

AS AMENDED ON JULY 22, 2013
CITY OF SALISBURY
WORK SESSION
JULY 1, 2013

Public Officials Present

Council President Jacob R. Day
Councilwoman Eugenie P. Shields (arrived at 1:52 p.m.)

Council Vice-President Laura Mitchell
Councilman Timothy K. Spies

Public Officials Not Present

Mayor James Ireton, Jr.
Councilwoman Terry E. Cohen

In Attendance

City Clerk Kimberly R. Nichols, CMC, Acting City Administrator M. Thomas (Tom) Stevenson Jr., Assistant City Administrator Loré Chambers, Ph.D., Internal Services Director Keith Cordrey, Acting Director of Public Works Amanda H. Pollack, P.E., interested citizens, and members of the press.

The City Council convened in Work Session at 4:37 p.m. in Council Chambers, Room 301 of the Government Office Building.

United Needs and Abilities (UNA) presentation

President Jake Day invited Mike Dyer, CEO of United Needs and Abilities (UNA) and Board President Debbie Palmer to join the Council at the table. Mr. Dyer reported the UNA was formerly the Epilepsy Association of the Eastern Shore, and the non-profit raises money to provide for handicapped individuals to be able to live in their own homes. He added there was a 333% increase over four years in the number of individuals who have received assistance from UNA.

Ms. Palmer explained the name change from the Epilepsy Association of the Eastern Shore to UNA best clarifies the organization's service, which is to help people with not just epilepsy, but a host of disabilities. The organization plans to record on PAC14 to update the public on their services.

Rivers Edge Update

Osprey Property Company, partnering with UNA, was represented by Vice President Andrew Hanson who provided a development status report on the Rivers Edge project and presented a timeline (attached and made part of these minutes). Mr. Hanson discussed an opportunity from the Harry and Jeanette Weinberg Foundation to assist disabled individuals at Rivers Edge by reducing the rent for those who receive a modest income and/or on Social Security.

Councilman Spies suggested extending the City's Wi-Fi coverage to encompass Rivers Edge.

The briefing was for public information and Council update, and no action was taken by Council.

(Dr. Loré Chambers reported that the City was monitoring the situation with the high winds outside. There would be some minor flooding but the thunderstorm was a rain event only.)

Chamber of Commerce Discussion

Acting Public Works Director Amanda Pollack joined Council to continue the ongoing discussion and provide information received since the June 17, 2013 Work Session. Three topics Mrs. Pollack discussed were:

- Maintenance Bond – the City would support reducing the maintenance bond from five (5) years to two (2) years. A two year bond still provides sufficient time for any deficiencies to appear.
- Paving Policy – will be discussed this evening
- Process Action Team – the previous team was very helpful, and it would be beneficial to bring that group back together

She explained the City currently has four (4) Project Engineers, and would realize a hardship if one (1) engineer ~~was~~ were dedicated solely to development. The discussion was for informational purposes only and Council did not take action.

Revisions to Paving Policy

Mrs. Pollack joined Council to discuss the Paving Policy, which was adopted in 2005 and outdated. She recommended the following changes in the policy:

1. Consolidate the requirements imposed on utility companies and developers into a consistent set of regulations that applies to all parties
2. Replacing the full width road repaving requirement with a requirement that repaving extend to the edge of the nearest travel lane or parking lane
3. Address repaving requirements associated with curb and gutter construction
4. Provide Public Works Director discretion to make decisions on specific circumstances

Mrs. Pollack explained that Public Works' unwritten policy was that no streets could be cut unless approved by the Public Works Director. Mrs. Mitchell noted that placed a five year moratorium on new construction. Mrs. Pollack explained to avoid that, 8.a. was inserted. Mr. Day suggested adding a clause in the Paving Policy which references new construction.

Council reached unanimous consensus to move the Resolution forward to the July 8, 2013 Legislative Session.

Discussion of MOU for Public Works Mutual Aid

Mrs. Pollack explained that the Maryland Municipal League (MML) and the Maryland Municipal Public Works Officials Association (MMPOA) has recommended all Maryland municipalities sign a Mutual Aid Public Works Agreement. The agreement was drafted by MML and MMPOA, and MML

has suggested all municipalities accept the MOU verbatim. Mrs. Pollack provided the following update:

- If accepted, Council will pass a resolution adopting the Mutual Aid Agreement
- The agreement does not obligate the City to provide resources in the event of an emergency; this sets the framework in the event that there is a City or a neighboring municipality need
- The agreement has a one (1) year term and automatically renews; cancellations will be by resolution
- FEMA and MEMA requires this agreement in order to be reimbursed for Mutual Aid

Mrs. Pollack will contact LGIT and MML concerning whether the City needs another insurance rider. After discussion and identification of grammatical and spacing issues, Council unanimously agreed to support the Mutual Aid Agreement and to place the resolution and MOU on the July 8, 2013 or July 22, 2013 Legislative Session agenda.

Dr. Loré Chambers provided another update on the weather event, reporting the storm had passed with no damage to City facilities and no 9-1-1 calls for help.

Budget Amendment – Retirement Match Program

Internal Services Director Keith Cordrey joined Council to report that the appropriation for retirement matching by the City for the ICMA RC 457 Deferred Compensation plan is insufficient to meet the FY13 requirements, and requested a budget amendment to appropriate the funds needed for this expense.

Assistant City Administrator Loré Chambers, Ph.D. indicated she and Mr. Stevenson discussed this program and will review the account in the third quarter of the fiscal year, examine the number of employees who may be contemplating retirement, and make that adjustment earlier in the fiscal year.

After discussion, Council reached unanimous consensus to place the ordinance on the July 8, 2013 Legislative Session agenda.

Discussion of Charter/Code Changes

Mr. Stevenson reported that the Mayor had asked the City Department Heads to research the Charter and Code pertaining to their individual departments to identify sections needing updating and improvement and identified three issues with the text in the City Charter and Code:

1. Spelling and punctuation errors that will be easily worked out during codification
2. Inconsistencies and contradictions in various sections of the Charter and Code
3. Other problems that require resolutions/ordinances

He suggested this subject should be broken down into several different reviews. Mr. Pick had indicated in his memo that the suggestions considered substantive have been identified with an asterisk.

Mr. Stevenson indicated updating the following items was vital to Administration:

- Veto
- General powers ability for referendum
- Add language referring to the Assistant City Administrator
- Enforcement
- Election Board
- Estimates
- Transfer of Funds
- Receipts from Sale
- Industrial exemptions
- Emergency appropriations

City Attorney Mark Tilghman stated revisions may be made with the passage of multiple ordinances, or a total re-write may be necessary. Mr. Tilghman would opine further after an additional review.

Mrs. Mitchell suggested changing the Charter to add a pre-vote advertising since advertising after a vote has occurred seems senseless, and discussed capitalizations and the Board of Standardizations.

Council agreed to the subject being returned to Work Session on July 15, 2013 for further discussion.

Discussion of Resolution of Support for Phase II of the Lodges at Naylor Mill Senior Apartment

Developer Rick Della, representing Interfaith Housing, reported that the Phase II project, zoned R-10A, allowed for the maximum density of 184 units. Currently, there are 65 units and Interfaith Housing wishes to expand an additional 45 units, and this will be a 100% tax credit project.

Mr. Day questioned whether the project developers would request an EDU waiver. Mr. Della stated that the first time Salisbury approved a resolution that contributed 105 EDUs, far in excess of the number needed. But the waiver of 45 EDUs for Phase II is needed because there are two things that developers of affordable housing need: 1) a resolution of support, and 2) a contribution (the donated EDUs are a generous contribution).

Council reached unanimous consensus to place the Resolution of Support on the agenda for the July 8, 2013 Legislative Session.

At 6:45 p.m. Council President Day called for a short recess, and reconvened the Work Session at 7:00 p.m.

Legislation Action Request (LAR)

- Support Administrative Search Warrants

Mr. Stevenson asked Council to support a resolution to submit a LAR to Maryland Municipal League (MML) requesting their Legislative Committee to consider supporting law to allow all Maryland municipalities having code enforcement divisions the ability to secure administrative search warrants in order to enforce health and safety issues.

Mrs. Mitchell informed Mr. Stevenson that Council consensus is sufficient in order for MML to proceed with their consideration; a resolution is not necessary. The meeting minutes will reflect approval of the LAR.

Council unanimously approved for Mr. Stevenson to submit the LAR to MML.

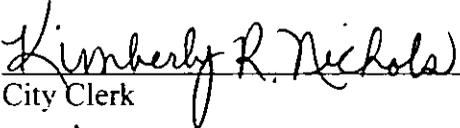
- Support the findings of the Maryland Municipal League (MML) Tax Fairness Workgroup

Mrs. Mitchell asked Council to support a LAR to the Legislative Committee stating their support of changing the State law to allow for all Counties in Maryland to be treated the same as Anne Arundel and Howard County. She provided an overview of the work done in the MML Tax Fairness Workgroup and explained that for many years the City has billed Wicomico County for a tax setoff and has always received a response from the County that the money they put into education exceeds the money they receive from Property Taxes. Mrs. Mitchell expected at least twenty (20) LARs will be received by MML from Maryland municipalities.

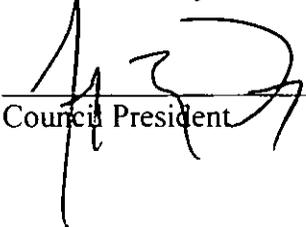
Mr. Spies requested for all Council members to sign the letter to MML, and those present agreed. Council unanimously approved for Mrs. Mitchell to submit the LAR to MML.

General Discussion

After a request was received from Mr. Spies to schedule a discussion on cardboard, President Day adjourned the Work Session at 7:18 p.m.



City Clerk



Council President

Rivers Edge Apartments and Studio for the Arts
Development Status Report - For Discussion Purposes Only
July 1, 2013

Progress to date:

Project Selected for funding by MD DHCD	November 2012
Kick off meeting with DHCD	January 2013
Taking Architectural and Civil plans from conceptual to viability set	Feb-May 2013
Conceptual Plan submitted to SBY Public Works	March 2013
Conceptual Plan mtg with SBY Public Works, Permit/Code, Planning & Zoning	April 2013
Revisions to building layout/site plan based on SPW/MDE/ACE feedback	Feb-May 2013
P1, major site plan, engineering submission to Salisbury Public Work	May 2013
Building Permit Submission to Salisbury Permit office	May 2013
Viability and Commitment submitted to MD DHCD for financing	May 2013
Support from Art & Entertainment District committee, expand district	June 2013
Executed investor and debt provider agreements with Wells Fargo	June 2013
Notified of Approval of Building Permit submission, floodplain info needed	June 2013
Presentation to Salisbury Planning Commission, conceptual approval	June 2013

Anticipated:

Comments/response from Salisbury Public Works	early July 2013
Resubmission of P2 to Salisbury Public Works	mid July 2013
Submit revision/expansion of A&E district to MD Art Council	August 2013
Final Salisbury Planning Commission submission and approval	August 2013
Final comments/approval from Salisbury Public Works	August 2013
Negotiation of Public Works Agreement with Salisbury Public Works	late August 2013
Posting of required bonds/payment of fees	September 2, 2013
Acquire real estate	September 10, 2013
Close on equity, construction, state loans	September 10, 2013
Knock down the existing building	September 18, 2013
Begin site work, new building construction	October 2013
Complete construction, open buildings	September 2014

The Harry and Jeanette Weinberg Foundation (Weinberg) Proposal for:
Rivers Edge Apartments and Studio for the Arts
For Discussion Purposes Only

Basic elements:

- Partnership between Weinberg, Maryland Department of Housing and Community Development (DHCD) and Maryland Department of Health and Mental Hygiene (DHMH)
- Take existing ADA units and enhance to UFAS standard (which provides even more accessible)
- Modify the income restriction of three units from 60% AMI to 15% AMI
- Only available to non-elderly disabled individuals as qualified under SSI/SSDI
- Must be working with Maryland Department of Health and Mental Hygiene (DHMH)
- Will already have case worker and other support in place

Rivers Edge Apartments and Studio for the Arts specifics:

- Will serve persons earning \$8,000 to \$20,000 annually
- Rents drop from \$750 to \$150, \$800 to \$172
- Proposed is a total of three units (3 units), one 1 bedroom unit and two 2 bedroom units
- Weinberg offered Rivers Edge \$231,885
- Total known financial cost -\$487,014

Based on reduced rents and anticipated vacancy of 1 month per unit/turn over

-No other apartment project on Eastern Shore or Maryland has made use of this program yet so there is no known additional known cost of operations.

Other notes:

- All first floor ADA units will be built to UFAS standard totaling 10 units
- All remaining first floor units will be built as modifiable to ADA/UFAS 8 additional units
- Total of 18 units to serve disabled, 20% whereas code requires 5%, 5 units

**Net Shortage of Affordable and Available Rental Housing Units
in Maryland, 2010-2015**

Jurisdiction	Shortage by Household Type 			Total
	Families	Seniors	Disabled	
Allegany	438	267	296	1,001
Anne Arundel	7,999	1,956	2,083	12,038
Baltimore	10,678	4,234	4,759	19,671
Baltimore City	1,258	1,341	4,251	6,850
Calvert	653.15	71	206.85	931
Caroline	73.08	126	111.92	311
Carroll	1,766	349	485	2,600
Cecil	1,138	83	331.64	1,553
Charles	1,639	253	469	2,361
Dorchester	0	76	111.85	187.85
Frederick	2,760	725	797.82	4,283
Garrett	0	72	74.48	146.48
Harford	2,518	561.6	802.4	3,882
Howard	6,482	733.35	1,055	8,271
Kent	81.08	137	99.92	318
Montgomery	23,498	5,612	5,858	34,967
Prince George's	16,426	2,905	5,151	24,482
Queen Anne's	430	26	144	600
Somerset	0	98	91.8	189.8
St. Mary's	1,012	208	343	1,563
Talbot	421	171	201	793
Washington	649	512	686	1,847
→ Wicomico	124	216.84	355.16	696
Worcester	306	240	227	773
Maryland	80,349	20,973	28,993	130,315

Note: Projections include an estimated 3,893 BRAC-induced households that are projected to meet Low Income Housing Tax Credits income limits at 50% of AMI

Source: DHCD, Office of Research

Rivers Edge Apartments and Studio for the Arts
Use and Policy on Art Spaces

Total of 5,274 square feet of community space

- Spaces include the leasing office, community room and art gallery as well as the studio
- Approximately 4,000 square feet for use related to the arts.
- Flex artist studios total over 2,500 square feet
- Community room and art gallery total 2,600 square feet
- office was added to leasing area for Part Time Art Coordinator

At one point, we thought that turning the Art space over to a local non-profit or art group would be ideal so they could be in charge of running the day to day operations. With more consideration, we have decided this is not ideal for the community.

Instead, we will hire a Part Time Art Coordinator. This individual will likely be a Part Time leasing associate who will also work to coordinate the use of the art space by the residents and for activities to benefit the community (Rivers Edge, Fitzwater Street, Salisbury and Wicomico County).

Residents will have first priority for use of the spaces. Outside organizations that provide art services and events will be able to reserve the community room /gallery for exhibitions during certain time blocks. Performances can also take place in the community room /gallery using a portable stage which will be provided. Outside events that collect a ticket fee or class charge will be charged a small fee to cover the cost of setting up the event, cleaning up the event and any additional insurance required as well as the utilities (lighting, water, sewer, heat, air, use of warm up kitchen appliances). The fee is anticipated to be \$25 to \$100 depending upon the event.

Part Time Art Coordinator

- Anticipate spending 24 hours per week leasing, 12 hours per week working on the arts.
- Anticipate paying same rate of Leasing staff paid \$14.50/hour
- Annual cost of \$9,048

Benefit of Rivers Edge Apartments and Studio for the Arts to Salisbury and Community

Per Maryland State Arts Council report prepared by Towson University on Art & Entertainment District Impact Analysis:

Over the next 40 years, Rivers Edge will provide:

- 60 full time employees (FTE or 125,000 hours)
- \$7,584,200 in Economic Activity output
- \$2,210,000 in Wages and
- \$144,000 in indirect Tax Revenue

Press Releases

Home > News & Media > Press Releases

Maryland's A&E Districts Spur Jobs, New Business

New study affirms economic impact; state adds two districts

BALTIMORE (June 4) -- A new economic impact study shows that in FY2012, 19 Maryland Arts and Entertainment (A&E) Districts collectively supported an estimated 4,188 jobs that paid more than \$128.1 million in total wages--plus a total state GDP of \$379 million, and total tax revenue of \$29 million. The Maryland State Arts Council's (MSAC) A&E Districts enable local and county governments to apply for designation, which offers various tax benefits to encourage artists, arts organizations and businesses to locate in a jurisdiction.

"A&E Districts leverage Maryland's creative assets and commitment to strategic, modern investments that spur economic growth and enliven our communities," said Governor O'Malley. "Vibrant places invite businesses, families and tourism investments that support jobs and strengthen our economy."

The study, which was conducted by Towson University's Regional Economic Studies Institute (http://r20.rs6.net/tn.jsp?e=001n_Tbd-Maj-51j925-H14w2H3QZ11Ls8XFwecZLBo8smCy4FbxXUffrPIK21qLnPXiK1cZcadtXfqVM5o_meOXXk-1KR6XvMCzO64nL0b8iN1tbp83ct79B6RDzwo97J51pIqpOktM=) (RESI), marks RESI's second economic impact study on Maryland A&E Districts. The first study examined fiscal years 2008 through 2010 and reported on a three-year annual average. The new FY2012 study (http://r20.rs6.net/tn.jsp?e=001n_Tbd-Maj-6sea7UP5tw-JxbR_sgYZRrr_apPmFdSOVYRhc1-PeulFviBskAjnwjy8-c3dvHCHa1vJOHYORb-dWer8DKLY_nhtv7L74Jd5tad-RFACVYbrOIY43OCHYUe9qumOX9GCWv_m85jYC4OruWQ_hngWlJqH71ouA2N6RVEYpEH5057YDbbs7uwQqfkaiMfgArGipA84-RlWFBiv5e76mub-vRrAofzemiUX_hMYkvp1tHzlFbXz6VYd_78NdNN5k28=) (PDF) looks at that year alone, and-as existing districts grew and new districts were added-indicates significant overall growth for jobs, wages, tax revenue and GDP.

ArtPlace America invests \$440,000 in districts

Two major ArtPlace America (http://r20.rs6.net/tn.jsp?e=001n_Tbd-Maj-6uOzF5CgHiFEzJrvG04yvdr7r-EEUorHRUtK1Q1uzLjqEjNcuOTJBCuualotOIQDXPoLP7r9w-jnR-2eHTYJqLXCuYFhK_Amy2lpsMazQ8TLfx6ibTzBXW) grants will impact 4 A&E Districts. The first, a \$200,000 grant to the Baltimore Office of Promotion and the Arts (BOPA), will support an art in transit collaboration between Baltimore's three A&E Districts (Bromo Tower, Highlandtown and Station North).

A second grant of \$240,000 to Joe's Movement Emporium, will support phase II of "Art Lives Here" (http://r20.rs6.net/tn.jsp?e=001n_Tbd-Maj-5dD9H19K65U8-k-sRuZ1cJwJ-Kb99dd8le-zUQ12JO7XllnaqL_rHx4QE01b0pWj02SeogRTCYqY-k6uv8QVOw29Zui-yK1QUKakYX1OZkLus8G2MVcLn9icCWYfGOEhOCGITiqOMO7w=), a visibility campaign designed to showcase creative life in Prince George's County's Gateway Arts District.

State designates two new districts

At a June 4 meeting of A&E District managers, the MSAC announced two new Arts & Entertainment Districts: **Historic Stevensville Arts & Entertainment District** in Queen Anne's County and **Leonardtwn Arts & Entertainment District** in St. Mary's County.

As a hub of history, art and culture, Historic Stevensville on Maryland's Eastern Shore draws history enthusiasts and features opportunities to shop and dine within a quaint and distinctive village setting. Historic Stevensville Arts and Entertainment District is strategically situated to become town center for Kent Island with the goals of appealing to new, year-round business; offering diversified events; leveraging arts and historic assets to become an authentic destination, and create a welcoming and inviting streetscape. Queen Anne's County Office of Economic Development & Tourism will manage the District and bring with it the full spectrum of county connections, funding and marketing resources.

Located at the headwaters of Breton Bay, the **Town of Leonardtown** celebrated its 300th birthday in 2008 and is among Maryland's oldest towns. As St. Mary's County's only incorporated municipality, Leonardtown has a strong community government and active citizen and business participation. Leonardtown's quaint and attractive town square-one of only a few remaining in all of Maryland today-is among its most distinctive assets. The square is lined with historic buildings and is the perfect venue for most all of the town's concerts and events. As St. Mary's County's first A&E District, Leonardtown A&E District aims to develop the town as a regional tourist destination and support smart growth and development that protects the town's small charm, heritage and natural waterfront areas. Management of the Leonardtown Arts and Entertainment District will be led by the Town Administrator with support from an Advisory Committee.

In addition to Leonardtown and Historic Stevensville, there are 20 other A&E Districts (<http://msac.org/artsandentertainment>) across Maryland: Annapolis, Baltimore City's Station North, Highlandtown and Bromo Tower, Berlin, Bethesda, Cambridge, Cumberland, Denton, Elkton, Frederick, Frostburg, Gateway District (Prince George's), Hagerstown, Havre de Grace, Salisbury, Silver Spring, Snow Hill, Town of Bel Air and Wheaton.

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About the Maryland State Arts Council

The mission of the Maryland State Arts Council (MSAC), an agency of the Maryland Department of Business and Economic Development,

Division of Tourism, Film and the Arts, is to encourage and invest in the advancement of the arts for the people of Maryland. The latest economic impact report shows that MSAC grantees' activities support more than 11,000 full-time equivalent jobs and generate \$1 billion in economic activity and \$37.8 million in state and local taxes.



The Local Economic Impact of Typical Housing Tax Credit Developments

Prepared by the
Housing Policy Department

March 2010

National Association of Home Builders
1201 15th Street, NW
Washington, DC 20005
202-266-8398



National Association of Home Builders

Typical Family Tax Credit Development

- The estimated one-year local impacts of building 100 apartments in a typical family tax credit development include
 - \$7.9 million in local income,
 - \$827,000 in taxes and other revenue for local governments, and
 - 122 local jobs.

These are local impacts, representing income and jobs for local residents, and taxes (and other sources of revenue, including permit fees) for all local jurisdictions within the area. Local jobs are measured in full time equivalents—i.e., one reported job represents enough work to keep one worker employed full-time for a year, based on average hours worked per week by full-time employees in the industry.

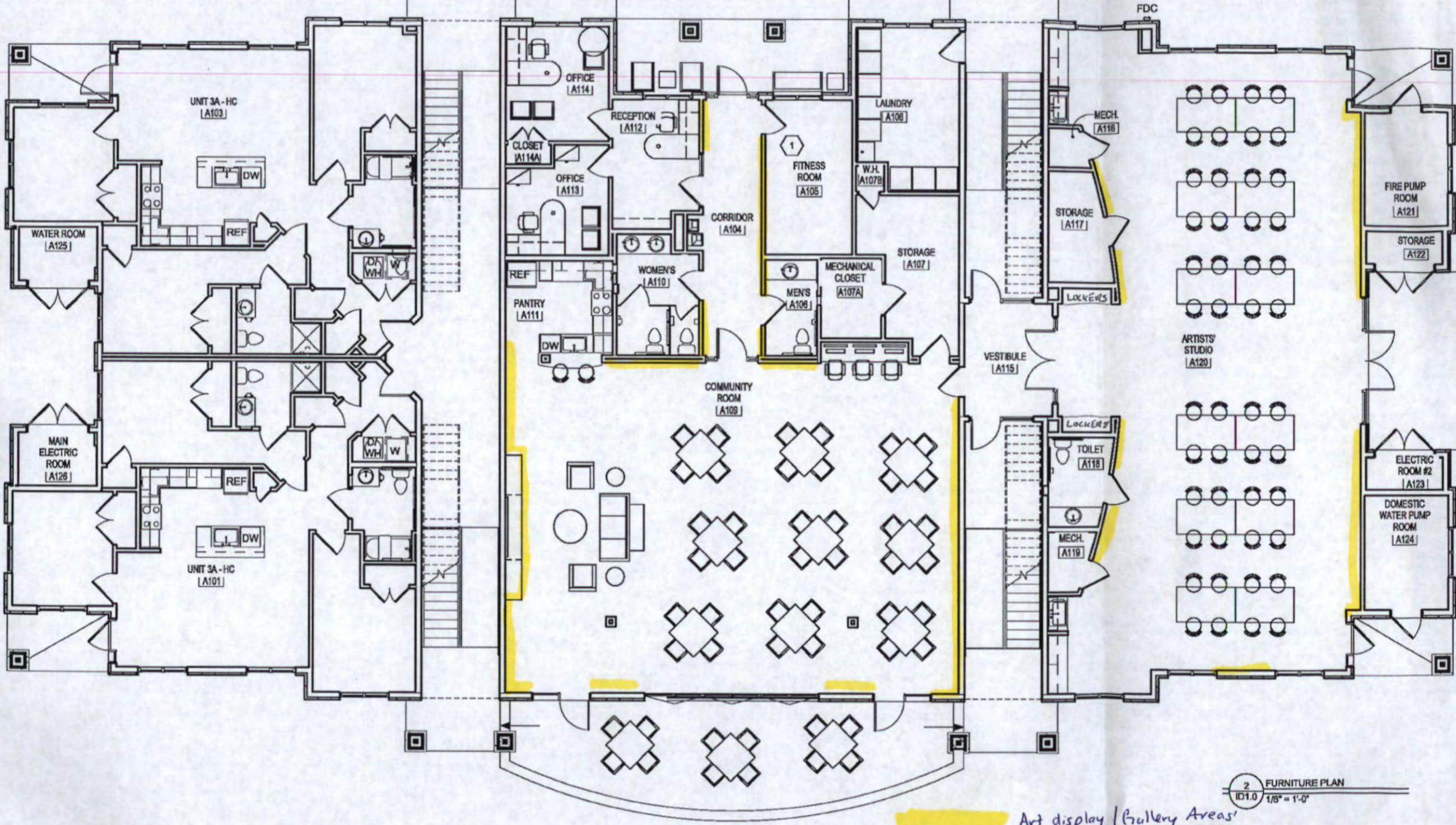
- The additional, annually recurring impacts of building 100 apartments in a typical family tax credit development include
 - \$2.4 million in local income,
 - \$441,000 in taxes and other revenue for local governments, and
 - 30 local jobs.

These are ongoing, annual local impacts that result from the new apartments being occupied, and the occupants paying taxes and otherwise participating in the local economy year after year. The ongoing impacts also include the effect of increased property taxes, based on the difference between the value of raw land and the value of a completed housing unit on a finished lot, assuming that the same tax rate would apply to raw land.

The impacts summarized above were estimated under the assumptions that the new family tax credit apartments have an average market value (based on acquisition, development, construction and lease-up costs for an equivalent market-rate property) of \$120,000; embody an average raw land value of \$12,000; require the builder and developer to pay an average of \$3,043 in impact, permit, and other fees per unit to local governments; and incur an average annual property tax of \$1,200 per unit. These characteristics are similar to the ones employed by NAHB to analyze the impact of an average rental apartment on the U.S. economy.¹

In the past, NAHB has estimated inputs for typical tax credit apartments by collecting information on specific projects from housing tax credit developers. The result was a sample driven by developer cooperation rather than one designed to be representative of tax credit development throughout the country. Moreover, this procedure invariably resulted in an average value per unit that was close to the average value for new market-rate rental apartments. The assumption used in this report—that average inputs for a housing tax credit apartment are similar to average inputs for a market-rate rental apartment—is thus broadly consistent with NAHB's past experience, as well as with the presumption that the housing tax credit program produces apartments of market-rate quality at below market-rate rents.

¹ See "The Direct Impact of Home Building and Remodeling on the U.S. Economy" in *HousingEconomics.com*:
<http://www.nahb.org/generic.aspx?sectionID=734&genericContentID=103543&channelID=311>.



Art display / Gallery Areas

