



CITY OF SALISBURY

115 S. Division Street, Salisbury, MD 21801

WORK SESSION

125 N. Division Street, Room 301, Salisbury, MD 21801

Monday, October 6, 2025 7:00 PM

D'SHAWN M. DOUGHTY
Council President

ANGELA M. BLAKE
Council Vice President

APRIL R. JACKSON
Councilwoman

MICHELE R. GREGORY
Councilwoman

SHARON C. DASHIELL
Councilwoman

CALL TO ORDER

RESOLUTION

- Charter Amendment - Updating the Procurement Department Chain of Command
Resolution to amend Article 16 of the City charter to update the chain of command of the Director of Procurement.
- Charter Amendment - Clarification of City Administrator, Deputy City Administrator, and Assistant City Administrator Roles
Resolution to amend § SC 4-1 of the charter of the City of Salisbury to update the powers and duties of City Administrator and Deputy Administrator.
- Lot 10 Subrecipient Agreement
- Updating SC5-1 to increase the maximum fines for misdemeanors and municipal infractions
Charter Amendment Resolution - to amend SC5-1 of the charter to increase the maximum fine for misdemeanors and municipal infractions from \$1,000 to \$5,000 in accordance with newly updated state law.

ORDINANCE

- Authorizing the Issuance of Refunding Bonds for the Villages of Aydelotte Farm Project
Ordinance authorizing and empowering City of Salisbury to issue, sell and deliver, at any one time or from time to time, in one or more series, its special obligation bonds, notes or other similar instruments (the "refunding bonds") in an original aggregate principal amount not to exceed eighteen million dollars (\$18,000,000.00) in order to currently refund or advance refund in whole or in part the outstanding City of Salisbury special obligation bonds (the villages of Aydelotte farm project), series 2007 (capital appreciation bonds) that were issued to finance or reimburse the cost of certain public improvements and other costs relating to the northeast collector Phase III development district and the geographically coincident northeast collector Phase III special taxing district (the "special taxing district") established within the city.
- Updating the Department of Infrastructure and Development Chain of Command
Ordinance amending chapter 2.12.040 of the Salisbury city code to update the chain of command of the director of Infrastructure and Development.
- Ordinance to appropriate lease proceeds for public safety equipment and to change funding source of the property and records department management system
Ordinance approving a budget amendment to the City's General Fund for lease proceeds to purchase police radios, fire radios, and AED's Heart monitors and to change the funding source of the property and records department management system previously approved under Schedule B with the FY2026 Budget Ordinance No. 2395

COUNCIL DISCUSSION

- Potential railing for downtown riverwalk
- Housing First Program strategy

PUBLIC COMMENT (Agenda Items Only)

ADMINISTRATION COMMENTS

COUNCIL COMMENTS

ADJOURNMENT

<p>City Council Meetings are conducted in Open Session unless otherwise indicated. All or part of the Council's meetings can be held in Closed Session under the authority of the Maryland Open Meetings Law, Annotated Code of Maryland General Provisions Article § 3-305(b) by vote of the City Council.</p>



City of Salisbury

Memo

To: Tom Stevenson, Acting City Administrator
From: Emily Goebel, Office Administrator
Date: September 22, 2025
Subject: Charter Amendment - Updating the Procurement Department Chain of Command

The attached resolution allows for an update to the chain of command for the Director of Procurement to report directly to the City Administrator under the authority of the Mayor.

Attachment(s):

[Resolution to Amend SC16-1 and SC 16-2](#)

1 **CHARTER AMENDMENT RESOLUTION NO. _____**
2

3 **A RESOLUTION TO AMEND ARTICLE 16 OF THE CITY CHARTER TO**
4 **UPDATE THE CHAIN OF COMMAND OF THE DIRECTOR OF**
5 **PROCUREMENT.**
6

7 **WHEREAS**, the ongoing application, administration, and enforcement of the City Charter
8 demonstrates a need for its periodic review, evaluation, and amendment to keep the provisions of
9 the Charter current; and
10

11 **WHEREAS**, the Mayor and Council of the City of Salisbury (the “**Mayor and Council**”)
12 are authorized by MD Code, Local Government, § 4-301 et seq., as amended, and § SC 21-2 of
13 the Charter to amend the Charter, not contrary to the Constitution of Maryland, public general
14 law or public local law, as the Mayor and Council deem necessary to assure the good government
15 of the municipality; and
16

17 **WHEREAS**, the Mayor and Council find that the foregoing amendments to § SC 16-1
18 and § SC 16-2 of the City Charter are desirable to conform with the public need to operate the
19 City and to update the chain of command of the Director of Procurement; and
20

21 **WHEREAS**, the Mayor and Council have determined that amendments to § SC 16-1 and
22 § SC 16-2 of the Charter shall be adopted as set forth herein; and
23

24 **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF**
25 **SALISBURY** by virtue of the authority granted in Article XI-E of the Maryland Declaration of
26 Rights, §§ 4-301 *et seq.* of the Local Government Article of the Code of Maryland, and Article
27 XXI of the City Charter as follows:
28

29 **Section 1.** It is proposed and recommended that § SC 16-1 be amended to repeal the
30 language in double bold brackets and adding the underscored and italicized language:

31 § SC16-1. Department of Procurement.

32 A. There shall be a Department of Procurement[[[.]]] A Director of
33 Procurement shall be recommended for appointment by the **[[Deputy]]** City
34 Administrator and appointed by the Mayor as provided in § SC3-4.C of the
35 City Charter.

36 B. Under the authority of the Mayor and the supervision of the **[[Deputy]]** City
37 Administrator, the Director of Procurement shall make all city purchases
38 and sales and shall make or approve all city contracts, except contracts to
39 sell city bonds or other evidences of the city’s public debt, and except that
40 the Council by ordinance may permit direct purchasing by any office,
41 department or agency of minor items where immediate procurement is

necessary to prevent delays in its work and resulting in loss to the city. The Council by ordinance shall fix, and from time to time may change, the maximum amount of any such direct purchase, provided that such maximum authorized amount shall in no event exceed the maximum direct purchase amount set by the Ordinance of the Council, from time to time. The Director of Procurement shall issue regulations controlling the procedure for such direct purchasing.

- C. Except for such contracts to sell public debt securities and such direct purchases, no city purchase or contract for any purchase or sale or other contract shall be valid or enforceable unless approved in writing by the Director of Procurement or their authorized designee, and the City Administrator shall pay out no city funds for any contract or purchase unless so approved.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 2. With this proposed Charter Amendment, § SC 16-1 of the Charter would read:

§ SC16-1. Department of Procurement.

- A. There shall be a Department of Procurement. A Director of Procurement shall be recommended for appointment by the City Administrator and appointed by the Mayor as provided in § SC3-4.C of the City Charter.

- B. Under the authority of the Mayor and the supervision of the City Administrator, the Director of Procurement shall make all city purchases and sales and shall make or approve all city contracts, except contracts to sell city bonds or other evidences of the city's public debt, and except that the Council by ordinance may permit direct purchasing by any office, department or agency of minor items where immediate procurement is necessary to prevent delays in its work and resulting in loss to the city. The Council by ordinance shall fix, and from time to time may change, the maximum amount of any such direct purchase, provided that such maximum authorized amount shall in no event exceed the maximum direct purchase amount set by the Ordinance of the Council, from time to time. The Director of Procurement shall issue regulations controlling the procedure for such direct purchasing.

- C. Except for such contracts to sell public debt securities and such direct purchases, no city purchase or contract for any purchase or sale or other contract shall be valid or enforceable unless approved in writing by the Director of Procurement or their authorized designee, and the City Administrator shall pay out no city funds for any contract or purchase unless so approved.

81 **AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF**
82 **SALISBURY:**

83 **Section 3.** It is proposed and recommended that § SC 16-2 be amended to repeal the
84 language in double bold brackets and adding the underscored and italicized language:

85 § SC16-2. Additional duties and powers of the Director of Procurement.

86 Under the authority of the Mayor and the supervision of the **[[Deputy]]** City
87 Administrator, the Director of Procurement shall:

88 A. Receive written requisitions or statements from the head of each city office,
89 department or agency, specifying the public work done or to be done by it,
90 or identifying the materials, equipment, supplies or services required by it,
91 and authorizing its appropriation to be charged therefor.

92 B. Invite bids whenever competitive bidding is required by § SC16-3 of this
93 Article and conduct the competitive bidding procedure established by the
94 Council under § SC16-4 of this Article.

95 C. Enforce accounting control of each city purchase or contract as required by
96 § SC16-6 of this Article and refuse to approve any purchase or contract
97 involving any over expenditure prohibited thereby.

98 D. After consulting the head of each city office, agency or department affected
99 thereby, establish and enforce specifications with respect to supplies,
100 materials, equipment and services required by it, except that any
101 specifications fixed by the Board of Standardization created by § SC16-7 of
102 this Article shall have precedence and be controlling.

103 E. Through appropriate city offices, agencies or department see that all
104 supplies, materials, equipment and services delivered to or performed for
105 the city meet such specifications and arrange for the storage and proper care
106 and custody of city property.

107 F. Authorize the transfer of surplus or unused city property to or between city
108 offices, departments or agencies.

109 G. From time to time recommend to the Mayor and Council the sale or other
110 disposition of surplus, obsolete or unused city property and obtain expert
111 appraisal(s) thereof or estimate its value using his or her best information
112 and judgment.

113 H. Perform such other functions related to purchasing or the city's fiscal and
114 financial affairs as the Mayor or the Council may require.

115 **AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF**
116 **SALISBURY:**

117 **Section 4.** With this proposed Charter Amendment, § SC 16-2 of the Charter would read:

118 § SC16-2. Additional duties and powers of the Director of Procurement.

119 Under the authority of the Mayor and the supervision of the City Administrator, the
120 Director of Procurement shall:

121 A. Receive written requisitions or statements from the head of each city office,
122 department or agency, specifying the public work done or to be done by it,
123 or identifying the materials, equipment, supplies or services required by it,
124 and authorizing its appropriation to be charged therefor.

125 B. Invite bids whenever competitive bidding is required by § SC16-3 of this
126 Article and conduct the competitive bidding procedure established by the
127 Council under § SC16-4 of this Article.

128 C. Enforce accounting control of each city purchase or contract as required by
129 § SC16-6 of this Article and refuse to approve any purchase or contract
130 involving any over expenditure prohibited thereby.

131 D. After consulting the head of each city office, agency or department affected
132 thereby, establish and enforce specifications with respect to supplies,
133 materials, equipment and services required by it, except that any
134 specifications fixed by the Board of Standardization created by § SC16-7 of
135 this Article shall have precedence and be controlling.

136 E. Through appropriate city offices, agencies or department see that all
137 supplies, materials, equipment and services delivered to or performed for
138 the city meet such specifications and arrange for the storage and proper care
139 and custody of city property.

140 F. Authorize the transfer of surplus or unused city property to or between city
141 offices, departments or agencies.

142 G. From time to time recommend to the Mayor and Council the sale or other
143 disposition of surplus, obsolete or unused city property and obtain expert
144 appraisal(s) thereof or estimate its value using his or her best information
145 and judgment.

146 H. Perform such other functions related to purchasing or the city's fiscal and
147 financial affairs as the Mayor or the Council may require.

Section 5. Pursuant to MD Code, Local Government, § 4-304, a public hearing on this Resolution, providing the amendment of the City of Salisbury's Charter as set forth herein, shall be and hereby is scheduled for _____, 2025, at 6:00 p.m.

Section 6. Pursuant to the City of Salisbury's Charter § SC21-2 and MD Code, Local Government, § 4-304, the City shall post a complete and exact copy of this Charter Amendment at the City Government Building for at least forty (40) days after the passage of this Resolution and advertise a fair summary of this Resolution in a newspaper of general circulation in the City at least four times at weekly intervals and within forty days after the Resolution has been adopted.

Section 7. The title of this Resolution shall be deemed a fair summary of the amendments provided for herein for publication and all other purposes.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 8. This Resolution shall take effect on the fiftieth day after the Resolution is adopted, subject to the right of referendum.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 9. It is the intention of the Council of the City of Salisbury that each provision of this Resolution shall be deemed independent of all other provisions herein.

Section 10. It is further the intention of the Council of the City of Salisbury that if any section, paragraph, subsection, clause, or provision of this Resolution 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

171 adjudged and all other provisions of this Resolution shall remain and shall be deemed valid and
172 enforceable.

173 **Section 11.** The Recitals set forth hereinabove are incorporated into this section of this
174 Resolution as if such recitals were specifically set forth at length in this Section 11.

175 This Resolution was introduced, read, and passed at the regular meeting of the Council of
176 the City of Salisbury held on ____ day of _____, 2025.

178 _____
179 Julie A. English,
180 City Clerk

D'Shawn M. Doughty,
City Council President



City of Salisbury

Memo

To: Tom Stevenson, Acting City Administrator
From: Emily Goebel, Office Administrator
Date: September 22, 2025
Subject: Charter Amendment - Clarification of City Administrator, Deputy City Administrator, and Assistant City Administrator Roles

The attached resolution proposes updates and clarifications on the roles of the City Administrator, Deputy City Administrator, and Assistant City Administrator. Changes allow for the City Administrator to assign departmental oversight responsibilities based upon the needs of the city.

Attachment(s):
[Resolution to Amend SC4-1](#)

1 **CHARTER AMENDMENT RESOLUTION NO. _____**

2
3 **A RESOLUTION TO AMEND § SC 4-1 OF THE CHARTER OF THE CITY**
4 **OF SALISBURY TO UPDATE THE POWERS AND DUTIES OF CITY**
5 **ADMINISTRATOR AND DEPUTY ADMINISTRATOR.**

6
7 **WHEREAS**, the ongoing application, administration, and enforcement of the City Charter
8 demonstrates a need for its periodic review, evaluation, and amendment to keep the provisions of
9 the Charter current; and

10
11 **WHEREAS**, the Mayor and Council of the City of Salisbury (the “**Mayor and Council**”)
12 are authorized by MD Code, Local Government, § 4-301 et seq., as amended, and § SC 21-2 of
13 the Charter to amend the Charter, not contrary to the Constitution of Maryland, public general
14 law or public local law, as the Mayor and Council deem necessary to assure the good government
15 of the municipality; and

16
17 **WHEREAS**, the Mayor and Council find that the foregoing amendments to § SC 4-1 of
18 the City Charter are desirable to conform with the public need to operate the City and to update
19 the powers and duties of the City Administrator and Deputy Administrator; and

20
21 **WHEREAS**, the Mayor and Council have determined that amendments to § SC 4-1 of
22 the Charter shall be adopted as set forth herein; and

23
24 **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF**
25 **SALISBURY** by virtue of the authority granted in Article XI-E of the Maryland Declaration of
26 Rights, §§ 4-301 *et seq.* of the Local Government Article of the Code of Maryland, and Article
27 XXI of the City Charter as follows:

28
29 **Section 1.** It is proposed and recommended that § SC 4-1 be amended to repeal the
30 language in double bold brackets and adding the underscored and italicized language:

31 § SC4-1. City Administrator and Deputy Administrator.

32 There shall be a City Administrator in the Office of the Mayor who shall be the
33 Chief Administrative Officer of the city. The City Administrator shall **[[be the**
34 **direct subordinate of the Mayor and the immediate supervisor of each of the**
35 **following department heads: Police Department, Fire Department,**
36 **Department of Finance, Department of Human Resources, and the Public**
37 **Information Officer. The City Administrator shall also be the immediate**
38 **supervisor of the Deputy City Administrator]]** report directly to the Mayor and
39 shall oversee the daily operations of the city government. The City Administrator
40 shall serve as the supervising authority of the Office of the Mayor and shall be the
41 Mayor's Chief of Staff. The City Administrator shall have the authority to assign
42 departmental oversight responsibilities to himself/herself or to the Deputy City

Administrator, with approval of the Mayor, based upon the strategic and operational needs of the city.

There shall be a Deputy City Administrator who shall report directly to the City Administrator. The Deputy City Administrator shall carry out supervisory and administrative functions as assigned by the City Administrator and may act for the City Administrator in his or her absence. **[[be a direct subordinate of the City Administrator. The Deputy City Administrator shall be the immediate supervisor of the following department heads: Department of Infrastructure and Development, Department of Field Operations, Department of Water Works, Department of Housing and Community Development, Department of Procurement and Department of Business Development.]]**

There may be an Assistant City Administrator who shall provide direct support to the City Administrator and department heads by assisting with special projects, administrative tasks, and day-to-day operations.

Section 2. With this proposed Charter Amendment, § SC 4-1 of the Charter would read:

There shall be a City Administrator in the Office of the Mayor who shall be the Chief Administrative Officer of the city. The City Administrator shall report directly to the Mayor and shall oversee the daily operations of the city government. The City Administrator shall serve as the supervising authority of the Office of the Mayor and shall be the Mayor's Chief of Staff. The City Administrator shall have the authority to assign departmental oversight responsibilities to himself/herself or to the Deputy City Administrator, with approval of the Mayor, based upon the strategic and operational needs of the city.

There shall be a Deputy City Administrator who shall report directly to the City Administrator. The Deputy City Administrator shall carry out supervisory and administrative functions as assigned by the City Administrator and may act for the City Administrator in his or her absence.

There may be an Assistant City Administrator who shall provide direct support to the City Administrator and department heads by assisting with special projects, administrative tasks, and day-to-day operations.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF

SALISBURY:

Section 3. Pursuant to MD Code, Local Government, § 4-304, a public hearing on this Resolution, providing the amendment of the City of Salisbury's Charter as set forth herein, shall be and hereby is scheduled for _____, 2025, at 6:00 p.m.

Section 4. Pursuant to the City of Salisbury's Charter § SC21-2 and MD Code, Local Government, § 4-304, the City shall post a complete and exact copy of this Charter Amendment at the City Government Building for at least forty (40) days after the passage of this Resolution and advertise a fair summary of this Resolution in a newspaper of general circulation in the City at least four times at weekly intervals and within forty days after the Resolution has been adopted.

Section 5. The title of this Resolution shall be deemed a fair summary of the amendments provided for herein for publication and all other purposes.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 6. This Resolution shall take effect on the fiftieth day after the Resolution is adopted, subject to the right of referendum.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 7. It is the intention of the Council of the City of Salisbury that each provision of this Resolution shall be deemed independent of all other provisions herein.

Section 8. It is further the intention of the Council of the City of Salisbury that if any section, paragraph, subsection, clause, or provision of this Resolution 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 Resolution shall remain and shall be deemed valid and enforceable.

Section 9. The Recitals set forth hereinabove are incorporated into this section of this Resolution as if such recitals were specifically set forth at length in this Section 9.

101 This Resolution was introduced, read, and passed at the regular meeting of the Council of
102 the City of Salisbury held on ____ day of _____, 2025.

103

104	_____	_____
105	Julie A. English,	D'Shawn M. Doughty,
106	City Clerk	City Council President

**A RESOLUTION AUTHORIZING THE CITY OF SALISBURY TO ENTER INTO
A SUBRECIPIENT AGREEMENT WITH MENTIS LOT 10, LLC IN
FURTHERANCE OF ORDINANCE NO. 2839.**

WHEREAS, on or about November 14, 2016, the City declared Lot 10 surplus property; and

WHEREAS, the City received three (3) proposals, one of which was later withdrawn; and

WHEREAS, Mentis Lot 10, LLC was formed as the purchasing entity, and on or about February 6, 2023, the City entered into a contract to sell Lot 10 to Mentis Lot 10, LLC, which went into effect on or about March 28, 2023, as reflected in the Deed of the same date, filed in the Land Records of Prince George's County, Maryland at Liber 5234, Folio 176; and

WHEREAS, on or about November 6, 2023, the City of Salisbury applied to the Maryland Department of General Services (“**DGS**”) for a combination of Maryland Consolidated Capital Bond Loan and PAYGO funding (available through House Bill 200) in the amount of \$3,000,000 to design and build the infrastructure for all phases of the redevelopment of the Property into a mixed use development, including a hotel and conference center and rooftop restaurant (Phase I) with subsequent phases to include additional housing units, ground level retail, office space and parking garage, as more fully described in the Application to DGS and Mentis Lot 10, LLC’s Site Plan and Renderings collectively attached hereto as **Exhibit A (the “Lot 10 Project”)**;

WHEREAS, in response to the City’s requests for funding to design and improve infrastructure phases of the Lot 10 Project, on or about December 11, 2023, DGS issued PAYGO Funding Award awarding \$3,000,000 to the City from Acct. H0103/HB200/HB181 – 6/30/2024 and further awarding \$500,000 to the City from Acct. H0103/HB200/SB181 for the requested design and infrastructure improvements for the Lot 10 Project, expressly specifying that the grants were allocated to the City “for infrastructure improvements in the City of Salisbury in Wicomico County” (the “**PAYGO Grant Funds**”);

51 **WHEREAS**, on or about December 5, 2023, the Mayor and Council affirmed that DGS allocated
52 the PAYGO Grant Funds specifically to the Lot 10 Project, and via Ordinance No. 2839, accepted the
53 PAYGO Grant Funds from DGS, subject to a subrecipient agreement with Mentis Lot 10, LLC as the
54 subrecipient of the funding and the owner of Lot 10; and

55
56 **WHEREAS**, Ordinance No. 2839 proclaimed that no expenditures of the aforementioned grant
57 funding would be permitted until the City entered into and executed a subrecipient agreement with Mentis
58 Lot 10 LLC; and

59
60 **WHEREAS**, in furtherance of Ordinance No. 2839, by this Resolution, the Council approves the
61 Subrecipient Agreement between the City and Mentis Lot 10 LLC, attached and incorporated as **Exhibit**
62 **A**, and

63
64 **WHEREAS**, in furtherance of Ordinance 2839, by this Resolution, the Council authorizes the
65 Mayor to enter into and promptly execute the Subrecipient Agreement attached as **Exhibit A** with Mentis
66 Lot 10, LLC, and to expend the grant funds accordingly; and

67
68 **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF**
69 **SALISBURY, MARYLAND**, as follows:

70
71 **Section 1.** Mayor Randolph R. Taylor is hereby authorized to enter into and timely execute on
72 behalf of the City of Salisbury the Subrecipient Agreement attached and incorporated as **Exhibit A** with
73 Mentis Lot 10, LLC and to expend the grant funds accordingly.

74
75 **Section 2.** It is the intention of the Mayor and Council of the City of Salisbury that each provision
76 of this Resolution shall be deemed independent of all other provisions herein.

77
78 **Section 3.** It is further the intention of the Mayor and Council of the City of Salisbury that if any
79 section, paragraph, subsection, clause or provision of this Resolution shall be adjudged invalid,
80 unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication
81 shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other
82 provisions of this Resolution shall remain and shall be deemed valid and enforceable.

83
84 **Section 4.** The recitals set forth hereinabove and **Exhibit A** attached hereto, and all exhibits
85 attached thereto and incorporated therein, are incorporated into this section of the Resolution as if such
86 recitals and **Exhibit A** were specifically set forth at length in this Section 4.

87
88 **THE ABOVE RESOLUTION** was introduced and read and passed at the regular meeting of the
89 Council of the City of Salisbury held on this ____ day of _____ 2025 and is to become effective
90 immediately upon adoption.

91
92
93 _____
94 **Julie A. English, City Clerk**

95
96 _____
97 **D'Shawn M. Doughty, City Council President**

98
99 Approved by me, this _____ day of _____, 2024.

100 _____
Randolph J. Taylor, Mayor

SUBRECIPIENT AGREEMENT
Between the
CITY OF SALISBURY, MARYLAND
and
MENTIS LOT 10, LLC

INFRASTRUCTURE DESIGN AND IMPROVEMENTS
FOR THE REDEVELOPMENT OF LOT 10

THIS SUBRECIPIENT AGREEMENT (the “**Agreement**”) is made this day of , **2025** by and between **Mentis Lot 10 LLC**, a business entity organized under the laws of the State of Maryland, whose principal place of business is located 149 Apple Ln., Unit 103, Salisbury, MD 21804, its successors and assigns (hereinafter sometimes referred to as the “**Subrecipient**”) and the **City of Salisbury**, a body politic and corporate of the State of Maryland (hereinafter sometimes referred to as the “**City**” or the “**Grantee**”)(the Subrecipient and Grantee are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”).

WHEREAS, the City is a previous owner of the property known as 111 Poplar Hill Avenue, Salisbury, Maryland, commonly known as “Lot 10” (the “**Property**” or “Lot 10”)); and

WHEREAS, on or about November 14, 2016, the City declared Lot 10 surplus property; and

WHEREAS, on or about August 10, 2021, the City published notice of the intended sale of Lot 10 and sought proposals from qualified buyers to purchase the property; and

WHEREAS, the City received three (3) proposals, one of which was later withdrawn; and

WHEREAS, the City, through an evaluation process, determined that Mentis Capital Partners, LLC’s proposal offered the highest and best value to the City, as its plan of constructing a mixed use development onsite contributed to the revitalization efforts in the downtown area; and

WHEREAS, Mentis Lot 10, LLC was formed as the purchasing entity, and on or about February 6, 2023, via Resolution 3212, the City entered into a contract to sell Lot 10 to Mentis Lot 10, LLC, which went to settlement on or about March 28, 2023, as reflected in the Deed of the same date, filed in the Land Records for Wicomico County, Maryland at Liber 5234, Folio 176; and

WHEREAS, the Lot 10 project will require significant infrastructure improvements to accommodate the redevelopment plans; and

WHEREAS, on or about November 6, 2023, the City of Salisbury applied to the Maryland Department of General Services (“**DGS**”) for a combination of Maryland Consolidated Capital Bond Loan funds and PAYGO funding (available through House Bill 200) in the amount of \$3,000,000 to design and improve infrastructure for all phases of the redevelopment of the Property into a mixed use development, including a hotel and conference center and rooftop restaurant (Phase I) with subsequent phases to include additional housing units, ground level retail, office space and parking garage, as more fully described in the City’s Application to DGS and Mentis Lot 10, LLC’s Site Plan and Renderings collectively attached hereto as **Exhibit A** (the “**Lot 10 Project**”);

WHEREAS, on or about November 6, 2023, the City of Salisbury submitted a second application to DGS for Maryland Consolidated Capital Bond Loan funds and PAYGO funding (available through HOOH01.03 Miscellaneous Grants, Supplemental Budget) in the amount of \$1,000,000 for the same purpose of designing and improving infrastructure for all phases of the Lot 10 Project; and

WHEREAS, in response to the City's requests for funding to design and improve infrastructure for all phases of the Lot 10 Project, on or about December 11, 2023, DGS issued PAYGO Funding Award letters awarding \$3,000,000 to the City from Acct. H0103/HB200/HB181 – 6/30/2024 and further awarding \$1,000,000 to the City from Acct. H0103/HB200/SB181 for the requested design and infrastructure improvements for the Lot 10 Project, expressly specifying that the grants were allocated to the City “for infrastructure improvements in the City of Salisbury in Wicomico County” (the “**PAYGO Grant Funds**”); and

WHEREAS, on or about December 5, 2023, the Mayor and Council affirmed that DGS allocated the PAYGO Grant Funds specifically to the Lot 10 Project, and via Ordinance 2839, accepted the PAYGO Grant Funds from DGS, subject to a subrecipient agreement with Mentis Lot 10, LLC as the subrecipient of the funding and the owner of Lot 10; and

WHEREAS, the Subrecipient has prepared an itemized list of design and infrastructure costs arising from the Lot 10 Project, as set forth on the attached **Exhibit B**, which the DGS Capital Grants & Loan office has confirmed are eligible design and infrastructure costs under DGS rules and guidelines; and

WHEREAS, the City has agreed to allocate the PAYGO Grant Funds to the aforementioned eligible costs of the Lot 10 Project pursuant to a disbursement schedule spread out over the length of the Lot 10 Project, which schedule is also set forth on **Exhibit B**; and

WHEREAS, the Parties hereto desire to set forth herein the express terms and conditions of the Subrecipient's use and application of the PAYGO Grant Funds.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and intending to be legally bound, the parties agree as follows:

1. **Term**. This Agreement shall commence on the date herein above set forth and terminates July 1, 2031, or at such time as Subrecipient has completed the Project, whichever occurs first. This Agreement may be extended in writing by the parties upon such terms as may be mutually agreed.
2. **Scope of Work**. Grantee agrees to reimburse Subrecipient in an amount not to exceed Four Million Dollars (\$4,000,000) to implement the eligible activities at the Lot 10 Project, pursuant to the disbursement schedule set forth on **Exhibit B**, attached hereto and incorporated as if fully set forth herein.
3. **Permits**. Subrecipient shall be responsible for obtaining all necessary permits that may be required for the Lot 10 Project, and shall pay all permit fees which are imposed on or with respect to the Lot 10 Project.
4. **Inspections**. Grantee and/or DGS, and their agents and employees, shall be allowed to inspect the Lot 10 Project at any time during the pendency of the Lot 10 Project and upon completion of the Lot 10 Project. Subrecipient shall adhere, in all material respects, to guidance from the State Construction Compliance Officer with respect to the aspects of the Lot 10 Project under its legal purview.

5. **Expenditure of Grant Funds.**

- a. All Grant Funds shall be expended, and reimbursement requests for those expenditures submitted, on or before **July 1, 2030.**
 - b. Subrecipient shall expend at least fifty percent (50%) of the Grant Funds for the Lot 10 Project by **December 31, 2028.**
6. **Reimbursement.** Grantee shall reimburse Subrecipient in an amount equal to the actual expenses incurred pursuant to the disbursement schedule set forth in **Exhibit B,** as certified to Grantee by Subrecipient using the FY25 PAYGO – Fund Request Form attached to this Agreement as **Exhibit C.** Requests for reimbursement shall include (at a minimum) a copy of all the original invoices that have been paid, and a copy of the cancelled check or bank payment record for those payments. Additional documentation may be required by Grantee, in its reasonable discretion, for clarification of Lot 10 Project expenditures. Reimbursement for payments made prior to the execution of this Subrecipient Agreement shall be permitted provided the requested reimbursement is for items set forth in Exhibit B.
7. **Procedure.** Grantee shall review the documentation of expenditures submitted by Subrecipient, and provided the documentation submitted is complete in all material respects, the City shall promptly release a payment of grant funds to Subrecipient for the documented expenditures.
8. **Records.** Subrecipient shall maintain accurate records and shall retain copies of all invoices associated with the Lot 10 Project for review by the City of Salisbury and/or DGS, as may be requested. Subrecipient shall maintain all records pertaining to the Lot 10 Project until **June 30, 2034.** Subrecipient shall permit Grantee and/or DGS to perform program monitoring, evaluation, and audit activities as determined to be necessary, at the reasonable discretion of the Grantee and/or DGS, which shall be at the sole cost and expense of Grantee or DGS, as applicable.
9. **Reporting.** Subrecipient shall provide information necessary for programmatic or financial reporting as requested by the State granting agency within any legally mandated response period.
10. **Modifications to the Project.** Proposed modifications to the scope and/or activities to which the DSG Grant Funds will be applied shall be submitted to the City before implementing scope changes. Any modifications mutually agreed upon by Grantee and Subrecipient shall be incorporated into this Agreement by a written amendment, signed by both parties.
11. **Prohibited Activities.** Subrecipient agrees the Lot 10 Project shall not include or support the following types of activities: pawn shops, gun shops, adult video/book shop, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors, liquor stores, or standalone tanning salons or massage parlors; provided, however, the incorporation of tanning beds or massage services into a business providing spa services shall not constitute a prohibited activity.
12. **Safety Compliance.** Subrecipient shall be solely responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other applicable regulations. If required, a building permit must be obtained from the City of Salisbury – Department of Infrastructure & Development (at Subrecipient's expense).

13. **Environmental Certification and Indemnification: Lead Paint.** In connection with the ownership, lease, rehabilitation, construction, operation or demolition of real property or improvements thereon that are or may become part of the Lot 10 Project (collectively and individually, “**Property**”):
- a. Subrecipient represents, warrants, and covenants that, other than as disclosed to the Grantee in writing prior to the date hereof, there are no known hazardous materials located on the Property, that it will not cause any hazardous materials to be placed on the Property, that it will carry out the Lot 10 Project in compliance with all requirements imposed by any governmental authority with respect to hazardous materials that may be placed on the Property, and that to the best of its knowledge the Property is in compliance with all applicable Federal and State environmental laws and regulations. De minimis amounts of household cleaning supplies, office supplies and petroleum-based products used in the ordinary course of operating the Property and which are stored and disposed of in accordance with applicable laws are not considered hazardous materials.
 - b. Subrecipient shall indemnify and hold Grantee, its employees and agents harmless from all loss, liability, damage, costs and expenses of any kind whatsoever, including as a result of any lawsuit brought or threatened, settlement reached, or governmental order, and including reasonable attorneys’ fees, for failure of the Property to comply in all respects with all environmental requirements, except to the extent caused by the gross negligence or willful misconduct of Grantee, its employees, or agents. Subrecipient’s obligation to indemnify Grantee shall survive the term of this Agreement.
14. **Licensing.** Following the completion of the Lot 10 Project, Subrecipient shall ensure that all necessary approvals for the commencement of the activities that will take place in the Property have been obtained, including all applicable permits and licenses.
15. **Compliance with Local, State and Federal Laws and Regulations.** Subrecipient shall comply with all applicable federal, state, and local laws, rules and regulations. By way of example and not limitation, Subrecipient shall comply, at its expense and in all material respects, with all statutes and ordinances related to necessary permits, public assembly facilities, public events, and performances, including but not limited to those imposing taxes and license fees. Subrecipient warrants that it has secured all necessary intellectual property rights and/or licenses and agrees to indemnify and hold the City harmless from any and all claims, losses or expenses incurred with regard thereto.
16. **Nondiscrimination; Fair Practices Certification; Drug and Alcohol Free Workplace.**
- a. Subrecipient may not discriminate against and hereby certifies that it prohibits discrimination against and will not discriminate against any person on the basis of race, color, religion, ancestry, creed or national origin, sex, marital status, physical or mental disability, sexual orientation, or age in any aspect of its projects, programs or activities.
 - b. Subrecipient shall comply with applicable Federal, State, and local laws regarding discrimination and equal opportunity in employment, housing, credit practices, and drug and alcohol free workplaces, including:
 - i. Titles VI and VII of the Civil Rights Act of 1964, as amended;
 - ii. Title VIII of the Civil Rights Act of 1968, as amended;
 - iii. State Government Article, Title 20, Annotated Code of Maryland, as amended;
 - iv. DHCD’s Minority Business Enterprise Program, as amended;

- v. The Governor's Executive Order 01.01.1989.18 relating to Drug and Alcohol Free Workplaces, and any DHCD or State regulations adopted or to be adopted to carry out the requirements of that Order;
- vi. The Fair Housing Amendments Act of 1988, as amended;
- vii. The Americans with Disabilities Act of 1990, as amended.

17. **Insurance.**

- a. Subrecipient shall determine whether the Lot 10 Project is located in a 100-year flood plain, as designated by the United States Department of Housing and Urban Development. If the Lot 10 Project is located in a 100-year flood plain, Subrecipient shall maintain or cause to be maintained flood insurance coverage both during and after construction or rehabilitation, and if necessary, Subrecipient shall pay the expense of such insurance.
 - b. Subrecipient shall be responsible for hiring and executing an agreement with a general contractor who is licensed to operate in the State of Maryland. Subrecipient shall require the general contractor to provide general contractor's insurance coverage for comprehensive public liability, property damage liability/builder's risk, and workers' compensation in the form and amounts satisfactory to Grantee.
 - c. Insurance coverages shall be provided by a company that is registered with a Maryland Insurance Agency and authorized to transact business in the State. Subrecipient shall at its expense maintain insurance covering all of Subrecipient's actions, on a primary and non-contributory basis, subject to policy terms, conditions and exclusions, as follows: (a) Commercial General Liability Insurance coverage with a limit of no less than \$1,000,000.00 each occurrence and \$3,000,000.00 in the aggregate; (b) Automobile Insurance coverage with a limit of no less than \$1,000,000.00 each occurrence and \$3,000,000.00 in the aggregate; (c) Umbrella or Excess Liability coverage with a limit of no less than \$5,000,000.00 each occurrence/in the aggregate; and (d) where Subrecipient employs persons within the City, Workers' Compensation coverage of no less than the statutory requirement. Prior to beginning construction on the Lot 10 Project, Subrecipient shall deliver to the City the original insurance policies required to be carried under this agreement bearing a notation by the insurer or its agent that the premium has been paid: at least thirty (30) days prior to the expiration of any policy term, Subrecipient shall deliver to the City renewal certificates of each policy bearing a notation that the renewal premium has been paid. AT LEAST TEN (10) DAYS PRIOR TO THE COMMENCEMENT OF CONSTRUCTION ON THE LOT 10 PROJECT, SUBRECIPIENT SHALL FURNISH THE CITY WITH A CERTIFICATE OF INSURANCE EVIDENCING THE COVERAGE SET FORTH HEREIN, AND EXPRESSLY NAMING THE CITY AS AN ADDITIONAL INSURED THEREON. Failure to provide and continue in force such insurance as required above will be deemed a breach of the agreement, unless Subrecipient cures such failure within ten (10) business days from the date of written notice of such default from Grantee to Subrecipient.
18. **Waiver of Subrogation.** Subrecipient hereby releases Grantee, and its agents and employees, with respect to any claim, including but not limited to a claim for negligence, for damage or loss covered by Subrecipient's Commercial General Liability insurance, Automobile Liability insurance, Umbrella or Excess Liability Coverage and/or Workers Compensation Liability insurance, subject to the respective policy terms, conditions and exclusions.
19. **Default.** In the event of any default by Subrecipient under this Agreement, Grantee will give Subrecipient written notice specifying such default with particularity, and Subrecipient shall

thereupon have thirty (30) days in which to cure any such default; provided that where any such failure cannot reasonably be cured within a thirty (30) day period, Subrecipient will not be in default if Subrecipient commences to cure the failure within the thirty (30) day period and thereafter diligently and continuously pursues all reasonable efforts to complete the cure. In the event Subrecipient fails to cure said default in accordance with the terms of this Paragraph, said default shall result in the termination of this Agreement.

20. **Remedies Upon Default.**

- (a) Upon the occurrence of any default, the City, in its sole discretion may determine to do one or more of the following:
 - (i) Withhold further payments under this Agreement.
 - (ii) Terminate this Agreement.
- (b) In addition to the rights and remedies contained in this Agreement, the City may at any time proceed to protect and enforce all rights available to it. All rights and remedies survive the termination of this Agreement.
- (c) In the event that a court of competent jurisdiction determines that a default by Subrecipient was the result of fraud or breach of contract on the part of Subrecipient or the misappropriation of the PAYGO Grant Funds by Subrecipient for a purpose other than materially advancing the Lot 10 Project in substantially the form set forth in **Exhibit A**, the City may require that Subrecipient repay the PAYGO Grant Funds, in whole or in part.

21. **Rights and Remedies, Generally.** Mention in this Agreement of any specific right or remedy shall not preclude Grantee from exercising any other right or remedy available at law or in equity; and the failure of Grantee to insist in any one or more instances upon a strict or prompt performance of any obligation of Subrecipient under this Agreement or to exercise any option, right or remedy herein contained or available at law or equity shall not be construed as a waiver or relinquishment thereof, unless expressly waived in writing by Grantee. If Grantee obtains a judgment against Subrecipient arising out of any default by Subrecipient under this Agreement, then Subrecipient shall pay Grantee all reasonable attorney's fees incurred by Grantee with respect to such default. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY.

22. **Notices.** All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing. Email is an acceptable form of written communication, except any request or notice of conduct deviating from the express terms of the within agreement must be provided by written notice provided by regular U.S. mail. Any such communication, unless otherwise specified, shall be deemed effective as of the date it is mailed, postage prepaid, addressed as follows:

SUBRECIPIENT:

Nick Simpson
MENTIS LOT 10 LLC
149 Apple Ln., Unit 103
Salisbury, MD 21804

GRANTEE:

City Administrator
City of Salisbury
115 S Division Street
Salisbury, Maryland 21801

23. **Indemnification.** To the fullest extent permitted by law, Subrecipient shall indemnify and hold the City, its elected and appointed officials, employees, agents, volunteers and others working on behalf of the City, harmless from and against any and all loss, damage, liability, claims, suits, actions, taxes, interest, fines, penalties, costs and expenses (including attorney's and experts' fees and court costs), of every kind (including but not limited to injury to the property of others and injury or death of persons) and nature arising out of, resulting from, or in connection with:
- i. Subrecipient's activities pursuant to this Agreement, including, without limitation, any act or omission by Subrecipient's employees, agents, guests, and invitees;
 - ii. Any material misrepresentation or breach by the Subrecipient of any representation or warranty contained in this agreement;
 - iii. Any non-performance, failure to comply or breach by Subrecipient of any covenant, promise or agreement contained in this agreement; and/or
 - iv. Any non-performance, failure to comply or breach by Subrecipient that causes the City and/or Subrecipient to not meet DGS eligibility requirements.

Subrecipient shall, at its own cost and expense, defend any such claims and any suits, actions, or proceedings which may be commenced as set forth in the foregoing paragraph, and Subrecipient shall pay any and all judgments which may be recovered in any suit, action or proceeding, and any and all expense including, but not limited to, costs, attorney's fees and settlement expenses, which may be incurred thereby. The foregoing indemnification obligations shall not apply to the extent the loss is caused by the gross negligence or willful misconduct of the City, its elected and appointed officials, employees, agents, volunteers or others working on behalf of the City.

24. **Risk of Loss.** Except as addressed elsewhere in this agreement, Subrecipient shall be responsible for its own acts and the results thereof. Subrecipient therefore assumes all risk and liability to itself, its agents, volunteers and employees, for the injury to persons or property resulting in any manner from the conduct of its own operations, and the operation of its agents, volunteers and employees under this Agreement, for any loss, cost, damage, or expense resulting at any time from any and all causes due to any acts or acts of negligence, or the failure to exercise proper precautions, of or by itself or its own agents or its own volunteers or employees, while operating pursuant to this Agreement.
25. **Governing State Law.** The validity, interpretation and effect of this Agreement shall be governed by the laws of the State of Maryland. Further, the laws of the State of Maryland shall govern all rights, obligations, remedies and liabilities arising pursuant to this Agreement. No claim or dispute from or relating to this Agreement shall be required to be submitted to or settled by any type of arbitration process. Any legal proceedings involving any such claim or dispute shall be brought in the appropriate court in the State of Maryland. Neither this Agreement, nor any portion of it, shall be construed against either Party because that Party or that Party's agent or attorney drafted it.

26. **Captions and Headings.** All captions and headings used herein are for the sake of convenience and shall not be used in any way to interpret or otherwise construe this Agreement.
27. **Binding Effect.** The covenants and conditions contained in the Agreement shall apply to and bind the Parties and their heirs, legal representatives, successors and permitted assigns.
28. **Amendment.** No amendment to this Agreement shall be binding unless in writing and signed by the parties.
29. **Severability.** The invalidity or unenforceability of any provision of this Assignment shall not affect or limit the validity and enforceability of the other provisions hereof. This Agreement and all of the terms and conditions set forth herein shall not be construed or enforced in favor of or against any Party hereto by reason of the fact that Party or that Party's agent or attorney drafted all or any part of this Agreement.
30. **Survival.** All covenants, agreements, representations and warranties made in this Agreement and in any other documents delivered pursuant hereto shall survive closeout of the PAYGO Grant and shall continue in full force and effect until the Subrecipient has complied with all terms and conditions of any close-out or termination reports required by DGS.
31. **Recitals.** The Recitals, as set forth hereinabove, are incorporated by reference as if fully set forth herein.
32. **Assignment.** This Agreement may not be assigned without the prior written approval of the Grantee. Grantee shall not unreasonably withhold such approval. Any assignment authorized by the City shall be subject to the terms of this Agreement.
33. **Recording of Agreement.** This Agreement, including all exhibits, schedules and/or addenda attached hereto, each of which is incorporated in this Agreement by this reference, shall be recorded among the Land Records of Wicomico County, the costs of which shall be paid by Subrecipient. This Agreement, and all of the terms contained herein, shall run with the Property and be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, approved successors and/or approved assigns.
34. **Disposition of Property.** During the term of this Agreement, Subrecipient agrees to provide the City with written notice of any agreement to sell, lease, exchange, give away or otherwise transfer or dispose of any interest of the Property. This includes transfer or disposition to a successor or the merger, dissolution, or other termination of the existence of Subrecipient. Subrecipient shall give the City written notice at least sixty (60) days before any transfer or disposition. In the event that a court of competent jurisdiction determines that any such transfer by Subrecipient was for a purpose other than materially advancing the Lot 10 Project in substantially the form set forth in **Exhibit A**, the City may require that Subrecipient repay the PAYGO Grant Funds, in whole or in part.
35. **Further Assurances and Corrective Instruments.** Subrecipient agrees that it will, from time to time, execute and deliver, or cause to be delivered, such amendments hereto and such further instruments as may be reasonably required by the Grantee to comply with any existing or future State regulations, directives, policies, procedures, and other requirements, or to further the general purposes of this Agreement.

36. **Delay Does Not Constitute Waiver.** No failure or delay of the Grantee to exercise any right, power or remedy consequent upon default shall constitute a waiver of any such term, condition, covenant, certification or agreement of any such default or preclude the Grantee from exercising any right, power or remedy at any later time or times.
37. **Authority.** Any person or entity executing this Agreement on behalf of Subrecipient expressly warrants that such person or entity is duly authorized to execute this Agreement on behalf of Subrecipient for the purposes and on the terms set forth herein.
38. **Execution.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of the Agreement and of signature pages by facsimile or by electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes.

WITNESS the hands and seals of the parties hereto, with the specific intention of creating a document under seal.

WITNESS:

MENTIS LOT 10, LLC
(Subrecipient)

By: _____ (SEAL)
Nick Simpson – Authorized Agent

ATTEST:

CITY OF SALISBURY, MARYLAND
(Grantee)

Julie English
City Clerk

By: _____ (SEAL)
Randolph J. Taylor, Mayor

EXHIBIT A

Capital Project PAYGO Funding General Information Form

(Submit a separate form for each award)



Name of Project

Lot 10 Redevelopment (House Bill 200)

Legislative District

37B

County

Wicomico

Year Authorized

2023

DGS Item # (For DGS use only)

PAYGO Amount (Show this amount only in State Funding Column on Page 2)

\$ 3,000,000

Legal Name of Recipient Organization

City of Salisbury, Maryland

Address of Recipient Organization

115 S. Division St. Salisbury, MD 21804

Project Title

Lot 10 Redevelopment

Estimated Project Schedule

Design Start 6/1/23

Design End 5/1/24

Construction Start 6/1/24

Construction End 3/1/26

Detailed Project Description and Scope (Include purpose and constructions details)

Design and improve infrastructure for all phases of the redevelopment plans at 111 Poplar Hill Ave. Phase 1 of the development will include a 110 room Hotel & Conference Center and a rooftop restaurant. Subsequent phases of the development will include additional housing units, ground level retail, and office space.

Have you created cash flow projections for this project?

If yes, please attach a copy of it in your email response. Yes ☐ No ☐

Recipient Interest in Real Property to be Improved with PAYGO Funding:

☐ Recipient organization is the sole owner.

☐ Recipient organization is a co-owner.

Co-owner name: _____

☐ Recipient does not own the property, but has a long-term lease.

Indicate term: years and provide a copy of lease: _____

☒ Recipient does not own or lease the project property.

Property owner name: Mentis Capital Partners LLC

	Total Estimated Project Budget		
	This	Other	Total
	State Funding	Funds	Cost
A. Construction Cost (Including Fixed Equipment)	1,357,419	29,656,900	30,014,319
B. Equipment & Furnishings Not Fixed (Attach a copy of the listing in your email response. It should include the cost of each item)	0	0	0
C. Architect/Engineer Fees	1,567,581	0	1,567,581
D. Land	75,000	0	75,000
E. Total	3,000,000	29,656,900	32,656,900

You are encouraged (but not required) to solicit minority, small and veteran-owned business participation. For further information on Maryland's socio-economic programs, please visit:

[Minority Business Enterprise Program](#)

[Small Business Reserve Program](#)

[Veteran-Owned Small Business Enterprise Program](#)

Will this project utilize these business(es) to provide construction, goods and/or services? Yes ☐ No ☐

Contact Person's Name

Nick Simpson

Email

nick@mentiscp.com

Phone (Office)

Phone (Cell)

410-627-4592

Name of Recipient Organization

City of Salisbury

Date

11/6/23



Authorized Representative (Sign)

Andy Kitzrow, City Administrator

Authorized Representative (Print Name & Title)

Capital Project PAYGO Funding General Information Form

(Submit a separate form for each award)



Name of Project

Lot 10 Redevelopment (HOOH01.03 Miscellaneous Grants, Supplemental Budget)

Legislative District

37B

County

Wicomico

Year Authorized

2023

DGS Item # (For DGS use only)

PAYGO Amount (Show this amount only in State Funding Column on Page 2)

\$ 1,000,000

Legal Name of Recipient Organization

City of Salisbury, Maryland

Address of Recipient Organization

115 S. Division St. Salisbury, MD 21804

Project Title

Lot 10 Redevelopment

Estimated Project Schedule

Design Start 6/1/23

Design End 5/1/24

Construction Start 6/1/24

Construction End 3/1/26

Detailed Project Description and Scope (Include purpose and constructions details)

Design and improve infrastructure for all phases of the redevelopment plans at 111 Poplar Hill Ave. Phase 1 of the development will include a 110 room Hotel & Conference Center and a rooftop restaurant. Subsequent phases of the development will include additional housing units, ground level retail, and office space.

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Recipient Interest in Real Property to be Improved with PAYGO Funding:

☐ Recipient organization is the sole owner.

☐ Recipient organization is a co-owner.

Co-owner name: _____

☐ Recipient does not own the property, but has a long-term lease.

Indicate term: years and provide a copy of lease: _____

☒ Recipient does not own or lease the project property.

Property owner name: Mentis Capital Partners LLC

	Total Estimated Project Budget		
	This	Other	Total
	State Funding	Funds	Cost
A. Construction Cost (Including Fixed Equipment)	0	0	0
B. Equipment & Furnishings Not Fixed (Attach a copy of the listing in your email response. It should include the cost of each item)	0	0	0
C. Architect/Engineer Fees	1,000,000	0	1,000,000
D. Land	0	0	0
E. Total	1,000,000	0	1,000,000

You are encouraged (but not required) to solicit minority, small and veteran-owned business participation. For further information on Maryland's socio-economic programs, please visit:

[Minority Business Enterprise Program](#)

[Small Business Reserve Program](#)

[Veteran-Owned Small Business Enterprise Program](#)

Will this project utilize these business(es) to provide construction, goods and/or services? Yes ☐ No ☐

Contact Person's Name

Nick Simpson

Email

nick@mentiscp.com

Phone (Office)

Phone (Cell)

410-627-4592

Name of Recipient Organization

City of Salisbury

Date

11/6/23



Authorized Representative (Sign)

Andy Kitzrow, City Administrator

Authorized Representative (Print Name & Title)



MULTI USE DEVELOPMENT
SALISBURY, MD 21801

COVER
A-01
10/6/2023 3:41:34 PM
dcs
DESIGN

SALISBURY, MD 21801



SCALE: 1" = 50'-0"

A-03

SCALE: 1" = 50'-0"

A-03
2023 3:57:52 PM

DESIGN
SOLUTIONS

MULTI USE DEVELOPMENT

SALISBURY, MD 21801

25' 50' 100'

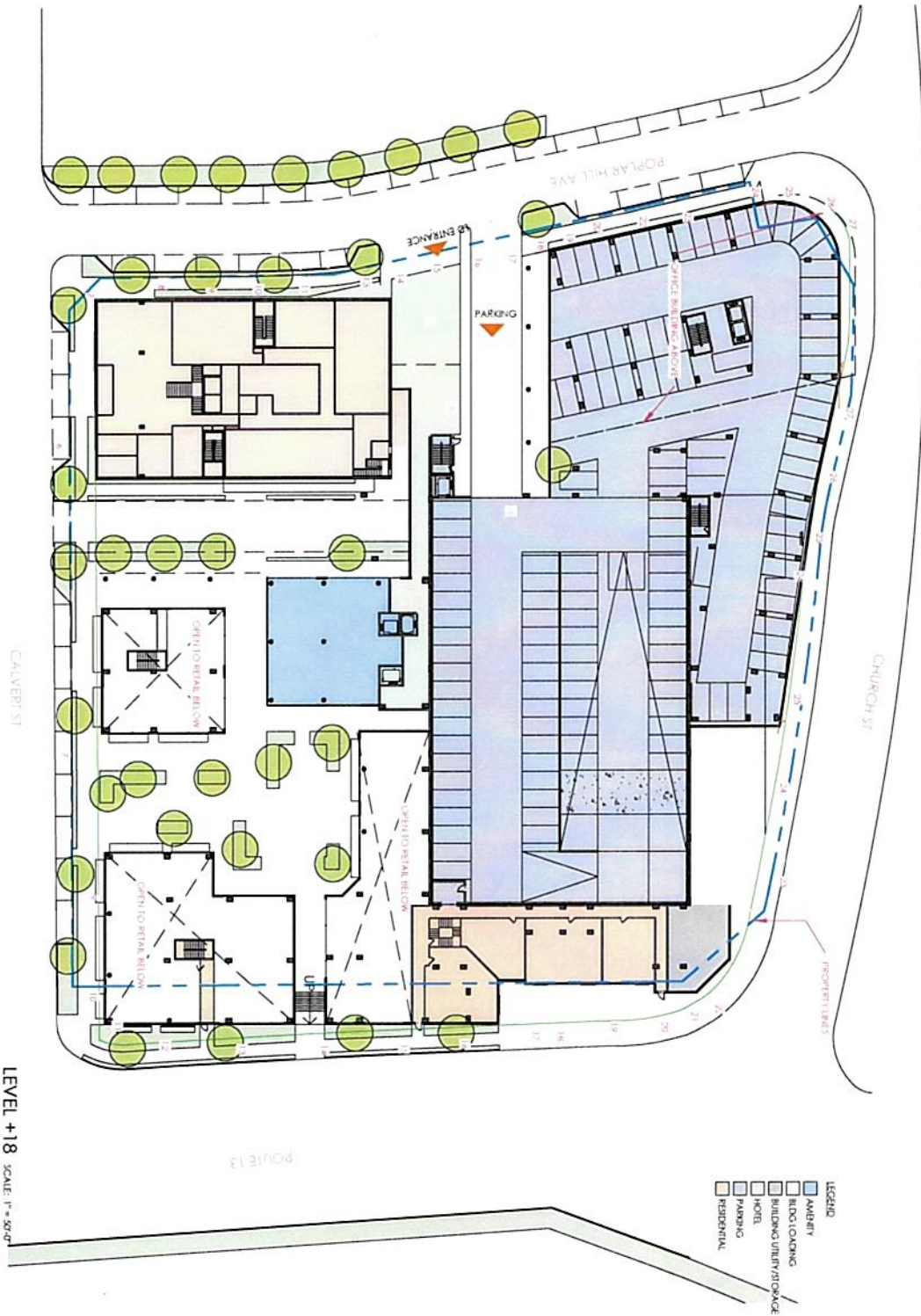
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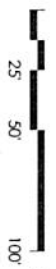
LEVEL +18

dcs
DESIGN



MULTI USE DEVELOPMENT

SALISBURY, MD 21801

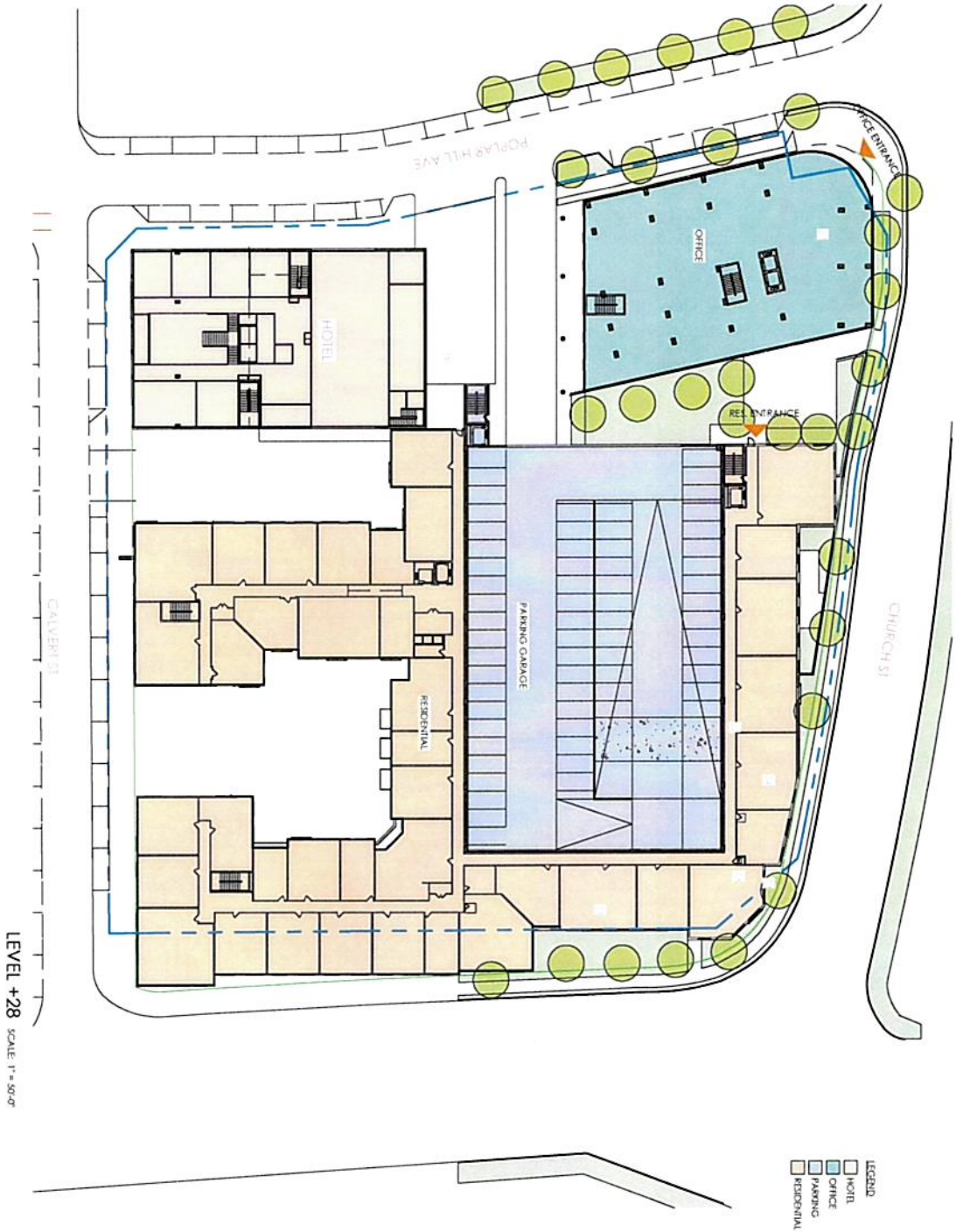


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A-05

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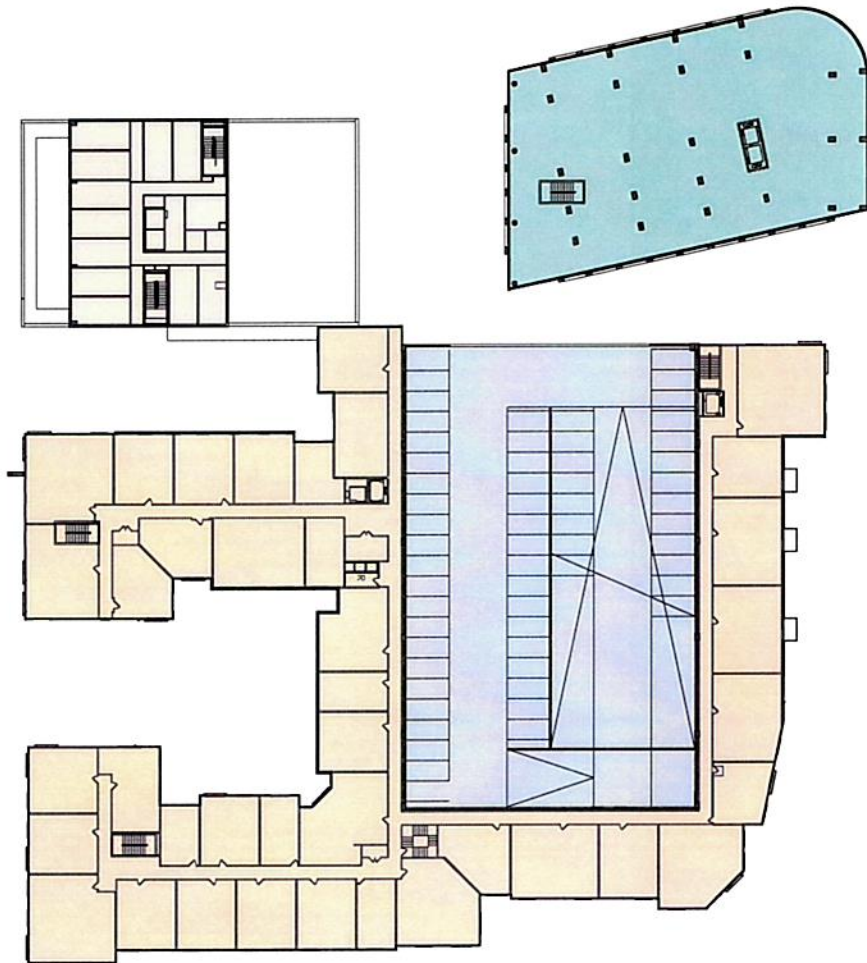
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MULTI USE DEVELOPMENT

SALISBURY, MD 21801

TYPICAL LEVEL SCALE: 1" = 50'-0"



LEGEND
HOTEL
OFFICE
PARKING
RESIDENTIAL



SCALE: 1" = 50'-0"

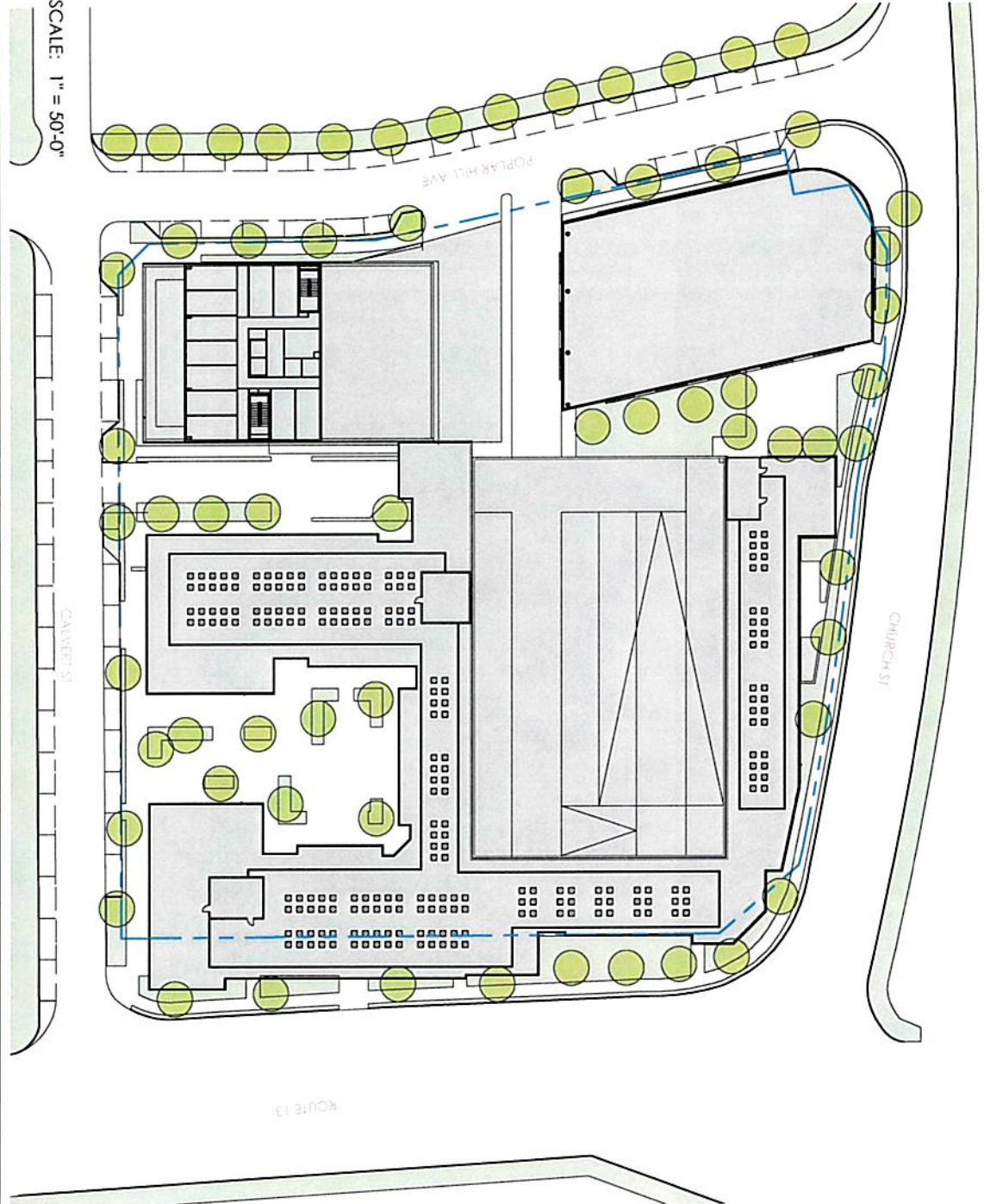
A-06

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MULTI USE DEVELOPMENT

SAUSBURY, MD 21801

ROOF PLAN SCALE: 1" = 50'-0"



SCALE: 1" = 50'-0"
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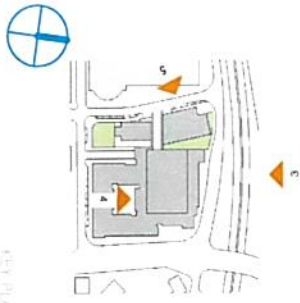
ROOF PLAN
A-07
DESIGN
dcs

MULTI USE DEVELOPMENT

SALISBURY, MD 21801

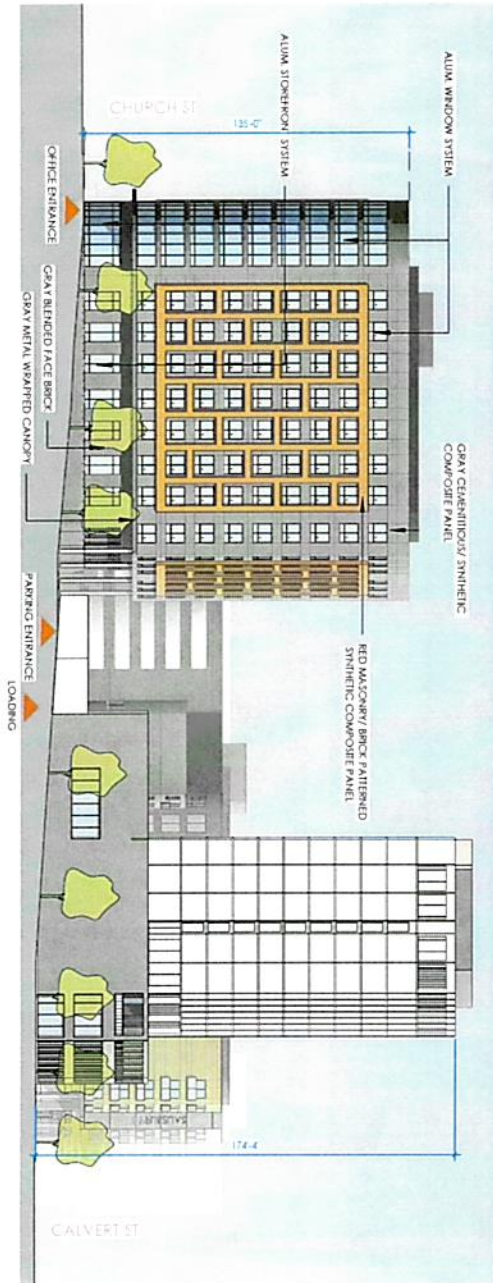
25' 50' 100' SCALE: 1" = 50'-0"

ELEVATIONS
A-11
dcs
DESIGN
10/6/2023 3:39:50 PM

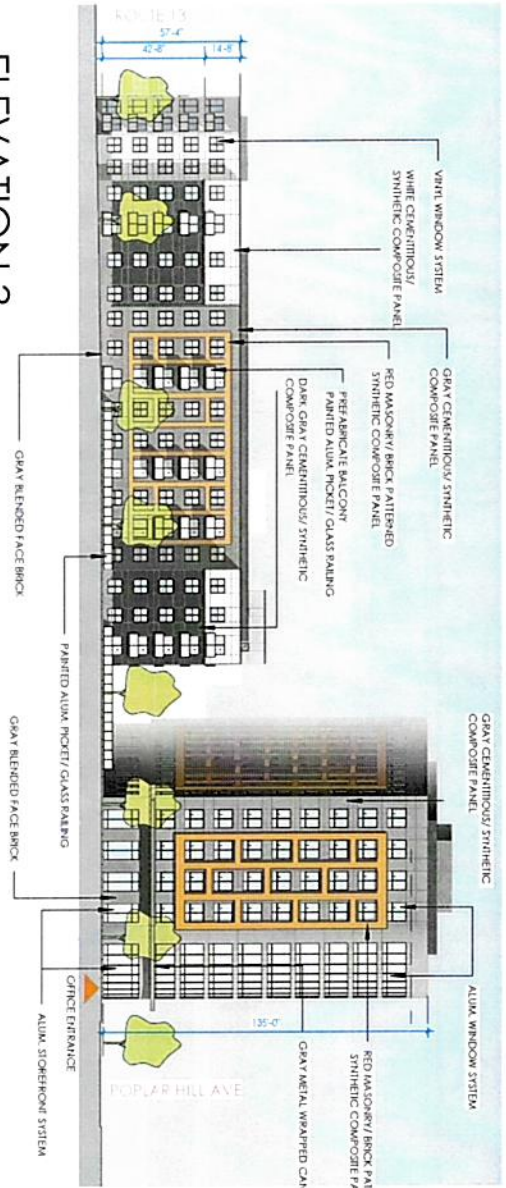


KEY PLANS

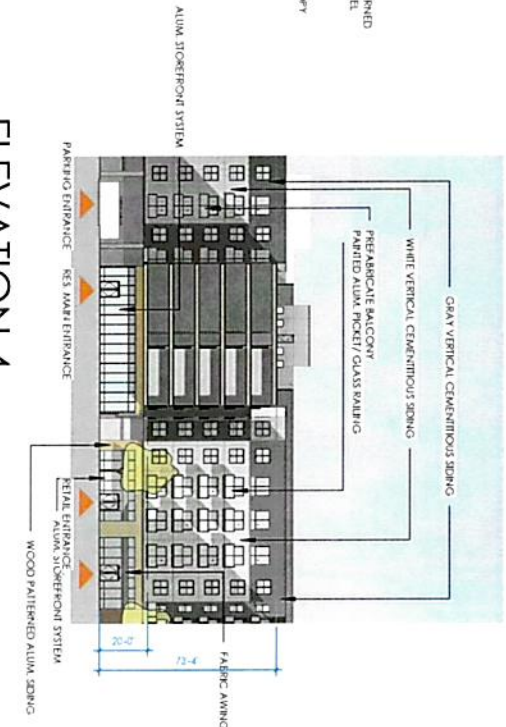
ELEVATION 5 SCALE: 1" = 50'-0"



ELEVATION 3 SCALE: 1" = 50'-0"



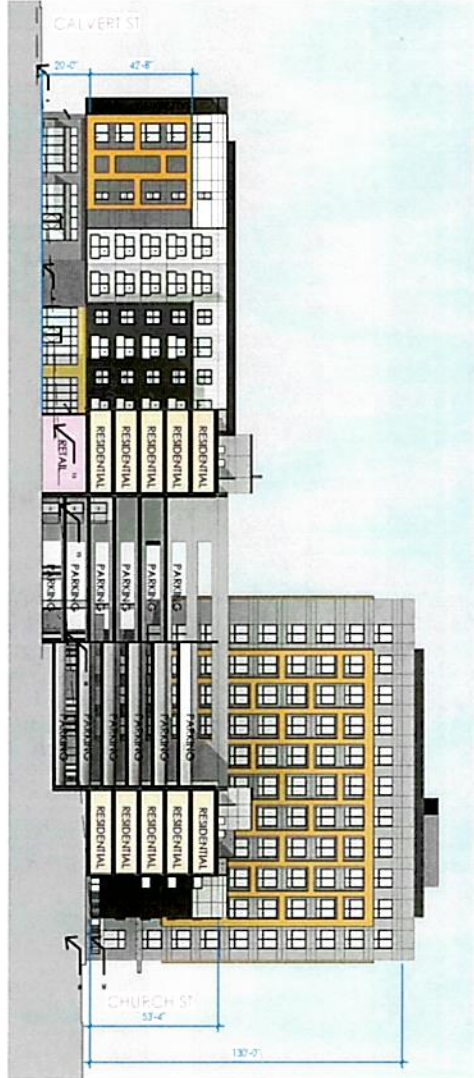
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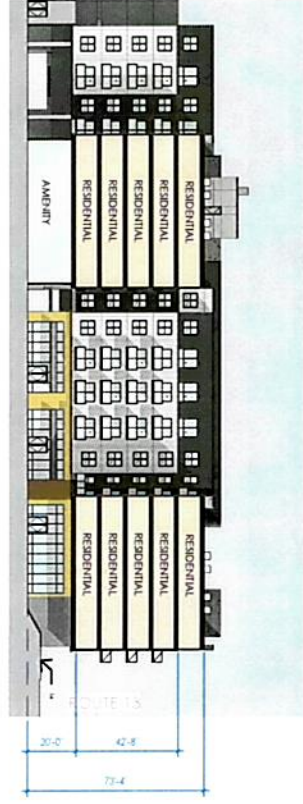
KEY PLAN

SECTION 1. SCALE: 1" = 50'-0"



25

SECTION 1 SCALE: 1" = 50'-0"



MULTI USE DEVELOPMENT
 SALISBURY, MD 21801



SCALE: 1" = 50'-0"

A-12
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SECTIONS





MULTI USE DEVELOPMENT
SALISBURY, MD 21801

FOR ILLUSTRATIVE PURPOSES ONLY



PERSPECTIVES



MULTI USE DEVELOPMENT
SALISBURY, MD 21801

FOR ILLUSTRATIVE PURPOSES ONLY

PERSPECTIVES
A-22
dcgs
DESIGN

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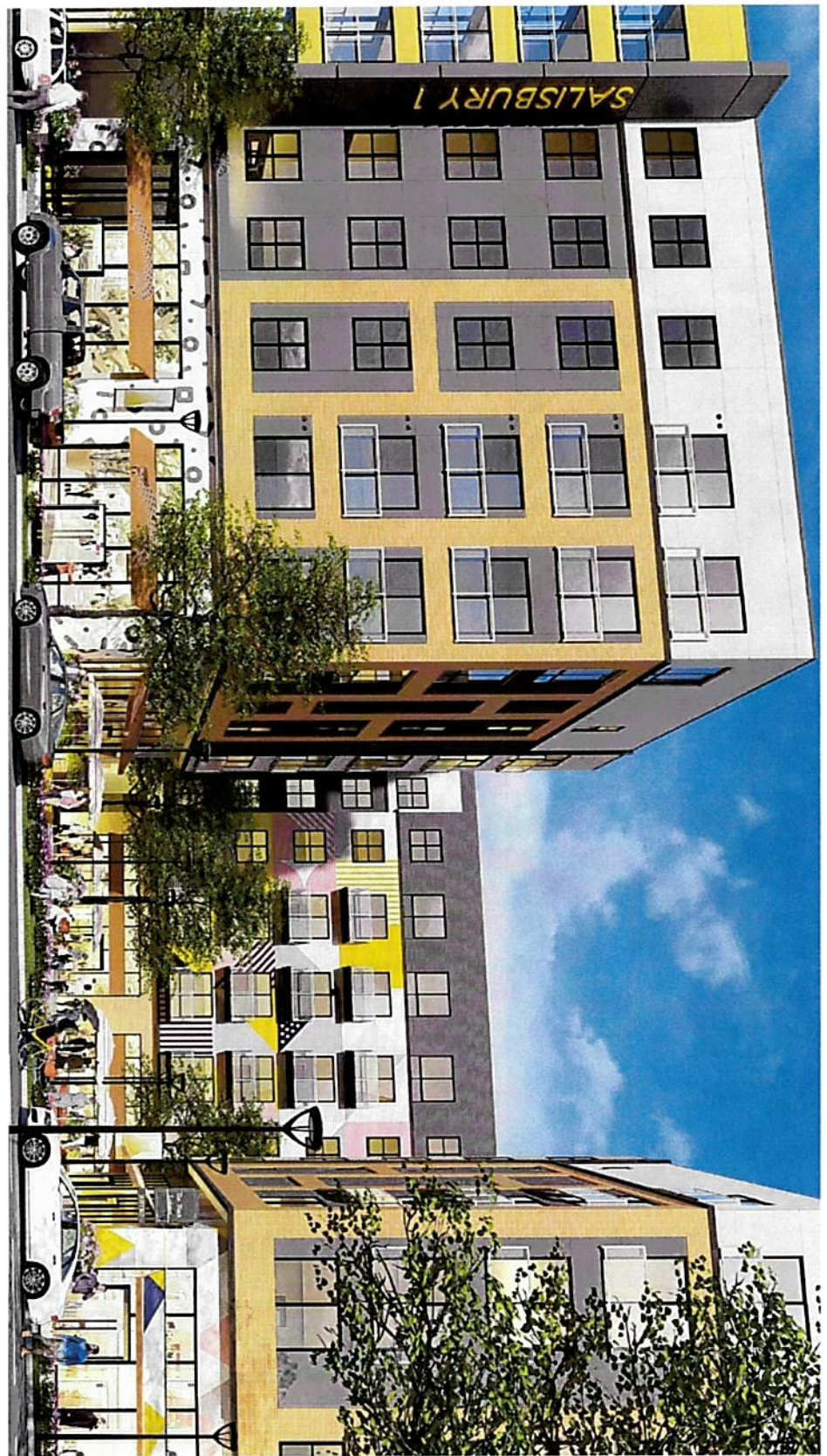


EXHIBIT B

Disbursement Schedule

Draw Period 1 – **Land Acquisition.** After the conclusion of land acquisition, Developer can be reimbursed up to \$75,000 upon presentation of proof of payment.

Draw Period 2 – **Site Pre-Development: Arch/Eng/Design.** During this draw period, Developer can be reimbursed up to \$2,875,277 upon presentation of proof of payment, to be submitted on a quarterly basis.

Draw Period 3 – **Construction.** After the approval from the building inspector for the first Close In inspection for the Hotel and Conference Center, Developer can be reimbursed up to \$549,723 upon presentation of proof of payment.

Draw Period 4 - **Construction Completion.** After the issuance of a Certificate of Occupancy for the Hotel and Conference Center, Developer can be reimbursed \$500,000 upon presentation of proof of payment.

EXHIBIT C

Exhibit C
FY24 PAYGO – FUNDING REQUEST FORM

Date: _____

To: (Insert Administrator Name)

FROM: Nick Simpson

Mentis Lot 10 LLC

31400 Winterplace Pkwy, Ste 400

Salisbury, MD 21801

Project Name: _____ **Reimbursement Request #** _____

In accordance with the Subrecipient Agreement made between Mentis Lot 10, LLC and the City of Salisbury, Maryland, for work to be completed at 111 Poplar Hill Avenue, Salisbury, MD, I hereby request reimbursement in the amount of \$ _____ from the total award amount of \$4,000,000.

I have attached copies of the documentation that support this reimbursement request as described in Paragraph 6 of the Subrecipient Agreement. I understand that Mentis Lot 10, LLC must retain the original supporting documentation in our files for monitoring by the City of Salisbury and Department of General Services, and for the annual financial audit.

If you have any questions concerning this reimbursement request please contact me at

_____.

Nick Simpson

The work associated with this payment request has been completed and meets all code requirements.

DID Project Manager

Date



Memo

To: Tom Stevenson, Acting City Administrator
From: Muir Boda, Director of Housing & Community Development
Date: September 17, 2025
Subject: Updating SC5-1 to increase the maximum fines for misdemeanors and municipal infractions

As part of our ongoing efforts to enhance municipal enforcement, the Maryland Municipal League (MML) and the Code Enforcement and Zoning Officers Association of Maryland (CEZOA) prioritized increasing the maximum allowable criminal fines and municipal infraction penalties from \$1,000 to \$5,000. These initiatives culminated in the enactment of Senate Bill No. 820, which will become effective on October 1, 2025.

This legislation aligns our fines with those of Maryland counties, which previously updated their maximum penalties in a prior legislative session. As a result, municipalities now have greater flexibility to set fines, such as aligning with Wicomico County's littering fine of \$1,500, as Salisbury's current fine for littering is \$1,000. In accordance with this, we plan to propose legislation to increase the municipal littering fine to \$1,500.

Following the establishment of this charter amendment, we will develop and present a comprehensive Fines and Municipal Infractions Schedule for adoption. This schedule will include all municipal infractions and misdemeanors. We will also update relevant sections of the municipal code to reference this schedule explicitly. This schedule will be reviewed and adopted annually during the budget process to promote transparency and administrative efficiency. This approach will ensure consistent updates and provide clarity to citizens and staff when referencing municipal fines and infractions.

Attachment(s):

[CHARTER AMENDMENT RESOLUTION](#)

A RESOLUTION TO AMEND § SC5-1 OF THE CHARTER OF THE CITY OF SALISBURY TO REFERENCE STATE LAW REGARDING ENFORCEMENT OF MISDEMEANORS AND MUNICIPAL INFRACTIONS, THUS ALLOWING FOR INCREASED PENALTIES FOR SUCH VIOLATIONS.

WHEREAS, the ongoing application, administration, and enforcement of the Salisbury Charter demonstrates a need for its periodic review, evaluation and amendment to keep the provisions of the Charter current; and

WHEREAS, the Annotated Code of Maryland is amended from time to time; and

WHEREAS, under Senate Bill No. 820, effective October 1, 2025, fines that can be assessed by municipalities for misdemeanors and municipal infractions, as set forth in Md. Code Ann., Local Gov't §§ 102, are increased from \$1,000 per violation to \$5,000 per violation; and

WHEREAS, the Mayor and Council have determined that amendments to § SC5-1 of the Charter be adopted as set forth herein; and

Section 1. It is proposed and recommended that § SC5-1(A)(38) be amended to repeal the language in double bold brackets and add the underscored and italicized language:

A. The City of Salisbury shall have the power:

...

(38) Enforcement of ordinances and resolutions. To provide that violations of ordinances and resolutions of the city shall be punishable as misdemeanors or municipal infractions, and to provide for punishment thereof by civil remedy, fine, incarceration and/or other penalty as permitted by Maryland law.

[(a) The Council has the power, pursuant to Local Government Article §6-102 of the Annotated Code of Maryland, to provide that violations of ordinances and resolutions of the city shall be punishable as misdemeanors, unless otherwise specified as an infraction. No penalty for such violation shall exceed a fine of one thousand dollars (\$1,000.) and imprisonment for six (6) months or such other limits as may be established by subsequent amendments to Local Government Article §6-102. Any person subject to any fine, forfeiture or penalty has the right of appeal as is provided under the general laws of the State. The Council may provide that, if the violation is of a continuing nature and is persisted in, a conviction for one (1) violation shall not be a bar to conviction for a continuation of the offense subsequent to the first or any succeeding violation.

(b) Municipal infractions.

[1] The Council may provide that violations of any municipal ordinance shall be a municipal infraction unless that violation is declared to be a felony or misdemeanor* by the laws of the state of** other ordinance. For purposes of this section, a municipal infraction is a civil offense.

[2] A fine not to exceed one thousand dollars (\$1000.) may be imposed for each conviction of a municipal infraction. The fine is payable by the offender to the municipality within twenty (20) calendar days of receipt of a citation. Repeat offenders may be assessed a fine not to exceed one thousand dollars (\$1000.) for each repeat offense, and each day a violation continues shall constitute a separate offense.

[3] Any person receiving a citation for an infraction may elect to stand trial for the offense by notifying the city in writing of this intention at least five (5) days prior to the date set for payment of the fine. Failure to pay the fine or give notice of intent to stand trial may result in an additional fine or adjudication by the court.

[4] Adjudication of a municipal infraction is not a criminal conviction for any purpose, nor does it impose any of the civil disabilities ordinarily imposed by a criminal conviction.]]

Section 2. With this proposed Charter amendment, § SC5-1(A)(38) of the Charter would read:

§ SC5-1. - Enumeration.

B. The City of Salisbury shall have the power:

...

(38) Enforcement of ordinances and resolutions. To provide that violations of ordinances and resolutions of the city shall be punishable as misdemeanors or municipal infractions, and to provide for punishment thereof by civil remedy, fine, incarceration and/or other penalty as permitted by Maryland law.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 3. Pursuant to MD Code, Local Government, § 4-304, a public hearing on this Resolution, providing for the amendment of the City of Salisbury's Charter as set forth herein, shall be and hereby is scheduled for _____, 2025 at 6:00 p.m.

Section 4. Pursuant to the City of Salisbury's Charter § SC21-2 and MD Code, Local Government, § 4-304, the City shall post a complete and exact copy of this Charter Amendment at the City Government Building for at least forty (40) days after the passage of this Resolution and advertise a fair summary of this

Resolution in a newspaper of general circulation in the City at least four times at weekly intervals and within forty days after the Resolution has been adopted.

Section 5. The title of this Resolution shall be deemed a fair summary of the amendments provided for herein for publication and all other purposes.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 6. This Resolution shall take effect on the fiftieth day after the Resolution is adopted, subject to the right of referendum.

AND, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY:

Section 7. It is the intention of the Council of the City of Salisbury that each provision of this Resolution shall be deemed independent of all other provisions herein.

Section 8. It is further the intention of the Council of the City of Salisbury that if any section, paragraph, subsection, clause, or provision of this Resolution 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 Resolution shall remain and shall be deemed valid and enforceable

Section 9. The Recitals set forth hereinabove are incorporated into this section of this Resolution as if such recitals were specifically set forth at length in this Section 9.

THIS RESOLUTION was introduced, read, and passed at the regular meeting of the Council of the City of Salisbury held on the ____ day of _____, 2025.

Julie A English,
City Clerk

D'Shawn M. Doughty,
Council President



City of Salisbury

Memo

To: Tom Stevenson
From: Sandra Green
Date: September 26, 2025
Subject: Authorizing the Issuance of Refunding Bonds for the Villages of Aydelotte Farm Project

Purpose

The proposed ordinance authorizes the City of Salisbury to issue, sell, and deliver, in one or more series, special obligation refunding bonds (“Refunding Bonds”) for the purpose of currently or advance refunding the City’s outstanding Special Obligation Bonds (The Villages of Aydelotte Farm Project), Series 2007 (Capital Appreciation Bonds).

This action is intended to better align future debt service obligations with projected Tax Increment Revenues and Special Tax collections within the Northeast Collector Phase III Development District/Special Taxing District (“District”).

Background

- **District Creation:** In 2006, the City designated the Northeast Collector Phase III Development District and Northeast Collector Phase III Special Taxing District and created the required tax increment and special tax funds.
- **Original Bond Issuance:** In 2007, the City issued \$9,775,000 of Special Obligation Bonds to finance public infrastructure improvements in support of the District’s development plan.
- **Economic Challenges:** Due to slower-than-anticipated development, Tax Increment Revenues were insufficient to fully cover debt service, requiring the use of Special Taxes.
- **2015 Restructuring:** The bonds were restructured under an Amended and Restated Indenture of Trust to modify payment terms and reduce certain Special Tax components.
- **Current Need:** Despite the restructuring, development progress has remained limited. The City and the current bondholder (Lapis Advisers, LP) seek to refinance the bonds to maximize debt service coverage and reduce the risk of default.

Key Features of the Ordinance

- **Authorization:** Permits the issuance of Refunding Bonds in one or more series in an aggregate principal amount not to exceed \$18,000,000.
- **No General Obligation Pledge:** The Refunding Bonds remain special obligations of the City, payable solely from (i) Tax Increment Revenues generated within the Development District and, if necessary, (ii) Special Taxes levied within the Special Taxing District under the previously adopted Rate and Method of Apportionment.
- **Debt Service Coverage:** Reaffirms the City’s obligation to levy and collect Special Taxes,

subject to maximums in the Rate and Method, to cover any shortfall in Tax Increment Revenues.

- Delegated Authority: In accordance with the authorizing statutes, grants the Mayor authority to approve final bond details, including interest rates, sale terms, maturity schedule, and related documents, provided they comply with ordinance limits.
- Maturity Limit: Refunding Bonds cannot mature later than January 1, 2037, the final maturity date of the existing restructured bonds.

Fiscal Impact

This refinancing is expected to better align projected future Tax Increment Revenues and authorized Special Taxes to debt service costs. There is no impact to the City's General Fund, as repayment will continue to be funded solely from Tax Increment Revenues and Special Taxes collected within the District.

Recommendation

Staff recommends adoption of the ordinance authorizing issuance of the Refunding Bonds. This refinancing will:

- Better align projected future Tax Increment Revenues and authorized Special Taxes with debt service costs; and
- Minimize the risk of future shortfalls.

Attachment(s):

[NE_Collector_Refunding_Ordinance_\(Aydelotte_Farm\).DOCX](#)

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SALISBURY AUTHORIZING AND EMPOWERING CITY OF SALISBURY (THE "CITY") TO ISSUE, SELL AND DELIVER, AT ANY ONE TIME OR FROM TIME TO TIME, IN ONE OR MORE SERIES, ITS SPECIAL OBLIGATION BONDS, NOTES OR OTHER SIMILAR INSTRUMENTS (THE "REFUNDING BONDS") IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHTEEN MILLION DOLLARS (\$18,000,000.00) IN ORDER TO CURRENTLY REFUND OR ADVANCE REFUND IN WHOLE OR IN PART THE OUTSTANDING CITY OF SALISBURY SPECIAL OBLIGATION BONDS (THE VILLAGES OF AYDELOTTE FARM PROJECT), SERIES 2007 (CAPITAL APPRECIATION BONDS) THAT WERE ISSUED TO FINANCE OR REIMBURSE THE COST OF CERTAIN PUBLIC IMPROVEMENTS AND OTHER COSTS RELATING TO THE NORTHEAST COLLECTOR PHASE III DEVELOPMENT DISTRICT AND THE GEOGRAPHICALLY COINCIDENT NORTHEAST COLLECTOR PHASE III SPECIAL TAXING DISTRICT (THE "SPECIAL TAXING DISTRICT") ESTABLISHED WITHIN THE CITY; PROVIDING THE MAXIMUM PER ANNUM INTEREST RATE TO BE BORNE BY ANY SUCH SERIES OF REFUNDING BONDS BASED ON ITS SENIOR OR SUBORDINATE STATUS AND WHETHER INTEREST THEREON SHALL BE EXCLUDABLE FROM OR INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES; PROVIDING THAT SUCH REFUNDING BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE A GENERAL OBLIGATION DEBT OF OR A PLEDGE OF THE CITY'S FULL FAITH AND CREDIT OR TAXING POWERS; CONFIRMING THE PREVIOUS PLEDGE OF THE TAX INCREMENT REVENUES AND SPECIAL TAX REVENUES IDENTIFIED HEREIN TO PAYMENT OF ANY SUCH REFUNDING BONDS AND RELATED COSTS; COVENANTING AND AGREEING TO CONTINUE LEVYING, IMPOSING AND COLLECTING SPECIAL TAXES ON PROPERTY WITHIN THE SPECIAL TAXING DISTRICT PURSUANT TO THE RATE AND METHOD IDENTIFIED HEREIN AND VARIOUS MATTERS RELATING THERETO; PROVIDING FOR THE FURTHER SPECIFICATION, PRESCRIPTION, DETERMINATION, PROVISION FOR OR APPROVAL OF VARIOUS OTHER MATTERS, DETAILS, DOCUMENTS AND PROCEDURES IN CONNECTION WITH THE AUTHORIZATION, ISSUANCE, SECURITY, SALE AND PAYMENT FOR ANY SUCH REFUNDING BONDS; MAKING CERTAIN LEGISLATIVE FINDINGS; AUTHORIZING CERTAIN CITY OFFICIALS AND EMPLOYEES

47 **TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE**
48 **ISSUANCE OF ANY SUCH REFUNDING BONDS; PROVIDING**
49 **THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE**
50 **LIBERALLY CONSTRUED; AND GENERALLY PROVIDING FOR**
51 **THE REFUNDING BONDS AUTHORIZED HEREBY.**

52
53 **RECITALS**
54

55 **WHEREAS**, pursuant to the authority of Sections 14-201 to 14-214, inclusive, of Article
56 41 of the Annotated Code of Maryland (now codified as Sections 12-201 to 12-213, inclusive, of
57 the Economic Development Article of the Annotated Code of Maryland, and as the same may be
58 further amended, supplemented or replaced, the “Tax Increment Financing Act”), Section 44A of
59 Article 23A of the Annotated Code of Maryland (now codified as Sections 21-407 to 21-422,
60 inclusive, of the Local Government Article of the Annotated Code of Maryland, and as the same
61 may be further amended, supplemented or replaced, the “Special Taxing District Act” and,
62 together with the Tax Increment Financing Act, the “Acts” or, individually, an “Act”), Resolution
63 No. 1369, adopted by the Council of the City (the “Council”) on March 13, 2006, approved by the
64 Mayor of the City (the “Mayor”) on March 15, 2006 and effective on March 15, 2006 (the
65 “Designation Resolution”), City of Salisbury, a Maryland municipal corporation and a
66 municipality within the meaning of the Acts and the Refunding Act identified herein (the “City”),
67 designated a contiguous area in the City as described in the Designation Resolution as both (i) the
68 “Northeast Collector Phase III Development District,” a “development district” within the
69 meaning of the Tax Increment Financing Act (the “Development District”), and (ii) the “Northeast
70 Collector Phase III Special Taxing District,” a “special taxing district” within the meaning of the
71 Special Taxing District Act (the “Special Taxing District” and, together with the Development
72 District, the “District”); and
73

74 **WHEREAS**, pursuant to the Designation Resolution, the City also created the “special
75 funds” required by the respective Acts, which special funds are respectively designated as the
76 “Northeast Collector Phase III Tax Increment Fund” (the “Tax Increment Fund”) and the
77 “Northeast Collector Phase III Special Taxes Fund” (the “Special Taxes Fund”); and
78

79 **WHEREAS**, by adoption of the Designation Resolution, the City took all necessary action
80 contemplated by the Tax Increment Financing Act to provide for the segregation and deposit in
81 the Tax Increment Fund of that portion of taxes representing the levy on the Tax Increment (as
82 defined in the Designation Resolution) of properties located in the Development District until the
83 “Bonds” and the “Refunding Bonds” (as defined therein) have been paid and the “Indenture” (as
84 defined therein) has been discharged; and
85

86 **WHEREAS**, by adoption of the Designation Resolution, the City pledged that it will pay
87 all amounts collected from the Special Taxes (as defined herein) levied on properties within the
88 Special Taxing District into the Special Taxes Fund until the “Bonds” and the “Refunding Bonds”
89 (as defined therein) have been paid and the “Indenture” (as defined therein) has been discharged;
90 and
91

92 **WHEREAS**, pursuant to the authority of the Acts and Ordinance No. 2019, passed by the
93 Council on November 27, 2006, approved by the Mayor on November 28, 2006 and effective on
94 November 28, 2006 (the “Original Bond Ordinance”), the City authorized the issuance of special
95 obligation bonds in one or more series from time to time in an original aggregate principal amount
96 not to exceed \$10,900,000 (the “Original Authorized Bonds”) in order to initially finance or
97 reimburse the cost (within the meaning of the Acts) of certain public improvements benefiting the
98 District and related financing costs and costs of issuance, as permitted by the Acts, such Original
99 Authorized Bonds to be payable from amounts on deposit in the Tax Increment Fund and to the
100 extent such amounts are insufficient for such purpose, the Special Taxes Fund; and

101 **WHEREAS**, in accordance with the Special Taxing District Act and the Original Bond
102 Ordinance, the City provided for the levy, imposition and collection pursuant to the Special Taxing
103 District Act of non-ad valorem special taxes (the “Special Taxes”) upon all real and personal
104 property within the Special Taxing District, unless exempted by law or the provisions of the “Rate
105 and Method of Apportionment of Special Taxes of the City of Salisbury Northeast Collector Phase
106 III Special Taxing District” that was attached to the Original Bond Ordinance as Exhibit A and
107 approved and adopted pursuant to the Original Bond Ordinance (the “Rate and Method”); and

108 **WHEREAS**, as permitted by the Acts, pursuant to the Original Bond Ordinance, the
109 Council delegated the authority to the Mayor by executive order to determine and approve certain
110 details of and documents relating to the Original Authorized Bonds, within the limitations stated
111 in the Original Bond Ordinance; and

112 **WHEREAS**, on April 16, 2007, pursuant to the authority of the Acts, the Designation
113 Resolution, the Original Bond Ordinance and an Executive Order of the Mayor dated April 16,
114 2007, the City issued the City of Salisbury Special Obligation Bonds (The Villages at Aydelotte
115 Farm Project), Series 2007 in the original aggregate principal amount of \$9,775,000 (the “Original
116 Series 2007 Bonds”); and

117 **WHEREAS**, the Special Taxing District was established, the Rate and Method was
118 adopted and the imposition of the Special Taxes provided for, and the Original Series 2007 Bonds
119 were issued pursuant to an Application dated February 24, 2006 made by the required percentage
120 and number of owners of real property in the Special Taxing District in accordance with the Special
121 Taxing District Act (the “Request”); and

122 **WHEREAS**, the Original Series 2007 Bonds were issued pursuant to an Indenture of Trust
123 dated as of April 1, 2007 (the “Original Indenture”) between the City and Wells Fargo, N.A., as
124 trustee (which was subsequently replaced by UMB Bank, n.a., as a successor trustee in accordance
125 with the Original Indenture) (the “Existing Trustee”); and

126 **WHEREAS**, in accordance with the Tax Increment Financing Act and the Designation
127 Resolution, certain incremental tax revenues derived from regular ad valorem taxes levied on and
128 collected from properties located within the Development District and attributed to an increase in
129 the assessed value of such properties over a stated base value (the “Tax Increment Revenues”)
130 were required to be deposited to the Tax Increment Fund and applied in accordance with the
131 provisions of the Tax Increment Financing Act, the Designation Resolution and the Original
132 Indenture; and

133 **WHEREAS**, in accordance with the Special Taxing District Act, the Designation
134 Resolution, the Original Bond Ordinance and the Original Indenture, the Special Taxes imposed
135 and collected in accordance with the Rate and Method were required to be deposited in the Special
136 Taxes Fund and applied in accordance with the provisions of the Special Taxing District Act, the
137 Designation Resolution, the Original Bond Ordinance and the Original Indenture; and
138

139 **WHEREAS**, as provided in the Tax Increment Financing Act, the Special Taxing District
140 Act, the Original Bond Ordinance and the Original Indenture, the Original Series 2007 Bonds were
141 special obligations of the City payable from amounts on deposit in the Tax Increment Fund and
142 the Special Taxes Fund and did not constitute a general obligation debt of the City or a pledge of
143 the City's full faith and credit or taxing power; and

144 **WHEREAS**, in the mid-2010s, the holders of the Original Series 2007 Bonds requested
145 that the Original Series 2007 Bonds be restructured; and

146 **WHEREAS**, pursuant to the authority of the Acts and Ordinance No. 2323, passed by the
147 Council on April 27, 2015, approved by the Mayor on May 13, 2015 and effective on May 13,
148 2015 (the "Amending Bond Ordinance"), the City amended and supplemented the Original Bond
149 Ordinance to authorize the restructuring of the Original Series 2007 Bonds; and

150 **WHEREAS**, with the consent of the holders of the Original Series 2007 Bonds, and
151 pursuant to the provisions of the Acts, the Amending Bond Ordinance, and an Executive Order of
152 the Mayor dated June 25, 2015, the Original Series 2007 Bonds were restructured and modified
153 and reissued for federal tax code purposes under the terms of an Amended and Restated Indenture
154 of Trust dated as of June 1, 2015 between the City and the Existing Trustee (the "2015 A&R
155 Indenture") as the City of Salisbury Special Obligation Bonds (The Villages of Aydelotte Farm
156 Project), Series 2007 (Capital Appreciation Bonds) in the original par amount of \$9,775,000 (the
157 "Modified Series 2007 Bonds"); and

158 **WHEREAS**, on June 25, 2015, the holders of the Original Series 2007 Bonds exchanged
159 the same for the Modified Series 2007 Bonds; and

160 **WHEREAS**, in connection with the Modified Series 2007 Bonds, certain components of
161 the Special Taxes were reduced as authorized by the Rate and Method and in accordance with the
162 2015 A&R Indenture; and

163 **WHEREAS**, Lapis Advisers, LP ("Lapis") is the current holder of all of the Modified
164 Series 2007 Bonds and has requested that the City authorize the issuance of bonds to refund the
165 Modified Series 2007 Bonds; and

166 **WHEREAS**, pursuant to the Request, the requisite owners of real property in the Special
167 Taxing District requested that the City from time to time undertaking the refinancing of the
168 Original Series 2007 Bonds through the issuance of refunding bonds, including refunding bonds
169 in aggregate principal amount in excess of the original aggregate principal amount of the refunded
170 bonds, provided that (i) in connection with any such refinancing, there is no increase in the Special
171 Taxes authorized to be levied on any class of property over the applicable maximum authorized in

the Rate and Method, and (ii) such refinancing bonds do not mature later than the Original Series 2007 Bonds were scheduled to mature; and

WHEREAS, the Council is willing to authorize a refunding of the outstanding Modified Series 2007 Bonds within the limitations provided for in this Ordinance to facilitate the future generation of Tax Increment Revenues sufficient to provide for the payment of debt service on the refunding bonds, recognizing that the Special Taxes, to the extent collected, remain a secondary source for payment of such debt service; and

WHEREAS, prior to enacting this Ordinance, the Mayor and Council held a public hearing after giving not less than ten (10) days' notice in a newspaper of general circulation in the City of Salisbury in accordance with Section 21-411 of the Special Taxing District Act.

Section 1. FINDINGS AND DETERMINATIONS. NOW, THEREFORE BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

(a) The Recitals to this Ordinance (the "Recitals") are deemed a substantive part of this Ordinance and are incorporated by reference herein, and capitalized terms defined in the Recitals and used herein shall have the meanings given to such terms in the Recitals.

(b) References in this Ordinance to any City official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the City (the "City Code") or other applicable law or authority to act in such titled official's stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting or interim capacity under the Charter, the City Code or other applicable law or authority, (iii) to any person who serves in a "deputy," "associate," or "assistant" capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the City Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the City Code, the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

(c) References in this Ordinance to officials of the City shall be deemed to include references to employees of the City as applicable.

(d) By the adoption of the Designation Resolution, the Council complied with the provisions of (i) Sections 12-203 and 12-208(c) and (d) of the Tax Increment Financing Act (as required by Section 12-204(b)(2)(i) of such Act) and (ii) Sections 21-412 and 21-414 of the Special Taxing District Act (as required by Section 21-417(b)(2)(i) of such Act), inasmuch as the corresponding provisions of the Designation Resolution are not intended to be modified by the provisions of this Ordinance.

(e) Pursuant to Section 2 of the Original Bond Ordinance and the Rate and Method, which is incorporated by reference in the Original Bond Ordinance, the Council met the

requirements of Section 21-417(b)(3) of the Special Taxing District Act with respect to the Refunding Bonds provided for in this Ordinance.

(f) The current Charter provides that the Mayor is the chief executive officer of the City. References in the Sections of this Ordinance to the Mayor shall be construed to refer to any other City official designated as the “chief executive officer” or the “chief executive” of the City within the meaning of the Acts, as applicable, in place of or in addition to the Mayor.

(g) The Request constitutes the request contemplated by Section 21-409(c) of the Special Taxing District Act with respect to the transactions contemplated by this Ordinance.

(h) All ordinances and resolutions previously passed by the City in connection with the Development District, the Special Taxing District, the Original Series 2007 Bonds and the Modified Series 2007 Bonds are hereby in all respects confirmed and ratified.

Section 2. AUTHORIZED AGGREGATE AMOUNT, NATURE OF, AND CERTAIN DETAILS OF THE REFUNDING BONDS. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

(a) Pursuant to the authority of the Acts and Section 19-207 of the Local Government Article of the Annotated Code of Maryland (as replaced, supplemented or amended, the “Refunding Act”), the City is hereby authorized to sell and issue, from time to time, in one or more series, its refunding bonds in an original aggregate principal amount not to exceed Eighteen Million Dollars (\$18,000,000.00) (collectively, the “Refunding Bonds”) for the public purpose of currently refunding or advance refunding the outstanding Modified Series 2007 Bonds in whole or in part, funding reserves, if any, or other purposes authorized by the Acts, and/or paying costs of issuance of such Refunding Bonds. If issued in more than one series, separate series of the Refunding Bonds may be issued as senior lien refunding bonds (“Senior Refunding Bonds”) and/or as subordinate lien refunding bonds (“Subordinate Refunding Bonds”), any such series of the Refunding Bonds may be issued as capital appreciation bonds, and interest on any series of the Refunding Bonds may be excludable from or includable in gross income of the holders thereof for federal income tax purposes (respectively, a “Tax-Exempt Basis” or a “Taxable Basis”). If a senior and subordinate structure is not put in place, any Refunding Bonds issued pursuant to the authority of this Ordinance shall adhere to the requirements set forth herein for Senior Refunding Bonds. The City hereby expressly recognizes that the accreted value of any such series of the Refunding Bonds issued on a capital appreciation basis, when compounded interest is added thereto, may cause the principal amount of all issued Refunding Bonds to exceed Eighteen Million Dollars (\$18,000,000.00), and such increase pursuant to the calculation of accreted value is hereby expressly authorized and approved and shall not be construed to violate the authorized maximum original aggregate principal amount (expressed as a par amount) of the Refunding Bonds provided for in this Section 2. The Refunding Bonds constitute the “Refunding Bonds” as defined in the Designation Resolution and the “refunding bonds” referred to in the Original Bond Ordinance.

(b) Any series of Senior Refunding Bonds issued on a Tax-Exempt Basis shall bear interest at a maximum rate not to exceed six and one-half percent (6.50%) per annum, and any

series of Senior Refunding Bonds issued on a Taxable Basis shall bear interest at a maximum rate not to exceed nine percent (9.00%) per annum. Any series of Subordinate Refunding Bonds issued on a Tax-Exempt Basis shall bear interest at a maximum rate not to exceed ten percent (10.00%) per annum, and any series of Subordinate Refunding Bonds issued on a Taxable Basis shall bear interest at a maximum rate not to exceed fifteen percent (15.00%) per annum. To the extent any series of the Refunding Bonds is issued as capital appreciation bonds, the maximum interest rates specified in this subsection (b) shall be construed as the maximum accretion values with respect to such series based on whether such series is issued as Senior Refunding Bonds or as Subordinate Refunding Bonds and on a Tax-Exempt Basis or on a Taxable Basis, as applicable.

(c) Any series of the Refunding Bonds shall be executed by the manual or facsimile signature of the Mayor. The seal of the City shall be affixed to or impressed upon any series of the Refunding Bonds and attested to by the City Clerk of the City (the "City Clerk"). The provisions of this subsection (c) are subject to the provisions of Section 8 of this Ordinance.

(d) No series of the Refunding Bonds shall mature later than January 1, 2037, the date of maturity of the Modified Series 2007 Bonds.

(e) **THE REFUNDING BONDS SHALL NOT BE AN INDEBTEDNESS OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, AD VALOREM TAXES OR SPECIAL TAXES OF THE CITY OTHER THAN THE REAL PROPERTY TAXES REPRESENTING THE LEVY ON THE TAX INCREMENT (WITHIN THE MEANING OF THE TAX INCREMENT FINANCING ACT) OF PROPERTIES LOCATED IN THE DEVELOPMENT DISTRICT OR THE SPECIAL TAXES CONTEMPLATED BY THIS ORDINANCE AND THE RATE AND METHOD. THE REFUNDING BONDS SHALL BE A SPECIAL OBLIGATION OF THE CITY AND WILL NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE CITY OR A PLEDGE OF THE CITY'S FULL FAITH AND CREDIT OR TAXING POWER. THE ONLY FUNDS THE CITY WILL BE OBLIGATED TO USE TO MAKE PAYMENT ON THE REFUNDING BONDS WILL BE THOSE THAT RESULT FROM REAL PROPERTY TAXES LEVIED BY THE CITY ON THE TAX INCREMENT OF PROPERTIES LOCATED IN THE DEVELOPMENT DISTRICT AND, IF SUCH REVENUES ARE OR WILL BE INSUFFICIENT, THE SPECIAL TAXES LEVIED ON AND COLLECTED FROM PROPERTY LOCATED IN THE SPECIAL TAXING DISTRICT IN ACCORDANCE WITH THE RATE AND METHOD AND THIS ORDINANCE.**

Section 3. COVENANTS AND PLEDGES AS TO TAX INCREMENT REVENUES AND SPECIAL TAXES. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

(a) By the adoption of the Designation Resolution, the City took all necessary action contemplated by the Tax Increment Financing Act to provide for the segregation and deposit in the Tax Increment Fund of the Tax Increment Revenues, including with respect to the Refunding Bonds; and by this Ordinance the City hereby reiterates such pledge and covenants to so levy,

impose, collect and segregate such Tax Increment Revenues for the benefit of the holders of any issued Refunding Bonds; and

(b) In connection with the issuance of any Refunding Bonds, as contemplated and authorized by Section 2 of the Original Bond Ordinance, the City covenants and agrees to continue levying and imposing the Special Taxes upon all real and personal property within the Special Taxing District, unless exempted by law or by the provisions of the Rate and Method, in an amount equal to the Maximum Special Tax provided for in the Rate and Method (subject to increase in each tax year as specified in the Rate and Method, and subject to the reduction provided for in connection with the exchange of the Modified Series 2007 Bonds for the Original Series 2007 Bonds), which Maximum Special Tax shall continue to levied and imposed upon and allocated among the Parcels of Taxable Property (as defined in the Rate and Method) located in the Special Taxing District in accordance with the Rate and Method and as previously reduced. The Special Taxes shall be levied and imposed to the extent and in the manner provided in the Rate and Method, through the application of the procedures provided for in the Rate and Method. The Special Taxes shall terminate as provided in the Rate and Method. The Maximum Special Tax is designed to provide adequate revenues to pay the principal of, interest on and redemption premium, if any, on the Refunding Bonds, to replenish any debt service reserve fund, and for any other purpose related to the ongoing expenses of or security for the Refunding Bonds. The City hereby covenants that the Special Taxes shall be imposed in accordance with the Rate and Method at a rate and amount at least sufficient in each year in which any of the Refunding Bonds are outstanding to provide, if necessary, for the payment of the principal of, interest on and any redemption premium on the Refunding Bonds, to make any other required payments and to provide for ongoing expenses of or security for the Bonds, all in accordance with the Rate and Method, subject to the provisions of the Rate and Method. The Council hereby authorizes and directs the Mayor or the Mayor's designee, on behalf of the City, to determine the amount of the Special Taxes to be collected from each Parcel of Taxable Property in each year in accordance with the procedures set forth in the Rate and Method, which amount to be collected may be in an amount less than that portion of the Maximum Special Tax allocable to each such Parcel in accordance with the Rate and Method, but may not exceed the portion of the Maximum Special Tax allocated to each such Parcel pursuant to the Rate and Method. References to the "Rate and Method" in this Section 2 and in the further Sections of this Ordinance shall be deemed to take into consideration the adjustments made in connection with the exchange of the Original Series 2007 Bonds for the Modified Series 2007 Bonds.

Section 4. AUTHORITY OF THE MAYOR TO DETERMINE CERTAIN MATTERS RELATING TO THE REFUNDING BONDS. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that prior to the sale, issuance and delivery of any series of the Refunding Bonds, the Mayor, by executive order, is hereby authorized, empowered and directed to specify, prescribe, determine, provide for, or approve, for the purposes and within the limitations of the Acts, the Refunding Act and this Ordinance, all matters, details, forms, documents, and procedures pertaining to the sale, security, issuance, delivery, and payment of and for such series of the Refunding Bonds, including without limitation, the following (references in this following clauses (a) – (t) to the Refunding Bonds are deemed to refer to any particular series of the Refunding Bonds):

353 (a) The original principal amount of the Refunding Bonds to be issued (specified as an
354 initial par amount with regard to any Refunding Bonds issued as capital appreciation bonds), and
355 whether one or more series of Refunding Bonds will be issued at the same time;
356

357 (b) The actual rate or rates of interest for the Refunding Bonds and, with respect to any
358 Refunding Bonds issued as capital appreciation bonds, the accretion value of and the method of
359 calculating accreted value for the Refunding Bonds;
360

361 (c) Whether the Refunding Bonds will be issued as Senior Refunding Bonds or as
362 Subordinate Refunding Bonds;
363

364 (d) The terms upon which the Refunding Bonds are to be sold;
365

366 (e) The manner in which and the times and places that the interest on the Refunding
367 Bonds is to be paid;
368

369 (f) The time or times that the Refunding Bonds may be executed, issued and delivered;
370

371 (g) The form, purpose and tenor of the Refunding Bonds and the denominations in
372 which the Refunding Bonds may be issued;
373

374 (h) The manner in which and the times and places that the principal of and interest on
375 (including any applicable accreted value of the Refunding Bonds) is to be paid, within the
376 limitations set forth in the Acts and this Ordinance;
377

378 (i) Provisions pursuant to which any or all of the Refunding Bonds may be called for
379 redemption or prepayment prior to their stated maturity dates;
380

381 (j) Provisions for obtaining insurance for the Refunding Bonds or for the issuance of
382 a guaranty, letter or credit, line of credit, or similar credit support for the Refunding Bonds;
383

384 (k) The form and contents of, and provisions for the execution and delivery of, such
385 financing or other documents that are not otherwise specifically identified in this Ordinance or the
386 Designation Resolution, and any amendments, modifications or supplements thereto, as the Mayor
387 shall deem necessary or desirable to evidence, secure or effectuate the issuance, sale and delivery
388 of the Refunding Bonds, including, without limitation, (i) any amendment of, amendment and
389 restatement of, or supplement to, the 2015 A&R Indenture, (ii) any new trust indenture, trust
390 agreement or indenture of trust (by whatever name known), (iii) any bond purchase agreement,
391 (iv) agreements with consultants to or agents of the City with respect to the District or the
392 Refunding Bonds, and (v) fee agreements, funding agreements, investment agreements, security
393 agreements, assignments, guarantees, financing agreements or escrow agreements (by whatever
394 names known), including any amendments to, amendments and restatements of, or supplements
395 to, any such agreements or instruments entered into in connection with the Original Series 2007
396 Bonds or the Modified Series 2007 Bonds;
397

398 (l) The creation of security for the Refunding Bonds and provision for the
399 administration of the Refunding Bonds including, without limitation, the appointment of such
400 trustees (including any replacement trustee for the Existing Trustee), escrow agents, fiscal agents,
401 administrators of the District, paying agents, registrars, investment bidding agents, rebate monitors
402 or other agents as the Mayor shall deem necessary or desirable to effectuate the transactions
403 authorized hereby, including, without limitation, any amendments to, amendments and
404 restatements of, or supplements to existing agreements or arrangements with any such
405 counterparties that are in effect with respect to the Original Series 2007 Bonds or the Modified
406 Series 2007 Bonds;

407
408 (m) Provisions for the preparation and distribution of both a preliminary and a final
409 official statement, limited offering memorandum, placement memorandum, offering circular or
410 other disclosure document in connection with the sale of the Refunding Bonds, if such preliminary
411 and final official statement, limited offering memorandum, placement memorandum, offering
412 circular or other disclosure document is determined to be necessary or desirable for the sale of the
413 Refunding Bonds;

414
415 (n) The determination of the manner of sale of the Refunding Bonds, which may be
416 either at public or private (negotiated) sale, the identity of the underwriter or placement agent for
417 the Refunding Bonds, if any, or the purchaser or purchasers of the Refunding Bonds, and the form
418 and contents of, and provisions for the execution and delivery of, any contract or contracts for the
419 purchase and sale of the Refunding Bonds (or any portion thereof);

420
421 (o) To the extent that other obligated persons with respect to the Refunding Bonds have
422 not assured compliance with, or to the extent that the offering of the Refunding Bonds is not
423 exempt from the requirements of, Rule 15c2-12 of the United States Securities and Exchange
424 Commission, the determination of the form and contents of any written agreement or contract
425 required by law or to the extent the same is determined to be necessary or desirable even if not
426 required by law, for the benefit of the holders of the Refunding Bonds under which agreement or
427 contract the City will undertake to provide annual financial information, audited financial
428 statements, material events notices, and/or other information to the extent required by such Rule
429 or such agreement or contract;

430
431 (p) The negotiation, preparation, execution and delivery of any (i) agreements with the
432 holders of the Modified Series 2007 Bonds or the Refunding Bonds, and (ii) any amendments of,
433 amendments and restatements of, or supplements to any existing agreements entered into in
434 connection with the Original Series 2007 Bonds or the Modified Series 2007 Bonds;

435
436 (q) The approval of any amendments to, or the determination of any reduction in the
437 Maximum Special Tax provided for in the Rate and Method, in accordance with the provisions of
438 the Rate and Method, to the extent not otherwise prohibited by the Special Taxing District Act;

439
440 (r) Any matters contemplated by the Acts or the Refunding Act relating to application
441 of the proceeds of the Refunding Bonds, including, without limitation, the establishment and
442 application of sinking funds and reserve funds, if any, for the Refunding Bonds;

444 (s) The purposes of the Refunding Act to be satisfied in connection with the issuance
445 of the Refunding Bonds; and
446

447 (t) The determination of, or the provision for, such other matters in connection with
448 the authorization, issuance, execution, sale, delivery, and payment of the Refunding Bonds, the
449 security for the Refunding Bonds, and the consummation of the transactions contemplated by this
450 Ordinance as may be deemed appropriate by the Mayor, including, without limitation, establishing
451 procedures for the execution, acknowledgement, sealing and delivery of such other and further
452 agreements, documents and instruments, and the authorization of the officials of the City to take
453 any and all actions, as are or may be necessary or appropriate to consummate the transactions
454 contemplated by this Ordinance in accordance with the Acts and this Ordinance.
455

456 Notwithstanding the provisions of the foregoing clauses (d) and (n), it is presently intended
457 by the Council that any series of the Refunding Bonds determined to be sold by a negotiated
458 underwriting shall be sold by private (negotiated) sale to Piper Sandler & Co. ("Piper Sandler"),
459 acting as underwriter of such series of the Refunding Bonds, unless Piper Sandler is unable to sell
460 such series of the Refunding Bonds in a manner satisfactory to the Mayor and the Director of
461 Finance of the City (the "Director of Finance") or unless the Mayor, with the assistance of the
462 Director of Finance, determines that there is another valid and justifiable reason why such series
463 of the Refunding Bonds shall not be sold in such manner.
464

465 The Mayor's execution and delivery of any such executive order shall constitute conclusive
466 evidence of the Mayor's approval of the subject matter thereof.
467

468 **Section 5. FURTHER AUTHORITY OF MAYOR.** BE IT FURTHER
469 **ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY,**
470 **MARYLAND,** that the Mayor, on behalf of the City, by an executive order contemplated by the
471 Acts, is hereby authorized to condition the issuance of any series of the Refunding Bonds upon the
472 execution, delivery and recording (including as a post-closing action), as applicable, by the City,
473 any of then-current owners of property located in the District, the developers of property within
474 the District or other appropriate parties of any declaration of covenants, any notice to property
475 owners within the District (including subsequent property owners), or any other similar
476 documents, instruments or certificates reasonably related to the transactions contemplated by this
477 Ordinance. The Mayor, on behalf of the City, is hereby authorized and empowered to prepare or
478 cause to be prepared, negotiate or cause to be negotiated and execute and deliver any such
479 declarations, notices, documents, instruments or certificates to which the City is a party, and the
480 same shall contain such terms, agreements and conditions and be in such form as the Mayor may
481 approve, and the execution and delivery of the same by the Mayor shall constitute conclusive
482 evidence of the Mayor's approval thereof.
483

484 **Section 6. CERTIFICATIONS AS TO TAX MATTERS. BE IT FURTHER**
485 **ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY,**
486 **MARYLAND,** that with respect to any series of the Refunding Bonds issued on a Tax-Exempt
487 Basis:

488
489 (a) Any two of the Mayor, the City Administrator and the Director of Finance (or any
490 two other City officials designated by the Mayor pursuant to an executive order contemplated in
491 Section 4 above), acting in concert on behalf of the City, and provided that such actions are within
492 the bounds of their authority, are hereby authorized to prepare or cause to be prepared, negotiate
493 or cause to be negotiated, execute and deliver any supplement or amendment to, or any amendment
494 and restatement of, a tax and section 148 certificate or any similar certificate or agreement as to
495 tax and arbitrage matters with respect to any such series of the Refunding Bonds (in any such case,
496 the "Tax Certificate"). The Tax Certificate shall contain such terms, agreements and conditions
497 (and reflect, if applicable, any determinations provided for in any executive order executed and
498 delivered pursuant to Section 4 above) and be in such form as such officials shall approve after
499 consultation with bond counsel to the City, and the execution of the Tax Certificate by such
500 officials shall constitute conclusive evidence of their approval with respect thereto.

501
502 (b) The City shall set forth in the Tax Certificate its reasonable expectations as to
503 relevant facts, estimates and circumstances relating to the use of the proceeds of such series of the
504 Refunding Bonds (for purposes of the Code) or of any monies, securities or other obligations to
505 the credit of any account of the City which may be deemed to be proceeds of such series of the
506 Refunding Bonds pursuant to the Code (collectively, the "Bond Proceeds"). The City covenants
507 with the registered owners of such series of the Refunding Bonds that the facts, estimates and
508 circumstances set forth in the Tax Certificate will be based on the City's reasonable expectations
509 on the date of execution and delivery of such series of the Refunding Bonds and will be, to the
510 best of the certifying officials' knowledge, true and correct as of that date.

511
512 (c) The City covenants with the registered owners of any such series of the Refunding
513 Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be
514 made, any use of the Bond Proceeds that would cause such series of the Refunding Bonds to be
515 "arbitrage bonds" within the meaning of the Code, and that it will comply with those provisions
516 of the Code as may be applicable to such series of the Refunding Bonds on their date of issuance
517 and which may subsequently lawfully be made applicable to such series of the Refunding Bonds
518 as long as any Refunding Bonds of such series remain outstanding and unpaid.

519
520 (d) The City specifically covenants that it will comply with all provisions of the Code
521 applicable to such series of the Refunding Bonds, including, without limitation, compliance with
522 provisions regarding the expenditure of the Bond Proceeds, the use of the Bond Proceeds and the
523 facilities refinanced therewith, the restriction of investment yields, the filing of information with
524 the Internal Revenue Service, and the rebate of certain earnings resulting from the investment of
525 the Bond Proceeds or payments in lieu thereof. The City further covenants that it shall make such
526 use of the Bond Proceeds, regulate the investment thereof and take such other and further actions
527 as may be required to maintain the exclusion from gross income for federal income tax purposes
528 of interest on such series of the Refunding Bonds. All officials and agents of the City are hereby
529 authorized and directed to provide such certifications of facts and estimates regarding the amount

and use of the Bond Proceeds and other matters relating to such series of the Refunding Bonds as may be necessary or appropriate.

(e) In connection with their execution and delivery of the Tax Certificate, the authorized officials identified in this Section 6 are hereby authorized and empowered, on behalf of the City, to make any designations, elections, determinations or filings on behalf of the City provided for in or permitted by the Code and to reflect the same in the Tax Certificate and/or any form filed with the Internal Revenue Service or any other documentation deemed appropriate by bond counsel to the City. The Council hereby recognizes that any such form filed with the Internal Revenue Service will be signed by only one such official.

(f) The provisions of this Section 6 shall not be construed to apply to any series of the Refunding Bonds issued on a Taxable Basis.

Section 7. ADDITIONAL AUTHORIZED DOCUMENTATION AND ACTIONS. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that the following officials of the City: the Mayor, President of the Council, the Vice President of the Council, the City Administrator, the Director of Finance, any Assistant Director of Finance and the City Clerk, acting individually or in concert as appropriate, and provided that such actions are within the bounds of authority, are authorized and directed to take any and all actions and to execute, attest, and deliver, and to file and record in any appropriate public offices (if applicable) all documents, instruments, certifications, forms, financing statements or amendments thereto, letters of instructions, written requests, contracts, agreements and other papers customarily delivered in connection with the execution and delivery of obligations in the nature of the Refunding Bonds, whether or not herein mentioned and not otherwise provided for herein, as may be necessary or convenient to evidence the approvals of the City provided for in this Ordinance, to invest moneys held under any trust indenture, trust agreement, indenture of trust (including any amendment to, amendment and restatement of, or supplement to, the 2015 A&R Indenture), or any escrow agreement, moneys on deposit in the Tax Increment Fund or the Special Taxes Fund (in all such cases, in accordance with the provisions of applicable Maryland and federal law), to facilitate the issuance of any series of the Refunding Bonds, and to consummate the transactions contemplated in this Ordinance or in any of the agreements, documents, certificates or instruments herein authorized and approved.

Section 8. ATTESTATION AS TO THE CITY SEAL. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that in the event that, notwithstanding the provisions of Section 2(c) of this Ordinance, to the extent not prohibited by the Charter of the City Code, at the time the City seal needs to be or may be impressed or affixed on any of the Refunding Bonds or any related documents, agreements, certificates or instruments the position of the City Clerk is vacant, or in the absence, disability or unavailability of any incumbent City Clerk, if no other City official has the authority to attest to the impression or affixing of the City seal under the Charter, the City Code or other applicable law or authority, such attestation may be made by any of the following City officials in the following order of priority: any Assistant City Clerk, the City Administrator, any Deputy City Administrator, the Director of Finance or any other official designated by the Council by resolution, motion or other appropriate action; provided that, the same official may not both execute any such document or agreement on behalf of the City and attest to the impression or

574 affixing of the City seal on the same, but any such official may both certify to the impression or
575 affixing of the City seal on and make other certifications in any closing certificate.

576
577 **Section 9. LIBERAL CONSTRUCTION OF ORDINANCE.** **BE IT**
578 **FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF**
579 **SALISBURY, MARYLAND,** that the provisions of this Ordinance shall be liberally construed in
580 order to effectuate and carry out the purposes of and the activities authorized by the Acts, the
581 Refunding Act and the matters contemplated by this Ordinance.

582
583 **Section 10. SEVERABILITY PROVISIONS.** **BE IT FURTHER ENACTED AND**
584 **ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND** that the
585 provisions of this Ordinance are severable, and if any provision, sentence, clause, section or part
586 hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person
587 or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or
588 impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance or
589 their application to other persons or circumstances. It is hereby declared to be the intent of the
590 City that this Ordinance would have been adopted if such illegal, invalid, unconstitutional or
591 inapplicable provision, sentence, clause, section or part had not been included herein, and if the
592 person or circumstances to which this Ordinance or any part hereof are inapplicable had been
593 specifically exempted herefrom.

594
595 **Section 11. EFFECTIVENESS OF ORDINANCE.** **BE IT FURTHER**
596 **ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY,**
597 **MARYLAND,** that this Ordinance shall become effective following approval by the Mayor or
598 subsequent passage by the Council in accordance with the provision of Section SC2-12 of the
599 Charter. Pursuant to the Acts and Section SC2-16 of the Charter, this Ordinance shall not be
600 subject to petition to referendum.

601
602
603 [CONTINUED ON FOLLOWING PAGE]
604

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the _____ day of _____, 2025, and thereafter, a statement of the substance of this Ordinance having been posted or published as required by law, was finally passed by the Council _____ [as introduced] _____ [as amended] [CHECK APPLICABLE LINE] on the _____ day of _____, 2025.

ATTEST:

**Julie A. English, City Clerk
President**

D'Shawn M. Doughty, City Council

Approved by me, this _____ day of _____, 2025:

Randolph J. Taylor, Mayor

Key:

Underlining: Indicates material added by amendment after introduction

~~Strike-through~~: Indicates material deleted by amendment after introduction



City of Salisbury

Memo

To: Tom Stevenson, Acting City Administrator
From: Emily Goebel, Office Administrator
Date: September 22, 2025
Subject: Updating the Department of Infrastructure and Development Chain of Command

The attached ordinance allows for an update to the chain of command for the Director of Infrastructure and Development to report directly to the Deputy City Administrator under the authority of the Mayor.

Attachment(s):
[ORDINANCE amending chapter 2.12 of the Code](#)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SALISBURY AMENDING CHAPTER 2.12.040 OF THE SALISBURY CITY CODE TO UPDATE THE CHAIN OF COMMAND OF THE DIRECTOR OF INFRASTRUCTURE AND DEVELOPMENT.

WHEREAS, the ongoing application, administration and enforcement of the City of Salisbury Municipal Code (the “**Salisbury City Code**”) demonstrates a need for its periodic review, evaluation and amendment, in order to comply with present community standards and values, and promote the public safety, health and welfare of the citizens of the City of Salisbury (the “**City**”); and

WHEREAS, the Mayor and Council of the City of Salisbury (the “**Mayor and Council**”) are authorized by MD Code, Local Government, § 5-202, as amended, to adopt such ordinances, not contrary to the Constitution of Maryland, public general law or public local law, as the Mayor and Council deem necessary to assure the good government of the municipality, to preserve peace and order, to secure persons and property from damage and destruction, and to protect the health, comfort and convenience of the citizens of the City; and

WHEREAS, the Mayor and Council find that amendments to Chapter 2.12.040 of the Salisbury City Code are desirable to update the chain of command of the director of the department of infrastructure and development; and

WHEREAS, the Mayor and Council have determined that the amendments to Chapter 2.12.040 of the Salisbury City Code set forth below shall be adopted as set forth herein.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that Chapter 2.12.040 of the Salisbury City Code is hereby amended by adding the bolded and underlined language and deleting the strikethrough language as follows:

Section 1. Chapter 2.12.040 of the Salisbury City Code, entitled “Director responsible to mayor – Inspections – Issuance of warrants for violations” is amended as follows:

2.12.040 – Director responsible to mayor – Inspections – Issuance of warrants for violations.

The director of the department of infrastructure and development shall be responsible and report directly to the ~~deputy~~ city administrator under the authority of the mayor. The department of infrastructure and development shall make all necessary inspections to determine whether the building, electrical, gas, plumbing, zoning, fire, mechanical or existing building codes have been or are being violated.

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

Section 2. 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 3. 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 4. 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 4.

Section 5. 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 _____ day of _____, 2025 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the _____ day of _____, 2025.

ATTEST:

Julie A. English, City Clerk

D'Shawn M. Doughty, City Council President

Approved by me, this _____ day of _____, 2025.

Randolph J. Taylor, Mayor



City of Salisbury

Memo

To: Tom Stevenson
From: Sandra Green
Date: September 25, 2025
Subject: Ordinance to appropriate lease proceeds for public safety equipment and to change funding source of the property and records department management system

Ordinance requesting the appropriation of lease proceeds in the amount of \$511,606 for the purchase of critical public safety equipment, including police radios, fire radios, and AED and heart monitors and to change the funding source of the property and records department management system.

While the police radios, fire radios, and AED's and heart monitors were originally approved for funding through bond proceeds in the FY 2026 budget, further financial analysis has determined that lease financing is more appropriate given the useful life of the equipment. This change in financing strategy offers a cost savings of approximately \$84,000 in interest payments, as the 5-year lease, despite a higher interest rate, incurs significantly less interest than a 15-year bond due to the shorter term and reduced compounding.

Additionally, the property and records department management system previously funded through bond proceeds will now be funded using available funds within the police department budget.

We respectfully request approval to amend the original funding source from bond proceeds of these items. Unless there are additional questions or concerns from the Mayor or administration, please forward this memo and the accompanying ordinance to City Council for their review and consideration.

Attachment(s):

[Ordinance - Budget Amendment Lease Proceeds and change of funding source.docx](#)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SALISBURY APPROVING A BUDGET AMENDMENT TO THE CITY'S GENERAL FUND FOR LEASE PROCEEDS TO PURCHASE POLICE RADIOS, FIRE RADIOS, AND AED'S/HEART MONITORS AND TO CHANGE THE FUNDING SOURCE OF THE PROPERTY AND RECORDS DEPARTMENT MANAGEMENT SYSTEM PREVIOUSLY APPROVED UNDER SCHEDULE B WITH THE FY 2026 BUDGET ORDINANCE 2935.

WHEREAS, the City's FY 2026 adopted budget included funding, using bond proceeds, to purchase police radios, fire radios, AED's, and heart monitors, and to update the property and records department management system with bond proceeds; and

WHEREAS, it has been determined that, due to the useful life of the police radios, fire radios, and AED's/heart monitors, the \$511,606 needed for these items would be more appropriately funded with lease proceeds; and

WHEREAS, it has further been determined that available funds within the police department budget may be used to fund the \$150,000 needed for the property and records department management system; and

WHEREAS, the appropriations necessary to make the correction herein 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. Mayor Randolph J. Taylor is hereby authorized to appropriate funds for the police radios, fire radios, and AED's and heart monitors listed in Section 2 and Section 3 below.

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

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

Account	Account Description	Increase/Decrease	Amount
01000-469311	Capital Lease Proceeds	Increase	\$511,606
21021-577030	Police Equipment	Increase	\$154,000
24035-577030	Fire Equipment	Increase	\$357,606
21021-558600	Police New Lease Payment	Increase	\$ 34,593
24035-558600	Fire New Lease Payment	Increase	\$ 80,328
70101-588245	Interest 2026 GOB	Decrease	\$114,921
21021-577015	Police Building	Increase	\$150,000
21021-502041	Police LEOPS Retirement	Decrease	\$150,000

Section 3. The City of Salisbury's General Capital Project Fund Budget be and hereby is amended as follows:

Account	Account Description	Increase/Decrease	Amount
98026-469312-XXXXX	Debt Proceeds FY26 Bond	Decrease	\$661,606

98026-577030-XXXXX	Equipment FY 26 Bond	Decrease	\$511,606
98026-577015-XXXXX	Buildings FY 26 Bond	Decrease	\$150,000

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

Section 4. 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 5. 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 6. 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 6.

Section 7. 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 _____ day of _____, 2025 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the _____ day of _____, 2025.

ATTEST:

Julie A. English, City Clerk

D'Shawn M. Doughty, City Council President

Approved by me, this _____ day of _____, 2025.

Randolph J. Taylor, Mayor