

AS AMENDED ON JULY 27, 2009.

RESOLUTION NO. 1802

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND AMENDING THE TAX DEFERRAL PLAN AWARDED TO SALISBURY HOUSING II, LLC FOR GATEWAY VILLAGE, TO REFLECT A CHANGE IN THE NAME OF THE OWNERSHIP ENTITY.

WHEREAS, the Salisbury Housing II, LLC (Salisbury Housing) received a deferred tax agreement with the City of Salisbury through Resolutions No. 496 and No. 603 for a rental housing development for senior citizens with moderate and low incomes on U.S. Route 50 known as Gateway Village; and

WHEREAS, the deferred tax agreement calls for the immediate payment and no further deferral if the project is transferred, however the agreement also provided that the City retained the right to continue the tax deferral if the property is transferred and the project continues to provide housing for senior citizens of low and moderate incomes; and

WHEREAS, the City has been advised that Salisbury Housing has been dissolved and the ownership of all its assets have been reverted distributed to the sole remaining member Gateway Village II Limited Partnership (Gateway); and


WHEREAS, Gateway has assured the City that Gateway will continue to operate the prescribed senior housing complex for people with moderate and low incomes in accordance with Resolution Nos. 496 and 603; and

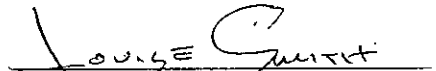
~~WHEREAS, the City of Salisbury agrees that since this is a name change only on the property deed, the deferred tax agreement will remain in place as prescribed in Resolutions 496 and 603 and no acceleration of taxes or fees will be charged for this name change;~~

NOW, THEREFORE, BE IT RESOLVED that ~~the Salisbury City Council hereby agrees that Salisbury Housing II, LLC has dissolved and Gateway Village II Limited Partnership will assume ownership of all the assets and that all other provisions of Resolution No. 603 and Resolution No. 496 shall remain the same in full force and effect and that the distribution of Gateway Village by Salisbury Housing to Gateway shall not result in any acceleration of taxes or fees by the City.~~

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on July 27, 2009 and is to become effective immediately upon adoption.

ATTEST:


Brenda J. Colegrove
CITY CLERK


Louise Smith
PRESIDENT, CITY COUNCIL

Approved by me this 28th
day of July, 2009


James Areton, Jr.
MAYOR, City of Salisbury

Memo

To: John R. Pick, City Administrator
From: Pamela B. Oland, Director of Internal Services
Date: July 9, 2009
Re: Salisbury Housing II, LLC

Salisbury Housing II, LLC (Salisbury Housing), received a tax deferral from City Council adopted per Resolution Nos. 603 and 496 for Gateway Village, a rental housing development for senior citizens with moderate and low incomes. Please see the attached copies of the resolutions. Under the terms of the resolutions granting the tax deferral, if the property is transferred, the portion of the taxes deferred that are attributable to the property being transferred are to be paid immediately and the tax deferral will end. The resolution provided that the City reserves the right to continue the deferral if the affordable senior housing project continues. Salisbury Housing has shut down the parent company and is now wholly owned by Gateway Village II Limited Partnership (Gateway Village). They are requesting the City stamp the deed with this name change and allow the tax deferral continue for the property as previously granted and no other transfer charges be levied. Please see attached letter from the management company.

The resolutions require repayment of the deferred taxes immediately if the property is transferred. Gateway Village will continue to operate the rental housing development for senior citizens with low to moderate incomes. Since the senior low to moderate income rental housing will continue to operate, I recommend that the City Council adopt the attached resolution which modifies the deferred tax agreement for Gateway Village allowing for the name change.

The resolution has been revised to reflect comments made at the City Council work session. If you have any questions, please let me know.