

**CITY OF SALISBURY
RESOLUTION NO. 1512**

A RESOLUTION of the City Council of the City of Salisbury, Maryland, confirming the application of a portion of the proceeds of the bonds authorized by Ordinance No. 2019 to acquire approximately 11.27 acres of the land on which the Northeast Collector Road Phase III will be located.

WHEREAS, pursuant to Ordinance No. 2019, the City Council authorized revenue bonds in an aggregate principal amount not to exceed \$10,900,000 (the “Bonds”) to be issued pursuant to Sections 14-201 through 14-214, inclusive, of Article 41 (Tax Increment Financing Act) and Section 44A of Article 23A (Special Taxing District Act) of the Annotated Code of Maryland (collectively, the “Acts”), in order to finance or reimburse the costs of public improvements relating to the Northeast Collector Phase III Development District and the Northeast Collector Phase III Special Taxing District, which were established pursuant to Resolution No. 1369 (collectively, the “District”); and

WHEREAS, Section 1(e) of Ordinance No. 2019 listed the public improvements proposed to be financed or reimbursed from Bond proceeds and further provided that Bond proceeds could be applied to other infrastructure improvements as provided for by agreement with the City; and

WHEREAS, Section 1(b) and (e), Section 4(o) and (p) and Section 8 of Ordinance No. 2019 granted authority to the Mayor by executive order (i) to determine the specific public infrastructure improvements to which proceeds of the Bonds will be applied and (ii) to provide for the negotiation, preparation, execution and delivery of any agreements relating to the use and application of

Bond proceeds or providing for the transfer of ownership of public improvements; and

WHEREAS, East Fields Development, L.L.C., the owner of property located in the District and the developer of the District, based on an appraisal of the value of such land, has asked the City to use \$450,000.00 of Bond proceeds to acquire the land on which Phase III of the Northeast Collector Road will be located; and

WHEREAS, at the time Ordinance No. 2019 was enacted, it was not contemplated that Bond proceeds would be applied for such acquisition purpose (although it was contemplated that Bond proceeds would be applied for design and construction of such road and related paving, curb and gutter features); and

WHEREAS, pursuant to the Acts, the City is permitted to use Bond proceeds to acquire land or interests in land for public infrastructure improvements; and

WHEREAS, it is anticipated that the Bonds will be issued in an aggregate principal amount of approximately \$9,900,000.00; and

WHEREAS, the City will receive sufficient proceeds from the Bonds to apply \$450,000.00 to acquire approximately 11.27 acres of the land on which the Northeast Collector Road Phase III will be located (whether by deed, right-of-way and/or permanent easement or other appropriate means) from East Fields Development, L.L.C.; and

WHEREAS, no general funds of the City will be used for acquisition of interests in such approximately 11.27 acres for the Northeast Collector Road

Phase III; and

WHEREAS, because such acquisition was not originally contemplated when East Fields Development, L.L.C. approached the City regarding creating the District and authorizing the Bonds, the City Council has been requested to confirm the use of \$450,000.00 of Bond proceeds for acquisition of such approximately 11.27 acres; and

WHEREAS, this resolution from the City Council confirms the use of a portion of the Bond proceeds to acquire approximately 11.27 acres of land on which the Northeast Collector Road Phase III will be located.

NOW, THEREFORE, BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF SALISBURY confirms the use and application of \$450,000.00 of Bond proceeds for, and the authority of the Mayor under the provisions of Ordinance No. 2019 to provide for, the acquisition of approximately 11.27 acres of land on which the Northeast Collector Road Phase III will be located (whether by deed, right-of-way and/or permanent easement or other appropriate means).

THE ABOVE RESOLUTION was introduced and duly passed at the regular meeting of the Council of the City of Salisbury held on this 9th day of April, 2007, and shall become effective immediately upon adoption.

Brenda J. Colegrove,
City Clerk

Michael P. Dunn,
Council President

APPROVED BY ME this _____ day of
_____ 2007.

Barrie P. Tilghman,
Mayor of the City of Salisbury