



CITY OF SALISBURY CITY COUNCIL AGENDA

October 25, 2021

6:00 p.m.

Government Office Building, Room 301, Salisbury, Maryland and Zoom Video Conferencing

Times shown for agenda items are estimates only.

- 6:00 p.m. CALL TO ORDER
- 6:01 p.m. WELCOME/ANNOUNCEMENTS/PLEDGE
- 6:02 p.m. CITY INVOCATION- Pastor Greg Morris, Parkway Church of God
- 6:03 p.m. PROCLAMATION- Mayor Jacob R. Day
- Family Court Awareness Month
- 6:13 p.m. ADOPTION OF LEGISLATIVE AGENDA
- 6:14 p.m. CONSENT AGENDA- City Clerk Kimberly Nichols
- October 4, 2021 Work Session Minutes
 - October 11, 2021 Legislative Session Minutes
 - **Resolution No. 3130**- to approve the appointment of Cody Drinkwater to the Disability Advisory Committee for term ending October 2024
- 6:16 p.m. AWARD OF BIDS- Procurement Director Jennifer Miller
- **Award of Contract**
 - ITB 21-119 Riverwalk Polymer Overlay
 - ITB 22-109 Zoo Administration Building
 - **Declaration of Surplus**
 - Department of Field Operations – Trailer, Camera & Generator
 - Salisbury Fire Department – 3 Ambulance Units
 - Salisbury Fire Department – Ford Crown Victoria
- 6:25 p.m. ORDINANCES- City Attorney Michael Sullivan
- **Ordinance No. 2689**- 2nd reading- to grant a property tax credit against the City property tax imposed on certain real property owned by Habitat for Humanity of Wicomico County, Inc.
 - **Ordinance No. 2690**- 2nd reading- an ordinance of the City of Salisbury to amend Chapter 17.16 of the Salisbury City Code by adding Subsection 17.16.090 Nonconforming Use Zoning Exemption Program

- **Ordinance No. 2691**- 2nd reading- authorizing the Mayor to enter into a memorandum of understanding with the Wicomico County Health Department and approving a budget amendment of the FY2022 General Fund Budget to appropriate funds received from the Wicomico County Health Department in the amount of \$10,000.00
- **Ordinance No. 2692**- 1st reading- to establish a program to encourage the expansion of residential housing in the City of Salisbury, known as the Housing Expansion Incentive program
- **Ordinance No. 2693**- 1st reading- to establish a payment in lieu of taxes (“PILOT”) to encourage affordable housing development

6:45 p.m. PUBLIC COMMENTS

6:50 p.m. ADMINISTRATION and COUNCIL COMMENTS

7:00 p.m. ADJOURNMENT

Copies of the agenda items are available for review in the City Clerk’s Office, Room 305 – City/County Government Office Building, 410-548-3140 or on the City’s website www.salisbury.md. City Council Meetings are conducted in Open Session unless otherwise indicated. All or part of the Council’s meetings can be held in Closed Session under the authority of the Maryland Open Meetings Law, Annotated Code of Maryland General Provisions Article § 3-305(b) by vote of the City Council.

NEXT COUNCIL MEETING – NOVEMBER 8, 2021

- Proclamation- Municipal Government Works Month
- **Ordinance No. 2692**- 2nd reading- to establish a program to encourage the expansion of residential housing in the City of Salisbury, known as the Housing Expansion Incentive program
- **Ordinance No. 2693**- 2nd reading- to establish a payment in lieu of taxes (“PILOT”) to encourage affordable housing development

Join Zoom Meeting
<https://us02web.zoom.us/j/88186172560>
 Meeting ID: 881 8617 2560
 Phone: 1.301.715.8592

CITY OF SALISBURY
WORK SESSION
OCTOBER 4, 2021

Public Officials Present

Council President John “Jack” R. Heath Mayor Jacob R. Day
Council Vice-President Muir Boda Councilwoman Michele Gregory
Councilwoman April Jackson

Public Officials Absent

Councilwoman Angela Blake

In Attendance

Housing & Community Development Department (HCDD) Director Ron Strickler, Fire Chief John Tull, Nate Sansom, Special Assistant to the Mayor, City Attorney Michael Sullivan, City Clerk Kimberly Nichols, and members of the Public.

On October 4, 2021 the Salisbury City Council convened in a hybrid Work Session (in person and on Zoom Conferencing Video) at 4:30 p.m. in Council Chambers. President Heath called for a moment of silent meditation in memory of the recent passing of North Beach Councilwoman Jane Hagen and Wicomico County Code Administrator – Town of Hebron Town Commissioners President Rick Dwyer.

Non-conforming Use Zoning Exemption program

HCDD Director Ron Strickler reported that a great deal of work was done since the first discussed with Council in January 2021. Initially, through HCDD’s rental registration, opportunities were identified where improvements to communities not allowed to get rental licenses could be made. In the program, blight and vacant properties could be eliminated and the current housing shortage addressed by opening up needed properties.

Mr. Strickler discussed the Code amendment which received favorable recommendation from the Planning Commission on September 16, 2021. The program would be approved for one calendar year. The objectives were to increase property value, provide tax revenue, support neighborhood stability, housing, and added revenues for the City. The City would have decreased calls for service directly related to vacant properties, and less blight and City-absorbed maintenance expenses. The two eligibility requirements for the program were: 1) any vacant property that lost its non-conforming use by being vacant for one year, and 2) any property that lost its non-conforming use in the last five years. The application must be received within twelve months of the passage of the legislation and could be extended after twelve months by Council. Property owners would have to be in good standing with the City. The application process would go through HCDD and Department of Infrastructure and Development (DID). Calls for service would be limited to three calls per unit. One unit’s license being revoked would not negatively impact the other units on the property. Three exterior code violations would be allowed per year subject to inspections. There would be a \$500 application fee and an increase in the

annual fee of the landlord license registration and rental unit registration from \$120 to \$240. If the property sat vacant for twelve months it would lose its non-conforming use, and would keep the property owner encouraged to maintain the property.

Mr. Boda supported the program and asked how many properties would be impacted. Mr. Strickler said they identified about twenty properties, but there were probably more.

President Heath asked who would track calls for service and asked for an update on the program in six months. Tracking would be between HCDD and the Police Department.

Ms. Jackson asked when the program would begin; Mr. Strickler said in a month. He restated that once the legislation passed the property owner would have a year to apply. Once approved, the owner would have twelve months to finish the renovation. Once they received the occupancy permit and had tenants it could not sit vacant for more than twelve months. It would still require it to be vacant for more than twelve months in order to lose the non-conforming use.

Mayor Day said that there was a crisis and everything the City could do for safe and affordable housing needed to be done. A vacant home was a further blighting influence than a home designed originally as a single-family home and cut up into three or four.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Budget Amendment for Safe Station program

Fire Chief John Tull explained the budget amendment and MOU between the Wicomico County Health Department and the Fire Department. The Health Department received funding from Mid-Shore Behavioral Health for a Safe Station Program providing 24 hour services for treatment and recovery resources. The Fire Department partnered with the Health Department to provide non-emergent medical checks to all individuals that enter the Safe Station. The Department would invoice the Health Department quarterly for \$2500. The funds would be used to purchase additional medical supplies and equipment.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Ordinance approving a tax credit for Habitat for Humanity

Nate Sansom, Special Assistant to the Mayor, joined Council to discuss the tax credit to assist Habitat for Humanity in rehabilitating and constructing new homes in the City. It would be valid for up to five years as long as the property was under development by Habitat. Habitat's average for constructing or renovating properties has been 2.8 years, and they would only use about three years of the credit for each property they developed.

The impact to the City would be just over \$1,500 per year in lost tax revenue from Real Property tax for the 11 eligible properties. Mr. Sansom explained this was done in other counties including Anne Arundel, Caroline, St. Mary's, etc. Municipalities were also eligible to create the tax credit to make housing more affordable throughout the City.

Mr. Boda asked if water and sewer credits would be issued at that time. Mayor Day said there would not be a water and sewer bill. He also asked if the County would partner on the credit, and Ms. Hilligoss said that they were waiting on the City to act first.

Mayor Day said the legislation required Habitat to provide an annual report to the City, which was not intended to be cumbersome, but to provide information on the properties included. There would be additional legislation presented soon to impact Salisbury Neighborhood Housing Service which had to be managed differently due to limitations in State enabling legislation. This legislation, based on the State enabling legislation, enabled the City to do this for Habitat, and Council would be updated on the impact.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Public Comments

Two members of the public discussed the following topics:

Director for Habitat for Humanity shared impact of the legislation, as listed in the attachment entitled, "Economic Impact of New Home Construction" which she passed out to Council.

Habitat for Humanity associate Michael Lankford shared the remarks noted in the attached letter. (Both attachments are attached and included as part of the minutes.)

Administration Comments

Mayor Day said there would be more legislation introduced and thanked Council.

Mr. Boda thanked Mayor Day for introducing the "Here is Home" package.

Ms. Jackson knew people in these situations, and the information was a lot to absorb. She asked Code Enforcement Officers to ensure everyone was living safely and said Salisbury should not have twenty blighted / vacant houses where people could be living.

Ms. Gregory thanked Mr. Lankford for the eloquent speech. The legislation would set the bar for all cities across the state for years to come. She saw larger cities than Salisbury with the ability to do similar as this, but instead criminalized homelessness.

President Heath reminded the skeptics of the "Here is Home" package, "there but for the grace of God go I." He said it was the right thing to do, and was why he ran for Council.

With no further business to discuss, the Work Session was adjourned at 5:14 p.m.

City Clerk

Council President

Economic Impact of New Home Construction

Client: Habitat for Humanity of Wicomico County

One Time Economic Impact of Each New House (in 2020 Dollars): **\$236,973**

Labor Income Generated by Each House During Construction/Renovation (in 2020 Dollars): **\$74,356**

Local Tax Revenues Generated by Each House During Construction/Renovation (in 2020 Dollars): **\$3,017**

Lifetime Economic Impact of Each New House (in 2020 Dollars): **\$1,780,938**

Lifetime Labor Income Generated by Each House (in 2020 Dollars): **\$1,228,360**

Lifetime Local Tax Revenues Generated by Each House (in 2020 Dollars): **\$157,493**

Number of Jobs Supported over the Lifetime of Each House: **39**

NOTE: Lifetime impacts are calculated over 30 years and tax rate increases are assumed to average 2% per year.

Dr. Memo Diriker, Director
The Business, Economic, and Community Outreach Network (BEACON)
Franklin P. Perdue School of Business at Salisbury University
Phone: 410-546-6001 - Fax: 410-546-6002 - Cell: 410-603-6622
Web: <https://BEACON.salisbury.edu>



Habitat for Humanity of Wicomico County, Inc.

Covid-19 Emergency Rental Assistance Recap
August 1, 2020 to present

FY2021

FY21	Households served	Individuals served	FY21 Households served	To date individuals	\$\$ Expended	To Date Expended
CDBG Cares Act (FY21)			55	161		\$ 144,735.55
CRF-7 Rental Assistance (FY21)			29	83		\$ 103,000.00
ERAP			82	213		\$ 453,403.41
Total FY21			166	457		\$ 701,138.96

FY2022

ERAP - Grant start date: June 1, 2021; expires Dec 31, 2022.

Grant spend down

ERAP	week	Households served	Individuals served	To date HHs	To date Individuals	\$\$ Expended	To Date Expended	Expended in FY22	
June	1	9	21	9	21	\$ 63,894.20	\$ 63,894.20	\$	2,027,000.00
June	2	20	60	29	81	\$ 117,617.51	\$ 181,511.71	\$	1,963,105.80
June	3	20	41	49	122	\$ 116,367.28	\$ 297,878.99	\$	1,845,488.29
June	4	19	65	68	187	\$ 93,597.46	\$ 391,476.45	\$	1,729,121.01
June	5	14	26	82	213	\$ 61,926.96	\$ 453,403.41	\$	1,635,523.55
July	1	14	40	96	253	\$ 78,526.72	\$ 531,930.13	\$ 78,526.72	\$ 1,573,596.59
July	2	17	40	113	293	\$ 88,194.11	\$ 620,124.24	\$ 166,720.83	\$ 1,495,069.87
July	3	23	55	136	348	\$ 95,461.36	\$ 715,585.60	\$ 262,182.19	\$ 1,406,875.76
July	4	31	71	167	419	\$ 129,917.40	\$ 845,503.00	\$ 392,099.59	\$ 1,311,414.40
August	1	20	56	187	475	\$ 101,082.38	\$ 946,585.38	\$ 493,181.97	\$ 1,181,497.00
August	2	19	56	206	531	\$ 103,987.46	\$ 1,050,572.84	\$ 597,169.43	\$ 1,080,414.62
August	3	27	71	233	602	\$ 112,351.30	\$ 1,162,924.14	\$ 709,520.73	\$ 976,427.16
August	3	20	48	253	650	\$ 96,890.03	\$ 1,259,814.17	\$ 806,410.76	\$ 864,075.86
August	4	11	29	264	679	\$ 42,749.90	\$ 1,302,564.07	\$ 849,160.66	\$ 767,185.83
August	5	20	55	284	734	\$ 68,909.85	\$ 1,371,473.92	\$ 918,070.51	\$ 724,435.93
September	1	23	55	307	789	\$ 88,701.52	\$ 1,460,175.44	\$ 1,006,772.03	\$ 655,526.08
September	2	18	42	325	831	\$ 80,479.39	\$ 1,540,654.83	\$ 1,087,251.42	\$ 566,824.56
September	3	22	53	347	884	\$ 83,790.30	\$ 1,624,445.13	\$ 1,171,041.72	\$ 486,345.17
September	4	24	71	371	955	\$ 90,014.28	\$ 1,714,459.41	\$ 1,261,056.00	\$ 402,554.87
September	5	26	60	397	1015	\$ 98,936.54	\$ 1,813,395.95	\$ 1,359,992.54	\$ 312,540.59

Total Covid Emergency Rental Assistance	To date HHs	To date Individuals	To Date Expended
To Date	481	1259	\$ 2,411,534.91

If using this data, please provide credit to Analysis by Molly Hillgoss, MBA, September 1, 2020

Analysis of Evictions in Maryland

Rank by Population	County	Population	Median Income	% of Population evicted	Annualized Evictions - based on 6 months of data (Sept 2019-Feb 2020)	Avg Monthly evictions	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	March 2020
1	Montgomery Co	1,050,688	99,604	0.076%	802	67	95	65	74	38	71	58	38
2	Prince George's Co	909,327	78,680	0.407%	3,702	309	411	337	278	116	452	257	130
3	Baltimore County	827,370	72,305	0.665%	5,502	459	494	550	359	302	591	455	120
4	Baltimore city/co	593,490	46,604	1.091%	6,476	540	466	567	384	380	702	739	340
5	Anne Arundel Co	579,234	95,297	0.187%	1,056	88	66	83	101	68	118	92	12
6	Howard County	325,090	119,386	0.144%	470	39	39	42	37	26	58	33	12
7	Frederick County	259,547	89,541	0.032%	82	7	12	13	3	2	11	0	0
8	Harford County	255,441	83,595	0.228%	582	49	62	50	42	33	57	47	22
9	Carroll County	168,447	89,595	0.090%	152	13	16	15	22	6	8	9	0
10	Charles County	163,257	93,947	0.163%	266	22	12	23	26	8	43	21	17
11	Washington Coun	151,049	54,643	0.526%	794	66	71	60	61	59	75	71	23
12	St. Mary's County	113,510	80,049	0.074%	84	7	6	7	8	0	11	10	6
13	Wicomico County	103,609	50,015	0.429%	444	37	30	40	41	31	45	35	25
14	Cecil County	102,855	70,504	0.257%	264	22	28	41	16	17	15	15	6
15	Calvert County	92,525	97,188	0.050%	46	4	3	9	0	0	11	0	0
16	Allegany County	70,416	44,708	0.230%	162	14	17	11	13	8	22	10	6
17	Worcester County	52,276	53,509	0.103%	54	5	2	8	3	2	5	7	5
18	Queen Anne's Co	50,381	79,966	0.064%	32	3	5	2	2	2	4	1	0
19	Talbot County	37,181	62,264	0.054%	20	2	2	4	0	2	1	1	0
20	Caroline County	33,406	49,616	0.054%	18	2	0	0	2	0	1	6	2
21	Dorchester Coun	31,929	44,491	0.476%	152	13	9	20	18	4	18	7	10
22	Garrett County	29,014	46,710	0.083%	24	2	3	3	3	1	2	0	1
23	Somerset County	25,616	38,546	0.476%	122	10	11	18	7	6	9	10	1
24	Kent County	19,422	54,210	0.144%	28	2	2	1	1	1	3	4	0
					21,334	1,778	1862	1969	1501	1114	2334	1887	776

United States Census Bureau. B01001 SEX BY AGE, 2018 American Community Survey 5-Year Estimates. U.S. Census Bureau, American Community Survey Office. Web. 19 December 2019. <http://www.census.gov/>.

United States Census Bureau. Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2019. U.S. Census Bureau, Population Division. Web. May 2020. <http://www.census.gov/>.

Data collected from: <https://www.mdcourts.gov/district/about/stats>. The statistics include landlord-tenant cases.

Thank you for allowing me to speak today.

Narrative is how we create meaning in our lives as well as navigate the world.

Storytelling is essential to what it means to be human. Sometimes stories we tell help and sometimes they make our lives more difficult; narrative can become a gateway or a barrier to true understanding.

In the spirit of this insight, I would like to share a summary of recent experiences while working at Habitat for Humanity Wicomico County. I work on the Emergency Rental Assistance Program and until recently, the CDBG CV-1-12 Emergency Motel/Hotel Project. Both of these are grant-funded programs which assist low-income people affected by the pandemic approved by the governor of Maryland. Everyone I have come across in the last year and a half, personally and professionally, have endured hardship in one manner or another due to COVID-19, however, when one becomes at risk of losing their housing, or does in fact lose stable housing, their lives become a struggle no one, in the most prosperous nation in history, ought to endure. These programs have put me in direct contact with hundreds of individuals in our community who have lost, or are close to losing, their housing. Working on the hotel funding, which is for people currently homeless referred to our agency by another organization (such as a shelter which is full), I have encountered mothers, children, displaced youth, veterans, and working class people, barely getting by before the pandemic, who now face a struggle for survival ~~daily~~. Some of these people have had to quarantine due to exposure to COVID-19 and do not get paid time off at their place of employment, some have had a reduction in hours at their workplace, and some have been laid off from a job they held for years prior. None of these effects are their responsibility, yet they bear the consequences.

Some of these families have to live in a hotel room for a week or two and have to arrange a temporary bus stop from the hotel for their children with the Board of Education. When you face homelessness, it often is accompanied by feelings of shame or guilt. Can you imagine the accompanying feeling when you call your child's school to arrange transportation under the pretense of currently living at a hotel, but knowing you must divulge this personal information to a stranger because you know the bearing an education has for your child's future? Can you imagine going to a homeless shelter because the weather is growing colder, and you can no longer endure the elements, only to hear there is no room for you, when you risked your very life in service to this nation at one time? Can you imagine leaving work today, not to go home, but to a hotel, not for a vacation, but because there is nowhere else to go, and knowing with each passing day, you come closer to a checkout date that is the end of access to showering facilities while knowing you must continue to go to work? Can you imagine looking for housing in a city where rent is often between \$1000-\$1600, when the average income for a resident of Salisbury is \$21,000 a year, which means half of your income or more must go to housing, leaving you with \$10,000 to pay water, electric, car payment, car insurance, gas, and food? Most of these mothers must work two or even three jobs, when they have a family member or friend who is able to watch their children, just to barely get by; instead of making memories and imparting important life lessons to their children, they are spending every moment full of worry and yet still striving to provide the essentials to their children. And then they lose their housing.

These are not theoretical scenarios, but realities people are facing. These people are not vagrants and undesirables. They are those who attend your church and community organizations; they play sports and perform arts with your children; they are your neighbors. They are valuable members of this community whom you already know and love. We must continue to rally to their aid; it is our civic duty. As human beings, who traverse life with

narratives, we must be careful to watch which narratives are assisting us to grow more tender in our responses, and which are causing us to turn a blind eye to hard realities. It may be hard to face some of these realities, but it is even harder to live them, and this must embolden us to be strong for those in need within our communities; and our response ought to be to grow more compassionate. To ask ourselves: how can I help?

I would like to thank you all for allowing me to speak on behalf of those struggling in our city, Habitat for Humanity for their hard work and service, and the City of Salisbury for providing hope in a dire time of need within our community. Thank you.

CITY OF SALISBURY, MARYLAND

REGULAR MEETING (COUNCIL CHAMBERS AND ZOOM)

OCTOBER 11, 2021

PUBLIC OFFICIALS PRESENT

*President John “Jack” R. Heath
Councilwoman Angela M. Blake*

*Council Vice-President Muir Boda
Councilwoman Michele Gregory*

PUBLIC OFFICIALS ABSENT

*Mayor Jacob R. Day
Councilwoman April Jackson*

IN ATTENDANCE

*City Administrator Andy Kitzrow, Fire Chief John Tull, Field Operations Director Jana Potvin,
Department of Housing and Community Development Director Ron Strickler, Poplar Hill
Mansion Curator Sarah Meyers, City Attorney Michael Sullivan, City Clerk Kimberly Nichols,
members of the press and Public*

CITY INVOCATION – PLEDGE OF ALLEGIANCE

*The City Council met in regular session at 6:00 p.m. in a hybrid meeting (in person and on Zoom
Conferencing Video) and Council President John R. “Jack” Heath called the meeting to order.
After the recital of the pledge to the flag, he then invited Pastor Dana Stauffer of the Emmanuel
Church Fruitland Campus to provide the invocation.*

PROCLAMATION

*City Administrator Andy Kitzrow presented the Dysautonomia Awareness Month proclamation.
Dysautonomia is a disease in which the nerves of the autonomic nervous system are damaged
and affects people of any age, gender, race or background. It impacts many functions of the
body; treatments can help manage the condition, but there is no known cure. Certain types can
be dangerous or life threatening. Mr. Kitzrow declared October 2021 as Dysautonomia
Awareness Month on behalf of Mayor Jacob R. Day in an effort to increase awareness of this
debilitating and sometimes fatal disease.*

Mr. Kitzrow invited Brooke Zuppo forward to receive the proclamation.

ADOPTION OF LEGISLATIVE AGENDA

*Ms. Blake moved, Ms. Gregory seconded, and the vote was unanimous (4-0) to approve the
legislative agenda as presented.*

CONSENT AGENDA – presented by City Clerk Kimberly Nichols

The Consent Agenda, consisting of the following items, was approved by a 4-0 vote on a motion and seconded by Mr. Boda and Ms. Blake, respectively:

- September 20, 2021 Work Session Minutes
- September 27, 2021 Legislative Session Minutes
- **Resolution No. 3129**- to approve the reappointment of Katherine Jones to the Disability Advisory Committee for term ending November 2024

ORDINANCES- presented by City Attorney Michael Sullivan

- **Ordinance No. 2683**- 2nd reading- approving an amendment of the City of Salisbury's FY22 General Fund budget and the Grant Fund budget to allocate funding from the Community Foundation of the Eastern Shore and General Fund grant match for maintenance of the bandstand and bridge in the City Park

Ms. Gregory moved, Mr. Boda seconded, and the vote was unanimous (4-0 vote) to approve Ordinance No. 2683 for second reading.

- **Ordinance No. 2685**- 2nd reading- to amend Chapter 8.08 Brush, Weeds and Obnoxious Growth to include the definition & requirements of Meadow Cultivation and to allow for the cultivation of meadows in the City of Salisbury, Maryland

Ms. Gregory moved and Mr. Boda seconded to approve Ordinance No. 2685 for second reading.

Mr. Boda moved, Ms. Gregory seconded, and the vote was unanimous to amend Ordinance No. 2685 as read by Mr. Sullivan.

Ordinance No. 2685, as amended for second reading, was approved by unanimous vote in favor (4-0 vote).

- **Ordinance No. 2686**- 2nd reading- authorizing the Mayor to enter into a contract with the U.S. Department of Housing & Urban Development for the purpose of accepting additional Community Development Block Grant (CDBG) funds in the amount of \$17,796.00, and to approve a budget amendment to the grant fund to appropriate such CDBG funds for the projects outlined in the 2021 CDBG Action Plan

Ms. Blake moved, Ms. Gregory seconded, and the vote was unanimous (4-0 vote) to approve Ordinance No. 2686 for second reading.

- **Ordinance No. 2687**- 2nd reading- approving an amendment of the City's FY22 General Fund budget and the Capital Project Fund budget to allocate funding for the Poplar Hill ADA Ramp and Bathroom Conversion Project

Ms. Gregory moved, Mr. Boda seconded, and the vote was 4-0 to approve Ordinance No. 2687 for second reading.

President Heath asked if the need for additional funds was due to the bathroom renovation coming in over budget, or if it was due to the difference in costs of a ramp and a lift. Field Operations Director Jana Potvin answered it was due to both, and the bathroom came in over budget by \$3,200.

- **Ordinance No. 2688**- 2nd reading- approving an amendment of the city of Salisbury's FY22 General Fund budget for the addition of the position of Special Assistant for Intergovernmental Affairs

Mr. Boda moved, Ms. Gregory seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2688 for second reading.

- **Ordinance No. 2689**- 1st reading- to grant a property tax credit against the City property tax imposed on certain real property owned by Habitat for Humanity of Wicomico County, Inc.

Mr. Boda moved, Ms. Blake seconded and the vote was unanimous (4-0) to approve Ordinance No. 2689 for first reading.

- **Ordinance No. 2690**- 1st reading- an ordinance of the City of Salisbury to amend Chapter 17.16 of the Salisbury City Code by adding Subsection 17.16.090 Nonconforming Use Zoning Exemption Program

Ms. Blake moved and Ms. Gregory seconded to approve Ordinance No. 2690 for first reading.

Mr. Boda moved to amend Ordinance No. 2690 by striking "compete" and inserting "complete" on Line 26. Ms. Blake seconded and the vote was unanimous.

Ordinance No. 2690 for first reading, as amended, was approved by unanimous vote in favor.

- **Ordinance No. 2691**- 1st reading- authorizing the Mayor to enter into a memorandum of understanding with the Wicomico County Health Department and approving a budget amendment of the FY2022 General Fund Budget to appropriate funds received from the Wicomico County Health Department in the amount of \$10,000.00

Ms. Blake moved, Ms. Gregory seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2691 for first reading.

PUBLIC COMMENTS

One member of the public provided the following comments:

- Coastal Association of Realtors was very excited about the things the Mayor was planning for housing in the City.
- The Non-conforming Use Zoning Exemption program was a great idea.
- He had some concerns about calls for service and posed the following questions: What is a call for service? How many times does it happen to count against your property? What is losing your non-conforming use mean?
- A lot of money goes into rehabbing these homes, and he would hate to see non-conforming use lost over a neighbor not liking someone and calling the police every day.
- He was sure the questions could be resolved and wanted to congratulate the Mayor and Council for their efforts in trying to resolve some of the City's housing problems.

ADMINISTRATION AND COUNCIL COMMENTS

Mr. Kitzrow announced the Movies on the River during the summer were very successful and the last one was Friday, October 15, 2021 for the season. He encouraged people to continue to get vaccinated.

Mr. Boda asked what movies were playing on Friday, and Mr. Kitzrow answered the second one was Guardians of the Galaxy. Mr. Boda encouraged vaccinations and helping neighbors out.

Ms. Blake asked everyone to please donate blood if healthy enough.

Ms. Gregory announced October was SDHD Awareness Month and encouraged vaccinations.

President Heath thanked Katherine Jones for her service on the Disability Advisory Committee. He recently received his booster vaccination and encouraged everyone to get their vaccinations. He also encouraged everyone to donate blood if healthy enough.

Mr. Heath announced he would be travelling the next day to see his granddaughter graduate from Army Basic Training, and was so very proud of her!

ADJOURNMENT

With no further business to discuss, the Legislative Session was adjourned at 7:00 p.m.

City Clerk

Council President



City of
Salisbury
Jacob R. Day, Mayor

MEMORANDUM

To: Jacob R. Day, Mayor
From: Jessie Turner, Administrative Assistant
Subject: Appointment to Disability Advisory Committee
Date: October 6, 2021

The following person has applied for appointment to the Disability Advisory Committee for the term ending as indicated:

<u>Name</u>	<u>Term Ending</u>
Cody Drinkwater	October 2024

Attached is the information from Mr. Drinkwater and the resolution necessary for his appointment. If this appointment is approved, it will be placed on the next City Council agenda for review.

Attachments

OK

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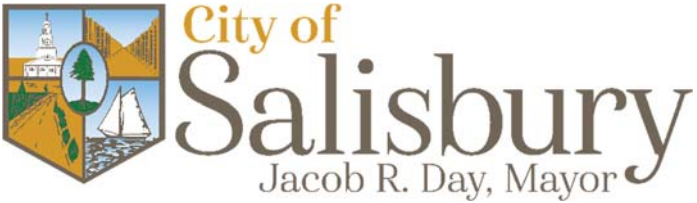
<u>Name</u>	<u>Term Ending</u>
Cody Drinkwater	October 2024

ATTEST:

John R. Heath
PRESIDENT, City Council

_____ day of _____, 2021

Jacob R. Day, Mayor



COUNCIL AGENDA – Department of Procurement

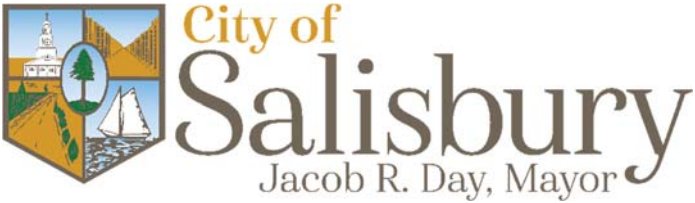
October 25, 2021

Award of Contract

- | | |
|---|---------------|
| 1. ITB 21-119 Riverwalk Polymer Overlay | \$ 159,032.00 |
| 2. ITB 22-109 Zoo Administration Building | \$ 156,509.00 |

Declaration of Surplus

- | | |
|---|---------|
| 1. Department of Field Operations – Trailer, Camera & Generator | \$ 0.00 |
| 2. Salisbury Fire Department – 3 Ambulance Units | \$ 0.00 |
| 3. Salisbury Fire Department – Ford Crown Victoria | \$ 0.00 |



To: Mayor and City Council
From: Jennifer Miller
Director of Procurement
Date: October 25, 2021
Subject: Award of Bids

The Department of Procurement received requests from the Department of Infrastructure and Development to make contractual procurement awards for two different projects. The departmental memos provide further details.

ITB 21-119 Riverwalk Polymer Overlay

- Scope of Work: Repair spalling and other surface damage to the Downtown Riverwalk via a cementitious overlay
- ITB 21-114 (“repair and replace”):
 - 2 bids received 11/10/20; both over budget
- ITB 21-119 (“overlay”):
 - 1 bid received 4/12/21; over budget
- Authority per Municipal Code 2.32.050.C.5.e Non-Competitive Negotiation/Sole Source Procurement
 - “Sole source procurement exists whenever the director (of Procurement) determines that there is only one available source for the subject of a procurement contract and he/she may award the contract without competition to that source.”
- Vendor: Hyde Concrete, LLC (Pasadena, MD)
- Cost: \$159,032.00
- GL Account(s): as per departmental memo
- Notes:
 - The Department of Procurement has afforded ample opportunity for competitive bidding. We believe this method of source selection (“sole source procurement”) to be in the best interest of the City as it alleviates further time delay and provides a substantial cost savings to the City.

ITB 22-109 Zoo Administration Building

- Scope of Work: Furnishing a 24 x 56 Commercial Modular Office Complex, to include concrete footing installation, block level and anchoring and Cat 6 data cabling through building
- Cooperative Contract: TIPS Purchasing Cooperative (The Interlocal Purchasing System) #200902 "Permanent Modular Buildings"
 - The TIPS Purchasing Cooperative is a program implemented and administered by Region 8 ESC (Education Service Center), which is the Lead Agency for TIPS and was commissioned by the Texas state legislature as a public governmental entity.
- Authority per Salisbury Charter § SC16-3.A.(9) General Policy of Competitive Bidding; Exceptions
 - "...afford ample opportunity for competitive bidding...except in the following cases where competitive bidding procedures are not necessary or appropriate"
 - Contracts in which the City receives a contract price negotiated by the State, County, or other governmental entity pursuant to a valid contract.
- Vendor: Vanguard Modular Building Systems, LLC (Fort Howard, MD)
- Cost: \$156,509.00
- GL Account(s): 98119-513026-43022
- Notes:
 - 22 week lead time from contract execution

The Department of Procurement hereby requests Council's approval to award these contracts to the vendors as indicated.



City of
Salisbury
Jacob R. Day, Mayor

To: Jennifer Miller, Director of Procurement
From: Amanda Pollack, P.E., Director of Infrastructure and Development
William White, Transportation Project Specialist
Date: October 11, 2021
Re: Award of Bid for ITB 21-119: Riverwalk Polymer Modified Cementitious Overlay

The Department of Infrastructure and Development (DID) has issued bids to replace or repair section of the Riverwalk that have spalling concrete. Initially, ITB 21-114 was issued to remove and replace sections of the Riverwalk which were in disrepair. Bids were opened in November 2020 and two bids were received. Both exceeded the available budget. The bids were \$212,215 to \$520,318.

In order to repair spalling concrete on the southern way of the City Riverwalk instead of replacing it, the DID sought to utilize a novel repair method that has proven successful in other repair work nationwide. ITB 21-119 was advertised to use a Polymer Modified Cementitious Overlay (PMCO) repair to the spall damage that would result in a new overlay being placed over the original stamped surface. This method restores the original appearance in a manner that minimized demolition, thereby minimizing waste of aesthetically lacking, but structurally acceptable Riverwalk concrete. This in turn would result in cost savings to the City and minimize "down" time on the Riverwalk where sections would need to be closed to facilitate repairs. Unfortunately, the City received only one bid for ITB 21-119 in April 2021. The bid was for \$379,436, which exceeded the available budget.

At the direction of the Department of Procurement, DID reached out to Vendors capable of installing the Elite Crete Systems overlay system. Hyde Concrete, a contractor known for performing PCMO repairs responded. Hyde has provided a price to place the PMCO at a cost of \$16.00/SF, a much reduced price from the \$24-32.00/SF to remove and replace the spalled sections. The PMCO will be stamped in the City standard boardwalk pattern and stained to match the existing Riverwalk. The total bid from Hyde Concrete is \$159,032.00. Based on a review of the unit prices, the bid is considered financially feasible and cost-effective. Hyde Concrete is highly recommended by the PMCO material manufacture and well-known for performing such repairs in the Mid-Atlantic Region. Hyde's references were positive.

The Department of Infrastructure & Development upon review and evaluation of the responsive and responsible bids submitted, recommends that contract ITB 21-119 be awarded Hyde Concrete in the amount of \$159,032.00. Funding is available in the following accounts:

98122-513026-48015	\$105,911.19
98118-513026-48049	\$37,135.94
98119-513026-48048	\$15,984.87



Amanda H. Pollack, P.E.
Director of Infrastructure & Development



Cooperative Purchasing
TIPS Awarded Contract #200902
Vanguard Modular Building Systems
“Permanent Modular Buildings” (JOC)

modular project PROPOSAL

10/6/21

VMBS Project: 39090



City of Salisbury – Salisbury Zoo 24x56 Office

Salisbury MD

Vanguard Modular Building Systems, LLC (Head Office)
717 Constitution Drive | Suite 100 | Exton, PA | 19341

(877) 438-8627 | VanguardModular.com | info@vanguardmodular.com



VANGUARD
A **BOX** Modular Company



10/6/2021

Jennifer Miller
City of Salisbury
125 N. Division Street, Room 104
Salisbury, MD 21801

RE: Modular project in Salisbury, Maryland

Dear Jennifer,

We are pleased to have the opportunity to submit this proposal which has been carefully tailored to address your individual space requirements.

Vanguard Modular Building Systems, LLC has been committed to providing quality products, services, and customer satisfaction to both the public and private sectors since 1998. Our expertise in development and execution of wide-ranging space solutions affords us the distinct satisfaction of fulfilling each of our client's modular construction needs.

Proposal Contents (attached):

- Price Detail
- Floor Plan
- Specifications
- Delineation of Responsibilities
- Estimated Project Schedule
- Clarifications

It is our goal to meet your particular needs, so please be certain to thoroughly review each attachment included in this proposal to ensure you completely understand the pricing, product, and service we are proposing.

Please do not hesitate to contact me for answers to any questions or concerns you may have regarding our proposed solution. It would be our pleasure to partner with you on this important project. Thank you for your consideration.

Sincerely,

Dan Moore
Territory Manager

Project 39090
10/6/21



modular project

Sale Price Detail

BASE PRICE

Scope of Work Description	Amount (usd)
<ul style="list-style-type: none">• VMBS intends to utilize our TIPS (The Interlocal Purchasing System) contract as the vehicle for this project. Copy of Award Letter is attached.• Sale of New Manufactured, IBC code complaint 24x56 Commercial Modular office Complex.• Provide Maryland, PE sealed modular building drawings.• Delivery of 2 separate modular units from manufacturing facility to site in Salisbury, Maryland. Customer to ensure site is accessible and gate is opened or fence is cleared if necessary.• Concrete Footing Installation<ul style="list-style-type: none">○ Provide labor and material to install 38- 24" diameter by 30" deep footers.○ No Steel spread spoils on site.• Provide labor and material to block level and anchor, 39" Piers• Water Supply and sanitary sewer connection points will be below the buildings for connection by others.• Supply Cat 6 Data cabling through building, work to be done on site after building is set• Provide portable restroom for workers• All other electrical & low voltage data for fire alarm and communications are by others.• All work coordinated by Vanguard Project Manager.	

Base Price Total: **\$156,509.00**

PROJECT DESCRIPTION DETAIL

Sale of New 24x56 Commercial Modular Office

Initials: _____

Pricing excludes all applicable taxes. Buyer is responsible for all applicable taxes. Proposal Price does not include sales, use, or personal property taxes, except as may be additionally described. Unless otherwise specified, **Proposal is valid for 30 calendar days from the "Proposal Date"**. Vanguard Modular's willingness to enter into a contract at the price and/or terms of payment proposed is **contingent upon satisfactory credit review and approval**.



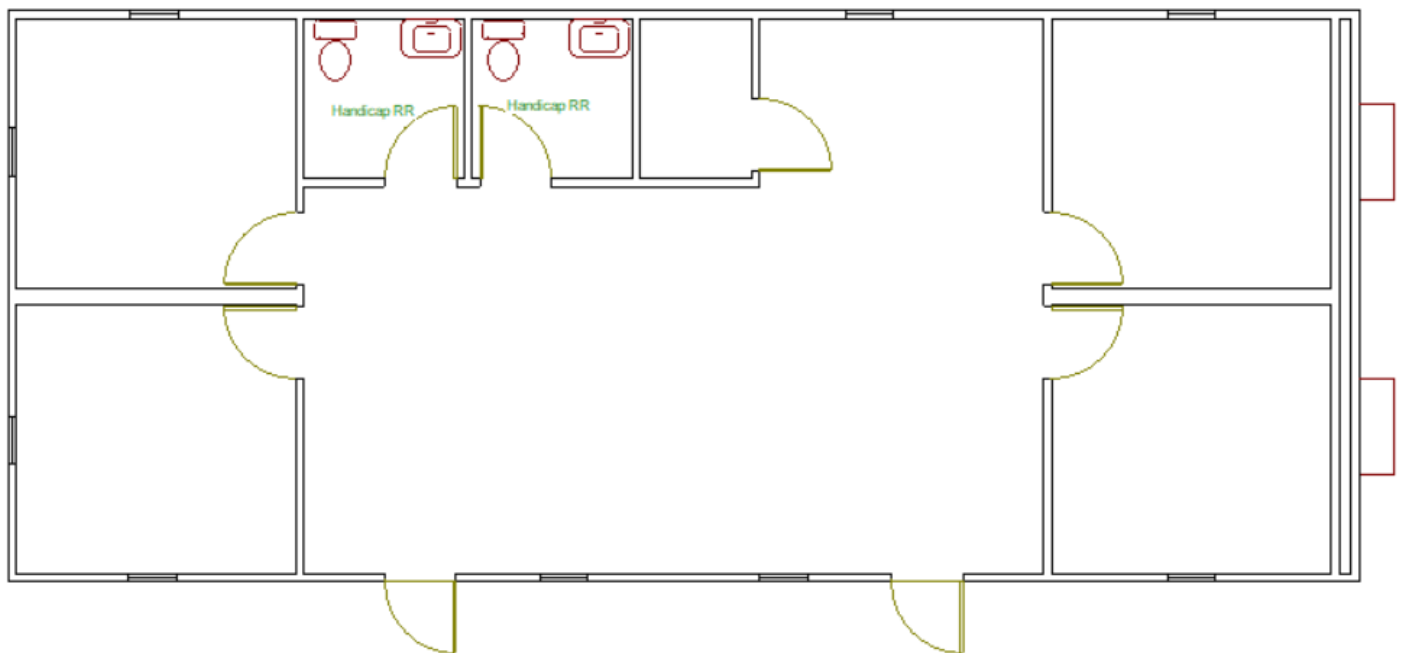
VANGUARD
MODULAR BUILDING SYSTEMS

www.VanguardModular.com

Project 39090
10/6/21

modular project
Floor Plan

BUILDING LAYOUT

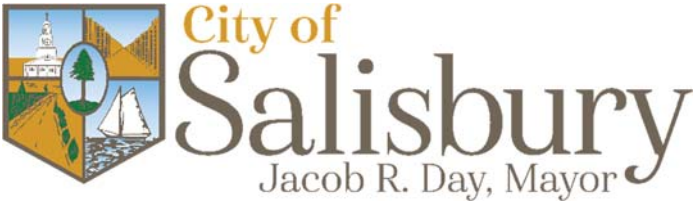


Initials: _____



VANGUARD
A **BOX** Modular Company

www.VanguardModular.com



To: Mayor and City Council
From: Jennifer Miller
Director of Procurement
Date: October 25, 2021
Subject: Declaration of Surplus

The Department of Procurement received several requests for declaration of surplus:

Department of Field Operations

- Item(s): Trailer with sewer camera and generator
- Method of disposal: Online auction

Salisbury Fire Department

- Item(s): 3 Ambulance Units
- Method of disposal: Online auction

Salisbury Fire Department

- Item(s): Ford Crown Victoria
- Method of disposal: Donation to Fruitland Fire Department

Additional details are in the departmental memos.

The Department of Procurement respectfully requests the approval of City Council to declare the noted items as surplus and to dispose of them as indicated.



MEMORANDUM

To: Jennifer Miller, Director of Procurement

From: Brian Lewis, Superintendent of Utilities, Field Operations

Subject: Surplus Trailer and Equipment

Date: October 4, 2021

As requested, the Department of Field Operations Utilities has reviewed the attached list of approved surplus equipment and determined that it can be considered for surplus. The equipment tabulated below has been replaced due to constant repair and operational issues. The replacement camera unit was purchased in the FY22 budget.

VEHICLE I.D.	YEAR	DESCRIPTION	MAKE	MODEL	SERIAL #	MILES/HOURS
SEW-2	2016	Trailer w/AC Rausch Sewer Camera and Generator	Car Mate Trailer w/AC	6x12 Enclosed Trailer w/Rausch ECO- Star 400 CCTV Camera System w/Lateral Launch	5A3C612D4GL000861	235.9 hrs.

In accordance with the City of Salisbury Charter, Article XVI, Section SC16-8, it is understood that a favorable recommendation from both the Director of Procurement and the City Council is needed before the equipment is eligible for surplus.

If additional information is needed, please contact me at (blewis@@salisbury.md).

Cc: Jana Potvin, Director of Field Operations
Ben Baker, Deputy Director of Field Operations



MEMORANDUM

To: Jennifer Miller, Director of Procurement
From: John Tull, Fire Chief
Subject: Surplus Equipment
Date: October 5, 2021

The Department has equipment (described below) that is immediately available for declaration as surplus property. The equipment is described as follows:

Unit Identification:	Horton Ambulance B1
Unit Description:	2012 International Terrastar
VIN:	1HTJSSKK9CJ623787
Motor:	Maxxforce 7 – 6.4 liter V8 (Diesel)
Transmission:	Allison 1000 series automatic
Mileage:	79,453
Condition:	Poor

Unit Identification:	Horton Ambulance B2
Unit Description:	2012 International Terrastar
VIN:	1HTJSSKK2CJ610119
Motor:	Maxxforce 7 – 6.4 liter V8 (Diesel)
Transmission:	Allison 1000 series automatic
Mileage:	74,773
Condition:	Poor

Unit Identification:	Horton Ambulance B16
Unit Description:	2012 International Terrastar
VIN:	1HTJSSKK1CJ598058
Motor:	Maxxforce 7 – 6.4 liter V8 (Diesel)
Transmission:	Allison 1000 series automatic
Mileage:	74,402
Condition:	Poor

In addition, all useful equipment has been removed from the old units and placed in service on the new units or returned to supply for future use in another capacity.

The Fire Department respectfully requests the City's authorization to declare this equipment as surplus property and is asking for permission to dispose of them through auction in compliance with City code and/or policy.

Should you have questions or require additional information please feel free to contact me immediately.

cc: File



MEMORANDUM

To: Jennifer Miller, Director of Procurement
From: John Tull, Fire Chief
Subject: Surplus Equipment
Date: October 5, 2021

The Department has equipment (described below) that is immediately available for declaration as surplus property. The equipment is described as follows:

Unit Identification:	Car 16
Unit Description:	2005 Ford Crown Victoria
VIN:	2FAFP71WX6X120180
Motor:	4.6L V-8
Transmission:	4-spd automatic
Mileage:	118283
Condition:	Poor

All useful equipment has been removed from the unit and returned to supply for future use in another capacity. The Department has researched the resale value of this unit and we have determined that there is no monetary value to the City to dispose of this item through the normal auction process. Because of this, the Fire Department respectfully requests the City's authorization to declare this equipment as surplus property and is asking for permission to donate this unit to the Fruitland Volunteer Fire Company.

Should you have questions or require additional information please feel free to contact me immediately.

cc: File

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ORDINANCE NO. 2689

AN ORDINANCE OF THE CITY OF SALISBURY TO GRANT A PROPERTY TAX CREDIT AGAINST THE CITY PROPERTY TAX IMPOSED ON CERTAIN REAL PROPERTY OWNED BY HABITAT FOR HUMANITY OF WICOMICO COUNTY, INC.

WHEREAS, Habitat for Humanity of Wicomico County, Inc. (“Habitat”) is a local nonprofit housing organization with the stated goal of bringing strength, stability and self-reliance in partnership with families in need of decent of affordable housing; and

WHEREAS, in furtherance of its goal, Habitat regularly acquires residential properties within the corporate limits of the City of Salisbury (the “City”), on which it performs rehabilitation and/or new construction, significantly increasing the value of such properties, and ultimately transferring such properties to families in need; and

WHEREAS, the City seeks to incentivize and encourage Habitat’s ongoing rehabilitation and construction of residential housing within City limits; and

WHEREAS, granting Habitat a tax credit against the City property tax imposed on eligible properties (the “Habitat Tax Credit”) will encourage Habitat to acquire properties within City limits, which will further result in positive economic and social effects, including, but not limited to, reducing blight and increasing the inventory of residential housing in the City; and

WHEREAS, the City through the Finance Department shall process applications connected to the Habitat Tax Credit to ensure eligibility of a particular property for the tax credit; and

WHEREAS, the Mayor joins with the City Council in recommending the implementation of the Habitat Tax Credit; and

WHEREAS, the City’s establishment of the Habitat Tax Credit hereunder is authorized by Section 9-252 of the Property-Tax Article of the Annotated Code of Maryland.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 1. Title 3 of the Salisbury City Code, entitled “REVENUE AND FINANCE, be and hereby is amended by adding a new Chapter 3.19, titled “Habitat for Humanity Tax Credit”, as follows:

Chapter 3.19 Habitat for Humanity Tax Credit

3.19.010 – Habitat for Humanity tax credit

- A. In accordance with the provisions of the Tax-Property Article § 9-252 of the Annotated Code of Maryland, there is hereby established a City property tax credit of 100% for real property, provided that:**
- 1. The property is owned by Habitat for Humanity of Wicomico County, Inc. with the intention of relinquishing ownership within five (5) years from the date of acquisition;**

- 50 2. The property is used exclusively for the purposes of development, rehabilitation,
51 and transfer to a private owner; and
52 3. The property is not occupied by administrative or warehouse buildings owned
53 by Habitat for Humanity of Wicomico County, Inc.
54 B. Habitat for Humanity of Wicomico County, Inc. shall submit an annual report each
55 year to the Mayor and Council of the City of Salisbury documenting:
56 1. All of the real property holdings of Habitat for Humanity of Wicomico County,
57 Inc.in the City of Salisbury;
58 2. All transactions involving the real property holdings referenced in the above
59 subparagraph B(1); and
60 3. The annual report shall be delivered to the City of Salisbury on or before July
61 15 and shall include all real property holdings as of the preceding June 30 and
62 shall include the date of acquisition of each parcel of real property for which a
63 credit is applicable on the preceding June 30.
64 C. The tax credit for each property shall continue until such time as the property is
65 transferred from Habitat for Humanity of Wicomico County, Inc. to a private owner,
66 but in no event for more than five (5) years. When the tax credit ceases, the property
67 and its assessment shall be reinstated on the City of Salisbury real property tax roll at
68 the beginning of the next fiscal year.
69 D. The allowance of the tax credit shall be administered by the City of Salisbury Finance
70 Department.
71 1. In order to obtain the tax credit, Habitat for Humanity of Wicomico County,
72 Inc. shall submit such documentation as the City of Salisbury Finance
73 Department requires to determine the eligibility of a parcel of real property.
74 The required documentation shall be provided upon acquisition of a property
75 and shall include, but not be limited to, a copy of the property settlement
76 agreement.
77 2. If the Finance Department makes a finding of the ineligibility of a parcel for the
78 tax credit, the Finance Department may disallow or revoke a tax credit, effective
79 as of the date of ineligibility.
80 3. The credit shall be allowed on and after September 1, 2021, and shall be pro-
81 rated as of Habitat's date of acquisition.

82
83 **BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF**
84 **SALISBURY, MARYLAND, as follows:**

85 **Section 2.** It is the intention of the Mayor and Council of the City of Salisbury that each provision of this
86 Ordinance shall be deemed independent of all other provisions herein.

87 **Section 3.** It is further the intention of the Mayor and Council of the City of Salisbury that if any section,
88 paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or
89 otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to
90 the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this
91 Ordinance shall remain and shall be deemed valid and enforceable.

92 **Section 4.** The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such
93 recitals were specifically set forth at length in this Section 4.

94 **Section 5.** This Ordinance shall take effect from and after the date of its final passage.
95

96 **THIS ORDINANCE** was introduced and read at a Meeting of the Mayor and Council of the City of
97 Salisbury held on the 11th day of October, 2021 and thereafter, a statement of the substance of the Ordinance
98 having been published as required by law, in the meantime, was finally passed by the Council of the City
99 of Salisbury on the 25th day of October, 2021.

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103 ***[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

104 ***[SIGNATURES APPEAR ON THE PAGE THAT FOLLOWS]***
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ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

Approved by me, this _____ day of _____, 2021.

Jacob R. Day, Mayor

1 **AS AMENDED ON OCTOBER 11, 2021 AND OCTOBER 25, 2021**
2 **ORDINANCE NO. 2690**
3

4 AN ORDINANCE OF THE CITY OF SALISBURY TO AMEND CHAPTER 17.16 OF
5 THE SALISBURY CITY CODE BY ADDING SUBSECTION 17.16.090 NONCONFORMING
6 USE ZONING EXEMPTION PROGRAM

7 WHEREAS, housing studies show vacant properties create a large financial burden to the
8 jurisdictions they are located in through an increased number of calls for emergency services,
9 city/town absorbed maintenance costs and lost tax revenue as a result of decreased property values;
10 and

11 WHEREAS, the Mayor and Council of the City of Salisbury desire to update the Salisbury
12 Municipal Code to adopt a nonconforming use zoning exemption program to reduce vacant
13 properties within the City and create additional housing opportunities; and

14 WHEREAS, subsection 17.16.040.D of the Salisbury City Code provides “No building,
15 structure or lot where a nonconforming use has substantially ceased for a continuous period of
16 one year, whether or not fixtures or equipment are removed, shall again be put to a
17 nonconforming use”; and

18 WHEREAS, the City of Salisbury Housing and Community Development Department has
19 identified a number of properties that are vacant because each individual property’s
20 nonconforming use has ceased for more than one year pursuant to subsection 17.16.040.D of the
21 Salisbury City Code; and

22 WHEREAS, many such property owners have expressed it is not economically feasible to
23 return their properties to single-family homes and, as a result, the properties remain vacant; and

24 WHEREAS, implementing the Nonconforming Use Zoning Exemption Program will allow
25 such properties to continue as legal nonconforming uses, which may result in positive economic
26 and social effects, including but not limited to eliminating vacant properties and creating additional
27 housing options in the City; and

28 WHEREAS, the City Housing and Community Development Department therefore
29 proposes the creation of a zoning exemption program to allow properties to regain legal
30 nonconforming use status within strict parameters; and

31 WHEREAS, the City through the Housing and Community Development Department and
32 the Department of Infrastructure and Development shall develop an Application for participation
33 in the Nonconforming Use Zoning Exemption Program; and

34 WHEREAS, the Housing and Community Development Department and the Department
35 of Infrastructure and Development shall review all completed Applications and approve or deny
36 participation in the Nonconforming Use Exemption Program; and

1 WHEREAS, the procedures and criteria necessary to qualify a property owner for
2 participation in the Nonconforming Use Exemption Program shall be codified in an amendment to
3 Chapter 17.16 of the City of Salisbury Municipal Code

4 WHEREAS, a Public Hearing on the proposed amendment was held by the Salisbury
5 Planning and Zoning Commission in accordance with the provisions of Chapter 17.16, of Title 17,
6 Zoning, of the Salisbury Municipal Code on September 16, 2021; and

7 WHEREAS, the Salisbury Planning and Zoning Commission did recommend approval of
8 the proposed text amendment to Section 17.16.090; and
9

10 WHEREAS, the Salisbury City Council has concluded that it is in the best interest of the
11 City to allow property owners to regain legal nonconforming use status when specified criteria are
12 met; and

13 WHEREAS, the Mayor joins with the City Council in recommending the implementation
14 of the Non-conforming Use Exemption Program and application process.

15 NOW, THEREFORE, be it enacted and ordained by the Council of the City of Salisbury,
16 Maryland, as follows:

17 Section 1. Chapter 17.16 of the City of Salisbury Municipal Code, entitled
18 “Nonconforming Lots, Structures and Uses” be and hereby is amended by adding a new subsection
19 to Chapter 17.16, titled “Nonconforming Use Zoning Exemption Program”, as follows:

20 **CHAPTER 17.16.090 - NONCONFORMING USE ZONING EXEMPTION PROGRAM**

21 **A. Purpose.**

22 To assist in the reduction of vacant properties and provide for increased available housing
23 within the City of Salisbury.

24 **B. Definitions.**

- 25 1. "Applicant" means the owner of a property who submits an application to
26 participate in the Nonconforming Use Zoning Exemption Program.
27 2. “Program” means the Nonconforming Use Zoning Exemption Program identified
28 in this chapter.
29 3. “Property” means a residential property subject to the Nonconforming Use Zoning
30 Exemption Program.

31 **C. Criteria for approval—Conditions.**

- 32 1. The Property must have lost its nonconforming use within 60 months prior to
33 submitting an application under the Program; or
34 2. The Property must be vacant and the Property’s nonconforming use must have
35 substantially ceased for a continuous period of one year.

1 **D. Application Requirements.**

- 2 1. All applications to participate in the Program must be submitted on or before
3 November 30, 2022.
- 4 2. Applicant shall be in good standing with the City of Salisbury. “Good standing”
5 shall be defined as:
- 6 i. Applicant shall not owe delinquent taxes to the City of Salisbury.
- 7 ii. Applicant shall not have outstanding code violations on any property owned
8 by Applicant within the City of Salisbury.
- 9 iii. Applicant shall not own a condemned property within the City of Salisbury,
10 unless Applicant has an approved rehabilitation plan for the condemned
11 property.
- 12 3. Applicant shall submit an application and rehabilitation plan for approval by the
13 Housing and Community Development and Infrastructure and Development
14 Departments. The rehabilitation plan shall include architectural renderings of the
15 exterior and interior of the Property, and shall certify that the Property contains off-
16 street and/or on-street parking of at least one space per unit.
- 17 4. Applicant shall agree to adhere to Federal/State/Local Fair Housing
18 Guidelines/Practices.
- 19 5. Applicant shall obtain all permits required to execute the rehabilitation plan and
20 shall comply with all applicable building codes.

21
22 **E. Program Requirements.**

- 23 1. Within 12 months from application approval by the Housing and Community
24 Development and Infrastructure and Development Departments, the Applicant
25 shall:
- 26 i. ~~Complete~~ Complete all terms and conditions of Applicant’s rehabilitation
27 plan;
- 28 ii. Obtain a Certificate of Occupancy; and
- 29 iii. The Property must be inspected by the Housing and Community
30 Development Department.
- 31 2. The Property must be made available for rent within 12 months following
32 application approval by the Housing and Community Development and
33 Infrastructure and Development Departments.
- 34 3. The Property shall be subject to a three (3) year probationary period. During the
35 probationary period, the following additional conditions and requirements apply:
- 36 i. All units within the Property shall be subject to yearly inspection by the
37 Housing and Community Development Department;
- 38 ii. The Property owner shall maintain Code and Standards of Livability
39 requirements;
- 40 iii. There shall be no more than 3 code violations per Property, per year; and
- 41 iv. There shall be no more than 3 calls for service per unit located on the
42 Property, per year.
- 43 4. No Property shall be vacant for more than a 12-month period following the
44 completion of rehabilitation plan.

45 **F. Costs.**

1. There shall be a \$500.00 non-refundable application fee per Property.
2. During the three-year probationary period, Applicant shall pay the following licensing costs:
 - i. \$240.00 per landlord license, per year.
 - ii. \$240.00 per rental unit, per year.
3. At the end of the three-year probationary period, all costs shall return to those then in effect.

G. Violations.

1. Failure to complete the probationary period shall result in the Property's loss of its legal nonconforming use status pursuant to the Program.
2. Violation of any Program Requirement shall result in the Property's loss of its legal nonconforming use status pursuant to the Program.

H. Appeals.

The denial of any application under this chapter may be appealed to the Board of Zoning Appeals. The appeal shall be filed in writing within thirty (30) days of the date of the final decision or denial to the Applicant, state clearly the grounds on which the appeal is based, and be processed in the manner prescribed for hearing administrative appeals under Board of Zoning Appeals rules of procedure.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 2. It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Ordinance shall be deemed independent of all other provisions herein.

Section 3. It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

Section 4. The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 4.

Section 5. This Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 11th day of October, 2021 and thereafter, a statement of the substance of the ordinance having been published as required by law, in the meantime, was finally passed by the Council on the 25th day of October, 2021.

1 ATTEST:

2
3
4 _____
5 Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

6
7
8 Approved by me, this _____ day of _____, 2021.

9
10
11 _____
12 Jacob R. Day, Mayor
13

1 AS AMENDED ON OCTOBER 25, 2021
2 ORDINANCE NO. 2691
3

4 AN ORDINANCE OF THE CITY OF SALISBURY AUTHORIZING THE MAYOR TO
5 ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE WICOMICO
6 COUNTY HEALTH DEPARTMENT AND APPROVING A BUDGET AMENDMENT OF
7 THE FY2022 GENERAL FUND BUDGET TO APPROPRIATE FUNDS RECEIVED
8 FROM THE WICOMICO COUNTY HEALTH DEPARTMENT IN THE AMOUNT OF
9 \$10,000.00.
10

11 WHEREAS, the funds have been provided by the Wicomico County Health Department (“WiCHD”), in
12 conjunction with Mid-Shore Behavioral Health, Inc., for a Safe Station Program (“Safe Station”); and

13 WHEREAS, Safe Station is an innovative program that helps remove barriers to treatment for members
14 of our community who are eager to recover from a substance use disorder; and

15 WHEREAS, the goal of Safe Station is to help people with linkage to treatment and recovery services
16 by allowing them to practice self-determination; and

17 WHEREAS, the City of Salisbury Fire Department will provide non-emergent medical checks to all
18 individuals that enter the Safe Station; and

19 WHEREAS, the City of Salisbury must enter into a Memorandum of Understanding with the Wicomico
20 County Health Department defining how these funds must be expended; and

21 WHEREAS, the accepted funds shall be used to purchase additional emergency medical supplies and
22 equipment; and

23 WHEREAS, both the Fire Chief and the Mayor have recommended that the City accept the monetary
24 donation and allocate the funds to the Fire Department’s FY2022 Operating Budget; and

25 WHEREAS, § 7-29 of the Salisbury City Charter prohibits the City from entering into a contract that requires
26 an expenditure not appropriated or authorized by the Council of the City of Salisbury; and
27

28 WHEREAS, appropriations necessary to execute the purpose of this grant must be made upon the
29 recommendation of the Mayor and the approval of four-fifths of the Council of the City of Salisbury.
30

31 NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF
32 SALISBURY, MARYLAND, as follows:
33

34 Section 1. Mayor Jacob R. Day is hereby authorized to enter into a Memorandum of Understanding with the
35 ~~Community Foundation of the Eastern Shore~~ WiCHD to accept funds in the amount of \$10,000.00.
36

37 BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY,
38 MARYLAND, as follows:
39

40 Section 2. The City of Salisbury’s Grant Fund Budget be and hereby is amended as follows:

41 (a) Increase General Fund WiCHD Reimbursements account (01000-427301) by \$10,000.00.

42 (b) Increase Fire Department Expenditure Medical account (24035-546016) by \$10,000.00.
43

44 BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY,
45 MARYLAND, as follows:

Section 3. It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Ordinance shall be deemed independent of all other provisions herein.

Section 4. It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

Section 5. The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 5.

Section 6. This Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a Meeting of the Mayor and Council of the City of Salisbury held on the 11th day of October, 2021 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the 25th day of October, 2021.

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

Approved by me, this _____ day of _____, 2021.

Jacob R. Day, Mayor



To: All Council Members
From: Nathaniel Sansom, Special Assistant to the Mayor
Subject: Housing Expansion Incentive Program
Date: October 20, 2021

The enclosed ordinance and fee waiver program documents comprise a central pillar of Mayor Day's *Here is Home* comprehensive housing initiative announced on September 29th. This program offers residential developers a 90-day window from the date of final passage to enter into a Program Agreement that will incentivize residential construction by waiving fees outlined in "Exhibit 1" of the Program Application.

Overview & Previous Actions Taken

In February of 2017, the Council passed Resolution 2734, which created a moratorium on fees related to the construction of new single-family detached houses. This moratorium was later codified for platted infill lots. Now, the Administration desires to offer more robust incentives to spur residential construction in the near future by providing fee waivers listed in "Exhibit 1" of the Program Application. These waivers shall be administered in accordance with the terms and timeline established in the Program Agreement.

Comprehensive Connection Charges

Section 13.04.110 created an EDU Incentive Area to allow for EDU credits to be awarded, discounting the City's comprehensive connection charges. Ordinance 2611 amended the code to introduce section 13.04.120, which created the comprehensive connection charge waiver for projects in the Central Business Zoning District or Riverfront Redevelopment Zoning District. Recently, in September of 2020, Ordinance 2614 revised Sections of Title 13 to update the definition of comprehensive connection charges, in accordance with DID recommendations.

This program will extend similar Comprehensive Connection Charge benefits to eligible residential development projects, regardless of location within the City so long as they are enrolled in the Program and meet set forth in the construction timeline outlined in the Program Application and Program Agreement.

While the Program will provide fee waivers for most comprehensive connection charges, there shall be no fee waiver applied to Water and Sewer Infrastructure Reimbursement Fees, Water Meter/Tap Fees and Sewer Connection Fees.

Permitting Fees

Resolution 2734 established a moratorium on comprehensive connection charge fees, plan review, building permit, plumbing permit, and mechanical permit fees required by the Department of Infrastructure and Development (DID) for the construction of new single family detached dwelling units. This moratorium was later extended by Resolution 2911, before then becoming codified and narrowly tailored to apply to platted lots for infill development.



MEMORANDUM

The Program will extend similar benefits, in the form of full and partial fee waivers, to eligible residential development projects, regardless of location within the City so long as such projects have an executed Program Agreement within ninety (90) days of final passage of the ordinance and abide by the timeline established in the Program Agreement.

The Following fees related to residential development shall be waived in accordance with the terms outlined in the Program Application: Building Plan Review Fees; Building Permit Fees; Demo- Residential (Building Fee); Gas (Building Fee); Mechanical (Building Fee); Plumbing (Building Fee); Development Plan Review Fee; Subdivision Review Fee; Resubdivision Review Fee; Critical Area Fees (Certificate of Compliance), Infrastructure Reimbursement Administrative Fee; Water Meter Setting Fee; Fire Prevention Fees, to include Basic Fees, Expedited Fees, After Hours Inspection Fees; and Fire Permit Fees, to include Fire Alarm & Detection Systems and Sprinkler, Water Spray and Combined Sprinkler & Standpipe Systems

Annexation Fees

The City currently charges Annexation Fees ranging from \$2,000 (for the annexation of up to five acres) to \$50,000 (for the annexation of fifty or more acres). This Housing Expansion Incentive Program provides, annexation fee waivers to developers participating in the Program, who have signed an Annexation Petition. Development Assessment Fees shall also be waived.

Fiscal Impact Estimate – typical fees for development (Provided by DID)

	Site Plan Review	Building Plan Review	Building	Plumbing	Gas	Fire	Mechanical	Capacity Fees	Subtotal per unit	TOTAL Fees	
Typical Single Family:		\$ 150.00	\$ 2,090.00	\$ 280.00	\$ 40.00	\$ 1,250.00	\$ 25.00	\$ 3,710.00	\$ 7,545.00		
50 Unit Single Family Development:	\$ 1,200.00									\$ 378,450.00	
Typical Apartment Building (24 units):		\$ 250.00	\$ 11,900.00	\$ 2,460.00	\$ 40.00	\$ 7,900.00	\$ 25.00	\$ 89,040.00	\$ 4,650.63		
100 Unit Apartment Complex Development:	\$ 1,200.00									\$ 466,262.50	

Recommendation

The Administration requests your consideration and approval of the enclosed ordinance to establish a program to encourage the expansion of residential housing in the City of Salisbury by adding a new Chapter, 3.27, to Title 3 of the City Code.

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ORDINANCE NO. 2692

AN ORDINANCE OF THE CITY OF SALISBURY TO ESTABLISH A PROGRAM TO ENCOURAGE THE EXPANSION OF RESIDENTIAL HOUSING IN THE CITY OF SALISBURY, KNOWN AS THE HOUSING EXPANSION INCENTIVE PROGRAM.

WHEREAS, the City seeks to increase the construction and expansion of residential housing in the City of Salisbury to encourage home ownership and enhance the economic welfare of the community as a whole; and

WHEREAS, the City through the Department of Infrastructure and Development assesses a multitude of permitting, annexation and development assessment fees and comprehensive connection charges in connection with the construction of residential housing; and

WHEREAS, the City believes a waiver of the aforementioned fees and charges will encourage expansion of residential housing construction and development and, accordingly, has developed a Housing Expansion Incentive Program Guidelines and Application with specific requirements that shall be monitored and administered by the Department of Infrastructure and Development in order to ensure that all information and submissions are correct and properly considered; and

WHEREAS, the Mayor joins with the City Council in recommending the implementation of the Housing Expansion Incentive Program and application process; and

WHEREAS, Section 13.02.07A8 of the Salisbury Municipal Code allows the Mayor and Council to adopt discounts for the comprehensive connection charge to encourage water and sewer usage consistent with the City's goals; and

WHEREAS, the City of Salisbury, Department of Infrastructure and Development requires annexation and development assessment fees to be paid for properties being annexed into the City of Salisbury; and

WHEREAS, City policy requires the approval of the City Council in order to waive any fee that is associated with a project not being performed directly by the City.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 1. Title 3 of the Salisbury City Code, entitled "REVENUE AND FINANCE, be and hereby is amended by adding a new Chapter 3.27, titled "Housing Expansion Incentive Program", as follows:

Chapter 3.27 Housing Expansion Incentive Program

3.27.010 – Definitions

In this section, the following words have the following meanings indicated.

"Residential Development" means real estate development for residential purposes.

"Fee Waivers" includes the following fees:

Comprehensive Connection Charges, subject to the exclusion below

Building Plan Review Fees

Building Permit Fees

Demo- Residential (Building Fee)

Gas (Building Fee)

Mechanical (Building Fee)

Plumbing (Building Fee)

Annexation Fees, to include Annexation – Development Assessment Fees

Water and Sewer Connection Fee

Development Plan Review Fee

Subdivision Review Fee

Resubdivision Review Fee

Critical Area Fees (Certificate of Compliance)

Infrastructure Reimbursement Administrative Fee

Water Meter Setting Fee

Fire Prevention Fees, to include Basic Fees, Expedited Fees, After Hours Inspection Fees

Fire Permit Fees, to include Fire Alarm & Detection Systems and Sprinkler, Water Spray and

Combined Sprinkler & Standpipe Systems

“Fee Waivers” does not include Critical Area Program Fees (Fee-in-Lieu), Water and Sewer Infrastructure Reimbursement Fee, Water Meter/Tap Fee and Sewer Connection Fee, Any necessary Reinspection Fees

3.26.011 – Purpose

The Housing Expansion Incentive Program is hereby established for the purpose of accelerating the construction or expansion of Residential Development in the City of Salisbury.

3.26.012 – Requirements of the Housing Expansion Incentive Program

A. The City hereby adopts the Housing Expansion Incentive Program Guidelines and the Application submitted with this ordinance and attached hereto and incorporated herein as Exhibit A as the initial approved application and grants administrative powers to the Director of the Department of Infrastructure and Development to process and monitor submitted applications, to make necessary changes to the application for the Housing Expansion Incentive Program, and to adopt such additional rules and regulations as may be necessary for the proper and efficient administration of the Housing Expansion Incentive Program.

C. An application for the Housing Expansion Incentive Program shall be subject to pre-approval by the Mayor of the City of Salisbury.

D. Upon pre-approval of an application for the Housing Expansion Incentive Program by the Mayor of the City of Salisbury, the Department of Infrastructure and Development shall prepare a Housing Expansion Incentive Program Agreement, and if the Residential Development is outside the City of Salisbury, an Annexation Petition, for execution by the Applicant and the City. A Housing Expansion Incentive Program Agreement shall contain the following minimum terms:

1. Applicants shall receive Fee Waivers pursuant to the Housing Expansion Incentive Guidelines and Application attached as Exhibit A hereto;

- 102 2. Applicants shall pay all fees eligible for Fee Waivers on time and in full as the Residential
103 Development progresses. Any fees paid by the Applicant which are eligible for Fee
104 Waivers shall be maintained by the City in a separate Fee Waivers escrow account. Fee
105 Waivers shall be effectuated through a refund of the amounts deemed to be waived, with
106 such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy
107 for the Residential Development; and
108
109 3. Applicants shall adhere to the Housing Expansion Incentive Program Agreement,
110 including but not limited to the deadlines for plan approval, commencement of
111 construction and issuance of a certificate of occupancy.
112

113 **3.27.013 – Authority to Bind**
114

115 The Mayor of the City of Salisbury is authorized to enter into a Housing Expansion Incentive
116 Program Agreement in accordance with this Chapter 3.27.
117

118 **3.27.014 – Reporting**
119

120 The Mayor of the City of Salisbury shall provide a report to the City Council summarizing the
121 participation in the Housing Expansion Incentive Program, the status of approved Residential
122 Development projects, and the cost to the City of Salisbury in terms of collective Fee Waivers. This
123 report shall be provided within ninety (90) days of the adoption of this ordinance, and on January 31
124 of each year thereafter, through the date of January 31, 2028.
125
126

127 **BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF**
128 **SALISBURY, MARYLAND, as follows:**

129 **Section 2.** It is the intention of the Mayor and Council of the City of Salisbury that each provision of this
130 Ordinance shall be deemed independent of all other provisions herein.

131 **Section 3.** It is further the intention of the Mayor and Council of the City of Salisbury that if any section,
132 paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or
133 otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to
134 the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this
135 Ordinance shall remain and shall be deemed valid and enforceable.

136 **Section 4.** The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such
137 recitals were specifically set forth at length in this Section 4.

138 **Section 5.** This Ordinance shall take effect from and after the date of its final passage.
139

140 **THIS ORDINANCE** was introduced and read at a Meeting of the Mayor and Council of the City of
141 Salisbury held on the 25th day of October, 2021 and thereafter, a statement of the substance of the Ordinance
142 having been published as required by law, in the meantime, was finally passed by the Council of the City
143 of Salisbury on the ____ day of _____, 2021.
144

145 ***[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

146 ***[SIGNATURES APPEAR ON THE PAGE THAT FOLLOWS]***
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ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

Approved by me, this _____ day of _____, 2021.

Jacob R. Day, Mayor

HOUSING EXPANSION INCENTIVE PROGRAM AGREEMENT

THIS HOUSING EXPANSION INCENTIVE PROGRAM AGREEMENT (“**Program Agreement**”), is dated this ____ day of _____, 20__, by and between the *City of Salisbury, Maryland*, a municipal corporation of the State of Maryland (the “**City**”), and **NAME**, a Maryland limited liability company (“**Name**”) (NAME is hereinafter sometimes referred to as the “**Developer**” or “**Owner**”) (the City and NAME are hereinafter referred to individually as a “**Party**” or collectively as the “**Parties**”).

Recitals

WHEREAS, via Ordinance No. ____ passed on _____, 2021, the City established a Housing Expansion Incentive Program to encourage residential development and revitalization in the City of Salisbury, (hereinafter referred to as the “**Program**”);

WHEREAS, Developer is the owner of all that certain real property, and improvements thereon, located in the City of Salisbury, Wicomico County, State of Maryland identified as Map ____, Grid ____, Parcel ____, and being described as “_____” (hereinafter referred to as the “**Property**”);

WHEREAS, Developer plans to develop the Property by constructing _____, which, when complete, will consist of _____ (hereinafter referred to as the “**Project**”);

WHEREAS, Developer has submitted a Housing Expansion Incentive Program Guidelines and Application packet to the City, which completed packet is attached hereto as **Exhibit 1** and incorporated by reference as if fully set forth herein;

WHEREAS, the Parties acknowledge and agree the Project will have a material impact on the revitalization of Salisbury by significantly increasing the housing inventory available within Salisbury;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

1. **Term.** This Program Agreement shall commence on _____ and shall continue for a term of ____ (the “**Term**”).

2. **Dates.**

(a) This Program Agreement shall be deemed effective as of the date and year first above written, which shall be the later of the following dates: (a) the date this Program Agreement is executed by Developer; or, (b) the date this Program Agreement is executed by the City.

(b) This Program Agreement must be executed by **INSERT date 90 days after Ordinance passes** in order for Developer to take advantage of the full fee waiver benefits provided herein.

(c) To qualify for a full fee waiver, as defined and more fully set forth in the attached Exhibit 1, Developer shall meet the following deadlines:

(i) The Project’s Building Permit application and site plans shall be submitted and approved by the Department of Infrastructure and Development no later than December 31, 2022; and

(ii) Developer shall commence construction on the Project no later than December 31, 2023; and

(iii) Developer shall obtain the certificate of occupancy for the Project no later than June 30, 2025 for multifamily development projects, or June 30, 2027 for single-family development projects.

(d) To qualify for a partial fee waiver, as defined and more fully set forth in the attached Exhibit 1, Developer shall meet the following deadlines:

(i) The Project's Building Permit application and site plans shall be submitted and approved by the Department of Infrastructure and Development no later than December 31, 2022; and/or

(ii) Developer shall commence construction on the Project no later than December 31, 2023; and/or

(iii) Developer shall obtain the certificate of occupancy for the Project no later than June 30, 2025 for multifamily development projects, or June 30, 2027 for single-family development projects.

3. **Warranties and Obligations of the City:** The City does hereby warrant and agree for the benefit of Developer as follows:

(a) The City shall grant Fee Waivers to Developer, calculated in accordance with the guidelines set forth on the attached Exhibit 1 and as more fully set forth in a Letter of Intent issued by the City of Salisbury Department of Infrastructure and Development, which Letter of Intent is attached hereto as **Exhibit 2** and incorporated by reference as if fully set forth herein.

(b) All fees shall be paid by Developer on time and in full as the Project progresses. Any fees paid by Developer which may be eligible for Fee Waivers shall be maintained by the City in a separate Fee Waivers escrow account. Fee Waivers shall be effectuated through a refund of the amounts deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

4. **Warranties and Obligations of the Developer.** The Developer does hereby warrant and agree for the benefit of the City as follows

(a) Developer shall adhere to the Guidelines and requirements set forth in Exhibits 1 and 2. If the Property is located outside of the City of Salisbury, Developer shall execute an Annexation Petition simultaneously herewith.

(b) As set forth above, all fees shall be paid by Developer on time and in full as the Project progresses. Fee Waivers shall be effectuated through a refund of the amounts deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

(c) Developer shall indemnify, defend and save harmless the City and its officers, employees and agents from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees, in any way connected with any injury to any person or damage to any property or any loss to the City or third parties.

(d) The City shall have the right to refuse or recall Fee Waivers if the City believes the work for development of the Project is unsatisfactory, construction of the Project is not being completed according to this Program Agreement, or the Project otherwise does not meet the eligibility requirements.

5. **Miscellaneous.**

(a) **Authority.** Each Party represents and warrants to the other Party that: **(i)** it has the full right, power and authority to execute this Program Agreement; **(ii)** the execution and delivery of this Program Agreement and the performance of its obligations hereunder are not prohibited by or in breach of, and the provisions hereof do not conflict with, any other agreement, mortgage, contract or other instrument or document to which it is a Party or by which it is otherwise bound; and, **(iii)** there are no legal

requirements imposed upon it which prohibit or limit the execution and delivery of this Program Agreement and the performance of its obligations hereunder.

(b) **Entire Agreement.** With the exception of any requisite Annexation Petition, this Program Agreement, and all exhibits attached hereto, constitute the entire agreement and understanding of the Parties with respect to the matters set forth herein, and all prior negotiations, writings and understandings relating to the subject matter of this Program Agreement are merged herein and are superseded and canceled by this Program Agreement.

(c) **Waiver - Amendments.** Any of the terms or conditions of this Program Agreement may be waived but only in writing by the Party which is entitled to the benefit thereof, and this Program Agreement may be amended or modified in whole or in part only by an agreement in writing executed by all of the Parties.

(d) **Binding Nature of Agreement.** This Program Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and permitted assigns. Developer may assign this Program Agreement and all its rights hereunder to any successor(s)-in-interest of Developer with respect to its ownership of, or any of its rights in and to, the Project or any part or portion thereof. In the event of such an assignment, and/or transfer of the Property, the new owner or interest holder shall enter into a modified agreement with the City, affirming the benefits and obligations of the original Program Agreement.

(e) **Severability.** The invalidity or unenforceability of any provision of this Program Agreement shall not affect or otherwise limit the validity and enforceability of the other provisions hereof.

(f) **Construction.** This Program Agreement and all of the terms and conditions set forth herein shall not be construed or enforced in favor of or against any Party hereto by reason of the fact that Party or that Party's agent or attorney drafted all or any part of this Program Agreement. Section headings are for convenience of reference only and shall not limit or otherwise affect any of the provisions of this Program Agreement. As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural.

(g) **Governing Law.** This Program Agreement shall be construed and enforced in accordance with the laws of the State of Maryland, without regard to its conflict of laws principles. The Parties hereto acting for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably consent to and subject themselves to the jurisdiction of the Maryland courts and to venue in Wicomico County, Maryland with respect to any matter arising under, from or in connection with this Program Agreement.

(h) **Waiver of Jury Trial.** The Parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counter-claim brought by a Party hereto against the other on any matter whatsoever arising out of or in any way connected with this Program Agreement, the relationship of the Parties to one another, and/or any claim, injury or damage arising from or consequent upon this Program Agreement.

(i) **Recitals.** The Recitals set forth hereinabove are incorporated by reference herein, and made a part hereof, as if fully set forth in this Program Agreement.

(j) **Counterparts.** This Program Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals and acknowledged this Program Agreement as of the date and year referenced below.

WITNESS/ATTEST:

THE CITY:

City of Salisbury, Maryland

By: _____ (SEAL)
Jacob R. Day, Mayor

Date: _____, _____, 20__

DEVELOPER:

NAME

By: _____ (SEAL)
Printed name and title

Date: _____, _____, 20__



Housing Expansion Incentive Program

Guidelines and Application

Department of Infrastructure & Development

Room 202

125 N. Division Street

Salisbury, Maryland 21801

Phone: 833-SBY-CITY

September 2021

Housing Expansion Incentive Program Guidelines and Application

The Housing Expansion Incentive Program (the “**Program**”) is a graduated fee waiver program. The primary goal of the Program is to accelerate the construction of residential development throughout Salisbury. Projects that meet eligibility requirements shall qualify for a full or partial waiver of annexation fees, permitting fees, comprehensive connection charges, and/or development assessment fees, as set forth in detail on the attached **Exhibit 1** (collectively referred to as the “**Fee Waivers**”). Guidelines for the Program are set forth below (the “**Guidelines**”), immediately followed by the Program Application (the “**Application**”).

Eligibility for Program Fee Waivers

A developer (each an “**Applicant**” and collectively the “**Applicants**”) may submit written documentation to the Director of the Department of Infrastructure & Development (“**DID**”) to establish eligibility for a property which is planned for residential development (the “**Project**”), which must demonstrate that the Project meets all of the following criteria:

1. The Project must either be located within the City of Salisbury or, in addition to completing this application, the applicant(s) must sign an Annexation Petition with the City.
2. The Project must comply with all applicable Zoning and Building Codes.
3. The Project must comply with all requirements of the Salisbury Historic District Commission.
4. Applications for the Program must be received, reviewed and confirmed as complete by DID **PRIOR** to the issuance of a certificate of occupancy for the Project.

General Conditions

1. Applicants must comply with all Program guidelines and conditions.
2. Applicants must be the owner of the Project to apply for the Program.
3. Properties and owners must be current on all City, County, State, and Federal property and income taxes and remain current throughout the Program term. Failure to comply shall result in suspension of the Fee Waivers during any period of non-compliance and, at the discretion of the Mayor, may result in termination of the Housing Expansion Incentive Program Agreement (the “**Program Agreement**”) and the forfeiture of Fee Waivers for the remainder of the Program Fee Waiver Schedule set forth in the Program Agreement.
4. Building permits for a Project must be issued within the schedule defined in the Program Agreement.
5. All construction work for a Project must comply with applicable laws, ordinances, building codes and zoning ordinances.
6. The Application must include drawings of the proposed Project made to the specifications required by the Director of DID which demonstrate what the Project will look like when completed and show it will be in full compliance with the requirements of the Program.
7. The Applicant shall not deviate from the Project described in the Application or change the intended use of the property (e.g. change the Project from development of residential units to development of retail space); doing so without the prior approval of the Director of DID and the Council shall disqualify the Project for the Fee Waivers.

8. It is expressly agreed that Applicants shall be solely responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other regulations applicable to any Project for which Fee Waivers are sought under the Program.
9. It is expressly understood and agreed by each Applicant, that Applicants waive and release the City of Salisbury, its agents, employees, officers and/or directors from any and all liability for or arising from any property damage, personal injury, or other loss related in any way to the Project, the development and/or construction thereof, the Program or any Fee Waivers granted to an Applicant thereunder.
10. Each Applicant shall be responsible for hiring and executing an agreement with a general contractor, licensed to operate in the State of Maryland, for the construction of the Project. Each Applicant shall ensure that, in connection with the construction of the Project, its general contractor provides insurance coverage for comprehensive public liability, property damage liability, builder's risk, and workers' compensation.
11. Each Applicant must certify that: there are no hazardous materials located on the property at which the Project is constructed; the Applicant shall not cause or allow any hazardous materials to be placed on the property at which the Project is constructed; and, the property at which the Project is constructed is in compliance with all applicable Federal, State, and local environmental laws and regulations.
12. Applicants shall maintain or cause to be maintained both property and commercial general liability coverage for the Project and the property at which the Project is constructed, both during and after the construction/rehabilitation related to the Program.
13. If a Project is located in the 100-year floodplain, as designated by Federal Emergency Management Agency (FEMA), the Applicant shall be required to provide evidence of flood insurance coverage.
14. Following the completion of the Project, the Applicant shall ensure that all necessary approvals for the commencement of the activities that will take place on the property, including all applicable permits and licenses, have been obtained.
15. To be eligible to participate in the Program, the Program Agreement must be executed no later than ninety (90) days following the City Council's passage of the Fee Waiver Ordinance No. _____, passed on _____.
16. Having met all other requirements to participate in the Program, in order to qualify for each of the Program Fee Waivers the Applicant shall abide by the development timeline established in the Program Agreement.
17. An Applicant shall maintain the property and all improvements of the Project, and otherwise comply with the Municipal Code of the City of Salisbury.
18. An Applicant shall authorize the City of Salisbury to promote any Project approved for the Program. Such promotion by the City of Salisbury may include, but is not limited to displaying a sign at the Project site during and after construction, and using photographs and descriptions of the Project in City of Salisbury materials and press releases.
19. The City of Salisbury shall have the right to refuse and/or rescind the Fee Waivers granted for the Project if the City believes the work is unsatisfactory, the construction of the Project is not being completed according to the approved Application or the executed Program Agreement, or the increased assessed value of the real property following completion of Project construction does not meet the eligibility requirements.

20. If the property at which a Project approved for the Program is constructed (or planned for construction) changes ownership and becomes tax exempt during the term of the program, then 50% of the Fee Waivers received prior to such change of ownership shall be reimbursed to the City of Salisbury within thirty (30) days from the date of settlement on the change of ownership. Repayment of Fee Waivers shall be required, and, to the fullest extent permitted by law, shall be a lien on the property for which the Fee Waivers were requested.

Fee Waiver Schedule

1. Full Fee Waivers: Timeline and Development Benchmarks

- a. The Program Agreement must be executed within ninety (90) days from the passage of the Fee Waiver Ordinance No. ____, passed on ____, in order for Applicant to take advantage of the full Fee Waivers provided herein.
- b. All fees shall be paid on time and in full as the Project progresses. Any fees paid by the Owner which may be eligible for Fee Waivers shall be maintained by the City in a separate Fee Waivers escrow account. Fee Waivers shall be effectuated through refunds pursuant to the following timelines and development benchmarks:
 - (i) If all building permit applications and site plans related to the Project are approved by the Department of Infrastructure and Development by December 31, 2022, the City shall provide Fee Waivers equal to 25% of all permitting, annexation, and development assessment fees related to the project; the 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees. Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.
 - (ii) If construction on the Project commences no later than December 31, 2023, the City shall provide Fee Waivers equal to the 25% of all permitting, annexation, and development assessment fees related to the project; the 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees. These subsection 1(b)(ii) Fee Waivers shall be provided in addition to any Fee Waivers received through subsection 1(b)(i). Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.
 - (iii) If a Certificate of Occupancy for the Project is issued no later than June 30, 2025 for multifamily development projects, or June 30, 2027 for single-family development projects, the City shall provide Fee Waivers equal to 50% of all permitting, annexation, and development assessment fees related to the project; the 50% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees. These subsection 1(b) (iii) Fee Waivers shall be provided in addition to any waivers received through subsections 1(b) (i) and (ii). Fee Waivers shall be applied separately to each waived fee (i.e., 50% of the building permit fee is waived, 50% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

2. Projects Currently in the development Pipeline – Partial Benefit

a. Projects currently under development may participate in a modified version of this program so long as they have an executed Program Agreement within ninety (90) days of the passage of the Fee Waiver Ordinance No. _____, passed on _____.

b. All fees shall be paid on time and in full as the Project progresses. Any fees paid by the Owner which may be eligible for Fee Waivers shall be maintained by the City in a separate Fee Waivers escrow account. Fee Waivers shall be effectuated through refunds pursuant to the following timelines and development benchmarks:

(i) If all building permit applications and site plans related to the Project are approved by the Department of Infrastructure and Development by December 31, 2022, the City shall provide Fee Waivers equal to 25% of all permitting, annexation, and development assessment fees related to the project, *which such Fee Waivers shall be applicable only to future fees which have not yet become due in the ordinary course of the Project's development*. The 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees and *provided they have not yet become due in the ordinary course of the Project's development*. Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

(ii) If construction on the Project commences no later than December 31, 2023, the City shall provide Fee Waivers equal to the 25% of all permitting, annexation, and development assessment fees related to the project, *which such Fee Waivers shall be applicable only to future fees which have not yet become due in the ordinary course of the Project's development*. The 25% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees and *provided they have not yet become due in the ordinary course of the Project's development*. These subsection 2(b)(ii) Fee Waivers shall be provided in addition to any Fee Waivers received through subsection 2(b)(i). Fee Waivers shall be applied separately to each waived fee (i.e., 25% of the building permit fee is waived, 25% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

(iii) If a Certificate of Occupancy for the Project is issued no later than June 30, 2025 for multifamily development projects, or June 30, 2027 for single-family development projects, the City shall provide Fee Waivers equal to 50% of all permitting, annexation, and development assessment fees related to the project, *which such Fee Waivers shall be applicable only to future fees which have not yet become due in the ordinary course of the Project's development*; the 50% Fee Waivers shall also be applied to comprehensive connection charges, excluding water and sewer infrastructure reimbursement fees and *provided they have not yet become due in the ordinary course of the Project's development*. These subsection 2(b)(iii) Fee Waivers shall be provided in addition to any waivers received through subsections 2(b)(i) and (ii). Fee Waivers shall be applied separately to each waived fee (i.e., 50% of the building permit fee is waived, 50% of the water and sewer connection fee is waived, etc.). Fee Waivers shall be provided in the form of a refund of the amount deemed to be waived, with such refund to be paid in a lump sum upon the issuance of the Certificate of Occupancy for the Project.

All Fee Waivers shall be prorated based upon the proportion of development with a residential use

All Fee Waivers shall be prorated based upon the proportion of the Project that is developed for residential use. The portion of the Project developed for residential use shall be calculated based upon the proportion of project-related EDUs that are residential EDUs. To better understand the intent of this provision regarding how program Fee Waivers are to be prorated, refer to the example provided below.

Requirements for the Program Agreement

1. The Director of the Department of Infrastructure and Development, or a designee thereof, shall draft a Program Agreement with eligible Applicants that includes the following:
 - a. Calculation of the sum total of all charges and fees that are eligible to be offset through Fee Waivers, in accordance with the development timeline and benchmark milestones. The calculations shall be set forth by DID in a Letter of Intent issued to Applicant after submission of the Program Application.
 - b. Calculations, based on the proportion of residential EDUs, of the percentage of the Project that is for residential use, which shall be eligible for Program Fee Waivers. All calculations shall be enumerated so that Applicants are fully advised what proportion of the Project is eligible for Fee Waivers, in accordance with the timeline and development benchmarks listed above. These calculations shall be included in the Letter of Intent issued by DID after Applicant's submission of the Program Application.
 - (i) Example: If a Project required a total of 100 EDUs – 80 EDUs for residential components with the remaining 20 EDUs being used for a commercial portion, then the Fee Waivers would only apply to 80% of the fees associated with the Project.
 1. In this example, if the Project were eligible for the full Fee Waivers, it would receive up to a 100% waiver on 80% of fees associated with the Project.
 2. If the Project in this example were eligible for the partial Fee Waivers, it would receive up to a 50% waiver on 80% of fees associated with the Project.
 - c. Draft an Annexation Petition for all proposed Projects located outside of City limits. The an Annexation Petition shall be signed by the Program Applicant and submitted with the signed Program Agreement.

Fee Waiver Process

1. Fee Waivers shall be applied to fees on an individual basis in accordance with the above Fee Waiver Schedule. Fee Waivers may be combined with other local, state and federal incentive programs. Fee Waivers will not supersede other local, state, and federal incentive programs and will be applied after the application of those incentive programs. Fee Waivers cannot exceed 100% of any individual fee.
2. Properties must be current on all City, County, State, and Federal property and income taxes. All Fee Waivers shall be suspended unless and until the property's owners and tenants are current on all City, County and State property and income taxes.
3. Once initiated, the Fee Waivers shall run, in accordance with schedule set forth above, for the entire term of the Program unless the owner of the property becomes delinquent in paying the above described taxes or fails to meet the eligibility requirements or general conditions of the Program.

Requirements for Application for Program Waiver

1. Interested Applicants must meet with DID staff to review the Program and specifications for the Applicant's Project.

2. One copy of the completed Application shall be submitted in paper form to DID and an electronic copy shall also be emailed to infdev@salisbury.md.
3. Portions of an Applicant's Application may be kept confidential by completing a Nondisclosure Agreement upon request and providing specific reasons for the request. Notwithstanding any term to the contrary set forth herein, Applicants expressly acknowledge and agree that any Maryland Public Information Act requests may result in information marked "confidential" by the Applicant being disclosed by the City unless such information is prohibited from disclosure (or is permitted for non-disclosure) under Maryland's Public Information Act.
4. **IMPORTANT NOTE:** Applications for the Program must be received, reviewed and confirmed as complete by DID **PRIOR** to the issuance of a certificate of occupancy for the Project.
5. The Director of DID shall issue an official Notice of Pre-Approval in the form of a Letter of Intent to be signed by the Applicant. Included with the Letter of Intent shall be a preliminary summary of Fee Waivers for the Project and a proposed draft Program Agreement for the Project. If the Project involves mixed-use or commercial components, the Director of DID shall also include the prorated total of all charges and fees that are eligible to be offset through Program Fee Waivers; the Director of DID shall determine this prorated Fee Waivers total based upon the proportion of the Project's EDUs that are residential EDUs. If the Project is located outside of the City limits, the Letter of Intent and draft Program Agreement shall also include an Annexation Petition. Applicants must sign and submit the Program Agreement, and any an Annexation Petition, within thirty (30) days of receipt of these documents.
6. Once the Letter of Intent has been signed, the Application and recommendation shall be forwarded to the Mayor for the Mayor's pre-approval.
7. DID staff shall finalize the Program Agreement for the Project, which must be executed by the Applicant within fifteen (15) days of the Applicant's receipt thereof. After the Applicant has fully executed the Program Agreement and, if applicable, Annexation Petition, the agreement(s) shall be presented to the Mayor for the Mayor's final approval.
8. Applicants shall agree to adhere to the timeline and development benchmarks included in the Application, in the Program Agreement, and (if applicable) any Land Disposition Agreements/Contracts approved by the City.
9. The Program Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and permitted assigns. Applicant may assign the Program Agreement and all rights thereunder to any successor(s)-in-interest of Applicant with respect to its ownership of, or any of its rights in and to, the Project or any part or portion thereof. In the event of such an assignment, and/or transfer of the Property, the new owner or interest holder shall enter into a modified agreement with the City, affirming the benefits and obligations of the original Program Agreement.

Exhibit 1

Eligible Projects may qualify for full or partial waivers of the following fees:

Comprehensive Connection Charges, subject to the exclusion below

Building Plan Review Fees

Building Permit Fees

Demo- Residential (Building Fee)

Gas (Building Fee)

Mechanical (Building Fee)

Plumbing (Building Fee)

Annexation Fees, to include Annexation – Development Assessment Fees

Water and Sewer Connection Fee

Development Plan Review Fee

Subdivision Review Fee

Resubdivision Review Fee

Critical Area Fees (Certificate of Compliance)

Infrastructure Reimbursement Administrative Fee

Water Meter Setting Fee

Fire Prevention Fees, to include Basic Fees, Expedited Fees, After Hours Inspection Fees

Fire Permit Fees, to include Fire Alarm & Detection Systems and Sprinkler, Water Spray and
Combined Sprinkler & Standpipe Systems

The following fees shall not be waived:

Critical Area Program Fees (Fee-in-Lieu)

Water and Sewer Infrastructure Reimbursement Fee

Water Meter/Tap Fee and Sewer Connection Fee

Any necessary Reinspection Fees

**City of Salisbury
Program Application**

General Information

Application Date: _____

Legal Name of Business:

Address of Property:

Legal Description of Property:

Name of Business Owner:

Address of Business Owner:

Business Owner Telephone #: _____

Business Owner E-mail address: _____

Name of Property Owner:

Address of Property Owner:

Property Owner Telephone #: _____

Property Owner E-mail address: _____

Equivalent Dwelling Units (EDUs)

Total Number of EDUs required

Number of Residential EDUs required

Number of Commercial EDUs required

Percentage of EDUs that are Residential EDUs

Project Narrative

1) General description of the proposed project:

2) How does this project align with the Program goals?

3) Use Mix: Type of Use / Percentages:

4) Property ownership structure:

5) Do you intend to “Phase” the project? If so, please provide phasing details.

6) Description of on- or off-site or associated additional projects, if applicable.

7) Description of public or tenant accessible amenities, if applicable.

Check any other incentives / programs that have been applied for.

- ☐ Enterprise Zone
- ☐ Rise Zone
- ☐ Comprehensive Connection Charge Waivers
- ☐ Revolving Loan Program
- ☐ Community Legacy Grant
- ☐ SD/SGIF Grant
- ☐ Other City/County/State/Federal Grant
- ☐ Other Tax incentives
- ☐ Energy use incentives
- ☐ Other Public investment

I, the Applicant, have read and understand the Program guidelines, and I agree to abide by the general conditions as set forth in this Application. I further understand that if I am awarded Fee Waivers, I shall be required to enter into a Program Agreement and, if applicable, an Annexation Petition with the City of Salisbury.

Signature of Project Owner: _____

Printed Name: _____ Date: _____

Signature of Property Owner (if different from Project Owner):

Signature of Property Owner: _____

Printed Name: _____ Date: _____



To: All Council Members
From: Nathaniel Sansom, Special Assistant to the Mayor
Subject: PILOT- Payment In Lieu of Taxes
Date: October 13, 2021

Included below is a proposal pertaining to the establishment of a Payment in Lieu of Taxes (PILOT) program for affordable housing; this is one of the central pillars of Mayor Day's *Here is Home* initiative announced on September 29th.

State Law

PILOT programs exist throughout the State of Maryland; while many are created at the county level, § 7-501 of the Maryland Tax-Property Article¹ vests municipal governments in all counties other than Worcester County with the authority to “authorize, by law, an exemption from county or municipal corporation property tax” for eligible property, in accordance with § 6-102(e) of the Maryland Tax-Property Article, which pertains to tax on leasehold interests².

The Tax-Property Article also provides for County exemptions for low income family housing in accordance with § 7-503. This Section of the Article creates exemptions for affordable housing owned by nonprofit corporations and LLCs that are exempt from income tax as well as for nonprofit housing corporations, as defined in § 12-104(b) of the Housing and Community Development Article³.

In § 7-506.1, the Tax-Property Article allows for PILOTs for Governmentally subsidized housing outside of Baltimore City; this is the legal authority the City of Salisbury has used to enter into PILOT Agreements in the past.

What Salisbury has done

In 2005, the Council passed **Res. 1296**⁴ which created a policy whereby the city created the framework for PILOT programs. Eligible projects must meet the following criteria:

- They must be “located in a Department of Housing and Urban Development Qualified Census Tract”
- “Have been granted low-income housing tax credits through the State of Maryland program”
- They must also meet certain requirements relating to rental rates, which must be set for 40 years to serve individuals earning less than 50% of our area’s median income.

¹ <https://law.justia.com/codes/maryland/2015/article-gtp/title-7/subtitle-5/section-7-501/>

² <https://law.justia.com/codes/maryland/2015/article-gtp/title-6/subtitle-1/section-6-102/>

³ <https://law.justia.com/codes/maryland/2015/article-gtp/title-7/subtitle-5/section-7-503/>

⁴ <https://salisbury.md/wp-content/uploads/archived/resolutions/Res1296.pdf>



MEMORANDUM

One notable limitation of this program is its dependence upon the County as the amount land owners would pay through the PILOT was to be split between the City and the County and the program was dependent upon the County adopting a similar policy.

In 2016, the Council passed **Res. 2688**⁵, providing a PILOT for the development of Gatehouse market and Lofts at 401 West Main St. This was a Green Street Housing, LLC project that met PILOT requirements through participation in the Maryland Department of Housing and Community Development's Low Income Housing Tax Credit Program.

By Resolution, the City approved a PILOT agreement which provided Green Street with a reduction in "real estate taxes in the amount of \$400 per unit per year if the project continues to provide affordable housing for persons of lower income for a period of forty (40) years from the date the building is granted a certificate of occupancy"⁶. We modeled the enclosed Ordinance and template PILOT Agreement off of that which was used to create the Greenstreet PILOT.

Recommendation

To further the objectives of the *Here is Home* comprehensive housing initiative, the Administration requests that the Council Amend Title 3 (Revenue and Finance) of the City Code, adding the proposed Chapter, 3.26, which establishes a framework authorizing the Mayor to enter into PILOT Agreements on behalf of the City that provides a reduction in real property taxes of up to \$400 per affordable housing unit per year, with the total reduction not to exceed the annual City real property tax assessment for the property. The proposed code revisions are included within the enclosed Ordinance. For reference, a copy of our revised template PILOT Agreement has also been included for your review.

⁵ <https://salisbury.md/wp-content/uploads/2015/12/10-24-16-Amended-Agnd-Pckt.pdf>

⁶ <https://salisbury.md/wp-content/uploads/2015/12/10-24-16-Amended-Agnd-Pckt.pdf> pp. 75-76

Above reference links to template program agreement used in the past.

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WHEREAS, there is a significant need in the City of Salisbury for quality housing units for persons with low to moderate incomes; and

WHEREAS, in accordance with the above enabling authority, the City of Salisbury desires to offer a PILOT to owners of developments eligible to receive financing through the Low Income Housing Tax Credit (LIHTC) Program of the Maryland Department of Housing and Community Development (“DHCD”); and

WHEREAS, implementing the PILOT will encourage eligible owners to construct or expand the inventory of affordable housing in the City of Salisbury; and

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Chapter 3.26 Payment in Lieu of Taxes (PILOT)

In this Chapter, the following words have the following meanings indicated.

“Affordable Housing Development” means a housing structure or project in the City of Salisbury that is: 1) eligible to receive financing through the Low Income Housing Tax Credit (LIHTC) Program of the Maryland Department of Housing and Community Development (“DHCD”); 2) operates as rental housing for low to moderate income households and limits rents pursuant to the Extended Low Income Housing Covenant for Low Income Housing Tax Credits between the owner and DHCD; 3) makes no less than sixty percent (60%) of the housing units available to households

40 having incomes of no more than sixty percent (60%) of the area median income; and 4) continues to
41 qualify in all respects under the provisions of Section 7-506.1 of the Tax Property Article of the
42 Annotated Code of Maryland.

43 “Affordable Housing Unit” means a dwelling within the Affordable Housing Development that is
44 offered for rent for residential occupancy and is made available to households having incomes of no
45 more than sixty percent (60%) of the area median income.

46 “Payment in lieu of taxes” means an authorized payment made by the owner of an Affordable
47 Housing Development instead of paying the City of Salisbury real property tax.

48 3.26.011 – Requirements of PILOT Agreement

49 The City of Salisbury shall enter into an agreement to accept a negotiated payment in lieu of the real
50 property tax that would otherwise be levied on an Affordable Housing Development. Such an
51 agreement shall consist of the following minimum terms:

52 A. Affordable Housing Developments shall receive a reduction of the City of Salisbury
53 real property tax in an amount of Four Hundred Dollars (\$400.00) per Affordable Housing Unit per
54 year, the collective amount of which shall not exceed the total annual City of Salisbury real property
55 tax assessed to the Affordable Housing Development. The reduced amount provided for herein shall
56 be accepted by the City of Salisbury as a payment in lieu of taxes, provided that:

57 B. The housing structure or project continues to qualify as an Affordable Housing
58 Development, as set forth in 3.26.010, for a period of forty (40) years from the date the Affordable
59 Housing Development is granted a certificate of occupancy. At any time after receiving a negotiated
60 agreement for payment in lieu of taxes, but before forty (40) years after receiving a certificate of
61 occupancy, if the housing structure or project fails to meet the requirements set forth in this Section
62 3.26.011 (B), then the owner of the housing structure or project shall pay to the City of Salisbury the
63 difference between the ordinary City real property taxes and the payment in lieu of taxes for all years
64 from the date the housing structure or project fails to meet the requirements of this Section 3.26.011
65 (B) back to the date of the initial reduction set forth in the above Section 3.26.011(A), as if the
66 property had not been granted a payment in lieu of taxes.

67 3.26.012 – Authority to Bind

68 The Mayor of the City of Salisbury is authorized to enter into an agreement with the owner of an
69 Affordable Housing Development for a payment in lieu of taxes in accordance with this Chapter 3.26.

70 **BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF**
71 **SALISBURY, MARYLAND, as follows:**

72 **Section 2.** It is the intention of the Mayor and Council of the City of Salisbury that each provision
73 of this Ordinance shall be deemed independent of all other provisions herein.

74 **Section 3.** It is further the intention of the Mayor and Council of the City of Salisbury that if any
75 section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid,
76 unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication
77 shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other
78 provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

Section 4. The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 4.

Section 5. This Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a Meeting of the Mayor and Council of the City of Salisbury held on the 25th day of October, 2021 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the ____ day of _____, 2021.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[SIGNATURES APPEAR ON THE PAGE THAT FOLLOWS]

122 **ATTEST:**

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125 _____
Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

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128 Approved by me, this _____ day of _____, 2021.

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131 _____
Jacob R. Day, Mayor

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WHEREAS, the Owner proposes to develop the multifamily component of _____, a _____ development consisting of a commercial building and rental apartments, located at _____ in Salisbury, Maryland (the “Property”) for the purposes of providing rental housing for low to moderate income households (the “Project”); and

- (a) The real property is owned by a person engaged in constructing or operating housing structures or projects; and
- (b) The real property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that:
 - (1) funds construction, or insures its financing in whole or in part, or
 - (2) provides interest subsidy, rent subsidy or rent supplements; and
- (c) The Owner:
 - (1) agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs and to renew any annual contributions contract or other agreement for rental subsidy or supplement; or
 - (2) enters into an agreement with the governing body of the City to allow the property or portion of the property which was maintained for lower income persons to remain as housing for lower income persons.

WHEREAS, the Owner has demonstrated to the City that an agreement for payments in lieu of taxes is necessary; and

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: In consideration of the mutual covenants, terms and agreements hereof and pursuant to the power and authority of Section 7-506.1 of the Tax Property Article of the Annotated Code of Maryland, it is agreed as follows:

45 1. The Owner agrees: (1) that it will operate the Project as rental housing for low to
46 moderate income households and will limit rents pursuant to the Extended Low Income Housing
47 Covenant for Low Income Housing Tax Credits between the Owner and the Maryland Department
48 of Housing and Community Development (herein the "Extended Use Covenant"); (2) it will make
49 no less than 60 percent of the units available to households having incomes of no more than 60
50 percent of the area median income ("**Affordable Housing Units**"); and (3) that the Project qualifies
51 and will continue to qualify in all respects under the provision of said Section 7-506.1 of the Tax
52 Property Article of the Annotated Code of Maryland.

53
54 2. Beginning July 1, 2022, or the July 1 following the issuance of certificate of
55 occupancy, whichever is later, the Property shall be exempt from ordinary City real property taxes,
56 provided the Property continuously meets the requirements set forth in the above paragraph 1 for a
57 period of forty (40) years. In lieu of ordinary City real property taxes, the Property shall make a
58 payment equivalent to the Property's total annual City real property tax assessment, reduced by
59 the amount of Four Hundred Dollars (\$400.00) per Affordable Housing Unit per year, which
60 collective reduction shall not exceed the total annual City real property tax assessment. The
61 payments to be made hereunder by the Owner to the City with respect to the Property shall be in
62 lieu of all ordinary City taxes on real property under the Tax Property Article of the Annotated
63 Code of Maryland, and shall be made by the Owner first and accepted by the City through the Fiscal
64 Year 2058, or for forty (40) years following the issuance of the certificate of occupancy.

65
66 3. This Agreement shall be in effect for forty years, which is anticipated to be through
67 **Fiscal Year 20__**, **ending June 20__** and the portion of the property to be maintained for lower
68 income persons shall remain as housing for lower income persons for a term of at least forty (40)
69 years pursuant to Section 7-506.1(a)(2)(iv)2. The Property shall be assessed and reassessed from
70 time to time as though for purposes of City real property taxation according to the regular methods
71 and practices applicable to other real property of a similar classification in the City of Salisbury.

72
73 4. If at any time during the term of this Agreement, the City real property taxes are
74 less than the Payment in Lieu of Taxes (the "PILOT"); the Owner shall pay the ordinary City real
75 property taxes payable as if the property not been tax exempt.

76
77 5. For the **Fiscal Years 20__ through 205__** the Owner's annual payment in lieu of
78 taxes shall be calculated as follows:

79
80 Owner shall make payment in lieu to the City in an amount equal to the fiscal year taxes, an amount
81 of the assessed value of the property times the City tax rate minus (such subtracted amount
82 calculated as follows: $\$400 \times \text{Affordable Housing Units} = \$$ _____). No credit shall be
83 given to the Owner in the event the reduction is in excess of the City tax rate.

84 6. By June 30th of each year, the Owner shall provide to the City evidence of its
85 ongoing compliance with the requirements set forth in the above Paragraph 1. By July 30th of each
86 year, the City shall bill the Owner for the payment which is due by September 30th of that year, as
87 set forth in this Agreement.

88
89 7. Payments due hereunder will be considered delinquent thirty (30) days after the
90 due date of the bill sent to the Owner. Interest at the rate of one percent (1%) per month shall be
91 charged and collected by the City on all amounts remaining unpaid thirty (30) days after the due
92 date.

93

8. If, during the term of this Agreement, a Project fails to meet the requirements set forth in the above paragraph 1, then the Owner shall pay a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement, plus all interest, if any, less all amounts actually paid under this Agreement.

9. If the Owner is in default for one hundred eighty (180) days for any payment required under any of the provisions of this Agreement, the City may, at its option, declare a default by providing written notice of the default to the Owner and to the holders of all mortgages or deeds of trust. If within thirty (30) days of such notice, the payments have not been brought current, then the City may, at its option, declare all amounts due as follows: a sum equal to the total real property taxes which would have been due from the Owner in the absence of this Agreement, plus all interest, if any, less all amounts actually paid under this Agreement. To enforce its rights under this paragraph, the City may renegotiate this Agreement, foreclose, or seek any other remedy available at law or in equity. Notwithstanding anything to the contrary which is or might be contained in this agreement, payments due under this paragraph shall be considered a first lien against the Property and superior to any other liens placed upon the Property and may be collected in the same manner as City real property taxes.

10. In the event of the sale or other transfer of Owner's right, title and interest in and to the Project, which shall only occur with the express written consent of the City, which consent shall not be unreasonably withheld, Owner shall be relieved of all obligations and liabilities under this Agreement accruing after the date of such sale or transfer, and the purchaser or transferee of Owner's right, title and interest in and to the Property shall automatically, without the execution of any further documentation, become responsible for all obligations and liabilities of Owner under this Agreement accruing from and after the date of such sale or transfer. Any subsequent sales or transfers shall likewise relieve the seller or transferor of all obligations and liabilities under this Agreement accruing from and after the date of sale or transfer, and the purchaser or transferee shall automatically become responsible therefor.

11. This Agreement may be assigned to a holder of a mortgage or deed of trust in the event of a foreclosure or transfer under said mortgage or deed of trust, provided that the assignee shall be subject to the terms and conditions of this Agreement.

12. For the purposes of this Agreement, all notices shall be hand-delivered or mailed by first class mail or certified mail, return receipt requested or via overnight delivery service. Notices shall be given to the Parties as follows:

TO CITY: Office of Finance/City of Salisbury
Government Office Building
125 N. Division Street
Salisbury, MD 21801

TO OWNER:

OWNER ADDRESS

144 _____
145 _____
146 _____
147 _____
148
149 Each notice that is sent by one Party to the other Party at the listed address shall be
150 presumed to have been received three (3) days after the date of mailing; except when prior written
151 notice is given by one Party to the other that a Party or an address has changed. Notwithstanding
152 any provision to the contrary contained in this Agreement, any person or Party not listed in this
153 paragraph shall not be entitled to notice as may be required by this Agreement unless one Party
154 notifies the other Party that additional notice shall also be sent to such person or Party.
155

156 13. This Agreement shall inure to the Parties hereto and their respective successors,
157 assigns, and/or legal representatives.
158

159 14. The recitals set forth at the beginning of this Agreement shall be deemed to be a
160 part of this Agreement.
161

162 15. Mention in this Agreement of any specific right or remedy shall not preclude the
163 City from exercising any other right or remedy available at law or in equity; and the failure of the
164 City to insist in any one or more instances upon a strict or prompt performance of any obligation
165 of Owner under this Agreement, or to exercise any option, right or remedy herein contained or
166 available at law or equity, shall not be construed as a waiver or relinquishment thereof, unless
167 expressly waived in writing by the City. The waiver by the City of any breach of this Agreement
168 requires the City's written consent to any act or conduct of Owner; and knowledge of, or
169 acquiescence by the City in, any such act or conduct shall not be deemed a waiver of the
170 requirement for written consent. Exercise by the City, or the beginning of the exercise by the City,
171 of any one or more of the rights or remedies provided for in this Agreement or now or hereafter
172 existing at law or in equity or by statute or otherwise shall not be construed as an election of
173 remedies so as to preclude the simultaneous or subsequent exercise by the City of any other right
174 or remedy for such breach.
175

176 16. This Agreement contains the entire agreement of the Parties to this Agreement with
177 respect to the matters set forth herein. All other agreements and understandings of the Parties to the
178 Agreement, written or oral, if any, are merged into this Agreement.
179

180 17. This Agreement may be amended or modified in whole or in part only by an
181 agreement in writing, executed by all of the Parties to this Agreement.
182

183 18. The Parties covenant and agree with one another, upon the request of any Party to
184 this Agreement, to do, execute, acknowledge and deliver, or cause to be done, executed,
185 acknowledged or delivered, any such further act(s), deed(s), document(s), assignment(s),
186 transfer(s), conveyance(s), power(s) of attorney or assurance(s) as may be reasonably necessary or
187 desirable to give full effect to this Agreement and the transactions contemplated by the terms
188 contained herein.
189

190 19. Whenever possible, each provision and term of this Agreement shall be interpreted
191 in a manner to be effective and valid, but if any provision or term of this Agreement is adjudged
192 by a court of competent jurisdiction to be prohibited or invalid, then such provision or term will be
193 ineffective only to the extent of such prohibition or invalidity and without invalidating or affecting

194 in any manner whatsoever the remainder of such provision or term or the remaining provisions or
195 terms of this Agreement.
196

197 20. This Agreement, and all the terms and conditions contained herein, shall not be
198 construed or enforced in favor of or against any Party hereto by reason of the fact that Party or that
199 Party's agent or attorney drafted all or any part of this Agreement. Unless otherwise expressly
200 provided, the words "hereof", "herein" and "hereunder" and similar references refer to this
201 Agreement in its entirety and not to any specific section or subsection hereof, the words
202 "including" or "includes" do not limit the preceding words or terms and the word "or" is used
203 in the inclusive sense. As used herein, any reference to the masculine, feminine or neuter gender
204 shall include all genders, the plural shall include the singular, and the singular shall include the
205 plural.
206

207 21. It is understood and agreed by the execution of this Agreement that the City does
208 not waive any rights of governmental immunity which it may have in any damage suits against it,
209 and that the City reserves the right to plead governmental immunity in such suit in law or in equity
210 or such pleading as is appropriate notwithstanding the execution of this Agreement.
211

212 22. Owner shall indemnify, defend and save harmless the City and its officers,
213 employees and agents from and against any suits, actions, legal or administrative proceedings,
214 demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including
215 interest and attorneys' fees, in any way connected with any injury to any person or damage to any
216 property or any loss to the City or third parties.
217

218 23. This Agreement shall be governed by the Maryland law and any actions between
219 the Parties hereto shall be brought in and vest jurisdiction and venue solely in the Circuit Court for
220 Wicomico County.
221

222 24. **Each of the Parties hereby expressly waive trial by jury in any action,**
223 **proceeding or counterclaim brought by any Party hereto against any other Party on any**
224 **matter whatsoever arising out of or in any way connected with this Agreement, the**
225 **relationship of the Parties to one another and/or any claim, injury or damage arising from or**
226 **consequent upon this Agreement.**
227

228 25. Each Party represents and warrants to the other Party that: **(i)** it has the full right,
229 power and authority to execute this Agreement; **(ii)** the execution and delivery of this Agreement
230 and the performance of its obligations hereunder are not prohibited by or in breach of, and the
231 provisions hereof do not conflict with, any other agreement, mortgage, contract or other instrument
232 or document to which it is a party or by which it is otherwise bound; and, **(iii)** there are no legal
233 requirements imposed upon it which prohibit or limit the execution and delivery of this Agreement
234 and the performance of its obligations hereunder.
235

236 **IN WITNESS WHEREOF**, the City has caused this Agreement to be signed in its name by the
237 Mayor of the City of Salisbury, to be attested to by the City Clerk, and to have the City Seal affixed
238 hereto; and the Owner has caused this Agreement to be signed in its name by its Authorized Agent,
239 duly attested.
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ATTEST:

OWNER:

_____ (Seal)

By: _____
Authorized Agent

ATTEST:

CITY OF SALISBURY, MARYLAND

_____ (Seal)

Jacob R. Day
MAYOR, City of Salisbury