

RESOLUTION NO. 1634

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND REPEALING RESOLUTION #1435, WHICH GRANTED A TAX DEFERRAL PLAN TO A RENTAL HOUSING DEVELOPMENT, TO BE LOCATED AT 875 VICTORIA PARK DRIVE, AS A LOCAL CONTRIBUTION TO THIS DEVELOPMENT AND PROVIDING INSTEAD A LOCAL CONTRIBUTION TO THE DEVELOPMENT OF RENTAL HOUSING, LOCATED AT 875 VICTORIA PARK DRIVE, FOR SENIOR CITIZENS WITH LOWER INCOME IN THE FORM OF A PAYMENT IN LIEU OF TAXES (PILOT) AND APPROVING PROJECT FINANCING TO BE PROVIDED EITHER DIRECTLY BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (THE "DEPARTMENT") OF THE STATE OF MARYLAND OR THROUGH THE DEPARTMENT'S COMMUNITY DEVELOPMENT ADMINISTRATION (THE "ADMINISTRATION")

WHEREAS, the City Council of the City of Salisbury, Maryland recognizes that there is a significant need for quality housing units in Salisbury for senior citizens with lower income; and

WHEREAS, Sassafras Senior, LLC, an entity of Osprey Property Company LLC, a Maryland Limited Liability Corporation, proposes to develop and operate a rental housing development comprised of approximately eighty (80) units, known as Victoria Park at Sassafras Meadows and located at 875 Victoria Park Drive in Salisbury, MD (the "Project"), all or a portion of which will assist seniors of lower income as required by applicable law or regulations; and

WHEREAS, the City of Salisbury adopted Resolution #1435 granting a tax deferral to this project as a local contribution; and

WHEREAS, Osprey Property Company LLC has advised the City that economic circumstances have changed since the enactment of the tax deferral plan and has requested a greater local contribution to the project, in the form of a payment in lieu of taxes (PILOT), instead of the tax deferral plan; and

WHEREAS, the City of Salisbury supports this project because it will address the need for quality, affordable housing for senior citizens with lower income; and

WHEREAS, the City of Salisbury desires to provide a local contribution to this project in the form of a Payment in Lieu of Taxes (the "PILOT") as such meets the requirements of the Department of Housing and Community Development for a local contribution; and

WHEREAS, the Department, either directly or through the Administration, may provide some or all of the financing for the Project (the "Project Financing") in order to assist in making it financially feasible.

NOW, THEREFORE BE IT RESOLVED THAT the Salisbury City Council hereby endorses the Project upon the proposed site; and HEREBY approves the Project Financing in the form of a loan in an amount not to exceed \$2,000,000; and

BE IT FURTHER RESOLVED THAT the Salisbury City Council HEREBY repeals Resolution # 1435 that previously granted a tax deferral to this project; and

BE IT FURTHER RESOLVED THAT the City of Salisbury approves a PILOT agreement between Sassafras Senior LLC and the City of Salisbury, attached hereto, provided Sassafras Senior LLC and Osprey Property Company LLC construct and operate a rental housing project at 875 Victoria Park Drive for senior citizens with lower income in accordance with the guidelines of the Department of Housing and Community Development. The PILOT agreement provides for a reduction of City of Salisbury real estate taxes in the amount of \$100 per unit per year if the project continues to provide affordable housing for seniors of lower income for a period of forty (40) years from the date the building is granted a certificate of occupancy; and

BE IT FURTHER RESOLVED THAT copies of this Resolution be sent to Barrie P. Tilghman, the Mayor of Salisbury, Maryland, for her signature indicating her approval thereof; and

BE IT FURTHER RESOLVED THAT copies of this Resolution be sent to the Secretary of Housing and Community Development of the State of Maryland; and

BE IT FURTHER RESOLVED THAT, the Mayor be granted the authority to negotiate and execute said Payment In Lieu of Taxes agreement, which is hereby attached to this resolution, on behalf of the City of Salisbury; and,

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on the ___ day of _____, 2008 and is to become effective immediately upon adoption.

ATTEST:

Brenda J. Colegrove
CITY CLERK

Louise Smith
PRESIDENT, City Council

APPROVED BY ME THIS
___ day of _____, 2008

Barrie P. Tilghman
MAYOR, City of Salisbury