

---

**INTER**

---

---

---

---

---

---

---


---

**OFFICE**

---

**MEMO**

**Office of the Mayor**

**To:** City Council  
**From:** John R. Pick   
**Subject:** Extending Payment-In-Lieu-Of-Taxes (PILOT) to Phase II of University Park Student Housing Project  
**Date:** May 20, 2005

Attached, for your consideration, is a resolution authorizing the Mayor to sign a memorandum of understanding with the University, which would extend the current Payment-In-Lieu-Of-Taxes (PILOT), that applies to Phase I of the University Park Student Housing Project, to Phase II of this project upon annexation of this project to the City.

The City has received a petition from the University for the annexation of Phase II of the University Park Student Housing Project. A part of this petition was the attached amendment to the existing memorandum of understanding, which would extend the PILOT, that currently applies to Phase I of this project, to Phase II. In order to proceed with this annexation, it will be necessary for the Council to authorize the Mayor to sign this amendment to the memorandum of understanding.

Both Phase I and Phase II of this project are located on State owned land, which is exempt from local property taxes. Phase I was developed on land that was already located in the City. Because the City is responsible for the provision of services to this project, the City and the University negotiated an agreement for Phase I under which the University pays to the City 50% of the property taxes that would otherwise be due and payable as a PILOT. Phase II was constructed on property that is not currently in the City; however, in order to clarify responsibility for service delivery for the entire project, the Mayor recommends that Phase II be annexed into the City. If this amendment is approved by the Council, the PILOT would be extended to Phase II upon annexation.

If you have any questions, please let me know.

cc: Mayor Tilghman  
Paul Wilber  
Brenda Colegrove

RESOLUTION NO. 1253

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE MAYOR TO SIGN AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND SALISBURY UNIVERSITY PROVIDING FOR THE PAYMENT-IN-LIEU-OF-TAXES (PILOT) TO BE EXTENDED TO PHASE II OF THE UNIVERSITY PARK STUDENT HOUSING PROJECT

WHEREAS, on December 11, 2000 the City Council authorized the Mayor to sign a Memorandum of Understanding with Salisbury University to provide for a payment-in-lieu-of-taxes (PILOT) for Phase I of the University Park Student Housing Project; and

WHEREAS, Phase II of this project has now been completed and the University has requested that it be annexed to the City; and

WHEREAS, the University and the City agree that the PILOT arrangement, that currently applies to Phase I, should also apply to Phase II of this project;

NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council authorizes the Mayor to sign, on behalf of the City, an amendment to the memorandum of understanding between the City and Salisbury University providing for the payment-in-lieu-of-taxes (PILOT) arrangement, which currently exists for Phase I of the University Park Student Housing Project to be extended to Phase II of this project a copy of which memorandum of understanding and the proposed amendment is attached hereto and incorporated herein by reference.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on \_\_\_\_ day of \_\_\_\_\_, 2005 and is to become effective immediately upon adoption.

ATTEST:

\_\_\_\_\_  
Brenda J. Colegrove  
CITY CLERK

\_\_\_\_\_  
Michael P. Dunn  
PRESIDENT, City Council

\_\_\_\_\_  
Barrie P. Tilghman  
MAYOR, City of Salisbury

## AMENDMENT TO MEMORANDUM OF UNDERSTANDING

This Amendment to Memorandum of Understanding ("Amendment") is made this \_\_\_\_ day of May, 2005, by and between the Salisbury State University (the "University") and the City of Salisbury, a municipal corporation of the State of Maryland (the "City").

Whereas, the parties entered into a Memorandum of Understanding on December 15, 2000, attached hereto as Exhibit "A" (the "Original MOU") concerning the student housing project known as "University Park" located in Salisbury, Maryland;

Whereas, the Original MOU contemplated that the University Park apartment complex was to be twelve (12) acres more or less (see attached Exhibit "B" for a description of the 12 ± acre parcel, which shall be referred to as "Parcel 1");

Whereas, construction on a second parcel, containing 4.9 ± acres, has now been completed (see attached Exhibit "C" for a description of the 4.9 ± acre parcel, which shall be referred to as "Parcel 2");

Whereas, it is the parties' intention to annex Parcel 2 into the jurisdictional boundary of the City and in accordance with such intent, the University has submitted a Petition for Annexation of Parcel 2 to the City;

Whereas, after annexation of Parcel 2, the entire 16.9 ± acre University Park apartment complex shall be contained within the boundary and jurisdiction of the City; and

Whereas, the parties desire to amend the Original MOU to accurately reflect that the original agreement pertained to the entire University Park apartment complex (i.e. the entire 16.9 ± acres).

Now, therefore, in consideration of the recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Original MOU, the agreement by the City to provide a full range of municipal services to the University Park apartment complex, and the agreement by the University to make a Payment in Lieu of Taxes for such services, all as further set forth and described in the Original MOU, shall apply to the entire 16.9 ± acre University Park apartment complex (i.e. both Parcel 1 and Parcel 2).
2. If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this agreement, this agreement shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available. The University shall notify the City as soon as it has knowledge that funds may not be available for the continuation of this agreement for each succeeding fiscal period

beyond the first.

3. The City shall retain and maintain all records and documents relating to this agreement for three years after final payment by the University hereunder or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the University or the State at all reasonable times.
4. All other terms of the Original MOU shall remain in full force and effect, unaltered, and unchanged by this Amendment.

Now, therefore, the parties hereto execute this Amendment to Memorandum of Understanding on the date first set forth above.

**SALISBURY STATE UNIVERSITY**

**CITY OF SALISBURY**

By: \_\_\_\_\_  
Janet Dudley-Eshbach, President

By: \_\_\_\_\_  
Barrie P. Tilghman, Mayor

**APPROVED FOR LEGAL FORM  
AND SUFFICIENCY:**

\_\_\_\_\_  
Jill McCullough  
Assistant Attorney General  
Educational Affairs

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING made this 15<sup>th</sup> day of December, 2000, by and between the CITY OF SALISBURY, a municipal corporation of the State of Maryland, and SALISBURY STATE UNIVERSITY, a constituent institution of the University System of Maryland.

WHEREAS, the City of Salisbury is providing the full range of municipal services, including, but not limited to, police, fire, ambulance and code enforcement, to a student housing project constructed on a twelve (12) acre parcel owned by the State of Maryland and leased to Collegiate Housing Foundation Incorporated, on the South side of Milford Street in the City of Salisbury, Wicomico County, State of Maryland; and

WHEREAS, Salisbury State University is not responsible under the lease or otherwise for these services, but recognizes their value to the successful continuation of the project and to the University community; and

WHEREAS, Salisbury State University has agreed to make a Payment in Lieu of Taxes in consideration for the services provided by the City of Salisbury to said student housing project.

NOW, THEREFORE, in consideration of the premises, the City of Salisbury and Salisbury State University agree as follows:

1. The student housing project known as "University Park" located on twelve (12) acres, more or less, on the South side of Milford Street in the City of Salisbury, Wicomico County, State of Maryland, shall be assessed and re-assessed from time-to-time according to the

regular methods and practices applicable to other real property of similar classification in the

City of Salisbury as set forth in the *Salisbury Charter*, Section 7-34 et seq. and the *Annotated Code of Maryland*, Tax-Property Article, Title 6 and Title 8.

2. Salisbury State University shall make an annual Payment in Lieu of Taxes for "University Park" to be calculated as follows:

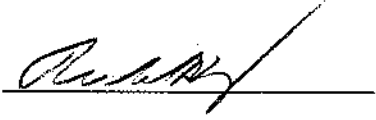
Fifty percent (50%) X amount of "University Park" equivalent real property tax bill (tax rate X 100% of assessed value).

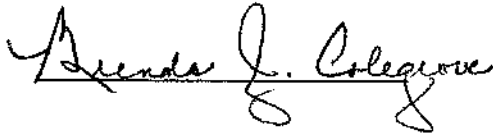
The parties agree and understand that both the tax rate and the assessed value may change from time-to-time. The parties also agree that in signing this document, Salisbury State University is not waiving any right it may have to challenge any proposed change in said rate or assessed value.

3. The parties agree the initial Payment in Lieu of Taxes shall be made to the City of Salisbury on January 1, 2001. The next Payment in Lieu of Taxes (for the period July 1, 2001, to June 30, 2002) shall be due on July 1, 2001, and a Payment in Lieu of Taxes shall be due on July 1<sup>st</sup> of each year thereafter. These payments shall cease and this Memorandum of Understanding shall be null and void upon the termination for whatever reason of the lease of the property to Collegiate Housing Foundation, Inc.

4. In the event the "University Park" student housing project becomes subject to the imposition of City of Salisbury real property taxes, then the Salisbury State University obligation to make a Payment in Lieu of Taxes shall cease.

WITNESS:

  
\_\_\_\_\_

  
\_\_\_\_\_

SALISBURY STATE UNIVERSITY

By  (SEAL)  
Janet Dudley-Eshbach, President

CITY OF SALISBURY

By  (SEAL)  
Barrie P. Tilghman, Mayor

Click here for a plain text ADA compliant screen.



Maryland Department of Assessments and Taxation  
**WICOMICO COUNTY**  
 Real Property Data Search

[Go Back](#)  
[View Map](#)  
[New Search](#)  
[Ground Rent](#)

Account Identifier: District - 13 Account Number - 038236

**Owner Information**

Owner Name: SALISBURY STATE UNIVERSITY  
 STATE OF MARYLAND Use: EXEMPT COMMERCIAL  
 Principal Residence: NO  
 Mailing Address: 1101 CAMDEN AVE  
 SALISBURY MD 21801-6837 Deed Reference: 1) / 1689/ 387  
 2)

**Location & Structure Information**

Premises Address: 216 MILFORD ST  
 SALISBURY 21801 Legal Description: L-1AA 12.084AC  
 216 MILFORD ST  
 MILFORD PERDUE MIN SUB

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assesment Area	Plat No:	256
117	23	1634					1AA	1	Plat Ref:	8/ 64

Special Tax Areas: Town Ad Valorem Tax Class SALISBURY

Primary Structure Built	Enclosed Area	Property Land Area	County Use
2000	218,281 SF	12.08 AC	
Stories	Basement	Type	Exterior

**Value Information**

	Base Value	Value Phase-in Assessments		
		Value As Of	As Of	As Of
Land:	602,100	01/01/2004	07/01/2004	07/01/2005
Improvements:	12,663,000	13,378,200		
Total:	13,265,100	13,980,300	13,503,500	13,741,900
Preferential Land:	0	0	0	0

**Transfer Information**

Seller: PERDUE, PHILIP M Date: 06/29/1999 Price: \$1,453,500  
 Type: UNIMPROVED ARMS-LENGTH Deed1: / 1689/ 387 Deed2:  
 Seller: PERDUE, MILFORD G Date: 09/07/1990 Price: \$0  
 Type: NOT ARMS-LENGTH Deed1: / 1229/ 333 Deed2:  
 Seller: Date: Price:  
 Type: Deed1: Deed2:

**Exemption Information**

Partial Exempt Assessments	Class	07/01/2004	07/01/2005
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: COUNTY AND STATE  
 Exempt Class:

Special Tax Recapture:

\* NONE \*

*8*

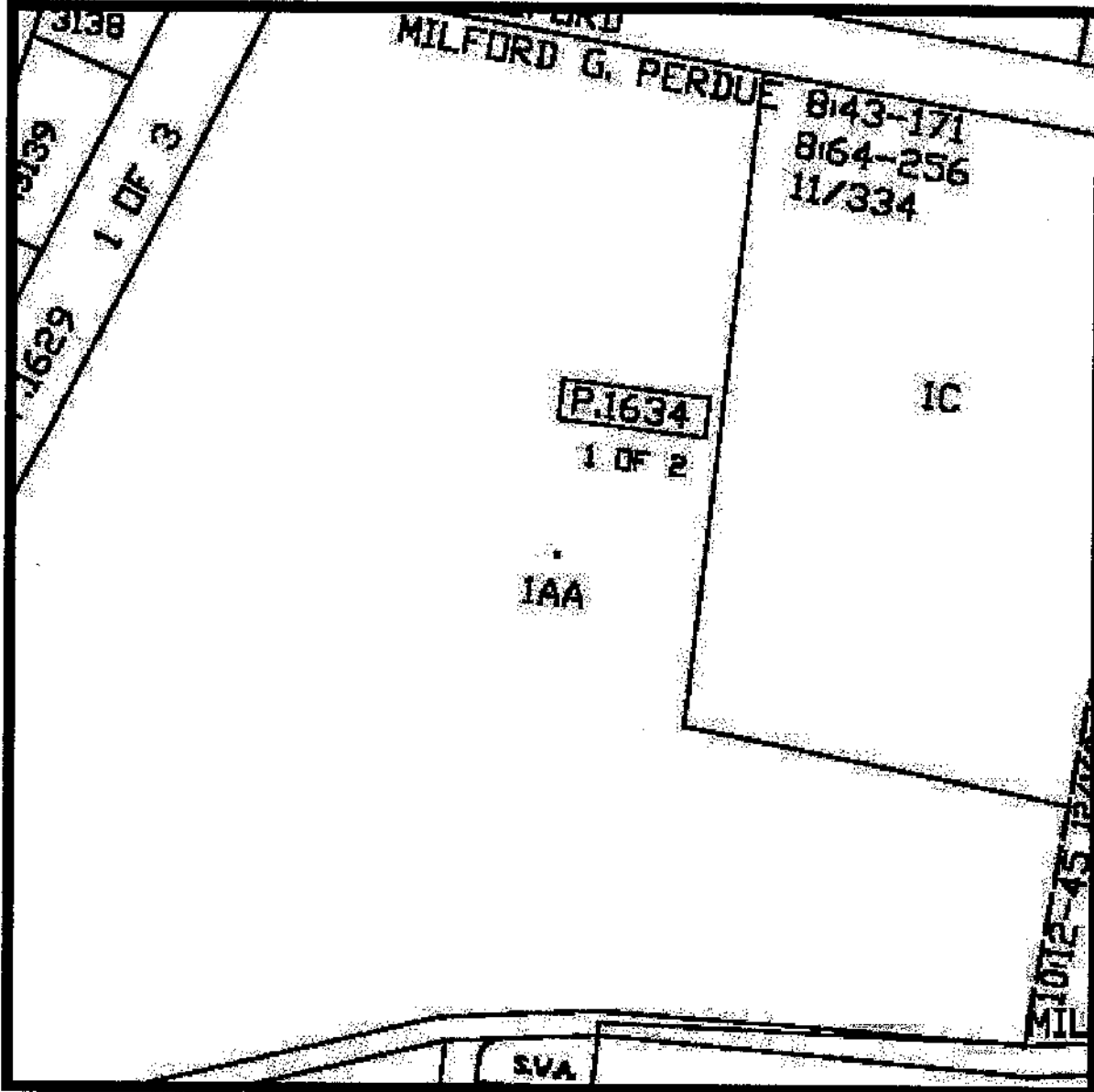




Maryland Department of Assessments and Taxation  
WICOMICO COUNTY  
Real Property Data Search

[Go Back](#)  
[View Map](#)  
[New Search](#)

District - 13 Account Number - 038236



Property maps provided courtesy of the Maryland Department of Planning ©2004.  
For more information on electronic mapping applications, visit the Maryland Department of Planning  
web site at [www.mdp.state.md.us/webcom/index.html](http://www.mdp.state.md.us/webcom/index.html)

- 9 -

Click here for a plain text ADA compliant screen.



Maryland Department of Assessments and Taxation  
 WICOMICO COUNTY  
 Real Property Data Search

[Go Back](#)  
[View Map](#)  
[New Search](#)  
[Ground Rent](#)

Account Identifier: District - 13 Account Number - 055920

**Owner Information**

Owner Name: STATE OF MARYLAND TO THE USE OF UNIVERSITY SYSTEM OF MARYLAND Use: EXEMPT COMMERCIAL  
 Mailing Address: C/O MARYLAND ECONOMIC DEV CO 100 N CHARLES ST SUITE 630 BALTIMORE MD 21201  
 Principal Residence: NO  
 Deed Reference: 1) / 2085/ 785  
 2)

**Location & Structure Information**

Premises Address  
 MILFORD ST  
 SALISBURY 21801

Legal Description  
 BL-A L-11 5.54 AC  
 MILFORD STREET  
 MONTROSE SEC 3

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assesment Area	Plat No:	Plat Ref:
48	8	632				A	11	1		3/ 247

**Local Tax Areas**

Town  
 Ad Valorem  
 Tax Class

Primary Structure Built  
 2004

Enclosed Area  
 77,520 SF

Property Land Area  
 5.54 AC

County Use

Stories

Basement

Type

Exterior

**Value Information**

	Base Value	Value As Of	Phase-in Assessments	
		01/01/2004	As Of	As Of
			07/01/2004	07/01/2005
Land:	554,000	693,000		
Improvements:	4,503,200	4,763,400		
Total:	5,057,200	5,456,400	5,190,266	5,323,332
Preferential Land:	0	0	0	0

**Transfer Information**

Seller: MALONE, HELEN C L/E & Type: NOT ARMS-LENGTH Date: 06/25/2003 Price: \$800,000  
 Deed1: / 2085/ 785 Deed2:  
 Seller: MALONE, AVERY M & HELEN C Type: NOT ARMS-LENGTH Date: 06/21/1996 Price: \$0  
 Deed1: / 1493/ 317 Deed2: / 2085/ 780  
 Seller: Date: Price:  
 Type: Deed1: Deed2:

**Exemption Information**

Partial Exempt Assessments	Class	07/01/2004	07/01/2005
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: COUNTY AND STATE  
 Exempt Class:

Special Tax Recapture:

-/0-

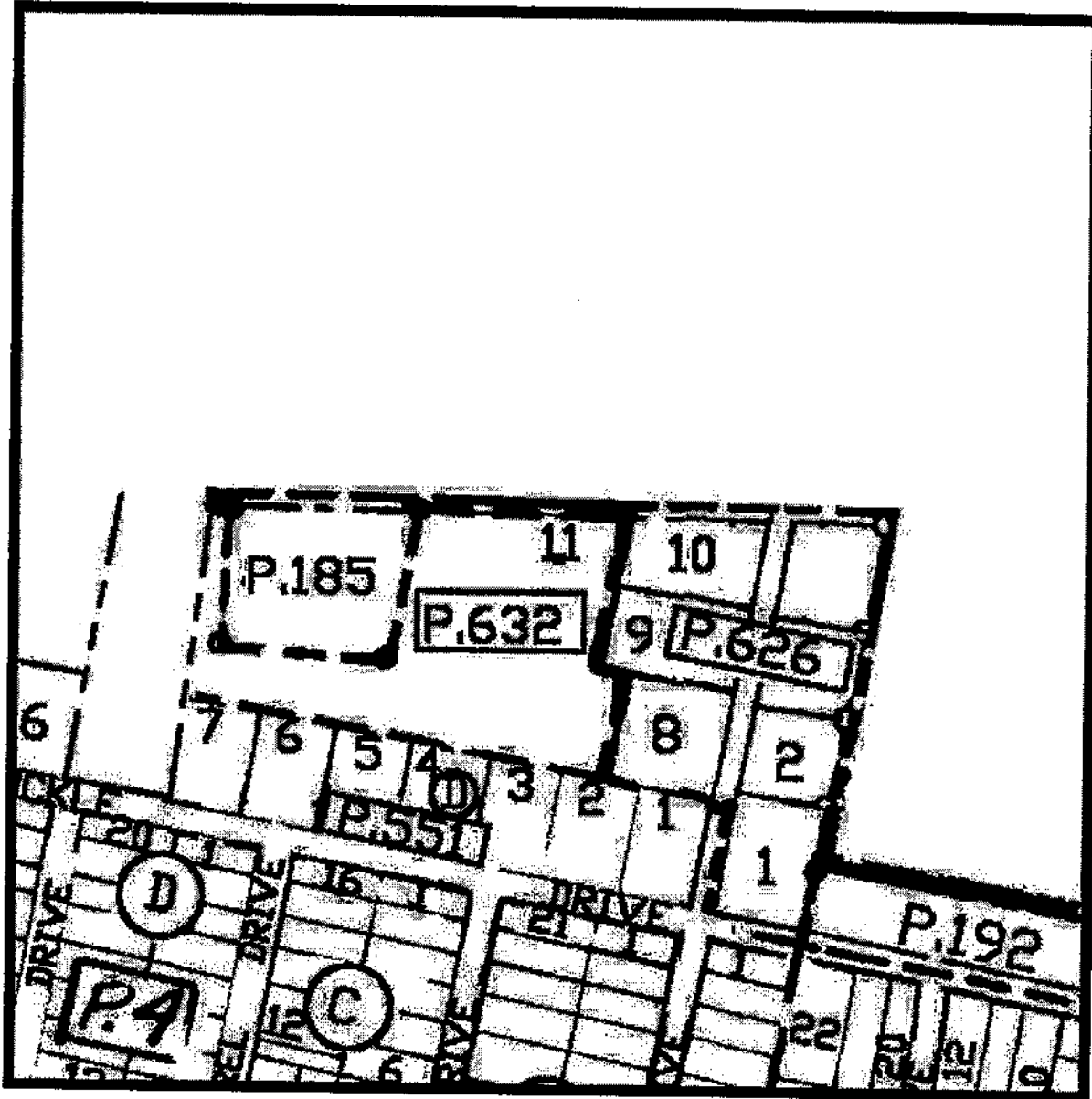
\* NONE \*



Maryland Department of Assessments and Taxation  
WICOMICO COUNTY  
Real Property Data Search

[Go Back](#)  
[View Map](#)  
[New Search](#)

District - 13 Account Number - 055920



Property maps provided courtesy of the Maryland Department of Planning ©2004.  
For more information on electronic mapping applications, visit the Maryland Department of Planning web site at [www.mdp.state.md.us/webcom/index.html](http://www.mdp.state.md.us/webcom/index.html)

+/