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August 2, 2013

County Executive Tari Moore
County Council President Robert Hodge
200 Chesapeake Boulevard
Elkton, Maryland 21921

Dear Mrs. Moore and Mr. Hodge:

Attached is a Memorandum as requested summarizing our recent discussions concerning the proposed purchase of Lot 1 in Elkton on High Street and North Street. As we indicated, this gives the County fair value for the property based on appraisals after donation of the land value. It also allows the Buyer to move forward with the project.

As we indicated, time is of the essence. Please let me know when I can present this at a work session to the Council so that we can discuss it and hopefully get it on the agenda of the Council for review, get an amendment to the contract prepared, and have it reviewed and submitted to the Council at a public meeting as soon as possible.

Thank you for your cooperation.

Sincerely,



Dwight E. Thomey

DET/pda
3-2012-328
Enclosures

MEMORANDUM
OF PROPOSAL OF FINAL TERMS
FOR PURCHASE OF REVISE LOT 1
NORTH & HIGH STREETS
ELKTON, MARYLAND
214 & 218 NORTH STREET

On July 6, 2012, Cecil County entered into an agreement to sell to Home Partnership of Cecil County, Inc. Lot 1 located at 214 and 218 North Street for \$400,000.00 comprised of 1.115 acres. The contract contained numerous contingencies and was generally contingent upon the Buyer obtaining approval to construct a minimum of 50 affordable age-restricted apartments on the property and obtaining certain tax credit financing for the project.

After the contract was entered into, it was determined that a portion of Lot 2 (0.223 acres +/-) would need to be added to Lot 1 in order for there to be enough land to obtain site plan approval for the project. The Buyer has offered to pay the County an additional \$15,000.00 for the land plus construct improvements to the 137 East High Street property. In discussions with County staff it was estimated by the Buyer that the improvements to the 137 East High Street property were approximately \$50,273.00. In total then, the consideration to the County for the 1.38 acres would be \$415,000.00 plus the \$50,273.00 in improvements to the 137 East High Street structure. In order for the project to use Partnership Rental Housing Program funds from the State, the County is required to contribute the value of the land which based upon appraisals is \$200,000.00 as a local government contribution.

The Buyers have had a soils analysis of the site performed by ECS. Attached is a copy of said report and a plat of what was discovered. The entire yellow colored

area will require 12 feet of excavation of poor and/or contaminated soils and other color coded areas will require excavation of from one to four feet of soils. An estimate for removing and disposing of said soils was received from Southway Builders and is attached showing an estimated total cost of \$38,480.00 plus \$10,000.00 plus \$5,000.00 plus \$2,000.00 or a total of \$55,480.00.

The Buyer proposes that it will absorb the soils excavation and disposal costs in return for the County agreeing to absorb the costs for rehabilitating 137 East High Street. The Buyer will assume the risk that the soils costs will not exceed the estimate it has received.

Finally, the neighboring property owner, Crouse Brothers Heating & Air Conditioning, has historically received delivery to the rear of their building by traversing across the County's parcels. We have agreed to grant them an easement but they will require that the County also grant them an easement for access to their property. We request that you grant their request so as to avoid opposition from them to the project. See attached plat.

The net effect of all of the above is that the County would receive \$415,000.00 from the property and that a quality housing project will be developed in Elkton. Attached are architectural renderings of the proposed project. In addition, an historic structure will be rehabilitated and used (the original Cecil County jail built in the 1800's) and the property will be placed on the tax rolls for future years.