

AS AMENDED ON AUGUST 22, 2005

RESOLUTION NO. 1297

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND GRANTING A PAYMENT-IN-LIEU-OF-TAXES AND A TAX DEFERRAL FOR A LOW-INCOME HOUSING DEVELOPMENT KNOWN AS WESTBROOK APARTMENT HOMES

WHEREAS, the City Council has adopted a policy authorizing the granting of a payment-in-lieu-of-taxes (PILOT) arrangement and a tax deferral for low-income housing developments which meet certain criteria; and

WHEREAS, the proposed Westbrook Apartment Homes, to be developed on West Road, meets the criteria set forth in the Council policy, to wit:

- a) is located in a Department of Housing and Urban Development Qualified Census Tract;
- b) has been granted low-income housing tax credits through the State of Maryland program; and
- c) is covered by a covenant through the State program to set its rental rates for 40 years so that they serve people earning less than 50% of the area median income

WHEREAS, the developers of this project have agreed to make payments to the City and the County as provided in the City Council Resolution authorizing this arrangement,

NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council hereby grants a PILOT arrangement and a tax deferral to the developers of the Westbrook Apartment Homes as follows:

- a) the developers will pay a PILOT totaling \$350 per unit to be divided between the City and the County during the first year.
- b) the amount of the PILOT payment will increase by \$25 per year in each of the first twenty (20) years of the project.
- c) the annual PILOT payments will be divided proportionally between the City and the County in the same proportion as their respective tax rates, recalculated each fiscal year.
- d) the owners of the development would never be responsible for paying more in PILOT payments than the actual tax that would be due during any year.
- e) at the end of the initial twenty (20) year term of the project, the owners will pay to both the City and the County the difference between the payments made under the PILOT arrangement and the real property taxes that would otherwise have been payable had the PILOT arrangement not been in existence.
- f) during each year after the initial twenty (20) year term of the project, the owners will be liable for all regular real property taxes due to both the City and the County.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on the 22nd day of August, 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