

CITY OF SALISBURY  
WORK SESSION  
JUNE 20, 2023

Public Officials Present

Council President Muir Boda  
Council Vice-President April Jackson  
Councilmember Michele Gregory

Mayor John R. Heath  
Councilmember Angela M. Blake  
Councilmember Megan Outten

In Attendance

City Administrator Andy Kitzrow, Acting Assistant City Administrator Tom Stevenson, Acting Police Chief Dave Meienschein, Fire Marshal Eric Cramer, Deputy Chief Chris O’Barsky, Field Operations Director Michael Dryden, Department of Infrastructure and Development (DID) Director Rick Baldwin, Arts, Business & Culture Department (ABC Dept.) Director Allen Swiger, City Clerk Kimberly Nichols, Attorney Reena Patel, City Attorneys Ashley Bosché and Heather Konyar, and interested members of the public

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On June 20, 2023 the Salisbury City Council convened at 4:30 p.m. in Conference Room 306 in the Government Office Building. The following is a synopsis of the items discussed in Work Session.

**Budget amendment to purchase customized and expandable storage system**

Acting Chief Dave Meienschein requested to appropriate funds from a forfeited funds account to purchase a storage unit for their property in the property room. The request was the result of an audit inventory and the recommendation was there were certain items they could not dispose of such as weapons used in serious crimes, drugs and certain paraphernalia. They were also just running out of room. The Police building was built in 1996 and space was limited. He explained the expandable unit could be added to as needed.

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

**Ordinance to amend the duties and responsibilities of the City Fire Marshal**

Fire Marshal Eric Cramer and Deputy Chief Chris O’Barsky joined Council. Deputy Chief O’Barsky explained the ordinance would amend Chapter 8.11 of the City Code, entitled “The Fire Prevention Code.”

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

The second ordinance would amend Chapter 2.16 to update and define the duties and responsibilities of the City Fire Marshal.

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

### **Environmental Policy Task Force Annual Report**

Sustainability Specialist Dylan Laconich and City Planner Brian Soper joined Council. Mr. Laconich reported the Environmental Policy Task Force was created in 2020 with recommendations of policies from stakeholders and people in the sustainability and environment industry. He discussed each of the following recommended policies: Energy Use and Emissions, Water, Wastewater, Stormwater Management, Open Space, Transportation, Operation Design, Outreach and Education.

Ms. Jackson asked why the refillable stations were only placed in certain parks and Mr. Laconich answered he was not entirely sure. Mr. Kitzrow said the City was looking to get them first in all of the parks where infrastructure was already in place, and the goal was to get the refillable stations in all of the parks.

### **Text Amendment to include limited service, rental or repair establishments in Light Industrial District**

City Planner Brian Soper presented the text amendment to permit service, rental or repair establishments in the Light Industrial Zoning District. He reported it would permit service, rental or repair establishments in the Light Industrial Zoning District. It was reviewed by staff and prepared by the City Attorney. The Planning Commission held a Public Hearing and forwarded a favorable recommendation to City Council on March 16, 2023. He noted similar uses in the district already included a planned business center, a multi-use facility, hairdresser shop, and an animal hospital. The initial response was brought on by an applicant looking to have a tattoo parlor.

Ms. Blake explained that she wanted to focus on other topics already at hand first before approving to advance the text amendment. She motioned to table the text amendment and Ms. Jackson seconded. The motion failed on a 2-3 vote. Mss. Gregory and Outten, and President Boda voted nay to table this text amendment.

The legislation would be advanced to legislative agenda.

### **Downtown Development Projects presentation**

City Administrator Andy Kitzrow made a presentation on Downtown Redevelopment and Revitalization. He reported that over 2500 people participated in the two-year process of creating a Master Plan of Downtown Salisbury in the Envision Salisbury (2015-2035) which was adopted in 2016. Participants were citizens, City officials, architects, urban planners, graduates, and undergraduates. What was created won the Maryland Sustainable Growth Commission Award in 2017. While only in the eighth year of this twenty-year plan, Mr. Kitzrow said he thought it was important to maintain and continue in the direction we were headed. He discussed the local housing crisis and shared that from 2007 to 2017 no single-family houses were built in Salisbury. The ones benefitting

most from the housing shortage were the same ones who controlled the housing inventory. Due to the housing shortage and great demand, rents were extremely high. He added that the decline in affordable housing correlated with the climb in homelessness.

Mayor Heath commented that no one could deny that Salisbury had an affordable housing problem. He recently met a young lady who recently graduated from Salisbury University and had a one-year renewable contract. She started to cry while telling him that there was no affordable housing for her to move into. Local landlords were saying Salisbury did not need housing and citizens could not find housing they could afford.

Ms. Jackson said the City needed affordable housing and asked a developer over a year ago how many affordable units he would build and he could not answer her. She asked what guarantee was there that affordable housing would be built in Salisbury. Mayor Heath answered it would be built on Lot 30. Ms. Jackson said she wanted revitalization, but Downtown received everything while the other districts received nothing.

Ms. Gregory commented that “Here is Home” was not just Downtown but spread across the City with assisted living, disabled housing, affordable housing, market rent, single family and town homes, etc. She asked if the map could be sent out so they could see where all of the locations were, as they were truly all over the City.

**Resolution to authorize the amended and restated and disposition agreement for Lots 1, 11, and 15 to set the terms for the sale and construction**

Mr. Boda invited Procurement Director Jennifer Miller and Counsel Reena Patel to join Council at the table. Ms. Patel introduced herself and said she served as Special Conflict Counsel representing the City and was from the Law Office of Marianna Batie.

Ms. Miller presented the information on the resolution to accept the amended and restated LDA for Lots 1, 11, and 15. She reported the original LDA for City owned Parking Lots 1 and 11 was approved by Council on October 12, 2015 and executed on October 30, 2015. The Amended and Restated LDA incorporated the sale of Parking Lot 15, as well. The Lot 15 property was listed by KLNBB, the City’s contracted commercial real estate broker, in November 2021. It was publicly advertised. City Council approved an exclusive negotiating period (ENP) with Salisbury Town Center Apartments, LLC in February 2022. She noted the key differences in the original LDA and the Amended and Restated LDA, as outlined below.

- 1. They would be subdividing Lot 1 (Exhibit A in the packet) The original LDA contemplated the sale of the entire parcel of Lot 1. Since then, the development plan has changed considerably and now would be re-subdivided to include three main areas- the Unity Square Lot to remain owned by the City, The parking garage lot (also to remain owned by the City), and the third was the Salisbury Town Center lots, to be conveyed to the Salisbury Town Center Apartments, LLC.*
- 2. The second difference was the inclusion of the sale of Lot 15.*

3. *The third difference was that there would be a deposit of \$25,000 which would be nonrefundable should the developer default.*
4. *The new agreement included a construction and permanent maintenance easement (Exhibit D in the packet).*
5. *There would be a Construction Management Agreement which would be Exhibit E. Ms. Miller said this agreement was currently in draft and basically would function as a Contract Manager Risk document which defined the relationship of the parties (the developer and the City), states the responsibility of the developer, statements of work, bonding requirements, general terms and conditions, decision making authority, fees and payment structure, project schedules, how to handle contingencies, scope changes, and other contractual details relate to the design, construction and commissioning of a new parking garage.*
6. *The amended and restated LDA included delayed performance penalties of \$7,500 for each month the developer remained in default of any of its obligations with respect to final site plan approval, building permit issuance, and issuance of Certificate of Occupancy.*
7. *The amended and restated LDA for Lots 1, 11, and 15 included an updated performance timeline wherein the following milestones were targeted: Assuming tomorrow was Day one and they executed the agreement tomorrow, on Day 50, approximately, the parties would go to closing. That would be October 2023. Day 140 would be the approximate date of the submission of the final site plan, which would be November 2023. Day 200 would be the builder's application for building permits, and would be January 2024. Around Day 210 the developer's contribution of \$750,000 towards the project would be due. And then anywhere between Day 1,130 to 1,495, which was three years and two months, or approximately four years and two months, they would receive the Certificate of Occupancy. This would bring the project to July 2026 or July 2027.*

Upon Ms. Miller's completion of the explanation above, President Boda asked Council for their questions or comments.

Ms. Blake said she had more questions than comments. She asked to clarify that the next step would be for Council to agree to move it forward, and President Boda confirmed. Ms. Blake then stated she would like to motion to close the session (move into Closed Session) to discuss contracts and to consult with Legal before voting to move this forward. She asked if that was possible, and knew they could go into Closed Sessions to discuss contracts and consult with Legal. Ms. Jackson said she would second the motion, and Ms. Outten stated she would agree if it would help the conversation. Ms. Gregory also indicated she would agree if it helped make it easier for people.

Mayor Heath said that if there was consensus already, then they could go into Closed Session. They could always vote "nay" when it came to Council in Open Session. Ms. Blake said she thought that any kind of consensus depended on the discussion in the Closed Session. Mayor Heath responded that he was just pointing out that they had to

come back after Closed Session. Ms. Blake said she knew it was cumbersome, especially for the public, but she thought the conversation was worth the extra time.

Ms. Blake clarified that Council had a right to go into Closed Session to discuss any contract and consult with Legal. In this case, she thought it was the best thing to do before they messed up anything, considering how contentious the topic was.

### **Motion to convene in Closed Session**

At 5:26 p.m., President Boda called for a motion to convene in Closed Session to discuss a legal contract and seek advice from Counsel. Ms. Jackson moved, Ms. Blake seconded, and the vote was unanimous (5-0) to convene in Closed Session.

### **Motion to adjourn Closed Session / Convene in Open Session / Report to Public**

At 5:57 p.m. Council reconvened in Open Session and the public entered the room. Council President Boda reported that the Salisbury City Council met in Closed Session to obtain legal advice on a legal matter from Legal Counsel.

### **Continued discussion on resolution to authorize the amended and restated land disposition agreement for Lots 1, 11, and 15 to set the terms for the sale and construction**

President Boda announced the Council had a discussion with Legal to get answers on some items on this topic. He then asked Council for any other questions or comments on the resolution. As there were none, he asked for consensus to move the resolution forward to the Special Meeting. Council reached consensus to move forward with the resolution.

President Boda asked everyone who signed up to speak in the Public Comments portion of the meeting to stand when their name was called. The following comments were received by twenty-four members of the public:

1. Speaker owned a business downtown for a year and selected the location because of the parking available. She lost parking because her clients used Parking Lots 1 and 15. Many of her clientele were ages fifty-five and older and there was no handicap accessibility. The City needed a better solution for the current business owners. She had to close her business early on Third Fridays because there was no parking. She did not oppose growth but the current businesses needed consideration, not just the new businesses.
2. Speaker asked how could we attract people- young professionals, doctors, teachers, blue collar workers, etc. if they could not afford to put a roof over their heads. The shortage in housing benefits officials who control rental property and aligns the prices to their liking. Everyone was recovering from the pandemic, and we could not let our citizens, especially low-income individuals suffer by having their homes taken because they cannot make the payments. Everything costs more

now due to inflation. The parking won't be the same but won't be as bad as Baltimore parking. He said he loved Salisbury because we're a place that helps one another. We truly understand the importance of community. Parking affects his life for about five minutes while affordable housing affects him 24/7.

3. Speaker was concerned about the meeting that was called on a Thursday afternoon on a City website citing there would be an agenda attached. The agenda was not posted until the following day. The Masterplan was not available. She emailed a request for basic data on Lots 1 and 15 on June 9<sup>th</sup> and was told she had to complete a FOIA so they could keep track of it. This was 11 days later and she received no information yet. Ms. Miller neglected to tell Council that Article 5 provided that the City pay for all construction costs for the parking garage, which amounted to \$10 million. How was spending \$10 million of taxpayer money to build a garage for the developer to be used for his tenants, not for the citizens of Salisbury, and written into the resolution was "it was in the best interest of the citizens of the City." The first LDA was to DEVRECO LLC and the amended one was to Salisbury Town Center Apartments, LLC. She asked if they were the same. Lot 15 was added to the amended LDA and would be eligible for tax abatements and waived water/sewer connection fees. She urged Council to stop the sale of the parking lots, the HORIZON program and Here is Home.
4. Speaker said there was very little transparency with the Council and the Mayor's Office. It's been difficult getting information. He objected to the sale of the City lots, the HORIZON Program, waivers for utility hookups, and how RFP's were done. He was also suspicious of the awards of the parking lots.
5. Speaker lived downtown and paid for parking in Lot 1. She and others had a long way to walk and were senior citizens. Lot 15 did have some free spaces she used occasionally. She asked where would everyone park and asked for the seniors to be considered.
6. Speaker said "ditto" on the cost benefit to developers getting parking lots at very discounted rates. She said it was counter-intuitive. It was not a good business decision to go from \$1.8 million in value to \$275,000. We have not been putting enough effort into affordable housing and should really do a better job. Helping Habitat for Humanity paint a dilapidated house with painting Kilz on moldy drywall was not solving the problem, it was just another band aid. We should not spend more than we earn.
7. Halt the sale of all City owned parking lots, and discontinue the HORIZON Program and Here is Home. She said she volunteers at the Library and was the youngest volunteer at age 75. She has to walk two streets to get to the Library. She was not handicapped but if she was, it would be a challenge to get there. Her shift starts at 9:00 a.m. and last week when she got to the garage all of the Library Patron parking spaces were taken. There was already parking abuse taking place in the garage. She said she did not know why citizen input was not taken into consideration before the projects began. They should have a say in the decisions. She probably won't be coming downtown very much because she did not like parking garages. She's never been so upset with the City she lived in. She was fearful most when she heard that the City had gone into the rainy-day fund. She hoped it was not too late to reverse all of the things that brought us here tonight.

8. She went into the woods a few years ago where there were people and babies living. It bothered her so badly that she asked her husband to help raise money for her birthday to get them out of the woods. Local slumlords had a list for lower class people and upper-class people. Homelessness is now at an all-time high. Babies are sleeping in the streets. Landlords have been raising the rent and putting people out into the streets. Mentally ill people are sleeping under the bridge. She's out in the streets and sees what is going on and it's not right.
9. Speaker said "ditto" about the senior citizens. She had a walker, and if she wanted to go to the Library and no parking space was provided for her, she would not park in the garage because it was not safe. She saw where the City Administrator stated that 2,200 people would live downtown along with the ones already living downtown. She thought that was very congested and like Los Angeles. She said the City had to consider employees working in the building, the people going into court, visitors coming into the GOB and working downtown. One of the problems she saw was transparency. She said that giving away fees and raising taxes was not fair to the citizens. People are living in campers now because they have nowhere else to live. The Ross is not affordable housing. Homes on Sassafras are starting at \$300,000. The main problem is transparency. Before anything is put to the vote or on the table, people need to be informed about what's going on.
10. Speaker is a business owner in Downtown. She's a single mom and has worked for everything she has. She purchased the Synagogue building two years ago and across the street is Parking Lot 15. She has no street parking for her residents in the building. When she purchased the building she was told Lot 15 would be the lot to utilize for parking. Her tenants and she have since been relocated to Lot 1, which eventually will be sold for development. The hourly parking will be going from \$1 an hour to \$2 an hour. She proposed to pay \$55,000 for the parking lot and do an escalation clause up to \$75,000 to allow the parking lot remain and be used by The Opportunity Shop, the local businesses and her tenants. She read a letter from the pastor of Asbury United Methodist Church opposing the development of the parking lot. She hoped Council listened to all who were here.
11. Speaker recently started a small business downtown to help her family pay their household bills. Selling Lots 1, 11 and 15 would affect her business and people who live downtown because there will be no parking. Please stop the sale and development of these lots. The developer benefits and the citizens do not.
12. Speaker opposed the sale of lots 1, 11 and 15. He said he did not own property downtown and would not be directly affected by the project. He recently emailed the Mayor and Council his concerns about the negative impact the project would have on the City as well as on Downtown. The removal of 357 conveniently located parking spaces and replacing them with a multimillion dollar garage paid for and owned by the City, but designed to benefit the developer and the future tenants of Salisbury Town Center Apartments will place a heavy burden on the employees, customers and public who work and transact business in Downtown Salisbury. The tenants given first refusal to obtain permits would fill up the garage and not give customers and merchants space to part. There was supposed to be an Exhibit E attached to the agreement and it is missing from the official documents. Speaker thought the contract should not be approved this evening.

Also, there will be no parking at all for at least two years during construction. There were seven different incentive programs the developer listed in the agreement that they wanted. The biggest incentive would be the HORIZON program that would give millions of dollars in property tax savings to the developer over the next twenty years. The tax savings for one only shifts the tax burden to everybody else. The other big request in the document is the waiver of water and sewer connection fees. The current cost of one EDU is \$3,710 and the waivers for 226 units amount to \$838,460, in addition to the ones for commercial units. The City just raised water and sewer bills by 10%, so how are we going to give over \$800,000 to one project. He asked how this benefitted City residents?

- 13.** Speaker has lived in Salisbury for 50 years and has done legal work primarily with local governments most of that time. He thought he'd seen everything until tonight. He said in the City's Rules of Procedure, if something is moved on from a Work Session for formal consideration, it has to be at a regular meeting. The meeting scheduled for tonight after this one is a Special Meeting. The City's growth rate and the County's growth rate has dropped dramatically in the last 15 years. Wicomico County's population increase in the last ten-year census was about 4,600 people. Ten years prior in 2010, it was almost 15,000. That was a huge drop. The enrollment at Salisbury University has dropped almost 20% since 2014. We do not have a general housing shortage in Salisbury or Wicomico County, as there is plenty of construction going on. Planning and Zoning will discuss further development of the old Salisbury Mall on the fifty-acre site where there would be hundreds of homes built. St. Albans and Beaglin was another 20 acres. Other sites have been bought by developers. The problem is affordable housing and none of the housing being proposed is affordable housing and there was nothing in the contract about affordable housing on Lots 1, 11 and 15. He could not possibly recommend the contract if he was the City's attorney. He was the County Council's attorney for some years. This was irresponsible and almost obscene when you stop and think about what was attracting development here which was the connection fee waiver and twenty-year tax waiver, and taxes were raised this year and would not stop. He referred to Mr. Pete Cooper's Urban Renewal publication.
- 14.** Speaker said the developer may make the argument that the amended and restated LDA for the three lots should be approved because the City previously agreed to the LDA for Lots 1 and 11, and they already had a deal. However, that agreement was made on October 12, 2015. Seven years have passed and they have not complied with the original LDA. They now want to change everything and include Lot 15, a City financed and maintained parking garage, and take advantage of all the tax incentives the City has added since then. The original agreement from 2015 was not on the website.
- 15.** Speaker owns and manages two rental management companies that she started in 1982. All of her investments were paid out of her own money and not giveaway programs. Not once did she get anything from the City for putting housing back into the hands of people who could afford it. She commented on the 4-2 legislation and said she had beautiful apartments with multiple bedrooms and bathrooms and had young people who would love to share apartments but could

not, as only two unrelated people were allowed per home. Recently we have seen the sale of City owned properties with the explanation that they were being surplussed and placed on the market. These properties were not listed with the local MLS contrary to what was said earlier. Lots 1, 11 and 15 are the lots that are most accessible and convenient to everything happening Downtown. In the 2010 Master Plan much was discussed concerning parking at that time before any parking lots were sold. That report states that parking was manageable but only if the program can effectively redistribute the parking demand from one lot to another. It also stated more parking would be needed, and new development inside and outside City limits must also support the cost of new growth. Impact fees were one-time payments used to construct systems and improvements needed to accommodate development. She said the full impact of this has not been identified and asked Council to not vote for the resolution.

16. Speaker said he failed to see how the development would benefit the general public. Affordable housing was a very compelling argument to have, but he asked what assurances did Council have that the new development would be affordable housing. He said the Mayor mentioned he spoke with a girl who said she couldn't afford to live here, and said he should have told her to take a look at the Ross Building. He said supply and demand was discussed, but there were more nuances that went into it than has been discussed. How about discussing rent control. That would have a real impact to ensure this really was affordable housing. He said he had not seen a whole lot of transparency. He mentioned doing a referendum in the fall. He urged Council to delay a vote and conduct public opinion polls rather than giving a developer who was in bed politically with members of the Council the right to take over the parking lots and construct the property.
17. Speaker was a landlord and owned a building downtown and he also had bought lots from the City. His process was a three-year process, and he not only had to provide an overlay drawing, but what he was going to sell and how he would sell it. He was in business for roughly 17 years and it was a process. He had to have two appraisals and had to pay twice what he initially offered to the City. All of the conversations were done publicly in many meetings. He was not aware of this development and has not seen a lot of information about it. Speaker said the Council was acting in the City's best interest but was impacting him as an owner. He and a lot of others would be impacted. He said he was a former banker and not anti-development-they were friends of his. We have one time to get this right and we were pointed in the direction of doing it absolutely wrong. It required urban planning and should have been determined how this overlay development would impact the net parking the City would need to properly service what they wanted. He said he was for development Downtown and wanted to develop his building at some point, but it was this type of thing that made him nervous. Council did not have enough information to vote on the resolution.
18. Speaker was born and raised in Worcester County and chose to live in downtown Salisbury. She loved it here but was very concerned about the parking. Her parking lot was right across the street from her apartment building and was a deciding factor of moving Downtown. With the revitalization going on she would no longer have the parking. She had convinced her mother to sell her home in

Worcester County and live with her. It was going to be a struggle for her mother. Please consider the people already living on the plaza and not the ones who would be moving here. Students will go home during the summertime and won't have to deal with what year-round tenants did. If 2,200 more residents moved Downtown, she would move out. It was peaceful, but she moved Downtown because of the ambience and how her apartment was built. Downtown was not that big and would be very congested. She lived Downtown for six years and had planned on living here for as many years as her landlord "Holly" allowed her.

19. Speaker was with Mentis Capital and said his firm was investing \$100 million in Downtown and so he had a unique perspective on redevelopments in Downtown Salisbury. It was amazing this many people were excited about public parking. The lots were under-utilized every day in Downtown and they did not contribute revenue to the City, County or State. The incentives have already resulted in private development and new development can generate jobs, opportunities, increase the tax revenue and transform the center of our community into the economic hub and a better place to live. He applauded the local leaders and their forward-thinking approach in implementing the groundbreaking legislation such as HORIZON and Here is Home. The incentives have already resulted in private development worth tens of millions of dollars in Downtown. Speaker encouraged the current leaders to maintain these incentives so that the rest of the development could move forward. The parking lots were always intended to be temporary and were purchased by the City to be redeveloped. Investors had the freedom to put their money anywhere, therefore it was critical for Salisbury to be as appealing as possible. Even with the current incentives it remained challenging to proceed with new developments in this market. The HORIZON Program did not eliminate existing tax revenues. They stayed in place – it was only on future tax revenues from investing tens of millions of dollars. During the construction of the Ross, they averaged 150 people working every day. The additional projects in Downtown would employ hundreds of more people and would have a huge ripple effect on the local economy. Developers were dedicated and spent a considerable amount of time in planning. He said the Mall had five times the required parking it needed to survive and it was slowly dying. Excessive amounts of parking were not good urban design and did not make for a successful development.
20. Speaker said what was before Council was probably the finest thing he recalled in the thirty years of being personally out there trying to find a developer to come and invest in our community. It was not easy to get a developer to come here. The market here was not that strong to be able to have the kind of expensive housing was needed to support this kind of structure that they wanted to build. The past Master Plans call for more density in Downtown. If we don't accept this project and try to get a piece of the tax pie now, we'll never get it. These projects were essential so that they can be taxed. We need to keep coming up with new ways to have taxes or else we will pay for it. The parking garage would be funded by a bond which would be supported by the tenants paying for it just like a parking fee.
21. Speaker said ditto to most of what was said. She did not see where this would build our tax base and everything was given away. By the time we recoup, we

would have suffered consequences. It won't bring about what was needed to sustain our community. She hoped the Council would trust in the community to place this on a referendum so that they could choose whether this moved forward.

22. Speaker (prior attorney for the City of Salisbury) said in 2015 the City issued an RFP to redevelop Lots 1 and 11 which were unanimously declared surplus by the City Council, they unanimously awarded the bid to DEVRECO, and they entered into a disposition agreement. The project was chosen because it reflected the City's vision for the development. In 2022 the City Council unanimously authorized Procurement to list Lot 15 for market sale and to collect offers during a certain window of time. One offer was received and accepted by the City. In 2021 the US Census said that the City's population was roughly over 32,000. Speaker has lived in Salisbury most of his life and the redevelopment in Downtown Salisbury inspired him. He did not want his children in years to come to ask Council to approve a project that would not change Downtown for the better. In fact, the City Council already agreed. The disposition agreement led them through many different site plans ultimately to determine that this was going to be quite an extensive project when it came to financial investment. That came to an addendum and the settlement on October 1, 2018. The settlement included a charge to the developer for an owner's policy with respect to the ownership of Lot 1 and 11. Discussions continued about the plans for the project. In November 2021 the City issued an RFP, awarded unanimously, the bid for Lot 15 to Salisbury Town Center, LLC. Salisbury Town Center, LLC is comprised of DEVRECO LLC and partner Lincoln, LLC which builds apartments across the bridge. A project of this size is what the City wanted and accepted. The City Council had unanimously determined that the parking lots were surplus property no longer needed for public use. On February 14, 2022 the City Council unanimously awarded the bid for Lot 15, providing the price and terms we were all aware of. When the lot was declared surplus, the City authorized Procurement to list it for sale and collect offers during a certain window of time. The City received one offer, which was for \$50,000 which was accepted by the City. It stated that settlement on Lot 15 shall occur simultaneously with settlement on Lots 1 and 11. Closing had already occurred. On January 10, 2023 speaker received an email, which was the first initial draft of the lot disposition agreement, which was extensive. These are not easy to write, and the notion that it was rushed was beguiled by the point that it began seven years ago. The LOI was accepted at the February 14, 2022 meeting. Critically important was the fact that also on that date also City Council unanimously approved the Capital Improvement Program budget which specified only one item with respect to Capital Improvement projects associated with parking, and that was a new parking garage to be located on portions of Lot 1. It stated it would cost \$10.7 million funded by non-taxable bonds. For non-taxable bonds, the parking garage would have to be used exclusively for public use and there could be no preferential treatment. During the months of negotiation of the LDA, there was a parking facilities agreement identical to the parking facilities agreement the City of Salisbury passed in August 2020 for the Ross. However, Bond Counsel Lindsey Rader contacted speaker in April informing him that because the garage was

planned to be funded by non-taxable bonds, there could be no preferential provisions for the developer or its tenants. This type of bonds were repaid or subsidized by user fees. When he received the first draft of the LDA following the Award of Bid on February 14, 2022, he identified the City had accidentally conveyed too much property (which was all of Lot 1 to the developer). That was why we were all here tonight- the property needed to get re-subdivided because each and every one of these discussions has already been had. In fact, at every turn it was unanimously approved by people he loved and respected. He was at a loss right now with all of the money spent to plan and design to get to where we could submit the site plan in 60 days. We held weekly teleconferences between City officials and the developer's architect for the last eight or nine weeks.

23. Speaker asked if we couldn't pay for the Fire Department then why were we paying for a parking garage. Two months ago he spoke and said \$300 was too much, and with \$125 he was happy. This was not just one event, it was a multitude of events. With the Fire Department, people knew at the City that they were paying the fees using emergency funds for Covid, but they decided to pay for other projects anyway. We knew we could not afford to provide essential services to City residents, but we're paying for everything else. This is the "something else." A newspaper article says, "Mayor tells citizens we do care." Speaker said he knew they were passionate. There was passion for affordable housing at this table. But this was a newspaper headline about caring but the sub text says, do we actually? The story continues because we need to cash out the City because we were overdrawn. The City is not a business, a not for profit. It is to provide services but if we can't pay for the Fire Department why were we paying for this? It was not fair to cherry pick this argument, but it was also not fair to ask the citizens in six months to cash out the City again when we're paying \$10 million here, \$800,000 there for these sorts of projects.
24. Speaker asked if the HORIZON program was anywhere else, and he could not find it nor find any success stories. His taxes just increased on his home. The City was dipping into its reserve funds and asked for clarification that this would not contribute to the tax dollars for Salisbury for twenty years. He and his neighbors always see fire sale prices on real estate speculation that did not benefit anyone but some \$100 million investors from somewhere. Speaker said he was looking for answers. The piece of the pie for Salisbury would not get any bigger off of what he saw here. The developer hoped he would get bigger, and we were all praying that maybe things would get better but we knew the world doesn't work that way. You're taking a gamble for over the next twenty years on something that might or might not happen. Speaker said he was curious and asked to clarify that we just lost a Mayor and had a Mayor Pro Tem right now. He thought that we should wait until a mayor was elected because this did not pass the smell test. The most common comment on Next Door was from voters asking what Council's cut was. Nobody trusted this deal. He asked for someone to point him to a win for the HORIZON program at some point.

### **Administration and Council Comments**

Mr. Kitzrow said apparently people were not listening to his presentation. When you have a \$1.8 million property that was collection zero tax revenue, it was not worth \$1.8 million, but worth the value that someone would pay for it. We sold it for \$250,000 to have a return of \$70 million and 200 jobs. That was a win for the City of Salisbury. As far as a success story for HORIZON, he asked people to look at the 14-story tall building outside. The question of how we pay for the Fire Department versus the public parking- he said earlier that it was non-taxable bonds paid for by the user. The Fire Department is not paid for by the user in that same capacity. He asked the audience to please pay attention to what other people were saying when they attended the meetings.

Ms. Jackson said she did not appreciate Mr. Sullivan “calling her out” in the meeting. She had the right to rescind whatever she previously voted on. She was going to stand her ground for what she believed and would not change her mind. She told the audience that she appreciated them coming out because their voice mattered and Council wanted and needed to hear from them.

Ms. Blake asked the public to realize that this Council and prior Councils already approved this. A lot of this had been publicized and it was on the agendas. The only two things she was in bed with were her dogs, and she didn’t personally even know the people. She was not getting any kickback, and asked the public to realize that Council had approved this development for over a decade. She did not know where they were when it was being approved. It was openly talked about and agreed upon, and not one person showed up, emailed or commented on the development. She asked to be mindful that this project was legally passed and things were legally binding. Going forward, if there were concerns with parking, we need to revisit parking downtown with more understanding and education. They still had time between when we said “yes” to the resolution to the time they actually put the shovel in it. There were a lot of comments that could be worked around, but they were in a legally binding contract at this point. To balance everybody’s uproar in the last two weeks to what has been going on for a decade was very difficult. She did not know what the public really wanted. To the Council, it was confusing. The Councils have always said yes because not one person has said “no.”

Ms. Gregory said she knew they had a call for a success story, and this is going to be news to Mr. Simpson, but her daughter would be renting from him in two months. Because of the Ross, she would be able to move out into her first apartment ever. She graduated from Salisbury University last year and would be living in her own apartment. She was proud of her daughter’s hard work and savings, and was appalled at what Council was being accused. She was also proud of all the work going on Downtown. The Juneteenth celebration was great last weekend and every year it was bigger than the last. She was extremely excited to be a part of the upcoming Pride parade, as well. The events were huge economic boosts for the Downtown businesses.

Ms. Outten thanked everyone for coming out and providing feedback. She asked for the public to continue showing up because they wanted that feedback. Salisbury was at a pivotal moment and not the only municipality facing this. Our entire nation was facing housing crisis. Contrary to what Mr. Taylor previously mentioned, New York Times just

released a study mentioning that Salisbury was one of the top 10 to see a huge influx of remote workers here in the region. We were seeing a flow here into the City of Salisbury.

Ms. Outten was interrupted by someone in the audience and Ms. Gregory commented that she was disappointed with some folks in the group here, as they were shown all the respect in the world when they spoke.

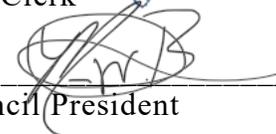
Ms. Outten said she was a renter herself and these housing projects were a great opportunity to her for the community. She has always said that they had to find ways to support the residents and that started with housing. More opportunities, affordable or not, were needed. Three years ago she was looking for housing in the area and could not find any. She had to wait seven months before hearing back from a property owner who was able to take her in. She had family here but not everyone had the opportunity to lean on family in tough times. She would have appreciated this type of housing as a young professional moving into the area. We were cultivating so much talent at Salisbury University, UMES and Wor-Wic Community College and when they graduated, there was no housing to keep them here and they move off. Whether we agreed tonight, we were all here tonight because we wanted to see our community thrive.

President Boda said that from the first time he ran for Council, housing was one of the main things he spoke about. When we talked about Downtown revitalization, it was always about beds and heads. When discussing changing policies such as parking minimums to parking maximums, which end up with building a mall with a parking lot built for Black Friday and Christmas. Density was critical for local businesses and he always was supportive of it. He also reminded everyone to donate blood if healthy enough. There was a shortage. Come out this weekend for the Pride Festival and parade.

**Adjournment / Convene in Special Meeting**

With no further business to discuss, President Boda adjourned the Work Session at 7:57 p.m. and Council immediately convened in the scheduled Special Meeting.

  
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City Clerk

  
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Council President