



**TOWN COUNCIL  
SPECIAL MEETING  
AGENDA  
October 27, 2023  
Starting at 4:00 PM**

- I. Call to Order and Roll Call**
- II. Pledge of Allegiance**
- III. Public comment on any item on the agenda.**
- IV. Town Council to consider authorizing the Mayor to extend the Public Works Agreement #1 for the Rod N Reel project until December 1, 2023 to establish their letter of credit. Once received, the Mayor is authorized to extend the Public Works Agreement until September 21, 2025.**
- V. Adjournment**



To: The Honorable Mayor and Town Council

From: Holly Wahl, Town Administrator

Subject: Rod & Reel Public Works Agreement (PWA) Extension Request

**Date: October 26, 2023**

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## **I. BACKGROUND:**

In June of 2018, the Town entered a Public Works Agreement (PWA) for the “Mears Avenue Improvements, Storm Filter and Storm Drain Outfall Relocation”. Rod & Reel has entered the final phase of the work on this project; however, work is expected to continue for another 16-18 months; therefore, the PWA and the associated bonds must remain active until all public improvements are signed off on by the Town. The Town Council authorized the mayor to execute an extension of this agreement during the September 21, 2023 Town Council meeting; however, the amendment was not executed by the Mayor because the owner has not provided the updated bonding confirmation in accordance with the PWA. Per the terms of the PWA, the owner is to provide an updated bond / letter of credit in the amount of **\$580,877** for the full extent of the amendment (24 months) . Since the PWA is a condition of the current permit for construction at the site per permit #2017-108, this lapse can impact the project through a *stop work order* or the *cancellation* of building inspections.

## **II. EXTENSION REQUEST:**

The property owner is requesting that the Town Council consider extending the terms of the expiration of the PWA to December 1, 2023, to provide the time they are requesting to obtain the bonding / letter of credit required of the project in the amount of **\$580,877** to cover the project until September 21, 2025. The owner reports that the delay in obtaining this letter is due to a bank merger that has held up the process. If approved by Town Council, once the updated bond / letter of credit is received in the amount of **\$580,877** with a term date not less than **September 21, 2025**, the mayor will be authorized to execute the PWA to extend the agreement for the remaining 21 months with an end date of September 21, 2025.

Law Offices of Eric Blitz



Eric J. Blitz, Esquire

Email: 

October 26, 2023

Mayor and Town Council, Chesapeake Beach  
Town Hall  
P.O. Box 400  
Chesapeake Beach, MD 20732  
(Delivered via email)

Re: Temporary Extension Request; Rod & Reel, Inc. Public Works Agreement Number 1.

Dear Mayor and Town Council:

On behalf of the Rod & Reel, Inc., I am requesting that the Public Works Agreement Number 1, as previously amended, have its term be temporarily extended until December 1, 2023. The reason for this request for a temporary extension is that we have been delayed in getting a replacement letter of credit from the bank that extends the term until September 23, 2025, which the Town Council recently approved at its September 21<sup>st</sup> meeting. The current letter of credit expires in June of 2024. The bank now has extra underwriting hurdles created by a bank merger, requiring such a letter of credit be approved by the bank's board, which is taking longer than expected. We have made the request to the bank and should be able to have a replacement letter of credit for the benefit of the Town in the amount of \$580,877 by December 1, 2023, at the latest. The parties could countersign this simple letter agreement, extending the term of the existing agreement until that date.

Sincerely,

/s

ERIC J BLITZ, ESQUIRE

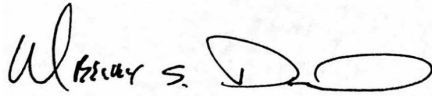
Approved extension as set forth above:

For Chesapeake Beach, MD

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Patrick Mahoney, Mayor

For Rod & Reel, Inc.

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Wesley Donovan, President