

ORDINANCE NO. 2839

AN ORDINANCE OF THE CITY OF SALISBURY TO ACCEPT GRANT FUNDS FROM THE MARYLAND DEPARTMENT OF GENERAL SERVICES IN THE AMOUNT OF \$4,000,000 FOR INFRASTRUCTURE IMPROVEMENTS.

WHEREAS, the City declared Municipal Parking Lot 10 (“Lot 10”) surplus property on November 14, 2016; and

WHEREAS, by the majority vote of Council the City of Salisbury, the City entered into a contract of sale for Lot 10 (Resolution No. 3212) for the purpose of redeveloping a mixed-use of the site, including construction of a hotel, conference center, residential units, and retail shops; and

WHEREAS, Lot 10 would require significant infrastructure improvements to accommodate the redevelopment plan; and

WHEREAS, the City of Salisbury applied for a grant funding opportunity with the Maryland Department of General Services (“DGS”) PAYGO seeking Four Million Dollars (\$4,000,000.00), which, if awarded, was to be allocated to infrastructure improvements in the City; and

WHEREAS, DGS has awarded the City \$4,000,000 in grant funds for infrastructure improvements; and

WHEREAS, no expenditures of the aforementioned grant funding will be permitted until all conditions of the pre-award process are met, such as a fully executed subrecipient agreement with Mentis Lot 10 LLC, who is the subrecipient of the funding and the owner of Lot 10; and

WHEREAS, the City departments will ensure that contracts and bids will be obtained, pursuant to the terms of the grant agreement when issued; and

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

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

Section 1. Acting Mayor John (Jack) R. Heath is hereby authorized to establish a grant account for DGS, on behalf of the City of Salisbury, for the City’s acceptance of the Capital Grant monies in the amount of \$4,000,000.

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

- 1) Increase DGS Revenue Account 10500-426000-xxxxx by \$3,000,000
- 2) Increase Construction Expense Account 10500-513026-xxxxx by \$3,000,000
- 3) Increase DGS Revenue Account 10500-426000-xxxxx by \$1,000,000
- 4) Increase Construction Expense Account 10500-513026-xxxxx by \$1,000,000

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, 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 13th day of November, 2023 and thereafter, a statement of the substance of the Ordinance having been published as required by law, and in the meantime, was passed by the Council of the City of Salisbury on the 27th day of November, 2023.

ATTEST:



Kimberly R. Nichols, City Clerk



D'Shawn M. Doughty, City Council President

Approved by me, this 5th day of December, 2023.



Randolph J. Taylor, Mayor



City of
Salisbury
John "Jack" R. Heath, Mayor

TO: City Council
FROM: Andy Kitzrow
DEPT: Mayor's Office
DATE: 11/1/23
SUBJECT: Budget Amendment – Accepting \$4,000,000 from State of Maryland

The City of Salisbury requested and received State funding for infrastructure improvements to Lot 10. Included in the packet is an award letter from the Department of General Services.

This funding will contribute to the redevelopment of site to include hotel and conference center (PHASE I), and multi-family, retail and parking garage (Phase II). The funding award is \$4,000,000 in FY24 and a preauthorization of \$2,000,000 in FY25 for a total amount of \$6,000,000.

The City entered into a Contract of Sale for Lot 10 via Resolution 3212 (2/6/23). Mentis Capital Partners LLC is the subrecipient of the funding and owner of the property. Originally the City declared the property surplus November 14, 2016.



Wes Moore, Governor · Aruna Miller, Lt. Governor · Atif Chaudhry, Secretary

October 11, 2023

Mr. Andy Kitzrow, City Administrator
Mayor's Office
City of Salisbury
125 North Division Street
Salisbury, MD 21801

Re: Confirmation of Funds in FY24 Budget

The Maryland Department of General Services confirms that the City of Salisbury has been awarded a total of \$4,000,000 in the Fiscal Year 2024 budget, through a combination of Maryland Consolidated Capital Bond Loan (MCCBL) funds and PAYGO funding, as outlined below. These two awards will be processed and administered by the department's Capital Grants & Loans office, following the requisite program guidelines.

Award 1

Description: A grant to the Mayor and City Council of the City of Salisbury for infrastructure improvements in the City of Salisbury (Wicomico County)

Amount: \$3,000,000

Reference: House Bill 200 (pg 273;line 32-34) <https://mgaleg.maryland.gov/2023RS/bills/hb/hb0200E.pdf>

Award 2

Description: H00H01.03 Miscellaneous Grants – Capital Appropriation In addition to the appropriation shown on page 41 of the printed bill (first reading file bill), to provide a grant to the Mayor and City Council of the City of Salisbury for infrastructure improvements in the City of Salisbury in Wicomico County.

Amount: \$1,000,000

Reference: Supplemental Budget

<https://dbm.maryland.gov/budget/Documents/operbudget/2024/proposed/FY2024-Supplemental-Budget-No2.pdf>

Please do not hesitate to reach out to me should you have any questions or wish to otherwise discuss further.

Sincerely,

Chichi Nyagah-Nash

Chichi Nyagah-Nash
Chief Operating Officer