

Resolution No. 1501

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY AMENDING RESOLUTION NO. 1119, ADOPTED BY THE COUNCIL ON JUNE 21, 2004 AND APPROVED BY THE MAYOR ON JUNE 23, 2004, AS AMENDED BY RESOLUTION NO. 1464, ADOPTED BY THE COUNCIL ON DECEMBER 11, 2006 AND APPROVED BY THE MAYOR ON DECEMBER 15, 2006, IN ORDER TO CLARIFY CERTAIN DEFINITIONS CONTAINED IN RESOLUTION NO. 1119 THAT WERE INTENDED TO BE DERIVED FROM SECTIONS 14-201 THROUGH 14-214, INCLUSIVE, OF ARTICLE 41 OF THE ANNOTATED CODE OF MARYLAND (THE "TIF ACT") PERTAINING TO THE VILLAGE AT SALISBURY DEVELOPMENT DISTRICT DESIGNATED PURSUANT TO THE TIF ACT; AND PROVIDING FOR THE CONTINUATION IN FORCE AND EFFECT OF RESOLUTION NO. 1119, AS PREVIOUSLY AMENDED BY RESOLUTION NO. 1464 AND AS SO AMENDED HEREBY.

RECITALS

WHEREAS, pursuant to Sections 14-201 through 14-214, inclusive, of Article 41 of the Annotated Code of Maryland (the "Tax Increment Financing Act") and Resolution No. 1119, adopted by the Council of City of Salisbury (the "City") on June 21, 2004 and approved by the Mayor of the City on June 23, 2004 ("Resolution No. 1119"), the City (i) designated a contiguous area situated within its corporate boundaries comprised of (A) approximately 78 acres located on the north side of Glen Avenue between Beaglin Park Drive and Civic Avenue and identified as the 62 tax parcels listed on Exhibit A to Resolution No. 1119, together with (B) that portion of St. Albans Drive that runs in a northerly direction from Glen Avenue between certain of the tax parcels identified on Exhibit A to Resolution No. 1119 and to the northern boundary of such tax parcels located adjacent to St. Albans Drive (which comprehensive area includes the old Salisbury Mall buildings), as described on Exhibit A and Exhibit C to Resolution No. 1119, as a development district to be known as "The Village at Salisbury Lake Development District", and (ii) established the special fund required therefor under the Tax Increment Financing Act to be known as "The Village at Salisbury Lake Tax Increment Fund"; and

WHEREAS, pursuant to Section 44A of Article 23A of the Annotated Code of Maryland (the "Special Taxing District Act") and Resolution No. 1119, the City (i) designated the development district established thereunder pursuant to the Tax Increment Financing Act as a geographically coincident special taxing district also to be known as "The Village at Salisbury Lake Development District", and (ii) established the special fund required therefor under the Special Taxing District Act to be known as "The Village at Salisbury Lake Special Taxing District Fund"; and

WHEREAS, the geographically coincident development district and special taxing district designated pursuant to Resolution No. 1119 are collectively referred to as the "Development District" in Resolution No. 1119; and

WHEREAS, Resolution No. 1119 contemplates that the City will issue revenue bonds, notes or other similar instruments (collectively, the "Bonds") pursuant to the authority of the Tax

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Increment Financing Act and the Special Taxing District Act (collectively, the “Acts”) in order to finance, refinance or reimburse costs of certain public improvements located in (or outside but reasonably related to) the Development District and other related costs, as permitted by the Acts; and

WHEREAS, pursuant to Resolution No. 1119, the City took certain other actions required by the Acts; and

WHEREAS, Section 13 of Resolution No. 1119, as originally adopted, provided that in the event no Bonds were issued pursuant to the Acts to finance, refinance or reimburse the costs of public improvements with respect to the Development District and other costs permitted under the Acts by December 31, 2006, such Resolution would be automatically revoked without further action by the Mayor and Council and would be considered terminated, null and void; and

WHEREAS, pursuant to Resolution No. 1464, adopted by the Council on December 11, 2006 and approved by the Mayor on December 15, 2006, the City extended the date by which Bonds must be issued pursuant to the Acts with respect to the Development District in order for Resolution No. 1119 to remain effective from December 31, 2006 to December 31, 2009; and

WHEREAS, bond counsel to the City has advised that certain definitions set forth in Section 1 of Resolution No. 1119, which were intended to track the corresponding definitions set forth in the Tax Increment Financing Act, inadvertently do not exactly track the Tax Increment Financing Act definitions; and

WHEREAS, the City desires to amend Resolution No. 1119, as amended to date, in order to provide for consistency between the definitions contained in Resolution No. 1119 and the corresponding definitions set forth in the Tax Increment Financing Act; and

WHEREAS, before any Bonds are issued with respect to the Development District pursuant to the Acts, the City will be required to enact an ordinance as required by the Acts; and

WHEREAS, the Council of the City of Salisbury held a public hearing prior to the adoption of this Resolution and publication of such public hearing was given pursuant to notice published in a newspaper of general circulation in the City not less than 10 days before such public hearing; and

WHEREAS, pursuant to the Acts, this Resolution may not be subject to referendum by reason of any other State of Maryland or local law.

SECTION 1. RECITALS. NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland, that the Recitals hereto are deemed a substantive part of this Resolution and are incorporated by reference herein.

SECTION 2. AMENDMENTS TO RESOLUTION NO. 1119. BE IT FURTHER RESOLVED that, from and after the effective date of this Resolution, Section 1 of Resolution No. 1119 is hereby amended as follows:

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(a) Subsection (e) of Section 1 of Resolution No. 1119 is hereby deleted in its entirety and inserted in place thereof is the following:

“(e) ‘Original Assessable Base’ means the Assessable Base as of January 1 of that year preceding the effective date of the resolution creating the Development District under Section 14-206 of the Tax Increment Financing Act.”

(b) Subsection (g) of Section 1 of Resolution No. 1119 is hereby deleted in its entirety and inserted in place thereof is the following:

“(g) ‘Original Taxable Value’ means, for any Tax Year, the dollar amount that is the lesser of:

(i) the product of the Original Full Cash Value times the Assessment Ratio applicable to that Tax Year,

(ii) the Original Assessable Base, or

(iii) if an adjusted assessable base applies (as such term is defined in Section 14-202(c) of the Tax Increment Financing Act), then the Original Taxable Value is the adjusted assessable base.”

(c) Subsection (l) of Section 1 of Resolution No. 1119 is hereby deleted in its entirety and inserted in place thereof is the following:

“(l) ‘Tax Increment’ means, for any Tax Year, the amount by which the Assessable Base as of January 1 preceding that Tax Year exceeds the Original Taxable Value divided by the Assessment Ratio used to determine the Original Taxable Value.”

(d) Section 1 of Resolution No. 1119 is hereby amended by adding the following as subsection (n) thereto:

“(n) References in this Resolution (i) to certain provisions of the Annotated Code of Maryland shall be to such provisions, as replaced, supplemented or amended from time to time, and (ii) to terms also defined in the Tax Increment Financing Act or the Special Taxing District Act are to be construed in accordance with the provisions of such respective Acts, and in the event of any inconsistency between such terms as used in this Resolution and such Acts, or either one of the Acts, the provisions of the Acts shall control.”

**SECTION 3. EFFECT OF THIS RESOLUTION.** BE IT FURTHER RESOLVED that, from and after the effective date of this Resolution, Resolution No. 1119, as previously amended by Resolution No. 1464, shall be amended as provided herein and, except as specifically amended by this Resolution, Resolution No. 1119, as previously amended by Resolution No. 1464, shall remain in full force and effect.

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SECTION 4. EFFECTIVE DATE. BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Mayor.

THIS RESOLUTION was introduced and read at a meeting of the Council of the City of Salisbury held on the \_\_\_\_\_ day of \_\_\_\_\_, 2007, and was read and adopted at a meeting of the Council of the City of Salisbury held on the \_\_\_\_\_ day of \_\_\_\_\_, 2007.

ATTEST:

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

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

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

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

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