

The Mayor and Commissioners of the Town of Elkton

MINUTES

September 23, 2020

In order to comply with Governor Larry Hogan's declaration of a State of Emergency as part of Maryland's response to COVID-19, and in order to limit public gatherings during this time, the Mayor and Commissioners of the Town of Elkton (the "Board") conducted a virtual workshop meeting on this date at 12:00 p.m. The following persons participated via computer and/or telephone: Mayor Robert J. Alt; Commissioners Jean A. Broomell, Charles H. Givens, Sr., Robert M. Massimiano and Earl M. Piner, Sr.; Town Administrator Lewis H. George, Jr.; Finance Director Steven H. Repole, CPA; Director of Planning Jeanne D. Minner; Senior Administrative Specialist L. Michelle Henson; and Town Attorney John P. Downs, Esquire.

Mayor Alt called the virtual workshop meeting to order at 12:00 p.m.

Discussion - Southfields PUD

Resolution for a Special Taxing District, Petition by Property Owners, and MuniCap Bond Calculations. Presentation by Kimberly Min, Esq., Whiteford, Taylor & Preston LLP

Mr. George, referring to the planned Southfields Planned Unit Development (Southfields or PUD), stated the developer requested the Board's consideration of creation of a Special Taxing District (District) in order to fund construction of the associated public improvements.

Mr. George stated the District, if approved by the Board, will be created via Resolutions R8-2020, which establishes the District, and R9-2020, which establishes the tax rate and provides for the Town to initiate special bonds for the District, adding that the Resolutions will be presented at a Public Hearing on October 7, 2020.

Mr. George noted that the District is specific to properties developed in the Southfields project, saying properties outside of the district will not be affected.

Mayor Alt questioned the historic process for funding of development projects. Mr. George stated a developer historically added construction related fees, such as major facilities, costs of infrastructure, etc., to the selling price of the developed properties within the project. He stated a Special Tax District provides for those property owners to pay a tax specific to the area, and those funds are used to repay the bonds associated with the public improvements.

Mr. George stated the Town will be under no obligation to meet any unforeseen financial shortfalls. He stated the developer is financially responsible if the cost of public improvements exceeds the amount of the bonds.

Commissioner Broomell questioned the financial impact for individual property owners. Mr. George stated that amount is unknown at this point, noting that the amount will be based upon the property assessment. He added that Muncipal will perform the calculations to determine the financial impact on individual property owners.

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Mayor Alt stated he is aware of concerns that residents outside of the Special Tax District will be responsible for funding the infrastructure costs. He stated the properties within the District will be assessed at the time of each property settlement, adding that the Town and or residents outside of the District will have no financial obligation.

Mr. George noted that the commercial parcel identified as "I" will be developed as a logistics site and is not part of the District.

Commissioner Broomell questioned if the Special Tax is a one-time attachment. Mr. George stated the assessment, which is based upon the value of the home, will be paid annually until the 30-year maturity date of the associated bonds.

Ms. Min stated Special Tax Districts are used throughout Maryland and the rest of the country.

Mayor Alt questioned the advantages to the Town. Ms. Min stated the Town will eventually own the road and related infrastructure.

Commissioner Broomell questioned who will bear the costs of roads and infrastructure during development. Mr. George stated the total costs of roads and related infrastructure will be incorporated into a Public Works Agreement between the developer and the Town, adding that the funds will be placed in escrow.

Mr. George stated the District will be dissolved once the cost of developing the required infrastructure is repaid to the bond holders, the term of which is over a period 30 years.

Mayor Alt queried those in the virtual audience for comments.

Mr. Richard Lemen questioned what will happen if the infrastructure costs exceed the bond issuance. Mr. George stated the developer will be responsible for costs that exceed the bond issuance.

Mr. Tim Rothermel requested an update regarding Chief of Police candidates. Mayor Alt stated candidate applications are under review.

Hearing no additional comments or questions, Mayor Alt adjourned the virtual workshop meeting at 1:10 p.m.

L. Michelle Henson
Senior Administrative Specialist

A VIDEO RECORDING OF THIS MEETING RETAINED AT THE ADMINISTRATION
OFFICE