4-304, “Speed Bumps”, of the Town Code states that the Town is empowered to install speed bumps at various locations throughout the Town; and

WHEREAS, The Council Adopted Guidelines and Procedures for installing speed humps December 10, 2018, to require a petition from affected residents of a certain block(s) unless deemed otherwise by the Council; and

WHEREAS, The Town requested that a Traffic Analysis be performed by the Traffic Engineer to determine vehicle speeds and volume along the 10600 block of St. Paul Street; and

WHEREAS, The Traffic Analysis data confirmed that the 85th percentile speed along this block was 24.6 MPH, which has a current posted speed limit of 20 MPH; prompting the Town’s Traffic Engineer, along with the Mobility and Traffic Committee, to recommend the installation of a speed hump.

NOW, THEREFORE, BE IT RESOLVED that the Town Manager is hereby authorized to contract for the installation of a speed hump along the 10600 block of St. Paul Street.

ADOPTED by the Town Council of Kensington, Maryland at the regular public meeting assembled on the 20th day of March, 2024.

EFFECTIVE the 20th day of March, 2024.

ATTEST: TOWN OF KENSINGTON, MARYLAND

By: _____
Susan C. Engels, Clerk – Treasurer

Tracey C. Furman, Mayor

Resolution No. R-09-2024
Adopted:

A Resolution of the Kensington Town Council Confirming Appointments Made by the Mayor to the Board of Supervisors of Elections.

WHEREAS, Article VII, “Registration, Nominations and Elections”, Section 702, “Board of Supervisors of Elections”, of the Town Charter, requires that there shall be a Board of Supervisors of Elections, consisting of three (3) members who shall be appointed by the Mayor with the approval of the Council on or before the first Monday in April; and

WHEREAS, the term of members of the Board of Supervisors of Elections shall begin on the first Monday in April in the year in which they are appointed and shall run for one (1) year; and

WHEREAS, members of the Board of Supervisors of Elections shall be qualified voters of the Town and shall not hold or be candidates for any elective office during their terms of office; and

WHEREAS, the Board shall appoint one of its members as Chairperson.

NOW, THEREFORE, BE IT RESOLVED by the Kensington Town Council that the following appointments by the Mayor are confirmed as follows:

Kate DeWitt	3609 Farragut Avenue	One Year Term Expires	3-31-2025
Spencer Harrill	3810 Warner Street	One Year Term Expires	3-31-2025
Robin Watson	10415 Fawcett Street, Apt. 106	One Year Term Expires	3-31-2025

ADOPTED by the Town Council of Kensington, Maryland at the regular public meeting assembled on the 20th day of March, 2024.

EFFECTIVE the 31st day of March, 2024.

ATTEST: TOWN OF KENSINGTON, MARYLAND

By: _____
Susan C. Engels, Clerk – Treasurer

Tracey C. Furman, Mayor

Resolution No. R-10-2024

Adopted:

A Resolution of the Mayor and Council of the Town of Kensington Authorizing a Budget Amendment for Fiscal Year 2023-2024 (FY24), in which \$1,148,193.00 will be deducted from both Anticipated Revenue (Grants – ARPA) and Proposed Expenditures (Capital Improvement Budget – PW-005), and reallocate these funds to Anticipated Revenue and Proposed Expenditures within the Fiscal Year 2024-2025 (FY25) Budget.

Whereas, the Town Council adopted the Fiscal Year 2023-2024 (FY24) Budget Ordinance, No. O-01-2023, at the May 8, 2023, Town Council meeting; and

Whereas, the Town Budgeted within Anticipated Revenue (Grants) for \$1,148,193.00, from the second ARPA distribution, which was subsequently allocated to the Capital Improvement Budget (CIP) within the Storm Drain Reconstruction & Renovation Program (PW-005) fund; and

Whereas, certain engineering and project delays have pushed the anticipated expended funds for projects assigned within PW-005 from FY24 to FY25; and

Whereas, the Town's Auditor, Linton Shafer Warfield & Garrett, P.A., has recommended that the Town deduct from our FY24 Budget, \$1,148,193.00 from Anticipated Revenue (Grants – ARPA), and \$1,148,193.00, from Proposed Expenditures (Capital Improvement Budget – PW-005), and reallocate these funds to Anticipated Revenue and Proposed Expenditures within the Fiscal Year 2024-2025 (FY25) Budget.

Now, Therefore, Be It Resolved that the Kensington Town Council approves deducting \$1,148,193.00, from Anticipated Revenue (Grants – ARPA), and \$1,148,193.00, from Proposed Expenditures (Capital Improvement Budget – PW-005) and reallocating these funds to Anticipated Revenue and Proposed Expenditures within the Fiscal Year 2024-2025 (FY25) Budget.

Adopted by the Town Council this 20th day of March, 2024.

Effective this 20th day of March, 2024.

ATTEST: TOWN OF KENSINGTON, MARYLAND

By: _____
Susan C. Engels, Clerk – Treasurer

Tracey C. Furman, Mayor