



**SALISBURY CITY COUNCIL
WORK SESSION AGENDA**

**MAY 4, 2020
ZOOM MEETING**

4:30 p.m. **SPECIAL MEETING – Separate Agenda**

WORK SESSION

- 4:38 p.m. Atlantic Tractor/John Deere Drive Annexation- Permits and Inspections Manager William Holland and City Annexation Consultant Michael Sullivan
- 4:50 p.m. Hobbs Road Annexation - Permits and Inspections Manager William Holland and City Annexation Consultant Michael Sullivan
- 5:05 p.m. Sale of 1141 S. Division Street- Procurement Director Jennifer Miller
- 5:20 p.m. Eliminating the City's Maximum Real Property Tax- City Administrator Julia Glanz
- 5:35 p.m. Lowering the speed limit on Stonegate- Council discussion
- 5:50 p.m. Elections budget amendment discussion- City Clerk Kim Nichols
- 5:55 p.m. Council comments
- 6:00 p.m. Adjournment

*Times shown are approximate. Council reserves the right to adjust the agenda as circumstances warrant.
The Council reserves the right to convene in Closed Session as permitted under the Annotated Code of Maryland 3-305(b).*

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MEMO

To: Amanda Pollack, Director Infrastructure & Development
From: William T Holland 
Date: 4/24/2020
Re: Atlantic Tractor

Amanda, on February 19, 2019, Atlantic Tractor, via their attorney, William W. McAllister, Jr, petitioned for annexation into the City of Salisbury. The purpose for this request is that Atlantic Tractor needs to connect to the city's public water and sewer due to a failing septic system.

In a letter dated February 21, 2019, Atlantic Tractor proposed a waiver of the inventory tax as a condition incorporated into the annexation agreement. During the August 19, 2019, City Council work session, Atlantic Tractor submitted its proposal for annexation, along with a request to waive the personal property tax which would be due pursuant to Chapter 3.08 of the Salisbury Municipal Code. The City Council had numerous questions and tabled the annexation from moving forward until further information could be provided with regard to the inventory tax waiver.

Additionally, attached is the February 21, 2019 annexation petition letter from William W. McAllister, Jr., requesting the inventory tax waiver, and a letter dated February 10, 2020, to City Attorney Mark Tilghman requesting an additional meeting with City Council to discuss the possibility of a phasing in of the vehicle inventory tax.

With respect to the potential annexation of the Atlantic Tractor property, the City's Administration has expressed an openness to consider a phasing-in of the inventory tax. Attached is a Fiscal Impact memorandum dated April 24, 2020, from the City's Annexation Consultant, Michael Sullivan, Esq. explaining and providing detailed quantitative analysis of the phase-in inventory tax.

With this in mind, please forward this information to the Mayor and City Council to be scheduled for the May 4th work session.

Memorandum

To: Amanda Pollack, Director, City of Salisbury Department of Infrastructure & Development

From: Michael P. Sullivan, Esq.

Date: 4/24/2020

Re: *Fiscal Impact* – Atlantic Tractor Annexation Request; Annexation of 31415 John Deere Drive

Petition Requesting the City's Annexation of the Atlantic Tractor Property:

Atlantic Tractor, LLC ("**Atlantic Tractor**"), on behalf of Timothy Tyndall and Elizabeth Tyndall (the "**Tyndalls**") filed a Petition for Annexation (the "**Petition**"), dated February 19, 2019, with the City of Salisbury (the "**City**"), requesting the City annex the following parcels of lands:

Map 0039, Grid 0010, Parcel 0038, Lot 6A, consisting of 5.00 acres more or less, and having a premises address of 31415 John Deere Drive, Salisbury, Maryland 21801, and further having a Tax Identification Number of 05-102502 (the "**Atlantic Tractor Property**").

The Atlantic Tractor Property is owned by the Tyndalls and is leased to Atlantic Tractor for its use in connection with the tractor and related agricultural supply business owned and operated by Atlantic Tractor. In a letter, dated February 21, 2019, from William "Sandy" McAllister, Jr. (counsel for Atlantic Tractor) to Mayor Day, introducing Atlantic Tractor's request for the City's annexation of the Atlantic Tractor Property, Mr. McAllister stated: "The Tyndalls approve of and will introduce the annexation petition, and fully support Atlantic Tractor in this effort." Since then, Mr. McAllister and Atlantic Tractor have spearheaded all discussions on the requested annexation of the Atlantic Tractor Property and all other related matters.

The drive to have the City annex the Atlantic Tractor Property stems from the critical need to connect the property to the City's water and wastewater utility system because the property's septic system is failing.¹ If approved by the City, the annexation of the Atlantic Tractor Property will add 5.00+/- acres of land to the municipal boundaries, all of which will be zoned "Light Business and Institutional" and subject to the standards set forth in the City's Zoning Code. However, Atlantic Tractor did not simply request the City's annexation of the Atlantic Tractor Property in order to solve the ongoing issue of the property's failing septic system. Instead, Atlantic Tractor conditioned its request for annexation of the Atlantic Tractor Property upon: the City granting Atlantic Tractor a waiver from the inventory tax the City (but not Wicomico County) assesses against other businesses, similar to Atlantic Tractor, located within the City's municipal limits; and, incorporating the inventory tax waiver within the Annexation Agreement that would be entered into by the City and Atlantic Tractor for the City's annexation of the Atlantic Tractor Property. (See the attached copy of the February 21, 2019 Letter from Sandy McAllister, Esq. to Mayor Jacob R. Day, p.3 ("For these reasons, and to reflect the absence of such a tax in the County and the belief that this annexation will not result in any increased burden on schools, infrastructure, fire, safety, crime or otherwise, Atlantic Tractor proposes a waiver of the inventory tax as a condition incorporated into the annexation agreement or Public Works Agreement.")) After consideration, the City Council rejected Atlantic Tractor's request for annexation of the Atlantic Tractor Property subject to the City granting Atlantic Tractor a permanent waiver from the City's inventory tax.

¹ I am unaware whether the failing septic system at the Atlantic Tractor Property is ineligible for repair or replacement or, on the other hand, if such action might be permitted but has been deemed infeasible by Atlantic Tractor and/or the Tyndalls.

April 24, 2020

After the City Council's rejected Atlantic Tractor's request relating to the annexation of the Atlantic Tractor Property, Mr. McAllister sent correspondence to the City Attorney, dated February 10, 2020, specifying: Atlantic Tractor has historically maintained an inventory of agricultural vehicles at the Atlantic Tractor Property having a value of \$3,6000,000+/-; and, assuming such historical norms, in the event the Atlantic Tractor Property is annexed, the City's inventory tax assessed against the agricultural vehicles held in-stock at the site would result in a tax liability to Atlantic Tractor in the amount of \$20,250+/- – which is separate and apart from any other taxes, charges and/or fees assessed by the City pursuant to annexation of the property. (See the attached copy of the February 10, 2020 Letter from Sandy McAllister, Esq. to Mark Tilghman, Esq.) In his letter, Mr. McAllister indicated Atlantic Tractor had interest in discussing with the City "issues related to annexation and the possibility of a phasing in of the vehicle inventory tax."

With respect to the potential annexation of the Atlantic Tractor Property, the City's Administration has expressed an openness to considering a phasing-in of the inventory tax that would be assessed against Atlantic Tractor that would extend over a period up to seven (7) years from the date of annexation.² Applying the assumptions that (i) Atlantic Tractor will continue to use the Atlantic Tractor Property as it is used currently for no less than seven (7) years from the date of annexation, (ii) the historical norm of Atlantic Tractor maintaining an on-site inventory of agricultural vehicles having an aggregate value of \$3.6M is a constant, and (iii) all tax and utility rates assessed by the City are static, this Memorandum is intended to model and summarize the estimated cost the City will incur, and the estimated revenues the City will receive: if the City annexes the Atlantic Tractor Property without any phasing-in of Atlantic Tractor's inventory tax obligations; or, alternatively, if the City annexes the Atlantic Tractor Property with the condition Atlantic Tractor's inventory tax obligations are phased-in proportionately for a period of seven (7) years from the date the annexation of the Atlantic Tractor Property takes effect.

Costs Incurred by the City from the Annexation of the Atlantic Tractor Property:

Cost projections are based on a snapshot marginal cost approach. The current level of service (derived from the approved FY2020 Budget) is used to project new costs, using demand unit multipliers, which reflect how responsive a cost is to demand – i.e. how much the costs incurred by the City for providing a service are likely to vary with each additional household or job. With respect to the City's annexation of the Atlantic Tractor Property, cost projections are limited solely to jobs added by the subject annexation; since the Atlantic Tractor Property is currently used for commercial purposes, namely the operation of a retail tractor and agricultural supply business.

Regardless of the nature or extent of the ongoing use of the Atlantic Tractor Property, some portion of all public services provided by the City is fixed; therefore, the cost to the City for providing such public services will remain constant no matter how the Atlantic Tractor Property is used following its annexation by the City. In light of such considerations, the annual, total costs to the City arising from the annexation of the Atlantic Tractor Property is estimated to be approximately \$10,000+/-.

Revenues to the City from the Annexation of the Atlantic Tractor Property:

When land is annexed into the City it is immediately subject to the municipal real property tax levied by the City. The municipal real property tax is applied to the value of land and improvements located thereon. Under the City's FY2020 Budget (and the Mayor's proposed FY2021 Budget), the municipal real property tax rate is set at \$0.9832 per \$100 of assessed value. The assessed value of the Atlantic Tractor Property as determined by the Maryland State Department of Assessment and Taxation ("SDAT") is currently 1,007,000.00. Accordingly, using the real property tax rate set by the City for the FY2020 Budget, the City's expected annual revenue from

² Regardless of the date on which annexation of the Atlantic Tractor Property becomes effective, the fiscal year during which the Atlantic Tractor Property is annexed would represent the first year of any phase-in of the City's inventory tax. (For example, if annexation of the Atlantic Tractor Property becomes effective October 1, 2020, the period of October 1, 2020 – June 30, 2021 would represent "Year 1" of the seven-year phase-in.)

municipal real property taxes levied on the Atlantic Tractor Property is estimated to be: \$9,900.82. Because the Atlantic Tractor Property is fully developed to its highest and best use (subject to any complete redevelopment of the site, which is not planned), the amount of revenue generated by the City from municipal real property taxes assessed against the property is unlikely to experience any material variance beyond that caused by the real property tax rate set annually by the City.

Because the business activities that will be conducted at the Atlantic Tractor Property are known (i.e. the property will be used to operate a retail tractor and agriculture supply business), reliable projections can be made about the amount of the personal property tax assessments likely to be imposed against Atlantic Tractor. Specifically, based on details provided in Mr. McAllister's correspondence to the City concerning the City's potential annexation of the Atlantic Tractor Property and the financial effect the annexation could have on his client's business, the City is informed Atlantic Tractor has historically held agricultural "vehicles" in inventory having a value of \$3.6M+/- . The vehicular stock held by Atlantic Tractor would be subject to the City's inventory tax of 2.5% resulting in annual tax obligation in the range of \$20,500 and \$19,000.³

The City also imposes certain user fees, capacity fees and impact fees, which the City charges to applicants for permits and/or users of certain public services provided by the City. The capacity fees the City will charge to Atlantic Tractor to connect the Atlantic Tractor Property to the City's public water and sewer utilities will be based on the number of equivalent dwelling units ("EDUs") allocated to the Atlantic Tractor Property. Currently, under the FY2020 Budget, the City charges a Capacity Fee in the amount of \$3,533.00 per EDU. While the number of EDUs that will be allocated to the Atlantic Tractor Property for use of the City's public and sewer utilities is not yet known, no less than one (1) EDU will be allocated to the Atlantic Tractor Property and, consequently, a Capacity Fee of no less than \$3,533 will be charged to Atlantic Tractor upon its connection to the City's public utility system. In addition to the Capacity Fee, once connected to the City's public water and sewer utilities system, Atlantic Tractor will be billed quarterly by the City for service charges arising from the usage of water and sewer utilities at the Atlantic Tractor Property. The actual quarterly water and sewer utility charges that will be billed by the City for use of water and sewer utilities at the Atlantic Tractor Property is unknown and cannot be estimated; however, for purposes of this Memorandum, it is assumed Atlantic Tractor would fall within the definition of "Commercial Customers" and thus would be charged: a Metered Water Rate of \$420.08/quarter, \$1.95/thousand gallons; and Sewer Charge Rate of \$1,047.42/quarter, \$4.84/thousand gallons (which would imply an allocation of EDUs greater than one (1)).

Based on the City assessments and charges outlined above, this Memorandum estimates the following: if the City's real estate tax rate is fully assessed against the Atlantic Tractor Property and if the City's inventory tax rate is fully assessed against the vehicular stock Atlantic Tractor holds as inventory, and City water and sewer charges are billed to the Atlantic Tractor Property at the full, applicable rate the City's total expected annual revenue from taxes and utility charges assessed against the Atlantic Tractor Property (and the inventory of Atlantic Tractor) is very likely to exceed \$30,000/ per year.

However, after denying Atlantic Tractor's request that the annexation of the Atlantic Tractor Property be conditioned upon the City waiving, in perpetuity, all inventory taxes that could be assessed against Atlantic Tractor's vehicular stock held in inventory, the City Administration has indicated a willingness to consider a phase-in of the City's inventory tax not to exceed a period of seven (7) years. The exact manner in which the inventory tax obligations of Atlantic Tractor would be phased-in over the seven year period is unknown; therefore, for purposes of this Memorandum, the phase-in schedule of inventory tax assessed against Atlantic Tractor is assumed to be one-seventh (1/7) of Atlantic Tractor's total inventory tax obligation will be assessed against Atlantic Tractor in year one (i.e. the fiscal year during which the annexation of the Atlantic Tractor Property took

³ Assuming full payment of the real property tax assessed by the City against the Atlantic Tractor Property, and further assuming full payment of the inventory tax assessed by the City against Atlantic Tractor, the annexation of the Atlantic Tractor Property could reasonably be estimated to generate between \$28,000 and \$30,000 of revenue for the City each fiscal year.

effect), two-sevenths (2/7) of Atlantic Tractor's total inventory tax obligation will be assessed against Atlantic Tractor in year two, and so forth.

Using an assumed inventory tax obligation of \$20,250 (the estimated inventory tax obligation cited in Mr. McAllister's February 10, 2020 letter to the City Solicitor), a proportionate seven-year phase-in of the inventory tax obligation of Atlantic Tractor would be as follows:

<u>Taxable Year</u>	<u>Amount of "Phased-In Inventory Tax Obligation"</u>	
• Year 1 ⁴	\$2,892.86	(-\$17,357.26)
• Year 2	\$5,785.72	(-\$14,464.30)
• Year 3	\$8,678.58	(-\$11,571.44)
• Year 4	\$11,571.44	(-\$8,678.58)
• Year 5	\$14,464.30	(-\$5,785.72)
• Year 6	\$17,357.26	(-\$2,892.86)
• Year 7	\$20,250.12	(-\$0)

If the City phases-in the full assessment of Atlantic Tractor's inventory tax obligation over a period of seven (7) years, the City will have ended up forgoing/excusing \$60,750.16 in otherwise available tax revenue; put differently, the City will have excused the equivalent of 6+ years of the City's annual real property tax assessed against the Atlantic Tractor Property (assuming the City's real property tax rate does not increase); indeed, if the seven (7) year phase-in of the City's inventory tax is applied to the annexation of the Atlantic Tractor Property, in the first year following the City's annexation of the property, the costs incurred by the City for the municipal services provided to the property are likely to exceed the amount of tax revenue the City will receive or otherwise generate from it.

Of greater concern than the fiscal impact resulting from the phasing-in of Atlantic Tractor's inventory tax obligations, is the downstream effect that could result from implementing the phase-in as condition for annexation. Property owners and businesses located within the City may seek-out the same treatment offered to Atlantic Tractor to ease their respective inventory tax obligations and, if such parties are not offered the same treatment, that could lead to disputes. However, the more practical problem for the City will be addressing future requests from parties to phase-in their municipal tax obligations as a condition to the City annexing their property (regardless of whether the request relates to the inventory tax imposed by the City or some other City tax, fee or charge that affects the owner or user of the annexed property). Easing or phasing-in Atlantic Tractor's inventory tax obligation, as a condition to the City's annexation of the Atlantic Tractor Property will set precedent; and, with each special condition the City accepts for the annexation of property, the more likely it is that the fiscal benefits the City realizes from annexation get reduced or compromised, and the more difficult it will be for the City to maintain uniformity in its negotiations for property annexation.

Conclusion:

Without phasing-in Atlantic Tractor's inventory tax obligation over a seven (7) year period, the annexation of the Atlantic Tractor Property is estimated to have an annual, net-positive fiscal impact to the City in an amount that exceeds \$20,000 per annum. On the other hand, if Atlantic Tractor's inventory tax obligation is phased-in over a seven (7) period, the annexation of the Atlantic Tractor Property will not have an annual, net-positive fiscal impact to the City that comes close to exceeding \$20,000 per annum for at least 4 years, and in the first two years following annexation, the costs attributable to the services provided by the City may exceed the annual revenue attributable to the City's annexation of the Atlantic Tractor Property, creating a short-term net-negative fiscal impact to the City, after which the City will experience an incremental net-positive fiscal impact that plateaus at year 7 and at a level equal to the net-positive fiscal impact the City would realize if the Atlantic Tractor Property is annexed without any condition relating to the phasing-in of the City's inventory tax.

⁴ Year 1 is assumed to be the fiscal year during which annexation of the Atlantic Tractor Property became effective.



MCALLISTER
DETAR
SHOWALTER
& WALKER

William W. McAllister, Jr.
wmcallister@mdswlaw.com
(410) 228-4546

February 10, 2020

Stephen Mark Tilghman
Seidel Baker & Tilghman, P.A.
110 N. Division Street
Salisbury, MD 21801

Re: Atlantic Tractor Annexation/Inventory Tax

Dear Mark,

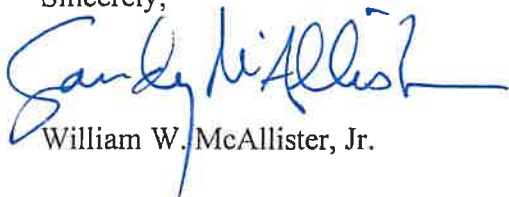
Thank you for speaking with me recently to clarify the request made by the Council on January 13, 2020 to submit the anticipated Tax Property §9-106 vehicular inventory tax calculations for Atlantic Tractor.

Assuming historical norms of \$3.6M +/- in agricultural "vehicles" held in inventory, and assuming the City applies its inventory tax of 2.5% of the reduced assessed value of that vehicular stock ($\$3.6\text{M} \times 2.5\% = \$810,000$), Atlantic Tractor anticipates an annual tax obligation of \$20,250 ($\$810,000 \times 2.5\% = \$20,250$) as an additional and annual financial consequence of annexing into the corporate limits of Salisbury.

As we discussed, Atlantic Tractor did not request a meeting in closed session and apologizes for any inconvenience or confusion on January 13th. We would be pleased to reschedule a meeting before the City Council in public session to discuss issues related to annexation and the possibility of a phasing in of the vehicle inventory tax, to assist Atlantic Tractor in addressing the various significant financial commitments related to annexation, integration into the City water and sewerage system, property and inventory taxes and otherwise.

We look forward to a candid exchange with Council members to discuss this request for a phasing in of the vehicle inventory tax.

Sincerely,



William W. McAllister, Jr.



MCALLISTER
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SHOWALTER
& WALKER

William W. McAllister, Jr.
410-228-4546
wmcallister@mdswlaw.com

February 21, 2019

Mayor Jake Day
City of Salisbury
125 N. Division Street, Suite 304
Salisbury, MD 21801

RE: Annexation of Atlantic Tractor Parcel
Waiver Request

Dear Mayor:

Thank you again for meeting with me to discuss the possible annexation of Atlantic Tractor's Rt. 50 location at 31415 John Deere Drive, Salisbury, Map 0039, Grid 0010, Parcel 0038 (the "Property"). The Property is owned by Timothy and Elizabeth Tyndall and leased to Atlantic Tractor. The Tyndalls approve of and will introduce the annexation petition, and fully support Atlantic Tractor in this effort. I am writing in response to your invitation to explain the particulars of this annexation request and to provide support for our request to waive the inventory tax which might otherwise apply on the extensive inventory held at the Salisbury location.

As we discussed, Atlantic Tractor routinely holds millions of dollars in inventory of new and used tractors, combines, mowers, utility vehicles, and related parts and equipment. By way of example, 2017 tax returns reflect \$497,000 in parts and \$3.4 M in equipment for a typical inventory valuation of \$3,897,000. As I understand the process, under Section 3.08.030 of the Salisbury City Code, 45% of this inventory value would be subject to tax. So, in this example, an inventory tax of over \$42,000 might apply post-annexation in a typical year ($\$3,897,000 \times 45\% = \$1,753,650$; $\$1,753,650 \times .024 = \$42,087$).

Given the very slim margins on farm equipment, additional expense at this level would be difficult to sustain. Moreover, practical business considerations would require that the inventory be maintained elsewhere to avoid the tax, such that this hypothetical tax opportunity for Salisbury would, in all likelihood, not occur post-annexation even if the waiver request is denied.

Atlantic Tractor has 34 full-time employees, is a well-respected and long-standing fixture in Salisbury, and provides essential goods and services to the agriculture community. It prefers that its location in the largest city of the Eastern Shore exhibit the broadest display of John Deere equipment in the region, and we seek your assistance to ensure that continues.



To assist in considering the benefits of annexation and the reasons it would be mutually beneficial to grant an inventory tax wavier as a condition of annexation, the following information tracks the City's Annexation Procedures Guide:

1. Atlantic Tractor would invite a prompt meeting with the City Annexation Team, if necessary, but this submission may perhaps be utilized in lieu of the pre-filing meeting.
2. The most significant goal of a pre-filing meeting is to determine the details of a proposed annexation, and to clarify any conditions to be included in an Annexation Agreement.
3. Attached is a draft Petition for Annexation, in accordance with §4-402 of the Local Government Article.
4. We believe that perhaps no Concept Development Plan will be necessary or relevant to the annexation of the Property, because it is fully developed for its commercial purpose and no improvements or modifications are currently planned post-annexation. We request that the Concept Development Plan be waived.
5. If necessary, the Atlantic Tractor "Concept Development Plan" would primarily consist of tapping into the City of Salisbury water and sewer disposal system to replace a currently failing septic system. We believe comments from the Salisbury Fire Department, Salisbury Police Department, Infrastructure and Development and City Administration should reflect the very modest public safety and infrastructure impact arising from annexing Atlantic Tractor.
6. Atlantic Tractor presumes that the Annexation Fee will be based on the size of the parcel to be annexed, the absence of significant impacts on the City's services, and the relative simplicity of incorporating an existing business with no subdivision, re-zoning, re-development or construction plans.
7. A draft Annexation Agreement will be submitted consistent with the terms set forth below.
8. Due to the urgency of either replacing its failing system or annexing to access public water and sewer, Atlantic Tractor requests that its annexation petition be presented to the City Council as expeditiously as possible for their review and "concurrence to proceed" to the Planning and Zoning Commission.
9. Since the Property is non-residential, there are no registered voters who are residents in the area to be annexed. The owners of 100% of the assessed valuation of the real property to be annexed have provided consent. For this reason, an annexation proposal may be initiated by the Salisbury City Council or by Petition filed pursuant to §4-404 of the Local Government Article and no petition for referendum is permissible.
10. A signed Letter of Intent to the City dated November 19, 2018 is attached to enable the City Council to schedule the first reading of a resolution authorizing the annexation and enabling the scheduling of a Public Hearing on the annexation and a second reading and Public Hearing, in accordance with Section 4-406 of the Local Government Article.



11. Annexation Agreement.

A. Inventory Tax

Atlantic Tractor is a regional leader in the sale of John Deere farming equipment. While Atlantic Tractor has 11 locations from Oxford, Pennsylvania to Pocomoke (including two locations in Delaware), the Salisbury location serves the Eastern Shore's largest city and surrounding communities with new and used tractors, combines, sprayers, mowers, hay balers and other essential farm equipment. Keeping an extensive inventory from which regional farmers can choose is a key component of the success of the Salisbury location.

Section 3.08.030 of the Salisbury City Code provides that business stock property (i.e. "inventory") is subject to a city property tax of .024% on the 45% of the assessed value of the inventory. This conservatively would result in an annual tax obligation of \$40,000 +/- . No inventory tax has historically been assessed by Wicomico County, so such a municipal tax would be a new financial burden on Atlantic Tractor.

Given the proximity of Delaware competitors in a sales-tax free environment, operating expenses are critical to the farm implement business where margins on large equipment are very narrow. Moreover, given internet access to inspect equipment and the many regional Atlantic Tractor facilities that are NOT subject to inventory tax, economics and common sense dictate that farm equipment inventory would be relocated if it was cost-prohibitive to present combines, tractors and farm equipment at the Salisbury location.

B. Proposal

For these reasons, and to reflect the absence of such a tax in the County and the belief that this annexation will not result in any increased burden on schools, infrastructure, fire, safety, crime or otherwise, Atlantic Tractor proposes a waiver of the inventory tax as a condition incorporated into the annexation agreement or Public Works Agreement.

There are no resident registered voters residing in the area to be annexed and 100% of the owners of the assessed valuation of the real property in the area sought to be annexed have signed the Petition for Annexation. The parcel is contiguous to and binding upon the corporate limit of the City of Salisbury to the north and east and is served by City roads.

1. The City of Salisbury Zoning Map shall be amended to include the newly annexed property in the City's Light Business and Institutional Zoning District. The parcel is presently classified as "B-1 Light Business and Institutional" under the zoning laws of Wicomico County, with an A-2 Airport Overlay District designation

Comprehensive Plan: The Wicomico County Council adopted its Comprehensive Plan on March 21, 2017. The existing land use (Map 7-1) and the Land Use Plan (Map 7-2) designate this area as "Commercial/Urban Corridor".

Proposed Zoning: Upon annexation, the Property is proposed to be zoned Light Business and Institutional.



Proposed Land Use: The petitioners propose to continue to use the Property for the sale and service of new and used farm and landscaping equipment.

Roads: The Property will be served by existing streets. Upon belief, John Deere Drive is currently a City street. No further or alternative access to the public street system is proposed.

Water & Wastewater Treatment: The Property, in its current use, would generate very modest municipal water and wastewater treatment demand. Upon information and belief, City utilities have adequate capacity to serve the Property.

Schools: As a non-residential use, the Property would not generate pupil enrollment and would have no impact on school capacity.

Parks and Recreation: As a non-residential use, the Property would have no impact on park and recreational facilities or generate any demand for such use.

Fire, Emergency Management and Rescue Services: The Salisbury Fire Department provides for fire suppression, technical rescue, special operations, and advanced life support (ALS-EMS), emergency medical treatment and transport services to residents of the Salisbury Fire District. It would provide services to the Property.

Police: The City of Salisbury Police Department would provide services to the Property.

Stormwater Management: Stormwater Management is governed by the Maryland Stormwater Management Regulations and administered locally. As an existing, on-going commercial business and a fully developed site, the stormwater management system has been designed and constructed. Any future revisions would require Salisbury Public Works review and approval.

Area Description: Annexation area consists of one five-acre parcel. The Property is improved by a retail store/shop and maintenance facility, parking areas, and related amenities.

C. Development Considerations:

1. **Costs and Fees:** Petitioners to pay the reasonable costs of the annexation to the City, including legal fees, planning, consultant fees, publication notice



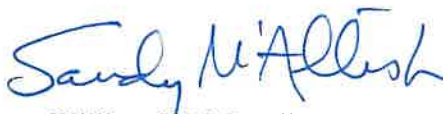
expense, and any other costs or expenses reasonably related to annexation.

2. Infrastructure:

Petitioners to pay all reasonable expenses necessary to extend public water and sewer service to the Property.

I hope all of this information is helpful. Thank you again for your assistance in this request for an inventory tax waiver. Please contact me with any questions. I look forward to working with you, the Annexation Team and City officials to ensure a smooth and efficient annexation of the Atlantic Tractor parcel.


Sincerely,



William W. McAllister, Jr.

WWM/hrb

MEMO

To: Amanda Pollack, Director Infrastructure & Development
From: William T Holland 
Date: 4/24/2020
Re: Amendment to Hobbs Road Annexation Agreement

Amanda, attached are two documents providing cumulative information to amend the Hobbs Road Annexation. On October 17, 2007, the City Council approved the Hobbs Road Annexation, which consist of 39+ acres. The annexation had an approved concept development plan which included two hotels, a conference center, and several office buildings. Development was to take place shortly thereafter; however, due to the financial collapse in 2009 the development never occurred and the costs imposed by the annexation agreement have made development of the property infeasible. Consequently, the annexed property was never developed and has remained unimproved for twelve years.

Representatives for Hobbs Road Development approached the City's Administration and requested the City to revisit the original agreement. Representatives of the Hobbs Road Development used an annexation agreement recently approved by the Mayor and City Council and prepared a draft of a proposed amended annexation agreement which will provide a sliding scale for payment of the development assessments based on development of the annexed property.

The documents and contents contained herein, provide a full explanation of amending the original annexation agreement.

With this in mind, please forward this to the City Council for the May 4th work session.

LONG BADGER & SELLER LLP

Attorneys at Law

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February 24, 2020

The Honorable Jacob Day
Mayor, City of Salisbury, Maryland
125 North Division Street, Room 304
Salisbury, Maryland 21801

Re: Hobbs Road Development, LLC
Amendment to Annexation Agreement
Our File No.: 9-8758

Dear Mayor Day:

Please accept this letter in response to the request of City Council President Jack Heath for me to put in writing our requests regarding the Amendment of the Annexation Agreement for property owned by my client Hobbs Road Development, LLC that is located on Hobbs Road behind Perdue Stadium. The request was made during our appearance at the City Council Work Session on February 18, 2020.

The subject property is shown as Parcels 618 and 729 on Tax Map 39, constitute 39.37+/- acres of undeveloped land ("the Property"). For your information and convenience, I attached a copy of the Boundary Survey of the Property. The annexation of the Property, known as the "Hobbs Road Annexation", was done pursuant to the Annexation Agreement dated October 17, 2007 by and between City of Salisbury and Hobbs Road Development, LLC ("the Original Agreement"). As was agreed by the City's Annexation Consultant Michael Sullivan at the Work Session, the Original Agreement included obligations for the owner in excess of Five Hundred Thirty Thousand Dollars (\$530,000.00) which, due to the positive economic climate, were

acceptable at the time of annexation. Unfortunately, the economy tanked shortly thereafter, and the costs imposed by the Original Agreement have proven to have made the development of the Property infeasible. In fact, three potential developments for the Property fell through due to the onerous obligations under the Original Agreement. As mentioned at the Work Session, the original plan at the time of annexation was to develop the Property with a combination of condominium office buildings, retail buildings, restaurants, coffee shops, and two hotels with conference facilities. When the severe economic downturn occurred, this original plan for the Property died.

A number of years later, Rommel Harley Davidson wanted to construct its facilities on the Property, but Rommel's interest terminated after reviewing the same obligations under the Original Agreement.

Finally, in 2019, representatives of Wicomico County indicated strong interest in constructing the new Sheriff's Office and related facilities on the Property due to its ideal location with easy access to both U.S. Route 50 and U.S. Route 13. Unfortunately, the development costs pursuant to the Original Agreement made the Property economically inferior to other locations within the County. For that reason, this potential development also fell through.

My client has continued to market the Property, but such efforts have proven to be unfruitful.

As you can see, despite the fact that the location of the Property is prime for commercial development, which will generate tax revenue for the city, the Original Agreement and the obligations imposed thereby have made the Property unmarketable for the past 13 years.

Although the Property has not been developed for the reasons stated, the owner has continued to pay real property taxes to the County and City totaling just under Seven Hundred Fifty Thousand Dollars (\$750,000.00) since the annexation (see attached schedule of taxes paid). Assuming the City received approximately half of that tax revenue, or approximately Three Hundred Seventy Five Thousand Dollars (\$375,000.00), this tax revenue can easily be seen as

“found money” since the City has had no costs or obligations in providing services for the Property for the last 13 years and would not have received any of these funds had the 2007 annexation not been done.

With the foregoing background, we originally approached the City at the end of January 2018 regarding our desire to delete, or at least amend, the financial obligations under the Original Agreement. At that time, the County was interested in the property for the Sheriff's Department as noted above. When that potential development fell through, and, it was clear that the development potential of the Property was “dead in the water”, we continued to communicate with the City. We asked that the City agree that, due to various significant changes in circumstances from the time of the original annexation, the obligations under the Original Agreement should be revised to be more in line with the obligations imposed on owners of recently annexed property and property in the process of being annexed into the City currently. We proposed an Amended and Restated Annexation Agreement for the Property based upon the Annexation Agreement recently used in the Johnson Road Annexation of property owned by the Dirk W. Widdowson. The City countered with the proposed Amended and Restated Annexation Agreement that was presented to the Council at the Work Session and which sets the Development Assessment at Three Hundred Fifty Four Thousand Seven Hundred Seventy Four Dollars (\$354,774.00). In addition to the Development Assessment, the owner would remain responsible for other costs and expenses, including public utility improvements and expenses and improvements to Hobbs Road, which are generally similar to those imposed by the Original Agreement.

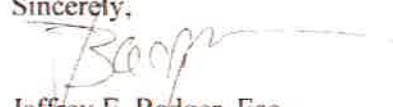
The one and only goal of the owner is to make the Property marketable so that it will no longer sit undeveloped and unutilized. The proposed Development Assessment and proposed time table for its payment continues to present a huge hurdle to the marketability of the Property. In attempt to overcome that obstacle, my client indicated that it would agree to the Three Hundred Fifty Four Thousand Seven Hundred Seventy Four Dollar (\$354,774.00) Development Assessment as proposed provided that the City credits the Three Hundred Seventy Five Thousand Dollars (\$375,000.00) in city taxes paid over the past 13 years against the Development Assessment obligation. We believe that this would be a fair and equitable way for the City to maintain its requirement of a Development Assessment as part of each annexation

request while, at the same time, recognizing the unique facts and circumstances of the Property and the Hobbs Road Annexation.

We would be happy to meet formally or informally with the City leaders to continue the discussion and negotiation in the hope that we can reach a mutually beneficial resolution which will enable the owner to successfully market the Property to an end user that will develop, in a manner that will generate significant income for the City of Salisbury. Please let us know how you would propose to proceed from here.

Thank you for your consideration.

Sincerely,



Jeffrey E. Badger, Esq.
Attorney for Hobbs Road
Development, LLC

Cc : Jack Heath
Muir Boda
Angela M. Blake
Michele Gregory
April Jackson
Michael P. Sullivan, Esq.



GENERAL NOTES:

1) The survey was made by a party consisting of the Surveyor and two assistants.

2) The survey was made on the 15th day of May, 1984.

3) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

4) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

5) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

6) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

7) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

8) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

9) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

10) The survey was made in accordance with the provisions of the Surveying Act, R.S.O. 1980, Chapter 191, and the Regulations made thereunder.

LEGEND:

--- Boundary Line

--- Easement Line

--- Right of Way Line

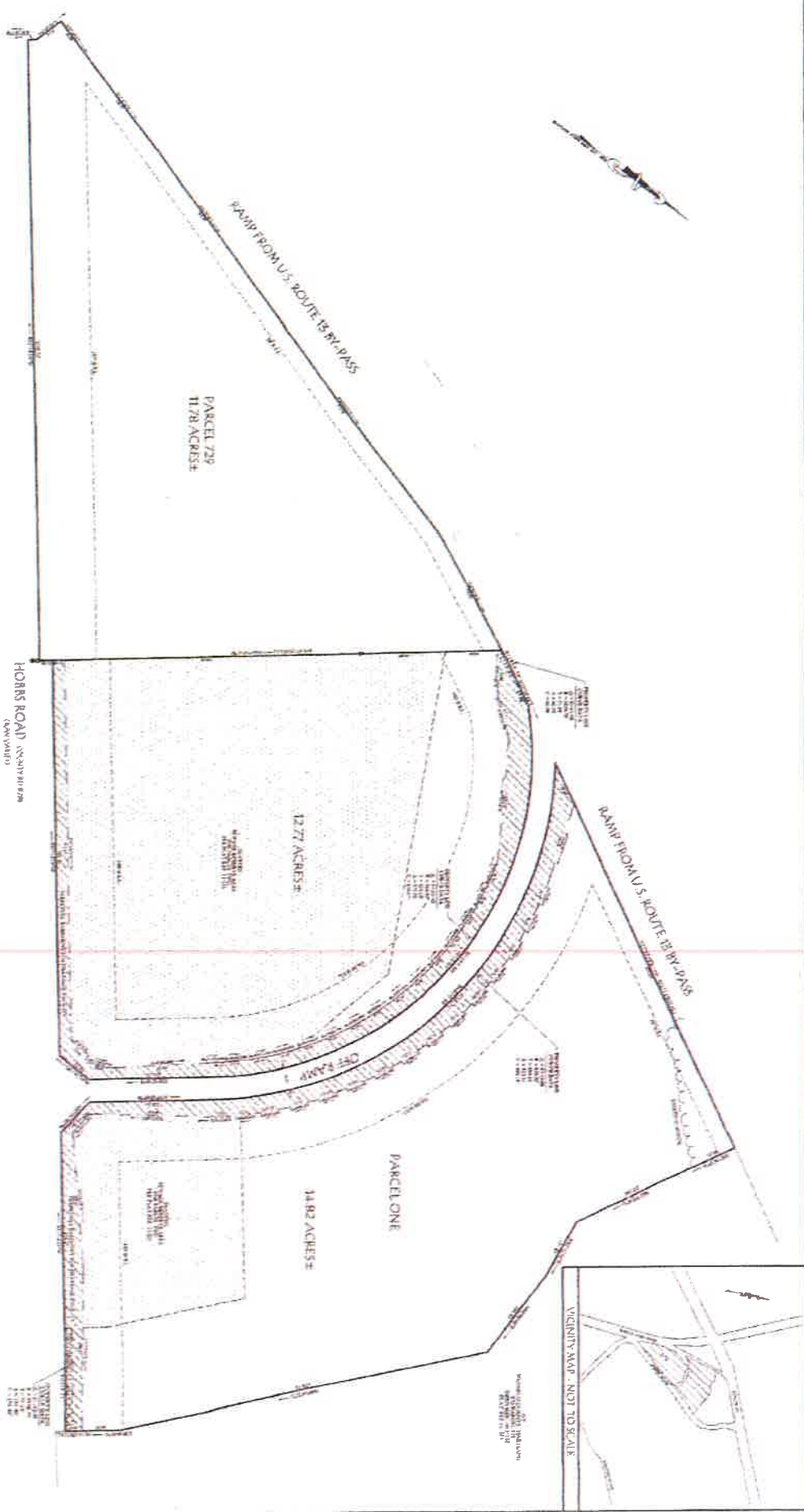
--- Other Line



BOUNDARY SURVEY	
FOR	
HORNS ROAD DEVELOPMENT	
Municipality of York Region	
Surveyor's Name: [Signature]	
Date: [Date]	
Scale: [Scale]	
Projection: [Projection]	
Datum: [Datum]	
Units: [Units]	
Tolerance: [Tolerance]	
Accuracy: [Accuracy]	
Reliability: [Reliability]	
Validity: [Validity]	
Compliance: [Compliance]	
Approval: [Approval]	
Signature: [Signature]	
Date: [Date]	
Title: [Title]	
Firm: [Firm]	
Address: [Address]	
City: [City]	
Province: [Province]	
Country: [Country]	
Phone: [Phone]	
Fax: [Fax]	
E-mail: [E-mail]	
Web: [Web]	
Social Media: [Social Media]	
Other: [Other]	



1/2 Section 22, Township 22N, Range 18E, 100th Meridian, York Region, Ontario, Canada



Hobbs Road Development LLC
Real Property Taxes Paid Since Annexation

Map 39, Parcel 729 - 11.78 acres		Map 39, Parcel 618 - 27.59 acres	
8/15/2007	\$2,757.66		\$4,074.55
8/28/2008	\$13,474.56		\$21,025.27
9/28/2009	\$21,486.67		\$33,919.41
8/10/2010	\$29,728.18	8/30/2010	\$47,168.04
8/31/2011	\$26,912.81	8/31/2011	\$37,719.90
5/20/2013	\$30,665.63		\$42,979.71
8/31/2013	\$30,144.36		\$42,249.12
7/23/2014	\$27,851.30		\$35,560.76
8/7/2015	\$27,891.30		\$35,883.82
7/26/2016	\$27,978.02		\$35,691.49
7/17/2017	\$23,901.60		\$34,353.95
8/14/2018	\$23,901.60		\$34,353.95
7/29/2019	<u>\$23,840.95 *</u>		<u>\$34,266.69 **</u>
TOTAL	\$310,534.64	TOTAL	\$439,246.66
*County - \$12,218.85		**County - \$17,581.45	
City - \$11,622.10		City - \$16,685.24	

Aggregates Real Property Taxes Paid for Subject Properties since 2007 Annexation are - \$749,781.30

Memorandum

To: Amanda Pollack, Director, City of Salisbury Department of Infrastructure & Development

From: Michael P. Sullivan

Date: 4/24/2020

Re: *Hobbs Road Annexation – Development Assessments under Proposed Amended & Restated Annexation Agreement*

Review of Request for Amended & Restated Annexation Agreement:

In October 2007, the City of Salisbury (the “City”) approved the annexation of 39.37 acres of property located on Hobbs Road and adjacent to Perdue Stadium, being all that same real property more particularly identified as Map 0039, Parcel 0618 and Map 0039, Parcel 0729 (the “**Annexed Property**”). The Petition for Annexation was submitted on behalf of Hobbs Road Development, LLC (“**Hobbs Road Development**”), who had purchased Parcel 0729 from Shore Properties, LLP in May 2005 and Parcel 0618 from Perdue Farms, Inc. in March 2007. Hobbs Road Development remains the owner of the Annexed Property and has paid all municipal taxes assessed against the Annexed Property since its annexation by the City.

The Annexed Property was originally planned for intensive development that included: a combination of condominium office buildings, retail buildings with cultural and civic spaces, restaurants and coffee shops, plus two hotels with conference/meeting spaces. To facilitate such development, municipal water and wastewater service was required; the demand for public utilities necessary to serve the proposed project led Hobbs Road Development to seek the City’s annexation of the Annexed Property.

As with any other annexation, the City’s annexation of the Annexed Property was conditioned upon Hobbs Road Development entering into an Annexation Agreement providing the terms and conditions governing the City’s annexation of the Annexed Property. An Annexation Agreement, dated October 17, 2007, was entered into by the parties and recorded with the Land Records of Wicomico County at Liber 2870, folio 291. (A copy of the Annexation Agreement, dated October 17, 2007, by and between the City and Hobbs Road Development (the “**Original Agreement**”) is attached for your review.)

Within a year after the City had annexed the Annexed Property and the parties had executed the Original Agreement, the real estate market bottomed-out and leveraged financing for the kind of comprehensive new-development originally planned by Hobbs Road Development was not accessible. Consequently, the Annexed Property did not get developed as intended originally by Hobbs Road Development and the property has remained unimproved since its annexation 12+ years ago.

In the Fall of 2019, representatives for Hobbs Road Development approached the City’s Administration about the status of the Annexed Property and requested the City revisit the Original Agreement. Despite the improved real estate market, Hobbs Road Development expressed to the City that the terms of the Original Agreement made development of the Annexed Property infeasible. On Friday, November 22, 2019, City representatives met with Mr. Jeff Badger, attorney for Hobbs Road Development, and Mr. Randy Bendler, realtor for Hobbs Road Development. At the meeting, the representatives for Hobbs Road Development identified the terms of the Original Agreement they felt had made development of the Annexed Property an impossibility (from both a feasibility and practicality

April 24, 2020

standpoint). A review of the Original Agreement indicated there were several significant obligations imposed upon Hobbs Road Development that not only would make development of the Annexed Property infeasible but are also inconsistent with the type of obligations the City currently imposes upon property owners requesting annexation; likewise, the Original Agreement also did not adequately address the infrastructure obligations that would need to be undertaken by Hobbs Road Development as part of any comprehensive development of the Annexed Property. Accordingly, the parties agreed to pursue an Amended and Restated Annexation Agreement that would serve and protect the City's interests with respect to annexing such a large tract of land and providing municipal service to it, while also creating a feasible pathway for developing the Annexed Property, whether by Hobbs Road Development or a third-party buyer of the land.

Using an Annexation Agreement recently approved by the Mayor and City Council, the representatives of Hobbs Road Development prepared a draft of the Amended and Restated Annexation Agreement (the "**Amended Agreement**"), which – if approved – would replace the Original Agreement in its entirety. Following staff review of the draft Amended Agreement, revisions were made to the document and the revised Amended Agreement was emailed to Hobbs Road Development's attorney, Mr. Badger, on January 28th, for his and his client's review. (A copy of the Amended Agreement, as revised by the City, is the item provided for consideration by the Mayor and City Council at its February 18, 2020 Work Session.)

February 18, 2020 Work Session:

At the February 18, 2020 Mayor and Council Work Session, Hobbs Road Development's request regarding the Amended Agreement was introduced for the Council's review and consideration. Mr. Badger and Mr. Bendler attended the Work Session as representatives for Hobbs Road Development and spoke on the developer's behalf. Background on Hobbs Road Development's request and the issues facing its development of the Annexed Property was presented to the Council. The material changes made to the Original Agreement and incorporated within the proposed Amended Agreement were reviewed with the Council. Among the material changes contained within the Amended Agreement were revisions to the fees imposed by the City in connection with the annexation and development of the Annexed Property. Mr. Badger and Mr. Bendler explained to the Council that the fee structure contained within the Original Agreement had effectively made development of the Annexed Property infeasible for Hobbs Road Development and unmarketable to third-party developers.¹

In replace of the development contribution structure contained in the Original Agreement, Section 8(c)(i) of the Amended Agreement now provides Hobbs Road Development must pay the City a "**Development Assessment**" in the amount of \$354,774 which must be paid, in full, per the schedule provided in Section 8(c)(i) and, in any event, no later than 5 years from the date of the Amended Agreement. The Development Assessment called for under the

¹ Section 6 of the Original Agreement provides the fees to be paid to the City in connection with annexation and development of the Annexed Property, which are summarized as follows:

1. **Section 6(c) ("Contribution to Area Improvement")** – The terms contained in Section 6(c) of the Original Agreement provide a schedule of "Contributions to Area Improvement" based on the progressive development of the Annexed Property by Hobbs Road Development, totaling \$205,318.
2. **Section 6(e) ("Re-Investment in Existing Neighborhoods")** – Under Section 6(e) of the Original Agreement, Hobbs Road Development is obligated to pay a development assessment to the City in the amount of \$248,000, which is paid via installments based on a lot development schedule.
3. **Section 6(f) ("Contribution to Housing Affordability-Workforce/Affordable Housing")** – Pursuant to Section 6(f), development of the Annexed Property obligates Hobbs Road Development to pay the City in certain amounts determined based on the square footage of each lot located within the Annexed Property (as originally planned), which the City could then appropriate for the construction of workforce/affordable housing at its discretion.

April 24, 2020

Amended Agreement was calculated using the same method applied to all development assessments imposed under other annexation agreements executed recently by the City – which, excepting extenuating circumstances unique to a particular annexation, is based primarily on the size of the property to be annexed.

On the issue of the revised Development Assessment terms set forth in Section 8 of the Amended Agreement, Hobbs Road Development requested the City remove such obligations from the Amended Agreement. As Mr. Badger and Mr. Bendler explained to the Council at the February 18th Work Session: the collapse of the real estate market in 2008 and the Great Recession that followed caused development plans for the Annexed Property to fall-through, and subsequent interest in the Annexed Property from third parties has been halted due to the fees required under the Original Agreement; however, despite development of the Annexed Property not coming to fruition, Hobbs Road Development has maintained its tax obligations for the Annexed Property since its annexation, paying just under \$750,000.00 in real property taxes to Wicomico County and the City since the annexation of the Annexed Property—with approximately \$375,000 of that total amount being paid to the City. Because Hobbs Road Development has paid all real property taxes owed to the City following annexation of the Annexed Property (despite it not being developed), Hobbs Road Development requested the City, in effect, cancel any development assessment or annexation fee owed to the City for annexation of the Annexed Property and, accordingly, that any such provisions be kept out of the Amended Agreement.

Following discussion on the Amended Agreement and, specifically, Hobbs Road Development's request to waive any development assessments relating to the annexation of the Annexed Property, the Council, through City Council President Heath, asked the representatives of Hobbs Road Development to submit a letter to the City's Administration summarizing their request with respect to the Amended Agreement and the reasons for it. To that end, Mr. Badger, on behalf of Hobbs Road Development, sent a letter dated February 24, 2020, to Mayor Day addressing Hobbs Road Development's request the City waive all development assessments relating to the annexation of the Annexed Property and that Section 8 of the Amended Agreement be revised to reflect that no development assessments would be owed to the City by Hobbs Road Development or any subsequent owner of the Annexed Property in connection with the development of the Annexed Property. (A copy of Mr. Bagder's letter to Mayor Day, dated February 24, 2020, is attached.) Mr. Badger's letter provided the City with a thorough review of his client's efforts to develop the Annexed Property and the reasons for Hobbs Road Development's request for the City's waiver of the \$354,774.00 Development Assessment provided in Section 8 of the Amended Agreement. In his letter, Mr. Badger also states that his client has indicated it would be willing to agree to payment of the \$354,774 Development Assessment as provided in Section 8 of the Amended Agreement in exchange for the City crediting the \$375,000 in City real property taxes paid by Hobbs Road Development since the annexation of the Annexed Property.

Moving Forward:

The \$354,774 Development Assessment proposed under the Amended Agreement represents a reduction in the development assessments and related fees required under the Original Agreement currently in effect. Likewise, overall, the terms proposed under the Amended Agreement reflect a recognition of the challenges the Original Agreement unintentionally created for future development of the Annexed Property thirteen years after the parties executed the document. However, as Mayor Day pointed out during discussion at the February 18th Work Session, the amount of real property taxes that Hobbs Road Development has paid to the City since the annexation of the Annexed Property reflects the Annexed Property's status as unimproved property – as any development of the Annexed Property would have resulted in a higher tax assessment.

The City agrees with Hobbs Road Development that development of the Annexed Property is the ultimate goal for all parties involved, including the community at large. As its representatives explained at the February 18th Work Session, Hobbs Road Development believes a waiver of the Development Assessment will be the best way to facilitate future development of the Annexed Property. However, such a waiver (or the tax credit option proposed in Mr. Badger's letter) would set precedent for future requests that the City waive development assessments related to annexed property undeveloped following annexation by the City.

April 24, 2020

To facilitate development of the Annexed Property, while also recognizing the impact the Development Assessments provided in the Original Agreement and revised under the Amended Agreement have on the feasibility and marketability of any potential development of the land, below is a proposal for the City consideration's that focuses on incentivizing development of the Annexed Property in return for forgiveness of the Development Assessment:

Section 8(c)(i) of the Amended Agreement would be revised to provide sliding scale for payment of the Development Assessments based on development of the Annexed Property. For example: Using the amount \$354,774 as the amount of the Development Assessment due from Hobbs Road Development (or any subsequent purchaser of the Annexed Property), payment of the \$354,774 Development Assessment would be proportionately forgiven based on Hobbs Road Development (or its successor-in-interest) meeting certain development milestones:

- Within 180 days following execution of the Amended Agreement, Hobbs Road Development (or its successor-in-interest) will submit a comprehensive development plan to the City which depicts the development plans for all buildable space on the Annexed Property.
- Provided not less than one-third of all buildable space on the Annexed Property is developed for use, such that a building permit has been issued for such work within two (2) years following the execution of the Amended Agreement, the City shall waive payment of one-third of the Development Assessment (i.e. \$118,258.00). If this condition is not met, payment to the City in the amount of \$118,258.00 shall be due and owing from Hobbs Road Development (or its successor-in-interest) on the 2nd anniversary of the execution of the Amended Agreement.
- Provided not less than two-thirds of all buildable space on the Annexed Property is developed for use, such that a building permit has been issued for such work within four (4) years following the execution of the Amended Agreement, the City shall waive payment of an additional one-third of the Development Assessment (i.e. \$118,258.00, such that the City will have waived payment in the total amount of \$236,516.00). If this condition is not met, payment to the City in the amount of \$118,258.00 shall be due and owing from Hobbs Road Development (or its successor-in-interest) on the 4th anniversary of the execution of the Amended Agreement.
- Provided all buildable space on the Annexed Property is developed for use, such that a building permit has been issued for such work, within six (6) years following the execution of the Amended Agreement, the City shall waive payment of the final one-third of the Development Assessment (i.e. \$118,258.00, such that the City will have waived payment in the total amount of \$354,774). If this condition is not met, payment to the City in the amount of \$118,258.00 shall be due and owing from Hobbs Road Development (or its successor-in-interest) on the 6th anniversary of the execution of the Amended Agreement, and no building permit for development of the Annexed Property may be issued until any and all amount(s) of the Development Assessment have been paid to the City.

The example outlined above is not intended to serve as an exclusive option for the City's consideration regarding the issue of payment (or non-payment, in the form of a waiver or tax credit) of the Development Assessment under the Amended Agreement. Rather, the example is intended to serve as a concept for the City to implement within the terms of the Amended Agreement that provides Hobbs Road Development (or its successor-in-interest) with a potential pathway for forgiveness of the Development Assessment (or a portion of it), which, if performed by Hobbs Road Development, simultaneously serves the City's interests in having the Annexed Property be developed after many years without progress on that front. Likewise, development of the Annexed Property is in the long-term fiscal interests of the City, as improvements to the Annexed Property will result in higher assessments and, consequently, a significant increase in the amount of revenue the City collects from the (currently unimproved) Annexed Property.

April 24, 2020

Indeed, connecting payment of Development Assessment to the completion of development milestones is as close to a win-win for the City and Hobbs Road Development as the parties with respect to the Development Assessment terms contained in Section 8(c) of the Amended Agreement: if the development milestones are met, Hobbs Road Development (or its successor-in-interest) can avoid paying some or all of the Development Assessment; and, likewise, if the development milestones are met, the City's interests are served because the Annexed Property is fully (or at least partially) developed and the revenue generated from tax assessments imposed on the Annexed Property are increased (off-setting any revenue lost from the City's conditional waiver of the Development Assessment).

If the Mayor and Council are interested in moving forward with this sliding-scale approach, that ties payment of the Development Assessment to certain milestones for the development of the Annexed Property, please advise of the particular terms (i.e. development milestone conditions) the Mayor and Council would like included within Section 8(c) of the Amended Agreement and a work-up (or multiple work-ups, if desired) of a revised Section 8(c) can be prepared for the Mayor and Council's review and consideration.

Thank you for your time and consideration of this matter. It is greatly appreciated.



To: City Council
From: Jennifer Miller
Director of Procurement
Date: May 4, 2020
Subject: 1141 S. Division Street – offer to purchase

On April 10, 2020, the City of Salisbury received an offer from Blair Rinnier, of Rinnier Development Company, Salisbury, MD, to purchase a City-owned parcel of land located at 1141 S. Division Street for \$16,000. The price offered for this 18,000 sq. foot parcel is consistent with an appraisal performed by W.R. McCain and delivered to the City on April 1, 2020.

This parcel was declared surplus by City Council on July 8, 2019, and was publicly advertised for sale by the City of Salisbury three times in September 2019, and no offers were received by the due date of October 28, 2019.

Per § SC16-3.A.6 “General Policy of Competitive Bidding; Exceptions” of the Salisbury Charter, competitive bidding procedures are not necessary or appropriate when public bidding fails to produce a proposal acceptable to the Council and the City receives a proposal acceptable to Council within a period of six months.

It is the Mayor’s recommendation that the City proceed with the sale to Mr. Rinnier, upon Council approval.

Attachments:

- Offer from Mr. Rinnier
- W.R.McCain Appraisal Report

April 10, 2020

Jennifer Miller, CPPO, CPPB
Director
Department of Procurement
City of Salisbury
125 N. Division Street, Room 104
Salisbury, MD 21801

RE: 1141 South Division Street

Mrs. Miller:

I would like to make an offer on this property that the City owns. I looked this lot up on the zoning map and it's in the County. I talked to my engineer and, as a stand-alone lot in the County, this lot could be difficult and expensive to develop (if at all possible under current regulations) with a septic system because the lot is small. On the other hand, to annex it and to pay annexation fees and connection fees for water and sewer in the City would also be an expensive and time consuming process. Lastly, with the lot being on the corner of South Division and Onley, it may be required to have two front yard setbacks which could make this harder to fit/build a house on intuitively. I don't want to say the lot doesn't have a value, but the cost to bring it to condition where it can be built on would take a material amount of time and money and this may discourage other potential uses for this property as an individual lot by itself. However, with me owning the neighboring two properties that have already started an annexation process, I think it makes me the right buyer. My intent would be to combine this with the two neighboring properties I own; 1135 and 1137 S. Division Street.

I would like to offer the city \$16,000 for the lot subject to it being approved to be annexed into the City. My intent for the use of this property in the future would be to develop it into student housing when the demand for student housing returns to Salisbury. I believe this is consistent with the Salisbury Comprehensive Plan that shows this lot surrounded by the teal colored University District on the "Future Uses" map. Additionally, this would put the property back on the tax assessable properties of the City and eliminate the cost the City now has to pay to maintain the lot. Please let me know what additional information you may need from me for the City to consider this proposal. Thank you for your time and consideration in this request.

Best Regards,



Blair Rinnier



**APPRAISAL REPORT OF
REAL PROPERTY IDENTIFIED AS**

Vacant Lot
1141 S Division St
Salisbury, MD 21801



PREPARED FOR

Blair Rinnier
Jennifer Miller

FILE NUMBER(S)

CC15714

PREPARED BY:

W. R. McCain & Associates
205 Executive Plaza
Salisbury, Maryland 21804

205 Executive Plaza
Salisbury, MD 21804

410-742-3201
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Ginger P. Williams, CCRA
Vice President
Senior Analyst

William R. McCain, MAI, MBA
Founder/Chairman

Shelly Durham
Senior Analyst
Residential Division

Lee Gosnell
Manager - Ag/Conservation
Division

Lori Mrohs - Senior Analyst

Valuation Analysts

Clyde Marriner
Gretchen Nichols
J. Warren Pitsenbarger
Karen Ranney
Bridget Peters
Benjamin Bauer
Corrine Bayline
Matthew Polly
Julie Horner
Lydia Buck
Heather Hazewski

Office Administration

Jackie Ford, Controller
Tami Harris, Receptionist
Jordan Teagle, Researcher



CELEBRATING

31

YEARS OF SERVICE



April 1, 2020

Blair Rinnier
Jennifer Miller

Re: Vacant Lot
1141 S Division St
Salisbury, MD 21801
CC15714

Dear Mr. Rinnier/Ms. Smith.:

Upon your request, we have inspected and investigated the above referenced subject property for the purpose of preparing an appraisal report, which establishes an opinion of its current market value.

The subject property consists of 0.41 +/- acres / 18,000 +/- square feet and is currently vacant land.

"The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal."

This Appraisal Report is subject to the limiting conditions and assumptions that are included in the introductory section of this report. The report presents summary discussions of the data, reasoning and analysis used in the appraisal process to develop the value opinion.

As a result of the valuation procedure and analysis, it is the opinion of the appraisers that the current "as is" Fee Simple market value of the subject property, as of March 29, 2020, is:

SIXTEEN THOUSAND DOLLARS
\$16,000

The supporting data, analyses and conclusions, upon which this valuation is based, are contained in the accompanying appraisal report and in the work file. ***This letter must remain attached to the report in order for the value opinion set forth to be considered valid.***

Respectfully Submitted,



Gretchen M. Nichols
MD Certified General # 04-32182
DE Certified General # X1-0000483



R. Braxton Dees, MAI
MD Certified General #04-31651
DE Certified General #X1-0000592
VA Certified General #4001-016237
GA Certified General #307258

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CERTIFICATION

CERTIFICATION: The appraisers certify and agree that, to the best of their 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. The appraisers have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. The appraisers have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The compensation for completing this assignment is not contingent upon the developing 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.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Gretchen Nichols has inspected the subject property. R. Braxton Dees has also inspected the subject property.
9. No one provided significant real property appraisal assistance to the persons signing this certification.
10. 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.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, R. Braxton Dees has completed the continuing education program for Designated Members of the Appraisal Institute.

13. I/We have not performed appraisal services, as appraisers, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment. I/We have performed no other services in any other capacity regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.

Respectfully Submitted,



Gretchen M. Nichols
MD Certified General # 04-32182
DE Certified General # X1-0000483



R. Braxton Dees, MAI
MD Certified General #04-31651
DE Certified General #X1-0000592
VA Certified General #4001-016237
GA Certified General #307258

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that

there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or Engineering knowledge required to discover them. No evidence of environmental contamination was observed.

12. The appraisers have not made a specific compliance survey and analysis of the building and/or other improvements erected on the subject property to determine whether or not the property is in conformity with the various detailed requirements of the Americans with Disabilities Act (ADA). If the property does not comply with the ADA or these regulations, this fact could have a negative effect on the value or marketability of the property.

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraisers, by reason of this appraisal, are not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
5. The appraisal report is based on data and information available or made available at the time the assignment is in process. Any Amendments, Addendums, and/or Modifications requested after the reports have been turned in, will be made as soon as reasonably possible, for an additional fee.

SUBJECT PHOTOGRAPHS



Front of Lot



Additional View



Additional View



Street Scene



Street Scene



SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

REPORT TYPE:	Appraisal Report File No. CC15714	
REPORT DATE:	April 1, 2020	
LOCATION:	1141 S Division St Salisbury, MD 21801 Map 48 Parcel 200	
OWNER OF RECORD:	City of Salisbury	
LAND AREA:	0.41+/- Acres	18,000+/- Square Feet
EXISTING IMPROVEMENTS:	Vacant Lot	
ZONING:	I-1 Light Industrial / Neighborhood Preservation District	
CENSUS TRACT:	105.02	
FLOOD MAP STATUS:	Zone X Panel 24045C0253E, August 17, 2015	
FLOOD ZONE COMMENTS	The subject is not located in a flood zone	
HIGHEST AND BEST USE VACANT:	Annexed into the city and acquire a residential zoning. This would most likely be R-8, similar to the surrounding properties.	
PROPERTY RIGHTS APPRAISED:	Fee Simple	
OPINION OF CURRENT VALUE VIA		EFFECTIVE DATE
SALES COMPARISON APPROACH:	\$16,000	
FINAL OPINION OF CURRENT VALUE:	\$16,000	March 29, 2020
APPRAISERS:	Gretchen Nichols R. Braxton Dees, MAI	

DEFINITION OF MARKET VALUE

Market value is defined as "The most probable price in terms of money which a property will bring in a competitive and open market, under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by creative financing or sales concessions granted by anyone associated with the sale."

Federal Register, Vol. 55, No. 163, Wednesday, August 22, 1990, Rules and Regulations.

PROPERTY RIGHTS APPRAISED

The property rights appraised address the Fee Simple interest.

Fee Simple - "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. " ¹

¹ The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute.

SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and the intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value
- the effective date of value;
- the assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Client:	Blair Rinnier / Jennifer Miller
Purpose:	To estimate the current 'as-is' value for potential acquisition.
Intended Use:	To estimate the current 'as-is' value for potential acquisition.
Intended User:	Client
Inspection date:	March 29, 2020
Information Sources	Wicomico County Office of Economic Development, the U.S. Census Bureau, and the Maryland Department of Public Instruction, Planning, Research, and Evaluation.
Type of Value:	Market Value
Valuation Analyses:	
Cost Approach:	A Cost Approach was not applied as this is not a typical approach when valuing vacant land.
Sales Comparison Approach:	A Sales Approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An Income Approach was not applied as this is not a typical approach when valuing vacant land.
The omission of any approaches does not hinder the appraiser from reaching a credible value conclusion.	
Hypothetical Conditions	There are no hypothetical conditions for this appraisal.
Extraordinary Assumptions:	There are no extraordinary assumptions for this appraisal.

In formulating the approach to value, the market data obtained was collected from office files, multiple list publications, other appraisers, Realtors, property owners and municipal offices in the subject area.

In estimating the highest and best use of the subject, an analysis was made of all the data pertaining to the property, neighborhood and region. In addition, a study of the commercial/industrial/residential

market in the subject area was made in order to help determine the economic feasibility of the improvements. Upon assembling and analyzing the data defined herein, a final opinion of market value has been reached.

PROPERTY IDENTIFICATION



Address:	1141 S Division St Salisbury, MD 21801 Wicomico County
Tax I.D.:	Map 48 Parcel 200
Census Tract:	105.02

TITLE DATA & SALES HISTORY

Owner:	City of Salisbury
Recent Transfers:	None Known
Deed Reference:	2824/386
Current Contracts:	There is currently an offer to purchase the property by Blair Rinnier for a consideration of \$5000. This offer is subject to the property being included and approved with Mr. Rinnier's two neighboring properties, 1135 & 1137 S. Division Street for annexation into the city for no additional fees.
Recent Listing History:	None Known
Lease History:	None Known

HIGHEST AND BEST USE

The definition of highest and best use from The Dictionary of Real Estate Appraisal, Fourth Edition (page 135), is, *"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."* The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

An analysis of the highest and best use of a property is the most important part of the appraisal process, for it is in terms of highest and best use that market value is estimated. This study and selection of highest and best use is based upon the above-mentioned criteria. Furthermore, since land use can be limited by the improvements upon it, highest and best use is determined for the site, as if vacant, and for the property as improved, if appropriate. The subject property is currently zoned for light industrial uses with county zoning. However, it is located in a mostly residential area that is within close proximity to the college and is surrounded by city properties with R-8 zoning. The subject has good potential for city annexation.

AS VACANT

Legally permissible: The I-1 zoning code permits a range of mostly industrial uses as well as office buildings, banks, etc. However, the area is mostly residential.

Physically possible: Generally, the physical attributes of the site are suited to any number of potential uses. Given the current county zoning and reliance on private utilities, the property is somewhat limited because of its smaller size and county jurisdiction which would require septic reserve areas of 10,000 sf in addition to the original septic area which would limit buildable area. Therefore, annexation into the City of Salisbury for public utilities would be a good option. Once annexed, the S. Division Street location near the college fairs well for residential development particularly student housing, which is characteristic of the area. It is noted that the surrounding properties are zoned R-8 (closest to the subject) and R-5A. It's assumed that the subject property would be zoned similarly. Access is good. Moreover, the availability potential for public utilities would allow for expanded possibilities.

Financially feasible: The residential market seems to be gaining momentum after an exceptionally slow period.

Maximally productive: The subject's size, shape, access, and visibility are more conducive to residential development, particularly given the surrounding area. Therefore, it appears the highest and best use of the subject property, as if vacant, would be annexation into the city and acquire a residential zoning. This would most likely be R-8, similar to the surrounding properties.

SALES COMPARISON APPROACH

The Sales Comparison Approach is a method of comparing similar properties to the subject for an indication of value. Often called the market data approach, this method represents an interpretation of the reactions of typical purchasers in the market. Basic to this approach is the principle of substitution, implying that a prudent person will pay no more to buy a property than it will cost to buy a comparable substitute property.

Application involves a comparative analysis of the important attributes of the sale properties to those of the subject under the general divisions of location, physical characteristics, conditions of sale and the change in the market over time. Consideration of the dissimilarities in terms of their probable effect upon the sale price of the subject, gives an indication of market value.

Numerous land sales have been investigated with the focus on those most similar to the subject. Several sales were chosen as the most comparable to the subject, and consequently, the most indicative of value. The summary data for each sale is presented in the grid, followed by a discussion of its comparability to the subject.

Given that the highest and best use is considered to be residential, as well as the likely potential for a zoning change, the comparables utilized are of a similar residential use. Due to the lack of residential lot sales in the city, the time search was expanded.

Land Comparable 1



Transaction

ID	10280	Date	9/20/2019
Address	Canal Park Dr	Price	\$80,000
City	Salisbury	Price per Acre	\$33,473
County	Wicomico	Transaction Type	Closed Sale
State	MD	Property Rights	Fee Simple
Tax ID	Map 117 Parcel 181 lots 3B & 3C	Financing	Conv
Grantor	Bancshares Realty LLC	Distance	0.96
Grantee	EZ Prop LLC	Conditions of Sale	Typical
Book/Page or Reference Doc	4528/102	Verification	Tax Records Deed Broker MLS #1001563502

Site

Acres	2.39	Topography	clear
Land SF	104,108	Zoning	R 5-A
Utilities	Public	Flood Zone	AE
Shape	Irregular	Encumbrance Or	None Known
		Environmental Issues	None Known

Comments

These lots total 2.39 acres and are located on a pond. The R-5A zoning allows for condos at 12 per acre. It was a foreclosure, however, it was on the market for 734 days and appears to be within market ranges.

Land Comparable 2



Transaction

ID	7795	Date	5/1/2017
Address	Belmont Ave	Price	\$60,000
City	Salisbury	Price per Acre	\$52,826
County	Wicomico	Transaction Type	Closed Sale
State	MD	Property Rights	Fee Simple
Tax ID	0038 - 0011 -0129 & 0336	Financing	Cash to Seller
Grantor	Estate of Eveya J. Bainum	Distance	2.31
Grantee	Milford W. Twilley, Inc.	Conditions of Sale	Cash to Seller
Book/Page or Reference Doc	4162 / 460	Verification	MLS#507300, Tax Records, Deed

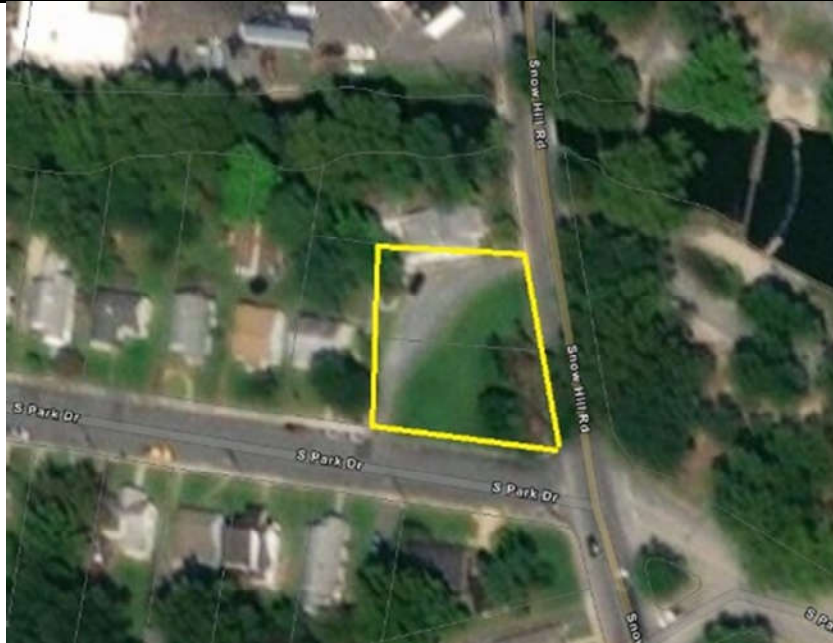
Site

Acres	1.14	Topography	Mostly Clear/Level
LandSF	49,476	Zoning	R-8
Utilities	Private		
Shape	Mostly Rectangular		

Comments

Transaction includes two adjacent parcels with frontage on Belmont Ave. and Rt. 50. Access is only from Belmont Ave.

Land Comparable 3



Transaction

ID	9585	Date	6/19/2018
Address	116 Snow Hill Rd.	Price	\$10,000
City	Salisbury	Price per Acre	\$37,514
County	Wicomico	Transaction Type	Closed Sale
State	MD	Property Rights	Fee Simple
Tax ID	0107-0016-1545	Financing	Cash to Seller
Grantor	Paul & Wanda Ferrier, Trustee	Distance	1.48
Grantee	Greenbranch Properties, LLC	Conditions of Sale	Motivated Seller
Book/Page or Reference Doc	4342 / 162	Verification	MLS# 1001564258, Tax Records, Deed

Site

Acres	0.27	Topography	Cleared / Level
Land SF	11,612	Zoning	R-8
Utilities	Public		
Shape	Rectangular		

Comments

This is the sale of two vacant lots located near the Salisbury Park. subsequent to transfer the two parcels have been combined.

Land Comparable 4



Transaction

ID	8582	Date	3/26/2018
Address	3151 Prince Street	Price	\$12,500
City	Salisbury	Price per Acre	\$68,231
County	Wicomico	Transaction Type	Closed Sale
State	MD	Property Rights	Fee Simple
Tax ID	Tax Map 0112, Parcel 1996	Financing	Conventional
Grantor	Dion Enright	Distance	0.96
Grantee	Barry Phippin	Conditions of Sale	Typical
Book/Page or Reference Doc	4304/249	Verification	MLS #512913, Assessment records, Deed

Site

Acres	0.18	Topography	Cleared / Level
Land SF	7,980	Zoning	R8
Utilities	Public		

Comments

This is the sale of a residential lot in Salisbury. It was listed for \$12,500 and sold after 166 days on the market.

Land Comparable 5



Transaction

ID	7181	Date	6/1/2014
Address	326 E. Vine St.	Price	\$13,000
City	Salisbury	Price per Acre	\$72,222
County	Wicomico	Transaction Type	Closed
State	MD	Property Rights	Fee Simple
Tax ID	Map 112 Grid 8 Parcel 2028	Financing	Cash to Seller
Grantor	Freda Lamar		
Grantee	Vasquez Santos		
Book/Page or Reference Doc	3718 / 411	Verification	MLS# 490255 Tax Record Deed

Site

Acres	0.17		
Land SF	7,500	Zoning	R-8
Utilities	Public		

Comments

Cleared Residential Building lot within the City of Salisbury.

Land Analysis Grid			Comp 1		Comp 2		Comp 3		Comp 4		Comp 5	
Address	1141 S Division St		Canal Park Dr		Belmont Ave		116 Snow Hill Rd.		3151 Prince Street		326 E. Vine St.	
City	Salisbury		Salisbury		Salisbury		Salisbury		Salisbury		Salisbury	
State	MD		MD		MD		MD		MD		MD	
Date	3/30/2020		9/20/2019		5/1/2017		6/19/2018		3/26/2018		6/1/2014	
Price	--		\$80,000		\$60,000		\$10,000		\$12,500		\$13,000	
Acres	0.41		2.39		1.14		0.27		0.18		0.17	
Acre Unit Price	\$0		\$33,473		\$52,826		\$37,514		\$68,231		\$76,471	
Transaction Adjustments												
Property Rights	Fee Simple		Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional		Conv	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%	Conventional	0.0%	Cash to Seller	0.0%
Conditions of Sale	Typical		Typical	0.0%	Cash to Seller	0.0%	Motivated Seller	0.0%	Typical	0.0%	Typical	0.0%
Adjusted Price			\$80,000		\$60,000		\$10,000		\$12,500		\$13,000	
Market Trends Through	3/30/2020	0.0%	0.0%		0.0%		0.0%		0.0%		0.0%	
Adjusted Price			\$80,000		\$60,000		\$10,000		\$12,500		\$13,000	
Location												
% Adjustment			-10%		-20%		20%		20%		20%	
Acres	0.41		2.39		1.14		0.27		0.18		0.17	
% Adjustment			-30%		-20%		30%		30%		30%	
Zoning	I-1 - Zoning change to R-8 likely		R 5-A		R-8		R-8		R8		R-8	
% Adjustment			-20%		-10%		-5%		-5%		-5%	
Utilities	Public Potential		Public		Public Potential		Public		Public		Public	
% Adjustment			-20%		0%		-20%		-20%		-20%	
Topography	Cleared		Cleared		Mostly Cleared		Cleared		Cleared		Cleared	
% Adjustment			0%		0%		0%		0%		0%	
Sale Comments	Typical		Typical		2 Lots		Typical		Typical		Typical	
% Adjustment			0%		-20%		0%		0%		0%	
Adjusted Price			\$16,000		\$18,000		\$12,500		\$15,625		\$16,250	
Net Adjustments			-80.0%		-70.0%		25.0%		25.0%		25.0%	
Gross Adjustments			80.0%		70.0%		75.0%		75.0%		75.0%	

LAND SALES ADJUSTMENT ANALYSIS



Adjustments have been applied for the major discernable differences having the most impact on value. These are primarily outlined as follows:

- **Conditions of Sale:** Conditions of sale usually reflect the motivations of the buyer and seller.
- **Market Conditions:** All sales occurred under similar market conditions, as such no adjustments are deemed necessary.
- **Location:** These adjustments take into consideration the demographics of the area, the overall commercial exposure, and the ease of access. Sale 1 is located on a pond and is considered superior. Sale 2 is considered superior as it has frontage on Route 50 And Belmont Avenue. Sales 3-5 are considered inferior locations. These sales were adjusted accordingly.
- **Acres:** Typically, the price per square foot varies inversely with parcels size, a smaller parcel will generate a higher per unit value. As such, adjustments have been applied on this premise.
- **Zoning:** This element takes into consideration the range of potential uses. All sales are considered similar in this regard negating the need for adjustment. Sale 1 was adjusted downward for its superior zoning. Sale 2 has superior zoning and was adjusted downward accordingly. Sale 3-5 have R-8 zoning

but given that they are smaller lots, they don't benefit from the zoning and are considered to be building lots. This is considered superior but with a smaller adjustment.

- **Utilities:** Properties with public utility availability can typically be developed at a higher rate and offer a greater percentage of buildable site area. Sales 1, 3, 4, & 5 have public utilities and were adjusted downward.
- **Topography:** This element takes into consideration the amount of useable land as well as the condition of the land with regard to the amount of site prep needed prior to development.
- **Sale Comments:** Any additional elements having a significant impact on value have been addressed here. Sale 2 includes two lots that could be sold separately. Therefore, this sale was adjusted downward.

The comparables have been adjusted as discussed. Where possible, paired sales have been utilized to determine the specific numerical adjustment amounts. Otherwise, the actual adjustments were quantified by the appraisers, based on the opinions of market participants.

In considering the opinion of value through the Sales Comparison Approach, it is, as noted, necessary to consider the differences, as well as the similarities of the comparable properties. The sales included offer a relatively accurate view of the subject market and, after adjustment, are indicative of current trends. Sale 5 was given less weight due its date of sale.

After analyzing the results of the comparable land sales, it is the appraisers' opinion that the current market value of the subject land, is as follows:

Land Value Ranges & Reconciled Value				
Number of Comparables:	5	Unadjusted	Adjusted	% Δ
	Low:	\$10,000	\$12,500	25%
	High:	\$80,000	\$18,000	-78%
	Average:	\$35,100	\$15,675	-55%
	Median:	\$13,000	\$16,000	23%
Reconciled Final Value:			\$16,000	
Sixteen Thousand Dollars				

ADDENDA

Appraisal Qualifications for Gretchen M. Nichols

LICENSE/DESIGNATIONS:

Certified General Real Estate Appraiser
Maryland Real Estate Appraisers Commission (#04-32182)

Certified General Real Estate Appraiser
Delaware Real Estate Appraisers Commission (#X1-0000483)

Approved FHA Appraiser

EDUCATION:

Old Dominion University	1988-1992
Salisbury University	1992-1994

EXPERIENCE:

January 2003 to Present
Commercial/Residential Real Estate Appraiser
W. R. McCain & Associates, Inc.
Salisbury, Maryland

June 2000 to January 2003
Systems Associate
Xerox Corporation
Wilmington, Delaware

November 1994 to June 2000
Coordinator, Advertising & Literature
Dresser Industries
Salisbury, Maryland

APPRAISAL COURSES:

Real Estate Principles of Appraising Wor-Wic Community College Salisbury, MD	3/2003
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Real Estate Practices of Appraising Wor-Wic Community College Salisbury, MD	5/2003
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Real Estate Appraisal Standards & Ethics MD Association of Appraisers, Inc	3/2003
Online Analyzing Operating Expenses Appraisal Institute Chicago, IL	9/2005
7-Hour National USPAP Update McKissock Inc.	10/2005
Appraising the Farm Property MD Association of Appraisers, Inc.	10/2005
Residential Income Approach Course 205 MD Association of Appraisers, Inc.	4/2006
Residential Sales Comparison Course 203 MD Association of Appraisers, Inc.	10/2007
Condemnation Appraising: Basic Principles & Applications Course SE 710 Appraisal Institute Baltimore, MD	11/2007
General Sales Comparison Course 401G Appraisal Institute Chicago, IL	11/2007
7-Hour National USPAP Update Leslie Pruitt	4/2009
Delaware Law, Rules & Regulations Loomis Appraisal School, Inc.	9/2009
7-Hour National USPAP Update Leslie Pruitt	4/2011
Delaware Law, Rules & Regulations McKissock.	10/2011
Mastering Unique & Complex Property Appraisal Wor-Wic Community College Salisbury, MD	10/2011

7-Hour National USPAP Update Leslie Pruitt	6/2013
Construction Details & Trends McKissock	3/2013
Appraising & Analyzing Retail Shopping Centers for Mortgage Underwriting McKissock	3/2013
Land & Site Valuation McKissock	9/2013
Delaware Law, Rules & Regulations McKissock	9/2013
7-Hour National USPAP Update Leslie Pruitt	3/2015
Highest & Best Use Analysis Beach Appraisal Seminars	10/2015
Appraisal of Owner-Occupied Commercial Properties	10/2015
Appraisal of Self-Storage Facilities McKissock	10/2015
Delaware Law, Rules & Regulations McKissock	10/2015
7-Hour National USPAP Update Leslie Pruitt	10/2017
Complex Properties: The Odd Side of Appraisal McKissock	10/2017
Basic Hotel Appraising - Limited Service Hotels McKissock	10/2017
Exploring Appraisal Liability McKissock - Salisbury, MD	10/2017
Delaware Law, Rules & Regulations McKissock	10/2017
Understanding Residential Construction McKissock	11/2017
The Cost Approach McKissock	11/2017

7-Hour National USPAP Update Leslie Pruitt	2/2018
Economics as the Foundation of Appraising Beach Appraisal Seminars	9/2019
Delaware Law, Rules & Regulations Beach Appraisal Seminars	9/2019

LICENSE NO. X1-0000483

STATE OF DELAWARE
DIVISION OF PROFESSIONAL REGULATION

NOT TRANSFERABLE

861 Silver Lake Blvd.
Cannon Building, Suite 203
Dover, DE 19904-2467

PROFESSION: Certified General Real Property Appraiser

EXPIRATION DATE: 10/31/2021

ISSUED TO: Gretchen Moore Nichols

MAILING ADDRESS

Gretchen Moore Nichols
205 Executive Plaza
Salisbury MD 21804

PROFESSIONAL LICENSE

THIS CERTIFIES THAT THE PERSON NAMED IS HEREBY LICENSED TO
CONDUCT OR ENGAGE IN THE PROFESSION INDICATED ABOVE. THIS
DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF DELAWARE.

Gretchen Moore Nichols
LICENSEE SIGNATURE

575913



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

CERTIFIES THAT:

GRETCHEN NICHOLS

Lawrence J. Hogan, Jr.
Governor

Boyd K. Rutherford
Lt. Governor

Kelly M. Schulz
Secretary

IS AN AUTHORIZED: 04 - CERTIFIED GENERAL

LIC/REG/CERT
32182

EXPIRATION
11-25-2020

EFFECTIVE
11-21-2017

CONTROL NO
5097403

Gretchen Moore Nichols
Signature of Bearer

Kelly M. Schulz
Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS
COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.

Real Estate Appraisal Qualifications of
R. Braxton Dees, MAI

Licenses

Certified General Real Estate Appraiser

Maryland Real Estate Appraisers Commission (04-31651)

Delaware Real Estate Appraisers Commission (X1-0000592)

Virginia Real Estate Appraisers Board (4001 016237)

Georgia Real Estate Appraisers Commission (307258)

MAI - Member Appraisal Institute (#505024)

Education

Bachelor of Science-Corporate Finance

1997

University of North Florida

Jacksonville, FL

Experience

August 2019 to Present

President/CEO

W. R. McCain & Associates, Inc.

Salisbury, MD

August 2012 to August 2019

Review/Valuation Analyst

W. R. McCain & Associates, Inc.

Salisbury, MD

June 1999 to August 2012

Review Appraiser/Commercial Lender

SunTrust Banks, Inc.

Atlanta, GA

Appraisal Education Courses/Seminars

Beracah Homes Facility & Tour	9/2019
DE Council on Real Estate Appraisers, License Law and Reg.	5/2019
Delaware Real Estate and Valuation Update	11/2018
FHA Appraising - Principles and Procedures	9/2018
Eminent Domain and Condemnation	9/2018
7-Hour National USPAP Update	8/2018
The Tough One: Mixed-Use Properties - Income Cap. Approach	5/2018
Solving Land Valuation Puzzles	3/2018
DE Council on Real Estate Appraisers, License Law and Reg.	9/2017
Hospitality and Senior Health Care Valuation	5/2017
Delmarva Real Estate Outlook	12/2016
The Commercial Construction Process: The Contractor's View	11/2016
Development in New Castle County	11/2016
Subdivision Valuation	8/2016
New Technology for Real Estate Appraisers	8/2016
Small Hotel/Motel Valuation	8/2016

7-Hour National USPAP Update	2/2016
FHWA Resource Center Right-of-Way Workshop	2/2015
The Appraiser as a Trusted Advisor	11/2014
Delmarva Real Estate Outlook	9/2014
Advanced Concepts and Case Studies	6/2014
General Demonstration Report Writing	6/2014
Advanced Income Capitalization	4/ 2014
DE Subdivision Market Overview and Appraisal Techniques	1/2014
Appraising Cell Towers	12/2013
Forecasting Revenue	10/2013
Introduction to Green Buildings: Principles and Concepts	10/2013
DE Law, Rules & Regulations	6/2013
Current Appraisal Issues	6/2013
Advanced Internet Search Strategies	10/2012
7-Hour National USPAP Update	4/2012
General Appraiser Report Writing & Case Studies	10/2010
State of Atlanta: The Good, The Bad, The Ugly	9/2010
General Appraiser Income Approach Part 2	7/2010
Residential Highest and Best Use and Market Analysis	6/2010
General Appraiser Sales Comparison Approach	4/2010
Real Estate Finance, Statistics, and Valuation Modeling	1/2010
Business Practice and Ethics	10/2009
General Appraiser Market Analysis and Highest and Best Use	8/2009
General Appraiser Income Approach Part 1	6/2008
General Appraiser Site Valuation & Cost Approach	9/2007
Residential Report Writing and Case Studies	4/2006
Basic Appraisal Procedures	2/2006
Basic Appraisal Principles	1/2006
410 National USPAP 15 Hour Course	11/2005

Associations/Affiliations

Delaware Chapter of the Appraisal Institute, Vice President	2018 - Present
Delaware Chapter of the Appraisal Institute, Secretary	2016 - 2017
Appraisal Institute	2009 to Present

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

Lawrence J. Hogan, Jr.

Governor

Boyd K. Rutherford

LL Governor

James E. Rzepkowski

Acting Secretary

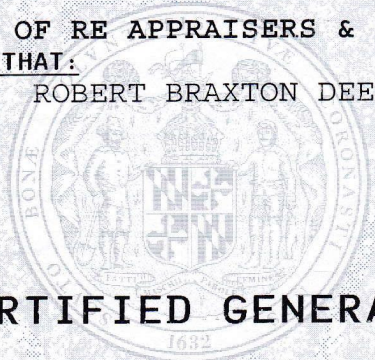
STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

CERTIFIES THAT:

ROBERT BRAXTON DEES



IS AN AUTHORIZED:

04 - CERTIFIED GENERAL

LIC/REG/CERT

31651

EXPIRATION

02-14-2022

EFFECTIVE

02-11-2019

CONTROL NO

5314779

Robert Braxton Dees

Signature of Bearer

James E. Rzepkowski

Acting Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

LICENSE NO.

X1-0000592

STATE OF DELAWARE

DIVISION OF PROFESSIONAL REGULATION

861 Silver Lake Blvd.
Cannon Building, Suite 203
Dover, DE 19904-2467

NOT TRANSFERABLE

PROFESSION:

Certified General Real Property Appraiser

EXPIRATION DATE:

10/31/2021

ISSUED TO:

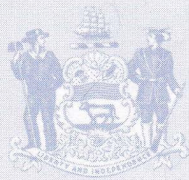
Robert B. Dees

MAILING ADDRESS

Robert B. Dees

120 Covered Bridge Lane
Fruitland MD 21826

PROFESSIONAL LICENSE



Robert B. Dees

LICENSEE SIGNATURE

659339

THIS CERTIFIES THAT THE PERSON NAMED IS HEREBY LICENSED TO CONDUCT OR ENGAGE IN THE PROFESSION INDICATED ABOVE. THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF DELAWARE.

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON

08-31-2020

NUMBER

4001016237

REAL ESTATE APPRAISER BOARD

CERTIFIED GENERAL REAL ESTATE APPRAISER



ROBERT BRAXTON DEES JR
120 COVERED BRIDGE LANE
FRUITLAND, MD 21826



Jay W. DeBoer

Jay W. DeBoer, Director

Status can be verified at <http://www.dpor.virginia.gov>

Mailing Address

205 Executive Plaza
Salisbury, MD 21804

410-742-3201
888-400-2766
Fax 410-860-5313

www.wrmccain.com

Delaware Office

Route 26
Atlantic Avenue
Ocean View, DE 19970



R. Braxton Dees, MAI
President / CEO

Ginger P. Williams, CCRA
Vice President / COO

William R. McCain, MAI, MBA
Founder / Chairman

Shelly Durham
Senior Analyst
Residential Division

Lee Gosnell
Ag/Conservation Division

Lori Mrohs - Senior Analyst

Valuation Analysts

Clyde Marriner
Gretchen Nichols
J. Warren Pitsenbarger
Karen Ranney
Bridget Peters
Benjamin Bauer
Matthew Polly
Julie Horner
Lydia Buck
Heather Hazewski

Office Administration

Jackie Ford, Controller
Tami Harris, Receptionist
Jordan Teagle, Researcher

CELEBRATING

31

YEARS OF SERVICE

CONTRACT FOR SERVICES

1. **PARTIES:** Blair Rinnier, hereby referred to as CLIENT, agrees to engage W.R. McCain & Associates, hereby referred to as APPRAISER, for appraisal services.
2. **ASSIGNMENT:** CLIENT requests an opinion of market value for 1141 S Division St, Salisbury. The purpose of this report is to aid in determining value of the property for possible purchase. APPRAISER agrees to complete the assignment in conformity with the requirements of all applicable licensing regulations, government agencies and professional organizations. APPRAISER agrees to provide the following product(s) per this engagement: Narrative Report.
3. **COMPLETION:** The APPRAISER estimates completion within 1 week following receipt of signed contract and retainer, subject to unforeseen circumstances or conditions beyond APPRAISER'S control. One electronic copy is provided per this engagement. Hard copy available upon request.
4. **PAYMENT:** CLIENT agrees to pay APPRAISER a fee not to exceed \$975 for appraisal report. Furthermore, CLIENT agrees to pay APPRAISER a retainer of \$0, with the balance, if any, being paid upon completion of the ASSIGNMENT prior to delivery. Any subsequent work pertaining to the appraisal assignment will be billed on a monthly basis.
5. **IF APPLICABLE:** An hourly rate of \$350 for subsequent research, preparation, and for expert testimony by the firm's principals and an hourly rate of \$250 for any subsequent research, preparation, and for expert testimony by the firm's associates. Travel time will be billed at an hourly rate of \$150, plus reimbursements of travel and associated expenses.
6. **CANCELLATION:** In the event that CLIENT wishes to cancel the engagement prior to its completion, APPRAISER shall be compensated at an hourly rate as stated above for any work performed prior to the cancellation notice.

7. **LITIGATION:** APPRAISER shall not be required to provide testimony or attend any public or private hearing with reference to this PROPERTY as a result of this ASSIGNMENT unless otherwise stipulated or agreed to. In the event that APPRAISER volunteers, is subpoenaed, or otherwise required to give testimony or attend any public or private hearing as a result of this ASSIGNMENT, CLIENT agrees to compensate APPRAISER at an hourly rate of \$350. There will be a \$250 fee to hold a date for a possible court and/or deposition date.
8. **PAYMENT:** Should payment, or additional cost due APPRAISER, become delinquent, CLIENT will pay interest thereon at the rate of 1.5% per month (One and a Half Percent Per Month) and further agrees to pay all costs of collection thereof, including reasonable attorney's fees, collection agency fees, court cost, etc.
9. **THIRD PARTIES:** In the event that CLIENT directs APPRAISER to secure payment from a third party, CLIENT shall assume all payment obligations outlined in this contract in the event of DELINQUENCY by said third party.
10. **WARRANTIES AND INDEMNITY:** CLIENT agrees to indemnify APPRAISER, his/her employees and independent contractors from all claims, suits and charges of any nature that may arise out of this agreement.
11. **INTENDED USE/USER:** CLIENT understands that the appraisal will be done for the CLIENT and for the Purpose noted. Any other use of appraisal is prohibited. APPRAISER cannot change either the Intended Use or the Intended User once the report has been issued.

Client: W. Blair Rinnier
Signature

W. Blair Rinnier, Authorized Person for OT 2000, LLC 3-25-2020

APPRAISER: R. B. McCain
W. R. McCain & Associates

Date: 3/25/2020

7308T.D2 7/30/07

THIS DEED, made this 30th day of July, in the year Two Thousand Seven, by MALINDA LEE STEERE, now known as MALINDA FINNEY, and BRANDI MARIE STEERE, Remaindermen, residents of Wicomico County, State of Maryland.

WITNESSETH

THAT FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00) and other good, valuable and sufficient considerations, receipt of which is hereby acknowledged, the said MALINDA LEE STEERE, now known as MALINDA FINNEY, and BRANDI MARIE STEERE, do hereby grant and convey unto CITY OF SALISBURY, a municipal corporation of the State of Maryland, its successors and assigns, the following described property: ALL that lot or parcel of land situate, lying and being in Camden Election District of Wicomico County, in the State of Maryland, South of and near the corporate limits of the City of Salisbury, and on the Easterly side of and binding upon South Division Street Extended and on the Northerly side of and binding upon Onley Road, formerly known as Nutter Adkins Road, thence running by and with the Easterly line of South Division Street Extended North 11 degrees 38 minutes East a distance of 87.5 feet to a stake; thence running by and with the Southerly line of the Stephen B. Hopkins land South 82 degrees 37 minutes East a distance of 200 feet to a stake; thence by and with the Westerly line of the Elmer C. Adkins land South 11 degrees 38 minutes West a distance of 84.9 feet to a stake on the Northerly line of said Onley Road; thence by and with the Northerly side of said Onley Road North 83 degrees 22 minutes West a distance of 200.05 feet to a stake at the point of beginning; AND BEING the same property conveyed unto Malinda Lee Steere, now known as Malinda Finney, and Brandi Marie Steere, Remainderman, by Gregory W. Steere, Personal Representative of the Estate of Dorothy M. Steere, by deed dated July 30, 2007, and intended to be recorded among the Land Records of Wicomico County, Maryland, immediately prior hereto.

REFERENCE to the aforesaid deed and plat and all prior deeds to and plats of the above property is hereby made for a more definite description of the property hereby granted and conveyed, or for any other purpose, to the same extent as though herein more fully set forth.

TOGETHER WITH the buildings and improvements thereon and all the rights, ways, privileges and appurtenances to the same belonging or in anywise appertaining.

LAW OFFICES
WEBB, BURNETT,
CORNBROOKS, WILBER,
VORHIS, DOUSE
& MASON, LLP
P. O. BOX 910
SALISBURY, MARYLAND
AREA CODE 410
TELEPHONE 742-3176

7308T.D2 7/30/07

TO HAVE AND TO HOLD the above described property unto the said CITY OF SALISBURY, a municipal corporation of the State of Maryland, its successors and assigns, forever in fee simple.

AND the said MALINDA LEE STEERE, now known as MALINDA FINNEY, and BRANDI MARIE STEERE, do hereby covenant that they will warrant specially the property hereby granted and conveyed, and that they will execute such other and further assurances of the same as may be requisite.

AS WITNESS the hands and seals of the said Grantors the day and year first above written.

TEST:

Amy L. Smith
Amy L. Smith

Malinda Lee Steere N/K/A
Malinda Finney (SEAL)
MALINDA LEE STEERE, now known as
MALINDA FINNEY
Brandi Marie Steere (SEAL)
BRANDI MARIE STEERE

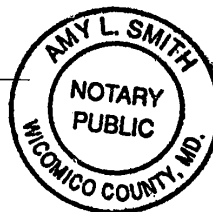
STATE OF MARYLAND, COUNTY OF WICOMICO, TO WIT:

I HEREBY CERTIFY that on this 30th day of July, 2007, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared MALINDA LEE STEERE, now known as MALINDA FINNEY, and BRANDI MARIE STEERE, and they acknowledged the foregoing deed to be their respective act and deed.

AS WITNESS my hand and Notarial Seal.

Amy L. Smith
Notary Public

My Commission Expires: 10.1.10



Not in Salisbury Md's
Incorporated limits and
no city taxes or services.
7/30/07
Date

I HEREBY CERTIFY THAT TAXES ARE PAID ON
THE PROPERTY COVERED BY THIS DEED AS
WELL AS ANY OTHER TAXES WHICH SHOULD
BE COLLECTED BEFORE TRANSFER OF SAME
PURSUANT TO SECTION 14 ARTICLE 21 OF THE
ANNOTATED CODE OF MARYLAND
PATRICIA B. PETERSEN
DIRECTOR OF FINANCE
WICOMICO COUNTY, MARYLAND

MB
7/30/07

7308T.D2 7/30/07

I, Paul D. Wilber, as Solicitor for the CITY OF SALISBURY, hereby certify under the penalties of perjury that the actual consideration paid or to be paid for the foregoing conveyance, including the amount of any mortgage or deed of trust assumed by the grantee, is in the sum of \$ 150,000.

TEST:

Amy L. Smith

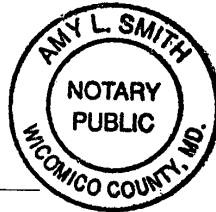
CITY OF SALISBURY

Paul D. Wilber (SEAL)

By: Paul D. Wilber, City Attorney

SUBSCRIBED AND SWORN TO
before me, a Notary Public
of the State of Maryland,
County of Wicomico, this
30 day of July,
2007.

Amy L. Smith
Notary Public



My Commission Expires: 10.1.10

I HEREBY CERTIFY that the within instrument has been prepared by or under the supervision of the undersigned Maryland attorney.

Paul D. Wilber
Paul D. Wilber, Esquire

MSB H102
Jul 30, 2007 04:14 PM

WICOMICO COUNTY CIRCUIT COURT (Land Records) MSB 2824, p. 0388, MSA_CE100_2894, Date available 04/21/2008, Printed 03/23/2020.

LAW OFFICES
WEBB, BURNETT,
CORN BROOKS, WILBER,
VORHIS, DOUSE
& MASON, LLP
P. O. BOX 910
SALISBURY, MARYLAND
AREA CODE 410
TELEPHONE 742-3176

Received for Record JUL 30 2007 and
recorded in the Land Records of Wicomico
County, Maryland in Liber M.S.B.
No. 2824 Folios 3810-388

Mad J. Bowe Clerk

☐ Baltimore City ☐ County: WICOMICO

Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office only

① Type(s) of Instruments	(<input type="checkbox"/> Check Box if Addendum Intake Form is Attached.)			
	X <input type="checkbox"/> Deed	<input type="checkbox"/> Mortgage	<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____
	X <input type="checkbox"/> Deed of Trust	<input type="checkbox"/> Lease		
② Conveyance Type Check Box	<input type="checkbox"/> Improved Sale Arms-Length [1]	<input type="checkbox"/> Unimprvd ArmLnth [2]	<input type="checkbox"/> Multiple Accounts Arms-Length [3]	<input type="checkbox"/> Not an Arms-Length Sale [9]
③ Tax Exemptions (if Applicable) Cite or Explain Authority	Recordation			
	State Transfer			
	County Transfer			

Consideration and Tax Calculations	Consideration Amount		Finance Office Use Only						
	Purchase Price/Consideration	\$150,000.00	Transfer and Recordation Tax Consideration						
	Any New Mortgage	\$	Transfer Tax Consideration	\$					
	Balance of Existing Mortgage	\$	X() % =	\$					
	Other:	\$	Less Exemption Amount -	\$					
	Other:	\$	Total Transfer Tax =	\$					
	Full Cash Value	\$	Recordation Tax Consideration	\$					
② Fees	Amount of Fees		Doc. 1		Doc. 2		Agent:		
	Recording Charge	\$20.00	\$	Tax Bill:					
	Surcharge	\$20.00	\$	C.B. Credit					
	State Recordation Tax	\$	\$	Ag. Tax/Other:					
	State Transfer Tax	\$	\$						
	County Transfer Tax	\$	\$						
	Other	\$	\$						
	Other	\$	\$						
	③ Description of Property SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(b)(3)(i).	District	Property Tax ID No. (1)	Grantor Liber/Folio		Map		Parcel No.	Var LOG
		13	012199	502/187		48		200	□ (5)
Subdivision Name		Lot (3a)		Block 3(b)	Sect/AR(3c)	Plat Ref.	St.Ft/Acreage (4)		
							18,000 sq ft		
Location/Address of Property Being Conveyed (2)									
1141 S Division St, Salisbury									
Other Property Identifiers (if applicable)						Water Meter Account No.			
Residential <input type="checkbox"/> or Non Residential <input type="checkbox"/>		Fee Simple <input type="checkbox"/> or Ground Rent <input type="checkbox"/>		Amount:					
Partial Conveyance? X Yes <input type="checkbox"/> No		Description/Amt. Of SqFt./Acreage Transferred:							
If Partial Conveyance, List Improvements Conveyed:									
④ Transferred From		Doc. 1 - Owner(s)			Doc 2 - Owner(s) of Record, If Different from Grantor(s)				
		MALINDA LEE STEERE, now known as MALINDA FINEY and BRANDI MARIE STEERE							
④ Transferred To		Doc. 1- Grantee(s) Name(s)			Doc. 2 - Grantee(s) Name(s)				
		CITY OF SALISBURY							
		New Owner's (Grantee) Mailing Address							
		125 Division St., Salisbury, MD 2 1801							
④ Other Names to Be Indexed		Doc. 1 - Owner(s) of Record, if Diff. from Grantor(s)			Doc. 2 - Owner(s) of Rec., if Diff. from Grantor(s)				
④ Contact/Mail Information		Instrument Submitted By or Contact Person					<input type="checkbox"/> Return to Contact Person		
		Name: Martha A. Minton					<input type="checkbox"/> Hold for Pickup		
		Firm: Webb, Burnett,					<input type="checkbox"/> Return Address Provided		
		Address: 115 Broad Street, Salisbury, Maryland 21803-0910							
		Phone (410) 742-3176							
II IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER									
Assessment Information		<input type="checkbox"/> Yes <input type="checkbox"/> No Will the property being conveyed be the grantee's principal residence? <input type="checkbox"/> Yes <input type="checkbox"/> No Does the transfer include personal property? If yes, identify: _____ <input type="checkbox"/> Yes <input type="checkbox"/> No Was property surveyed? If yes, attach copy of survey (if recorded, no copy required).							
Assessment Use Only - Do Not Write Below This Line									
<input type="checkbox"/> Terminal Verification		<input type="checkbox"/> Agricultural Verification		<input type="checkbox"/> Whole		<input type="checkbox"/> Part <input type="checkbox"/> Tran. Process Verification			
Transfer Number:		Date Received:		Deed Reference:		Assign Property No.:			
Year	19	19	Geo	Map	Sub	Block			
Land			Zoning	Grid	Plat	Lot			
Buildings			Use	Parcel	Section	Occ. Cd.			
Total			Town Cd.	Ex. St.	Ex. Cd.				
REMARKS:									
Distribution: White - Clerk's Office Canary - SDAT Pink - Office of Finance Goldenrod - Preparer AOC-CC-300 (6/95)									

- (1) Permitted uses in the AB District shall give the County maximum flexibility in its site marketing and development program and consistent with the County's overall economic development objectives and programs.
 - (2) Minimum development standards for this district are intended to ensure application of good site planning principles in the development of each site.
- B. Permitted Uses. To accomplish the purposes of this district, it is in the best interest of the County that uses within this district be as approved by the Wicomico County Airport Commission in accordance with specific plans to assure that the County will benefit from the proposed district with a minimum impact on the surrounding areas and the environment.
- C. General Requirements. Provisions of the AB district where found to be in conflict with the following shall supersede those other provisions with which they conflict:
- (1) Other provisions of this chapter; and
 - (2) Provisions of the Wicomico County Subdivision Chapter.
- D. Site Plan approval in the AB Airport Business District
- (1) The authority for site plan review and approval for proposed private development activities located in the AB district is hereby delegated to the Airport Commission.
 - (2) Site plan review and approval under this subsection shall be done in accordance with Section 225-13.

Section 225-41. I-1 Light Industrial District.

- A. The purpose of the I-1 Light Industrial District is to provide areas for light industrial development, including manufacturing, wholesaling, research and development activities, and selected businesses and commercial uses. Development performance standards have been established to ensure that no use is permitted which may be detrimental because of odor, smoke, dust, toxic fumes, fire, noise, explosion, outside storage or toxic or hazardous chemicals.
- B. Permitted Uses.
- The permitted uses shall be those specified in the Table of Permitted Uses, Section 225-67.
- C. Development Options.
- A Planned Industrial Park is permitted with a Development Plan.
- D. General Requirements
- (1) Accessory buildings and structures shall be provided for all uses in accordance with the requirements of section 225-59 and the general requirements of Article VI.
 - (2) Bulk regulations, including lot area, setback requirements and height limitations,

shall be provided for all uses in accordance with the general requirements of Article VII.

- (3) Lighting shall be provided for all uses in accordance with the requirements of section 225-73.
- (4) Signage shall be provided for all uses in accordance with the general requirements of Article IX.
- (5) Parking shall be provided for all uses in accordance with the general requirements of Article X.
- (6) Landscaping shall be provided for all uses in accordance with the general requirements of Article XI.

E. Supplemental Requirement In keeping with the purpose of this district:

- (1) all nonagricultural uses shall be conducted entirely within an enclosed building or buildings; and
- (2) no use may be permitted which may be detrimental to the area because of odor, smoke, dust, toxic fumes, fire, noise, explosion, outside storage or toxic or hazardous chemicals.

Section 225-42. I-2 Heavy Industrial District.

A. The purpose of the I-2 Heavy Industrial District is to encourage industrial growth in the county by providing areas suitable for the development of heavy manufacturing, assembling, or industrial processing activities that have characteristics that could be detrimental if allowed to operate in other districts within the County. The standards and restrictions established for this district are intended to protect both nearby areas and industries which propose to locate or already have located within this district.

B. Permitted Uses.

The permitted uses shall be those specified in the Table of Permitted Uses, Section 225-67.

C. Development Options

A Planned Industrial Park is permitted with a Development Plan.

D. General Requirements

- (1) Accessory buildings and structures shall be provided for all uses in accordance with the requirements of section 225-59 and the general requirements of Article VI.
- (2) Bulk regulations, including lot area, setback requirements and height limitations, shall be provided for all uses in accordance with the general requirements of Article VII.
- (3) Lighting shall be provided for all uses in accordance with the requirements of section 225-73.
- (4) Signage shall be provided for all uses in accordance with the general requirements of Article IX.
- (5) Parking shall be provided for all uses in accordance with the general requirements of Article X.

buffer area may be counted toward the overall percentage of the site required to remain undisturbed.

G. Planning Commission review and approval procedures.

- (1) Once a complete application has been received by the Zoning Administrator, and deemed of sufficient concern to warrant a full review, the proposal for development of any lot or parcel of land for any permitted use described herein shall be submitted to the Planning Director for the preparation of a report to be reviewed and approved by the Planning Commission.
- (2) The Planning Commission shall review the use, its operating characteristics and the proposed location relative to any existing or future possibility of contamination of the Paleochannel through the operation, storage or handling of raw or waste materials or from the particular manufacturing, storage or other process proposed. The Planning Commission may solicit any technical advice or information it deems necessary in its review of the proposed use to assure that possible contamination will not occur, including but not limited to an environmental impact statement or any information necessary to obtain any permit from any applicable state or federal agency or an impact statement from an independent consultant to be selected by the Planning Commission and paid for by the applicant.
- (3) If the Planning Commission is satisfied that the proposal poses no risk of contamination to the Paleochannel, the application shall be approved and notice provided the Zoning Administrator.
- (4) If the Planning Commission determines that there is the potential that the proposal will contaminate or may pose a serious risk of contamination to the Paleochannel, and then the request shall be denied. A written findings of fact, listing the final decision of the Planning Commission and its reasons for denial, shall be provided within ninety (90) days of the Planning Commission's action.
- (5) A proposal which has been rejected by the Planning Commission may be resubmitted for review, provided that there has been a major change in the method proposed for processing, storage or handling of materials, products or wastes that eliminates or substantially reduces the risk of contamination to the Paleochannel.
- (6) Appeal from the Planning Commission's final decision may be made to the Board of Appeals in accordance with the provisions of Article XIII of this Chapter.

Section 225-46. Neighborhood Preservation Overlay District.

- A. Purpose. The purpose of this district is to preserve, protect and maintain those areas which were established as single-family residential or are planned to be in predominantly single-family residential development. Special restrictions are designed to encourage high standards of residential development for single-family use, thus ensuring existing and future residents of the continued advantages of low-density development and compatible land uses, thereby resulting in stable property values and neighborhoods. The following use restrictions and standards have been developed in order to conserve and protect these neighborhoods.
- B. Establishment of boundaries. The Neighborhood Preservation District shall be shown on the Official Zoning Map as a district overlying the existing underlying zoning. The boundaries of this district may be changed from time to time without the necessity of

showing a mistake in the original boundaries or a change in the neighborhood.

C. Uses.

- (1) Permitted and accessory uses shall be those allowed in the underlying zoning district in which the property is located, except as modified in this Section.
- (2) For any use that includes the term "family," the following definition shall apply: FAMILY -- One person or two or more persons related by blood or marriage, or a group of not more than two persons not necessarily related by blood or marriage, in any case, living together as a single housekeeping unit.

D. Prohibited uses. The rental of guest rooms shall be a prohibited use in districts over which the Neighborhood Preservation District is applied.

SubPart B - Legislatively Approved Floating Districts

Section 225-47. Approval.

- A. The following PDDs are therefore set forth in the text of this Chapter, with specific boundaries to be established on the Official Zoning Map after approval by the County Council of a Preliminary Development Plan. These districts are "floating districts" and under Maryland case law are analogous to special exceptions. Criteria for establishment of these districts are set forth in the purpose for each district and shall be the basis for approval or denial by the County Council without the necessity of showing a mistake in the original zoning or a change in the neighborhood.
- B. Application for the establishment of a floating district shall be made in accordance with the procedures applicable to the amendment of zoning districts set forth in Section 225-20, Amendments, of this Chapter.
- (1) Such application shall include a Development Plan that sets forth the land uses requested.
 - (2) It shall not be necessary for the applicant to show a mistake in the original zoning district boundaries or a change in the character of the area in order for the County Council to approve the floating district request.
- C. The Planning Commission shall make an analysis of and recommendation concerning the proposed district.
- D. The County Council, upon consideration of the recommendations of the Planning Commission, may approve a floating district when it finds that the proposed district satisfies the purposes and standards of this section, including the following:
- (1) All necessary infrastructure for the proposed development is or will be made available to the district at the time and location required.
 - (2) The proposed district will not adversely affect the health, safety and general welfare of the residents or workers in the area.
 - (3) The proposed district is compatible with and will not be detrimental to the use or development of adjacent properties or the general neighborhood.
 - (4) The proposed development has been designed so as to minimize possible adverse affects on adjacent properties or on the immediately surrounding area.

Table of Permitted Uses – Part II – Commercial, Institutional, Business and Industrial Districts									
P = Permitted	SE = Special Exception by the Board of Appeals			SPC = Special Exception by the Planning Commission					
USE DESCRIPTION		Zoning Districts							
		C-1	C	C-3	LB-1	LB-2	I-1	I-2	
AGRICULTURAL									
Agriculture equipment sales, service and repair			P	P	P			P	
Agricultural Operations, Farming (See Section 225-76)									
- Agricultural uses (less than 5 Acres)			S					P	
▪ Agricultural uses (5 acres or more)			P	P				P	
Farmers' Market (See Section 225-92)		P			P				
Farm-related Business (See Section 225-91)			P					P	P
Fisheries				P					P
Forestry		P	P	P	P	P	P	P	P
Grain mills and feed supply			P					P	P
Hatcheries, Poultry								P	
Kennel, Commercial (See Section 225-99)			P						
Livestock Market (See Section 225-101)									SE
Nursery, Commercial (See Section 225-104)			P						
Roadside Stand		P				P			
Sand, gravel or clay excavations, including storage, drying and sales (mineral extraction) (See Section 225-111)									SE
Sawmill and other wood processing facilities, except treatment (See Section 225-112)									P
Wayside Stand (See Section 225-118)		P	P						
COMMERCIAL RETAIL AND WHOLESALE									
Adult Bookstore and/or Adult-oriented Entertainment Establishment				SPC					
Auction Houses			P					P	
Building supply or lumberyards			P	P					P
Convenience/mini-market with or without fuel sales		P	P	P	SPC				
Mail order house			P	P	P			P	

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		Zoning Districts							
USE DESCRIPTION	C-1	C-2	C-3	LB-1	LB-2	I-1	I-2		
Manufactured Home sales and service		SE							
Marine supplies, boats or equipment sales, service or repair		P					P		
Restaurants	SPC	P	P	P	SE				
- Drive-Thru / Fast Food		P		SPC	SE	SE			
Retail Sales (See Section 225-108)	P	P	P	SPC	P				
- Freestanding retail department or general merchandising stores >50,000 square feet, not located in a shopping center.		P	SPC						
- Specialty food/retail stores	P	P	P	P	P				
Self Storage	SE	P				P	P		
Shopping Centers (See Section 225-115)									
- Community Shopping Center		SPC	SPC						
- Neighborhood Shopping Center	SPC	SPC		SPC					
- Regional Shopping Center		SPC	SPC						
Wholesale sales, 10,000 square feet of gross floor area or greater	P	P							
Wholesale sales, less than 10,000 square feet of gross floor area	P	P	P	P					
COMMERCIAL SERVICE									
Bakery, including candy and ice cream	P	P	P						
Broadcasting, recording, television and communication offices and studios, excluding accessory antennas, towers and satellite disks	P	P	P	P	P				
Conference Center		SPC	SPC	SPC					
Day care as an independent use or day care services for employees and patrons of the permitted use as an accessory use	P	P	P	P	P				
Financial institutions	P	P	P	P	P	P			
Entertainment uses including nightclubs, bars and dance halls, but not including adult uses		P	P						
Funeral Home	P	P		P	P				
Health Club	P	P		P					
Hotel / Motel with 50 rooms or more	SPC	P	P	P	SPC				

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	Zoning Districts								
USE DESCRIPTION	C-1	C-2	C-3	LB-1	LB-2	I-1	I-2		
Hotel / Motel with less than 50 rooms	P	P	P	SPC					
Office buildings and offices	P	P	P	P	P	P	P		
Service establishments (See Section 225-113)	P	P	P	P	P				
Small Contracting Business		P				P			
Studios of a photographer, artist and writer, including teaching studios for art, crafts, drama, dance and	P	P	P	P	P				
Veterinary Clinic		P							
EMERGENCY SERVICES									
Fire Station with Assembly Hall	P	P	P	P	P	P	P	P	P
Fire Stations without assembly hall	P	P	P	P	P	P	P	P	P
Rescue squad, ambulance service (Private Companies)	P	P	P	P	P	P	P	P	P
INDUSTRIAL									
Asphalt Plants									SE
Assembly of leather goods and products								P	P
Assembly of products from previously processed metals, including bolts, nuts, screws, rivets, ornamental iron products, firearms, electrical appliances, tools, pumps, dies, machinery, hardware, wire								P	P
Assembly and repair of products from previously processed wood, including boxes, furniture, cabinets, baskets and other wood products of similar nature								P	P
Assembly and repair or the manufacture of finished products from sheet-metal materials, including heating, ventilating, cooking or refrigeration supplies and appliances									P
Assembly of equipment, including medical and dental equipment, drafting materials, optical and musical instruments, watches, clocks, toys, games and electrical or electronic apparatus, gas pumps and related products and tools								P	P
Assembly of Finished Products	SE							P	P

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		Zoning Districts						
USE DESCRIPTION		C-1	C-2	C-3	LB-1	LB-2	I-1	I-2
Assembly of products from previously prepared materials, including fiber glass, ceramics, microchips, computer products, glass, plastic, precious or semiprecious stones or metals							P	P
Assembly of products from textiles, including rugs, mattresses, pillows, quilts, millinery, hosiery, clothing, yarn, thread, fabrics and printing and finishing of textiles and fibers into fabric goods							P	P
Assembly of shipping containers, corrugated board, fiber and wire-bound and wood and plastic containers							P	P
Blacksmith shop, forge or foundries							P	P
Blending or bottling of beverages							P	P
Blending, mixing or bottling of beverages or distilling of grain for fuel								P
Bulk storage or processing of grain or feeds							P	P
Bulk storage, drying or sales of natural, unadulterated sand, gravel, clay or stone								P
Coal or wood yards storage or sales								P
Composting facility, as either a principal or accessory use								SE
Compounding of and mixing of products from previously processed materials, cosmetics, toiletries, drugs and pharmaceutical products							P	P
Concrete or terra cotta or brick products manufacturing, storage or sales								P
Contractor's yard								P
Fertilizer manufacture								SE
Fertilizer mixing or storage								P
Food processing facility for either animal, poultry or human consumption, including on-site storage and distribution								P
Ice factories								P
Light Industry (See Section 225-100)			SE				P	P
Machine shops								P
Manufacturing								P
Manufacture of bakery products, candy, dairy products and ice cream							P	P

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		Zoning Districts							
USE DESCRIPTION		C-1	C-2	C-3	LB-1	LB-2	I-1	I-2	
Marina/shipyard, industrial, including the storage or sale or service of boats or marine equipment or supplies								SPC	
Marine, terminal								SPC	
Micro Brewery:									
- As an accessory use in restaurant		SPC	P	P	P		SE		
- As a stand-alone use			SE	SPC			P	P	
Petroleum, propane, chemical or natural gas manufacture, refining or storage on five (5) acres or more								SE	
Photographic processing and blueprinting establishments							P	P	
Portable storage containers, as an accessory use							P	P	
Power Generating Facilities, Privately Owned								SE	
Printing, publishing or bookbinding			P				P	P	
Rail yards								P	
Recycling Facility							SE	SE	
Research Establishment					SPC		P	P	
Rubble Landfill								SE	
Sanitary landfill, publicly or privately owned								SE	
- With outside storage		SPC	SPC	SPC					
- Without outside storage		SPC	P	P					
Sheet metal stamping							P	P	
Shipyard, boat or marine equipment manufacturing								SPC	
Sludge Handling								SE	
Soil Remediation facility								SE	
Stone crusher								SE	
Stone monuments, cutting or polishing								P	
Truck or railroad terminals, including related repair or storage facilities							SE	SE	

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		Zoning Districts							
USE DESCRIPTION	C-1	C-2	C-3	LB-1	LB-2	I-1	I-2		
Warehouse (See Section 225-117)									
- less than 40,000 sq. ft. gfa.		P		P		P	P		
- greater than 40,000 sq. ft. gfa.		SPC				P	P		
Welding shops, ornamental iron works						P	P		
Wood treatment facility for the treatment of wood or wood products with chemicals of any type							SE		
Winery, including incidental sales of wine products produced on-site						P	P		
Wood products assembly or manufacture							P		
INSTITUTIONAL									
Cemeteries not affiliated with Places of Religious Assembly (See Section 225-83)									
-Lot less than 5 acres		SE							
-Lots 5 acres and greater		P							
Crematorium (See Section 225-84)		SE	SPC			SE			
Hospitals, sanitariums or sanatoriums (See Section 225-98)	SPC	SE	SPC						
Libraries, museums, art galleries, meeting rooms	P	P		P					
Medical facility or clinic for human care	P	P	P	P					
Nursing Care Facility		SE	SPC	SPC					
Places of Religious Assembly (See Section 225-105)	P	P	P	P	P	P			
Private Clubs [Service Clubs & Fraternal Organizations]	P	P		P					
Schools									
- Nursery	SPC			SPC	SPC				
- of General Instruction (See Section 225-114)				P	SPC				
- of Special Instruction		P		P	SPC				
MISCELLANEOUS USE									
Accessory Structures and Uses	P	P	P	P	P	P	P		
Outdoor advertising structure		SE				SE	SE		
Zoos and Zoological Gardens		SE	SPC						

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USE DESCRIPTION		Zoning Districts							
MOTOR VEHICLE-RELATED SALES AND SERVICE OPERATIONS									
Car Wash			P						
Motor Vehicle Rental			P	P					P
Motor Vehicle Sales			P	P					
Motor Vehicle Service Stations - with or without fuel sales		P	P	P	SPC				P
Parking lot or parking structure		P	P	P					P
Salvage Yard (See Section 225-110)									SE
Storage trailer sales or rental facility									SE
PUBLIC AND SEMI-PUBLIC FACILITIES									
Transportation									
- Bus Depot		P	P	P	P		P		P
- Park and Ride Facilities		P	P	P	P		P		P
- Train station			SE	SPC				SE	SE
RECREATION, AMUSEMENT, ENTERTAINMENT									
Amusement Parks			SE						
Automobile and motorcycle racing tracks			SE						
Campgrounds, Recreational Vehicle Parks (See Section 225-81)			SE						
Commercial recreation uses			P	P				P	
Go Cart, Off-Road Motorcycle, and Off-Road Bicycle Tracks			SE						
Golf Courses (See Section 225-94)			SE						
Golf Driving Range, not part of a golf course			SE						
Golf-Miniature			SE						
Indoor recreation			P	P	P		P	SE	SE
Indoor rifle and pistol ranges, commercial		SPC	SE	SPC				SE	
Marina									
- Commercial			SPC						SPC
- Recreational			SPC						

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USE DESCRIPTION	C-1	C-2	C-3	LB-1	LB-2	I-1	I-2		
Outdoor Community Events		P							
Rifle and pistol range, war games, archery ranges		SE							
Stadium		P	P						
Theater									
– indoor	P	P	P						
- outdoor (See Section 225-109)		SE							
RESIDENTIAL									
Accessory Apartment	SPC	SE							
Bed and breakfast (See Section 225-80)									
Country Inn					P				
Day Care (See Section 225-82)									
- Center		P		P	P				
- Elderly		P		P	P				
- Family		P		P	P				
Dwelling									
– Single Family Detached					P				
– Manufactured Home – Double-wide (See Section 225-87)									
– Two-Family					P				
– Apartments and apartment projects (See Section 225-78)					P				
– Townhouse (See Section 225-90)				P					
Dwelling Unit with a commercial/business/office building	P	P		P	P				
Group Homes/Youth Group Homes (See Section 225-96)					P				
Guest Rooms (See Section 225-97)					P				
Home – Based Business (See Section 225-97)									
- Type I Home-based business				P	P				
- Type II Home-based business				SPC	SPC				
- Type III Home-Based Business									

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		Zoning Districts							
USE DESCRIPTION		C-1	C-2	C-3	LB-1	LB-2	I-1	I-2	
Manufactured Home Park (See Section 225-102)			SPC						
Mobile Office, temporary in conjunction with an approved construction or development project		P	P	P	P		P	P	
Rehabilitative Housing (See Section 225-107)						P			
UTILITIES									
Privately Owned and Operated Utility			P				P	P	
Public Utility									
- Public Utility as defined in Section 225-3 and 225-66		P	P	P	P	P	P	P	
- Relay stations, storage stations, electric substations, and overhead electric power transmission lines of >69,000kv		SPC	SE	SPC	SPC	SPC	SE	SE	SE
Wireless Telecommunication Facilities (See Section 225-119)			SE						SE



City of
Salisbury
Jacob R. Day, Mayor

To: City Council

From: Julia Glanz, City Administrator *Julia Glanz*

Subject: Elimination of the City's Maximum Real Property Tax Rate

Date: April 29, 2020

The max tax rate in SC7-35 of the City Charter is \$.76 per \$100 valuation for all general purposes other than for servicing bonds. In FY21, the existing debt service on bonds declines thereby reducing the max tax rate allowed. Also, in FY21 the Real Property Assessments rise. These conditions result in the existing max tax rate exceeded in FY21 even if the FY20 tax rates are maintained and not increased.

The Mayor recommends that the Council eliminate the max tax rate. The maximum tax rate is an arbitrary figure that we set a number of years ago and does not bear any relationship to the current costs to the City for service delivery to our citizens.

It is important the charter change to the tax rate goes into effect in time for the adoption of the FY21 budget. It is necessary for the Council to act on this charter change in time to comply with the requirement that the change is not effective until after fifty (50) days from when it is adopted.

1 **CHARTER AMENDMENT RESOLUTION NO. 2020-2**

2
3 **A RESOLUTION TO AMEND THE CHARTER OF THE CITY OF SALISBURY,**
4 **MARYLAND BY DELETING THE MAXIMUM TAX RATE DESCRIBED IN**
5 **SECTION § SC7-35 OF ARTICLE VII.**
6

7
8 WHEREAS, Section SC7-35 of the Salisbury City Charter establishes a maximum
9 property rate of \$.76 per \$100 valuation for all general purposes other than for servicing bonds;
10 and
11

12 WHEREAS, the City Council of the City of Salisbury has determined it is in the best
13 interest of the citizens of Salisbury that the maximum tax rate be eliminated.
14

15 **NOW, THEREFORE, BE IT RESOLVED** by the Salisbury City Council, by virtue of
16 the authority granted in Article XI-E of the Constitution of Maryland, Local Government Article
17 § 4-301 et seq. of the Annotated Code of Maryland and § SC21-1 and § SC21-2 of the Salisbury
18 City Code, that § SC7-35 of the Salisbury City Charter is amended as follows:
19

20 § SC7-35. - Taxable property.
21

22 All real and tangible personal property within the limits of the City of Salisbury, or which may
23 have a situs there by reason of the residence of the owner therein, shall be subject to taxation for
24 municipal purposes, and the assessment for said purpose shall be the same as that for state and
25 county purposes. **[[The Mayor and Council of Salisbury shall not tax property for all**
26 **general purposes other than servicing bonds at a rate greater than seventy-six cents (\$0.76)**
27 **on each one hundred dollars (\$100.) of assessed valuation.]]**
28

29 **EXPLANATION:**
30

31 * *ITALICIZED AND UNDERLINED PRINT INDICATES MATERIAL ADDED TO*
32 *EXISTING LAW.*

33 Deleted material from the existing Charter is indicated by bold double bracketed **[[]]**
34 language.
35

36 **AND IT BE FURTHER RESOLVED THAT** in accordance with Maryland Annotated
37 Code, Local Government Article, Subsection 4-304, the Mayor and/or the City Clerk, who are
38 authorized to act as outlined below, shall:
39

- 40 a. Post a complete and exact copy of this Charter Amendment at the City Government
41 Building, for at least forty (40) days after the passage of this Resolution; and
42
43 b. Advertise a fair summary of this Resolution, which is deemed by the City Council to
44 be the title of this Resolution, once per week for four (4) weeks in a newspaper of
45 general circulation within the City of Salisbury beginning immediately after the
46 passage of this Resolution.

47
48 **AND, BE IT FURTHER RESOLVED** by the Salisbury City Council that the title of
49 this Resolution shall be deemed a fair summary of the amendments provided for herein for
50 publication and all other purposes;

51
52 **AND, BE IT FURTHER RESOLVED** by the Salisbury City Council that this
53 Resolution shall take effect fifty (50) days from and after the date of its final passage and that its
54 provisions shall be implemented on the ____ day of _____, 2020, subject to the right
55 of referendum. The City Clerk, on behalf of the Mayor, is hereby directed to proceed with the
56 posting and publication of this Resolution, and the sending of information concerning the charter
57 amendments provided for herein to the Maryland Department of Legislative Services pursuant to
58 the requirements of the Maryland Annotated Code, Local Government Article, Subsection 4-304.

59
60 This Resolution was introduced, read and passed at a meeting of the Salisbury City
61 Council held on the ____ day of _____, 2020.

62
63 ATTEST:

64
65 _____
66 Kimberly R. Nichols,
67 City Clerk

John R. Heath, President
Council of the City of Salisbury

68
69
70 Publish: _____
71 _____
72 _____
73 _____