

Amendment No. 1 to Bill No. 1577

Proposed by: Ms. Mielke

Introduced by: Mr. Callahan, Ms. Haythe, Mr. Leshner, Mr. Stepp

Date: August 13, 2024

AN EMERGENCY BILL TO AMEND BILL NO. 1231 FOR THE PURPOSE OF COORDINATING THE TEMPORARY CLOSURE OF MARYLAND ROUTE 662C TO FACILITATE TIMELY CONSTRUCTION OF A NEW HOSPITAL AND REGIONAL MEDICAL CENTER BY SHORE HEALTH SYSTEM, INC. AND MINIMIZE IMPACTS TO VEHICULAR TRAFFIC ON OCEAN GATEWAY (U.S. ROUTE 50) DURING THE 2025 SUMMER TRAVEL SEASON

KEY

Boldface.....Heading or defined term

Double Underlining.....Added by amendment

~~Double Strikethrough~~.....Deleted by amendment

* * *Existing Bill unaffected

Proposed Amendments: The amendments proposed to the text of the Bill are as follows:

* * *

Section 5. The Effective Date of the Transfer of the Roadway from SHA to the County shall occur upon the performance of or satisfaction of all of the following conditions precedent (“Contingencies”):

(A) SHA approval of the closure of the Roadway (“Closure”) commencing on October 1, 2024 (“Closure Date”), and continuing until May 1, 2025 (“Temporary Closure Period”), when construction of Relocated Md. Rt. 662C is expected to be complete;

(B) Execution of a duly approved amendment to the Road Transfer Agreement by and between SHA and the County in substantially the form attached hereto as Exhibit A and incorporated herein by reference as if fully set forth authorizing the Closure and transfer of the

Roadway to the County and from the County to SHS prior to the Closure Date, and prior to completion of Relocated Md. Rt. 662; and

(C) Execution of a Road Inspection and Contribution Agreement by and between the County and SHS in substantially the form attached hereto as Exhibit B and incorporated herein by reference as if fully set forth, which will identify the County roads that may be used in addition to the formal detour route on Ocean Gateway (U.S. Route 50) during the Temporary Closure Period and provide for a contribution from SHS to the County for improvements to such roads in an amount to be negotiated between the County and SHS and set forth in the Road Inspection and Contribution Agreement.

* * *

Purpose: This new language is intended to include the draft Amendment to Road Transfer Agreement and draft Road Inspection and Contribution Agreements as exhibits and incorporate the provisions thereof into the Bill.

Amendment not substantive: The amendments proposed herein are non-substantive, as they do not enlarge or narrow the scope of Bill No. 1577 as introduced to such an extent that Bill No. 1577, if adopted with the foregoing amendments, could be said to be misleading in a substantial manner. Furthermore, such amendments do not defeat the original purpose of Bill No. 1577 as introduced. *See Ajamian v. Montgomery County*, 99 Md. App. 665, 684-685 (1994).

Exhibit A to Bill No. 1577

FIRST AMENDMENT TO ROAD TRANSFER AGREEMENT

THIS FIRST AMENDMENT TO ROAD TRANSFER AGREEMENT (“Amendment”) made this ____ day of _____, 2024, by and between the State Highway Administration of the Maryland Department of Transportation (“SHA”), and Talbot County, Maryland, a charter county and political subdivision of the State of Maryland (the “County”) (each a “Party” and collectively the “Parties”).

WHEREAS, the Parties desire to amend that certain Road Transfer Agreement between the Parties dated February 26, 2013 (the “Agreement”), on the terms and conditions herein.

NOW, THEREFORE, that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The above recitals are hereby incorporated as if fully set forth herein.
2. Paragraph 2(B)(1)-(8) of the Agreement is hereby deleted and replaced in its entirety with the following:
 - B. The effective date of the transfer, for purposes of jurisdiction and maintenance, of the Roadway to the County shall be upon the complete approval and execution of this Agreement and after performance or satisfaction of all of the following conditions precedent:
 - (1) SHA approval of the temporary closure of the Roadway (“Temporary Closure”) commencing on October 1, 2024 (“Closure Date”), and continuing until May 1, 2025 (such seven-month period being the “Temporary Closure Period”), when construction of the Relocated Maryland Route 662C, as depicted on SHA Plat Nos. 59003, 59004, 59005, 59028, 59030, 59031, and 59033, is expected to be complete;
 - (2) SHA approval of Ocean Gateway (U.S. Rt. 50) as a detour route for Maryland Route 662C traffic affected by the Temporary Closure during the Temporary Closure Period;
 - (3) County approval, in coordination with SHA, of plans for the use of County roads as detour routes for traffic affected by the closure of Ocean Gateway in the event of an emergency during the Temporary Closure Period, including alternative routes in the event any such County road(s) are simultaneously closed; and

- (4) County passage of a Bill approving the County's acceptance of the Roadway from SHA prior to the construction of Relocated Maryland Route 662C and authorizing transfer of the same to Shore Health System, Inc. prior to the Closure Date.
3. Paragraph 2(E) of the Agreement is hereby deleted and replaced in its entirety with the following:

The County will accept jurisdiction over and maintenance responsibilities as to the Roadway as of the effective date of transfer set forth in paragraph 2(B) above.
4. Paragraph 3 of the Agreement is hereby deleted and replaced in its entirety with the following:

SHA will hereafter prepare a quit-claim deed conveying the title to the right-of-way in and to the Roadway to the County, subject to the approval of the Board of Public Works of Maryland. A copy of the deed, plat, and this Road Transfer Agreement will be presented to the County for review and approval, which approval shall be evidenced by a duly passed County Bill, with the understanding that SHA will execute and record the deed upon SHA's determination that conditions precedent in Paragraphs 2 B. (1) through (4), above have been fully performed in accordance with their terms to SHA's reasonable determination ("SHA"), upon approval by the Maryland Board of Public Works, and upon written notification by the County to SHA that the conditions precedent in Paragraph 2 B. (4) have been fully performed to the County's reasonable satisfaction ("County Notification"). SHA will execute the deed and present the deed to the Maryland Board of Public Works ("BPW") no later than the Closure Date, and SHA promptly will record the deed following BPW approval.
5. This Amendment may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one document. The Parties further agree that this Amendment shall be deemed validly executed and delivered by a Party if a Party executes this Amendment and delivers a copy of the executed Amendment to the other Party by means of electronic delivery. The Parties consent to execution of this Amendment by electronic signature.
6. Except as expressly modified herein, all other terms and conditions of the Agreement are hereby ratified and confirmed by the Parties. To the extent that there is a conflict between this Amendment and the Agreement, the provisions of this Amendment shall govern and be binding upon the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed by their proper officers thereunto duly authorized the day and year first written.

THE STATE HIGHWAY ADMINISTRATION
DEPARTMENT OF TRANSPORTATION

Witness

By: _____
[Name, Title]
Office of Planning
and Preliminary Engineering

Date: _____

Date: _____

RECOMMENDED FOR APPROVAL

Approved as to form and legal sufficiency this
_____ day of _____, 2024

[Name, Title]
Property Asset Management

[Name, Title]
Attorney General Office

SIGNATURES CONTINUE ON THE FOLLOWING PAGE

ATTEST:

TALBOT COUNTY, MARYLAND

Witness

By: _____
Charles F. Callahan, III, President
Talbot County, Council

Date: _____, 2024

Approved as to form and legal sufficiency
this ____ day of _____, 2024

Patrick Thomas, Esq.
County Attorney

CONTINUES ON FOLLOWING PAGE

JOINDER

Shore Health System, Inc. ("Shore Health"), a Maryland corporation, hereby joins in the above *First Amendment to Road Transfer Agreement* by and between the Maryland State Highway Administration ("SHA") and Talbot County, Maryland, for the purposes of agreeing to construct Relocated Maryland Route 662C (as defined in the Road Transfer Agreement), and to work diligently to complete such construction prior to the conclusion of the Temporary Closure Period (as defined in the Road Transfer Agreement), in conformance with SHA Access Permit No. 11APTA001XX issued to Shore Health by SHA and in compliance with all permits, approvals, codes, plans, specifications and other applicable standards of SHA, except to the extent that SHA shall have approved any waivers, changes, substitutions, or other deviations, and, upon SHA's acceptance of the same, to convey to SHA by deed acceptable to SHA a fee simple interest to the roadbed and right-of-way of Relocated Maryland Route 662C, consistent with SHA Plat Nos. 59003, 59004, 59005, 59028, 59030, 59031, and 59033, for use by the general public as a State Roadway.

ATTEST:

SHORE HEALTH SYSTEM, INC.

By: _____ (SEAL)
Kenneth D. Kozel, President and CEO

Exhibit B to Bill No. 1577

ROAD INSPECTION AND CONTRIBUTION AGREEMENT

THIS ROAD INSPECTION AND CONTRIBUTION AGREEMENT (this “**Agreement**”) is made this ___ day of ___, 2024, by and between SHORE HEALTH SYSTEM, INC., a Maryland corporation (the “**Developer**”), and TALBOT COUNTY, MARYLAND, a charter county and political subdivision of the State of Maryland (the “**County**”) (Developer and the County are also each individually referred to herein as a “**Party**,” and collectively as the “**Parties**”).

RECITALS

WHEREAS, a certain portion of the existing Md. Rt. 662C, described further below, traverses the future site of a new hospital and regional medical center (the “**Project**”) to be constructed, owned, and operated by Developer, which portion of Md. Rt. 662C is shown and described as “EX. MD RTE 662 (To Be Relocated)” on Exhibit A hereto (the “**Roadway**”);

WHEREAS, the Project requires the realignment of Md. Rt. 662C (the “**Realignment**”), construction of a new, relocated section of Md. Rt. 662C (“**Relocated Md. Rt. 662**”), and the closure (the “**Closure**”) of the portion of the existing Md. Rt. 662C that traverses the Project site; and

WHEREAS, as originally envisioned, construction of Relocated Md. Rt. 662C was to occur prior to the Closure in order to maintain continuous traffic flow during the Project development phase; and

WHEREAS, in the past 11 years, development plans for the Project have evolved, requiring the Closure earlier in the construction sequence than previously anticipated in order to keep construction of the Project on schedule; and

WHEREAS, the Developer, in consultation with the County and SHA, has evaluated a range of potential options for mitigating disruption to traffic flow along Md. Rt. 662C and mitigating impacts to traffic flow on nearby County Roads and Ocean Gateway (U.S. Route 50) (“**Rt. 50**”); and

WHEREAS, the most feasible option for ensuring timely completion of the Project and minimizing impacts to traffic flow is to temporarily close the Roadway from October 1, 2024, to May 1, 2025 (the “**Temporary Closure Period**”), while simultaneously constructing Relocated Md. Rt. 662C; and

WHEREAS, during the Temporary Closure Period, traffic normally associated with the Roadway is officially planned to be rerouted to a detour route along Rt. 50, but the parties acknowledge that certain portions of traffic that would use the Roadway may utilize the following nearby County roads: Hiners Lane, Hailem School Road, Goldsborough Neck Road (between

Airport Road and Hailem School Road), and Airport Road (the “**County Roads**”) instead of Rt. 50 (collectively, the “**Alternative Route**”); and

WHEREAS, the Parties desire to establish certain terms and conditions with respect to the County Roads and the Alternative Route to ensure the safe and efficient use thereof during the Temporary Closure Period.

NOW, THEREFORE, WITNESSETH, that in consideration of the mutual premises and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1. Recitals. The above recitals are hereby incorporated as if fully set forth herein.

Section 2. Description of Alternative Route. The Alternative Route is depicted by the “*Maintenance of Traffic Plan – Detour Plan*” attached hereto as Exhibit B and incorporated by reference herein.

Section 3. Approval of Use of Alternative Route. Subject to the terms and conditions herein, the County hereby agrees to support the Developer’s efforts to obtain SHA approval for temporary closure of Md Rt. 662C and formal detour of traffic using Md. Rt. 662C to Rt. 50 during the Temporary Closure Period.

Section 4. Responsibilities of Developer. The Developer shall be responsible for the following:

4.1 Upon transfer of the Roadway to the Developer, no later than October 1, 2024 (the “**Closure Date**”), delivering a check payable to Talbot County, Maryland in the amount of Two Hundred Thousand Dollars (\$200,000.00) (the “**Contribution**”), which shall be applied to the costs incurred by the County for providing an asphalt overlay on the County Roads in an effort to mitigate impacts resulting from additional traffic. Except as otherwise provided herein, the Developer shall have no further financial responsibility apart from the Contribution in connection with such improvement; provided, however, that nothing herein shall be deemed to exempt Developer from other financial obligations imposed by applicable laws or regulations, such as impact fees.

4.2 If requested by the County, participating in a pre-construction meeting hosted by the County with representatives from the Talbot County Department of Public Works, Talbot County Sheriff’s Office, Talbot County Public Schools, Talbot County Department of Emergency Services, and/or other agencies the County deems appropriate.

4.3 Cooperating with the County and/or SHA, as appropriate and as requested, in developing the traffic plans described in Subsection 5.4 below.

4.4 In coordination with SHA, providing notice to the public of the Closure in advance of the Closure Date, with appropriate signage to be placed at both ends of the Roadway at least twenty-one (21) days prior to the commencement of the Temporary Closure Period. The proposed signage shall be in substantially the same form as "Sign #20" shown on Exhibit B hereto and placed in locations marked "1" as shown in such Exhibit, which signs shall remain in such locations for the duration of such Closure Period. The County shall have the right to comment upon and approve the signs' content, provided that the County provides such comments and/or approval within five (5) business days following receipt of the signs' content from Developer.

4.5 During the Temporary Closure Period and construction of the Project, avoiding the use of the County Roads for ingress and egress of Developer's construction vehicle traffic to and from the Project site.

Section 5. Responsibilities of the County. The County shall be responsible for the following:

5.1 Preparing pre-construction videos and photographs to document the existing conditions of the County Roads.

5.2 Establishing such weight limit restrictions, if any, for vehicle traffic on the Alternative Route as the County deems appropriate to prevent tractor trailers from using the same and, in coordination with SHA, posting all advance signage prior to the Closure.

5.3 Except as otherwise provided herein, installing such signage and providing such public notice of the detour of traffic to Rt. 50 and of considerations related to use of the Alternative Route as the County may deem appropriate or as otherwise required by law and in coordination with SHA.

5.4 In coordination with SHA, developing and approving plans for the use of the County Roads and/or other County roads as detour routes for traffic affected by the closure of Ocean Gateway in the event of an emergency during the Temporary Closure Period, including alternative routes in the event any such County road(s) are simultaneously closed.

Section 6. Road Maintenance. Nothing herein shall limit or impair the County's authority to upgrade, repair, maintain, or improve any of the County Roads as it deems necessary and appropriate during the Temporary Closure Period.

Section 7. Non-Liability and Indemnity of County.

7.1 The Developer acknowledges and agrees (1) that the County is not, and shall not be, in any way liable for any damages or injuries that may be sustained as the result of the County's review and approval of any plans for the Alternative Route or the improvements thereto contemplated herein, or as a result of the issuance of any approvals, permits, certificates, or acceptances for the

same, and (2) that the County's review and approval of any such plans and issuance of any such approvals, permits, certificates, or acceptances do not, and shall not, in any way be deemed to insure the Developer, or any of its successors, assigns, tenants, or licensees, or any third party, against damage or injury of any kind at any time.

7.2 The Developer agrees to, and does hereby, hold harmless and indemnify the County, and all of its elected and appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from any and all claims for damages that may be asserted at any time against any of such parties in connection with (1) the County's review and approval of any plans for the Alternative Route or the improvements thereto contemplated herein, (2) the development or construction by Developer of any portion of such improvements, (3) the maintenance of any such improvement until the same is accepted by the County, and (4) the performance or default by the Developer of its obligations under this Agreement.

Section 8. Nature, Survival, and Transfer of Obligations. The Developer agrees that the terms of this Agreement shall be binding upon it personally, and upon any and all of its contractors, successors, and assigns.

Section 9. Time of Essence. Time is of the essence in the performance of all terms and provisions of this Agreement.

Section 10. Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be delivered to the representatives of the Parties with delivery effective in accordance with the Development Rights and Responsibilities Agreement between Developer, the County, and the Town of Easton dated October 14, 2014, which is recorded among the Land Records of Talbot County, Maryland in Liber M.A.S. 2206, folio 226, as amended from time to time.

Section 11. Amendments. This Agreement may be amended from time to time. No amendments to this Agreement shall be effective unless it is in a written agreement signed by all parties.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, the County and Developer have executed this Agreement under seal on the dates set forth below.

ATTEST:

TALBOT COUNTY, MARYLAND

Clay B. Stamp, County Manager

By: _____ (SEAL)
Chuck F. Callahan, President
County Council of Talbot County, Maryland

Approved as to form and legal sufficiency
by Patrick Thomas, Esq., County Attorney

STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2024, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared *Chuck F. Callahan*, who acknowledged himself to be the President of the County Council of Talbot County, Maryland, the chief executive of TALBOT COUNTY, MARYLAND, a charter county and political subdivision of the State of Maryland, and that he as such President, being authorized so to do, executed the foregoing Agreement for the purposes therein contained by signing the name of said Talbot County, Maryland, by himself as President.

AS WITNESS my hand and Notarial seal.

Notary Public

My commission expires: _____

ATTEST:

SHORE HEALTH SYSTEM, INC.

_____ By: _____ (SEAL)
Kenneth D. Kozel, President and CEO

STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2024, before me, a Notary Public of the aforesaid State, personally appeared *Kenneth D. Kozel*, President and CEO of SHORE HEALTH SYSTEM, INC., who was known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Agreement, and acknowledged that he executed the same for the purposes therein contained as the fully authorized agent of said Shore Health System, Inc.

WITNESS my hand and Notarial Seal.

My Commission expires: _____

Notary Public

HKS

ARCHITECT
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

INTERIORS
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

CIVIL
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

MEP
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

STRUCTURAL
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

LANDSCAPE
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

PODSERVICE DESIGN
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

SHORE HEALTH
UNIVERSITY OF MARYLAND
MEDICAL SYSTEM

SHORE REGIONAL MEDICAL CENTER
UNIVERSITY OF MARYLAND
MEDICAL SYSTEM

OWNER
Shore Regional Medical Center
UNIVERSITY OF MARYLAND
MEDICAL SYSTEM

OWNER'S CONSULTANT
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

REVIEW
HKS, Inc.
1700 Two Street NW, Suite 800
Washington, D.C. 20006

DATE
31 MAY, 2024

PROJECT NUMBER
19782.012 | 09035.M6

SHEET TITLE
PROPERTY
EXHIBIT

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31 MAY, 2024

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