

RESOLUTION NO. 002-26

1 COUNTY COUNCIL
2 OF
3 HARFORD COUNTY, MARYLAND
4 Resolution No. 002-26
5 Legislative Session Day 26-003

Introduced by Council President
at the request of the County Executive

9 A RESOLUTION of the County Council of Harford County, Maryland, approving the
10 execution by the County Executive of an Agreement for Payments in Lieu of Taxes (the “PILOT
11 Agreement”) with St. John’s Commons, Inc., a copy of which is attached hereto and incorporated
12 herein by reference.

13

RESOLUTION NO. 002-26

1 WHEREAS, St. John's Commons, Inc. owns and operates a 40-unit affordable housing
2 project, known as St. John's Commons located at 601 Pennington Avenue, Harve de Grace,
3 Maryland with the Tax identification number 06-011284 (hereinafter collectively referred to as
4 "the Project"); and

5 WHEREAS, St. John's Commons, Inc. has previously entered into Payment in Lieu of
6 Taxes Agreement ("the Pilot Agreement") with Harford County, Maryland (the "County") in
7 accordance with Resolution 5-12; and

8 WHEREAS, St. John's Commons, Inc. desires to continue this arrangement and, to
9 facilitate the ongoing maintenance and operation of St. John's Commons, Inc., has again requested
10 that Harford County, Maryland enter into a Payment In Lieu Of Taxes ("PILOT") agreement,
11 pursuant to which the Project will be exempt from County real property taxes in consideration of
12 St. John's Commons, Inc.'s agreement to pay a negotiated amount to the County for each tax year
13 in lieu of County real property taxes; and

14 WHEREAS, Section 7-505 of the Tax-Property Article of the Annotated Code of Maryland
15 provides, among other things, that real property outside of Baltimore City may be exempt from
16 county property tax if: (i) the real property is owned by a person engaged in constructing or
17 operating housing structures or projects (which may include non-dwelling commercial and
18 community facilities, community rooms, dining halls and infirmaries to service its occupants and
19 the surrounding neighborhood); (ii) the real property is used for a housing structure or project that
20 is constructed under a federal, state or local government program that funds construction, or
21 insures its financing, or provides interest subsidy, rent subsidy or rent supplements, and is
22 substantially completed after July 1, 1978; (iii) the structures and facilities on the real property are
23 governmentally controlled as to rents, charges, rates of return and methods of operation as to

1 operate on a nonprofit or limited distribution bases; and (iv) the owners thereof enter into an
2 agreement with the governing body of the county where the real property is located for the payment
3 of a negotiated sum or sums in lieu of all local taxes on said real property; and

4 WHEREAS, St. John's Commons, Inc. is engaged in the business of operating affordable
5 senior housing projects within the meaning of Section 7-505 of the Code; and

6 WHEREAS, the Project was constructed, in whole or in part, within the meaning of Section
7 7-505 of the Code, as the Project was financed through a loan made by the United States, acting
8 by and through the U.S. Department of Housing and Urban Development; and

9 WHEREAS, as part of the PILOT Agreement, St. John's Commons, Inc. will covenant and
10 agree, in accordance with the terms and conditions of Section 7-505 of the Code, that it or its
11 successors or assigns will operate the Project as affordable senior housing for a term of at least 40
12 years from and after July 1, 2011; and

13 WHEREAS, the Project meets the requirements and criteria of Section 7-505 of the Code;
14 and

15 WHEREAS, pursuant to the PILOT Agreement, St. John's Commons, Inc., its successors
16 or assigns will pay in year one of the term to the County in lieu of County real property taxes the
17 amount of \$380.66 per unit and shall increase annually at 3% per unit per year beginning July 1,
18 2026 and continuing for the remainder of the term, terminating on June 30, 2041, as provided in
19 the attached PILOT Agreement; and

20 WHEREAS, the County has determined that it should enter into a PILOT Agreement on
21 the terms set forth herein to facilitate the maintenance and operation and hereby make affordable
22 senior housing available to citizens of the County.

1 NOW, THEREFORE, BE IT RESOLVED by the County Council of Harford County,
2 Maryland, that the County Executive be, and he hereby is, authorized and empowered to execute
3 and deliver the PILOT Agreement, which is attached hereto and incorporated by reference herein,
4 on behalf of the County; and

5 BE IT FURTHER RESOLVED, that the County Executive, prior to the execution and
6 delivery of the PILOT Agreement, may make such changes or modifications to the PILOT
7 Agreement as he deems appropriate in order to accomplish the purpose of the transaction
8 authorized by this Resolution, provided that such changes or modifications shall be within the
9 scope of the transaction authorized by this Resolution, and the execution of the PILOT Agreement
10 by the County Executive shall be conclusive evidence of the approval by the County Executive of
11 all changes or modifications to the PILOT Agreement and the PILOT Agreement shall thereupon
12 become binding upon the County in accordance with its terms; and

13 BE IT FURTHER RESOLVED that this Resolution shall take effect on its adoption.

ATTEST:

President of the Council

Council Administrator

Harford County Executive

ADOPTED:

AGREEMENT FOR PAYMENTS IN LIEU OF REAL PROPERTY TAXES

by and between

ST. JOHN'S COMMONS, INC.

and

HARFORD COUNTY, MARYLAND

TABLE OF CONTENTS

1. Definitions	1
2. Representations and Warranties by the Owner	3
3. Agreements of the Owner Concerning Availability of the Project for Low Income Elderly Persons or Households	4
4. Payments in Lieu of Real Property Taxes	4
5. Sale of Project	5
6. Term	5
7. Notices	5
8. Cash Distribution	5
9. Entire Agreement; Headings	6
10. Governing Law	6
11. Assignment	6
12. Successors and Assigns	6
13. Recitals	6

AGREEMENT FOR PAYMENTS IN LIEU OF REAL PROPERTY TAXES

THIS AGREEMENT FOR PAYMENTS IN LIEU OF REAL PROPERTY TAXES (the "Agreement") is made as of _____, 20____, by and between **ST. JOHN'S COMMONS, INC.** (hereinafter referred to as the "Owner"), and **HARFORD COUNTY, MARYLAND**, a body corporate and politic of the State of Maryland (hereinafter referred to as the "County").

RECITALS:

WHEREAS, the Owner owns that certain tract of improved real property located at 210 N. Stokes Street, Havre de Grace, Maryland that is more particularly described on Exhibit A attached hereto and made a part hereof, and has constructed thereon an affordable 40-unit senior housing complex, known as St. John's Commons (the "Project"); and

WHEREAS, Section 7-505 of the Tax-Property Article of the Annotated Code of Maryland provides, among other things, that real property outside of Baltimore City may be exempt from county property tax if: (i) the real property is owned by a person engaged in constructing or operating housing structures or projects (which may include non-dwelling commercial and community facilities, community rooms, dining halls and infirmaries to service its occupants and the surrounding neighborhood); (ii) the real property is used for a housing structure or project that is constructed under a federal, state or local government program that funds construction, or insures its financing, or provides interest subsidy, rent subsidy or rent supplements, and is substantially completed after July 1, 1978; (iii) the structures and facilities on the real property are governmentally controlled as to rents, charges, rates of return and methods of operation so as to operate on a nonprofit or limited distribution basis; and (iv) the owners thereof enter into an agreement with the governing body of the county where the real property is located for the payment of a negotiated sum or sums in lieu of all local taxes on said real property; and

WHEREAS, the Project has already been constructed and the Use and Occupancy Permit was issued by the City of Havre de Grace on May 11, 2011 and the Project is, therefore, deemed substantially complete as of May 11, 2011; and

WHEREAS, the Owner is engaged in the business of constructing and operating housing structures or projects; and

WHEREAS, a portion of the financing for the construction of the Project was made available to the Owner by the United States, acting by and through the U.S. Department of Housing and Urban Development; and

WHEREAS, the Owner will operate the Project for rental housing on a limited distribution basis pursuant to a Capital Advance Program Regulatory Agreement from HUD (as hereinafter defined) executed in connection with the financing of the Project; and

WHEREAS, the Owner is willing to enter into this Agreement to dedicate the Project for use by low income elderly persons or households for the extended period of time that is herein described; and

WHEREAS, the County is duly authorized and empowered to enter into and deliver this Agreement pursuant to the County Resolution (herein defined); and

WHEREAS, pursuant to and in accordance with Section 7-505 of the Maryland Property Tax Code (herein defined) and the County Resolution, the County, acknowledging and agreeing that the Project constructed and operated by the Owner meets the requirements and criteria of Section 7-505 of the Maryland Property Tax Code, wishes to enter into this Agreement to accept certain negotiated payments in lieu of real property taxes so as to facilitate the maintenance and operation of the Project and thereby make available to citizens of the County much needed senior housing for persons of low and moderate incomes.

AGREEMENTS

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that for and in consideration of the mutual covenants, terms and agreements set forth in this Agreement and pursuant to the power and authority of Section 7-505 of the Maryland Property Tax Code and the County Resolution, the County and the Owner hereby agree as follows:

1. Definitions. The following defined terms, when and as used in this Agreement, shall have the meanings herein ascribed to them:

(a) "HUD" means the United States, acting by and through the U.S. Department of Housing and Urban Development.

(b) "HUD Deed of Trust" means a deed of trust or mortgage made by the Owner to or for the benefit of HUD, encumbering the Project and securing the fulfillment by the Owner of all of the Owner's obligations with respect to the HUD Loan (as hereinafter defined), as the same may be amended or supplemented from time to time.

(c) "HUD Loan" means that certain loan that is made to the Owner by HUD to finance a portion of the cost of acquisition and construction of the Project, as the same may be modified or extended from time to time.

(d) "Regulatory Agreement" means the Capital Advance Program Regulatory Agreement made between the Owner and HUD at the time of closing of the HUD Loan and which is to govern the operation of the Project by the Owner, as the same may be amended or supplemented from time to time.

(e) "County Resolution" means Resolution No. __-26, adopted by the County Council of the County on ____, and approved by the County Executive of the County on _____.

(f) "County Real Property Taxes" means the Harford County real property taxes that but for this Agreement would be payable by the Owner to the County with respect to the Project for each PILOT Tax Year falling within the Term.

(g) "Date of Substantial Completion" means May 11, 2011, which is the date as of which the construction of the Project was substantially complete, as evidenced by the City of Havre de Grace's issuance to the Owner of a certificate of use and occupancy for the Project.

(h) "Land" means that certain tract of real property, comprising approximately .6887 acres, in the aggregate, located at 210 N. Stokes Street, Havre de Grace, Maryland now known by street address 601 Pennington Ave. Havre de Grace, Maryland 21078 and identified by the tax identification number 06-011284. The Land itself is more particularly described in Exhibit A.

(i) "Low Income Elderly Persons and Households" means those persons as set forth in the Regulatory Agreement.

(j) "Maryland Property Tax Code" means the Tax-Property Article of the Annotated Code of Maryland, as the same is amended or supplemented from time to time.

(k) "Payment" means each payment required to be paid by the Owner in lieu of County Real Property Taxes, as set forth in Section 4 of this Agreement.

(l) "Project" means, collectively, the Land and that certain 40-unit senior housing project that was constructed on the Land by the Owner and is known as St. John's Commons, as the same may be renovated, rehabilitated, reconstructed or expanded from time to time.

(m) "Section 7-505" means Section 7-505 of the Maryland Property Tax Code.

(n) "State" means the State of Maryland.

(o) "PILOT Tax Year" means each one (1) year period commencing on July 1st and ending on June 30th falling within the Term.

(p) "Term" means that period of time commencing on July 1, 2026 and ending on June 30, 2041.

2. Representations and Warranties by the Owner. The Owner hereby represents and warrants that:

(a) it is engaged in the business of constructing and operating housing structures or projects, within the meaning of Section 7-505;

(b) the Project is a housing structure or project that was constructed under a Federal program that funds construction in whole or in part within the meaning of Section 7-505 because a portion of the cost of construction of the Project will be or is financed through the HUD Loan; and

(c) all necessary action has been taken to authorize the execution of this Agreement by the individual whose signature appears below.

3. Agreements of the Owner Concerning Availability of the Project for Low Income Elderly Persons and Households. The Owner hereby covenants and agrees that it will operate the Project as housing for Low Income Elderly Persons and Households throughout the Term. It is expressly understood, that the covenant and agreement of Owner contained in this Section 3 to operate the Project as housing for Low Income Elderly Persons and Households throughout the Term, as well as all other covenants and agreements of Owner contained in this Agreement, shall be binding on all successors and assigns of Owner in accordance with Section 12 of this Agreement.

4. Payments in Lieu of Real Property Taxes.

(a) The Project shall be exempt from all County Real Property Taxes at all times during the Term provided the requirements of subsection (a) of §7-505 have been met. Each Payment shall be paid by the Owner and accepted by the County in lieu of all County Real Property Taxes that would otherwise have been payable by the Owner with respect to the Project for the applicable PILOT Tax Year.

(b) The Payment for the beginning of the term shall be three hundred eighty dollars and sixty-six cents (\$380.66) per unit for year one. Thereafter, the Payment shall increase three percent (3%) per unit per year beginning on July 1, 2027. This Agreement will terminate on June 30, 2041.

(c) The Payment required under Section 4(b) above for year one (1) of the Term shall be due and payable on or before September 30th, 2026. The Payment required under Section 4(b) above for each subsequent PILOT Tax Year through the end of the Term shall be due and payable on or before September 30th of the applicable PILOT Tax Year.

(d) Notwithstanding anything to the contrary set forth elsewhere in this Agreement, the Payment otherwise required to be paid by the Owner with respect to a PILOT Tax Year shall never exceed the County Real Property Taxes that would otherwise have been due and payable with respect to the Project for such PILOT Tax Year.

(e) If any Payment for PILOT Tax Year is not paid by September 30th of the PILOT Tax Year for which the Payment is due, interest shall be payable thereon at the rate of 10 percent (10%) per annum accruing as of the above-referenced dates until paid.

5. Sale of Project. In the event of the sale or other transfer of Owner's right, title and interest in and to the Project, which is expressly permitted hereunder, Owner shall be relieved of all obligations and liabilities under this Agreement accruing after the date of such sale or transfer, and the purchaser or transferee of Owner's right, title and interest in and to the Project shall automatically, without the execution of any further documentation, become responsible for all obligations and liabilities of Owner under this Agreement accruing from and after the date of such sale or transfer. Any subsequent sales or transfers shall likewise relieve the seller or transferor of all obligations and liabilities under this Agreement accruing from and after the date of sale or transfer, and the purchaser or transferee shall automatically become responsible therefor.

6. Term. This Agreement shall terminate on June 30, 2041 or on the earlier of the date on which the Project ceases to be subject to the Regulatory Agreement or the date on which there is a change in the use of the Project by the Owner without the prior written approval of Harford County.

7. Notices. For purposes of this Agreement, all notices shall be in writing and either hand delivered or sent by United States certified or registered mail, postage prepaid, return receipt requested. Notices shall be given to the parties as follows:

IF TO THE COUNTY, THEN TO:	Harford County, Maryland 220 South Main Street Bel Air, Maryland 21014 Attention: County Executive and County Treasurer
IF TO THE OWNER, THEN TO:	St. John's Commons, Inc. 505 Congress Avenue Havre de Grace, Maryland 21078 Attention: Sheri L. Snyder, Executive Director

Any party to this Agreement may modify its address to which notice to it shall be sent, by delivery of notice to the other parties hereto in accordance with the foregoing. Each notice that is sent by one party to this Agreement in accordance with the foregoing shall be presumed to have been received on the business day it is personally delivered or three (3) business days after the date of mailing, as applicable. Notwithstanding any provision to the contrary contained in this Agreement, any person or party not listed in this section shall not be entitled to notice as may be required by this Agreement, unless one party notifies the other parties that additional notice shall also be sent to such person or party.

8. Cash Distribution. The Owner shall not be entitled to any cash distribution except as permitted in accordance with the Regulatory Agreement.

9. Entire Agreement; Headings. This Agreement contains the entire agreement of the parties to this Agreement with respect to the matters herein set forth. All other agreements and understandings of the parties to the Agreement, written or oral, if any, are merged into this Agreement. The headings set forth at the beginning of each of the sections of this Agreement are inserted for convenience of reference only and shall not be deemed to have any independent legal significance or meaning whatsoever.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

11. Assignment. This Agreement may be assigned to a holder of a mortgage or deed of trust in the event of a foreclosure under said mortgage or deed of trust, provided that such assignee shall be subject to the terms and conditions of this Agreement. This Agreement may also be assigned to any limited liability limited partnership controlled by St. John's Commons, Inc. The Owner shall not make any transfer or exchange of the Property which would change its use as a residential rental project except as permitted by the Regulatory Agreement.

12. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

13. Recitals. The recitals set forth at the beginning of this Agreement shall be deemed to be a part of this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement under seal on and as of the date first set forth above.

WITNESS/ATTEST:

ST. JOHN'S COMMONS, INC.

Shari Snyder

Charlie Hiner
Charlie Hiner, President
St. John's Commons, Inc

HARFORD COUNTY, MARYLAND

Approved as to form and legal
Sufficiency this 15 day of
December, 2026 by

Sean P. Carroll
Assistant County Attorney

Harford County Executive
Robert G. Cassilly

Approved as to financial
sufficiency this _____ day of
_____, 2026 by

RSF/SR
Treasurer of Harford County
Robert S. Sandlass

EXHIBIT A

kjWellsInc
Land Surveying and Site Planning

Telephone: (410) 592-8800
Fax: (410) 817-4055
Email: kwells@kjwellsinc.com

7403 New Cut Road
Kingsville, Md. 21087-1132

July 24, 2010

**Description of that Land of
Merrill R. Dougherty and Susan G. Dougherty
Harve De Grace, Maryland**

Beginning for the same at a point formed by the intersection of the east side of Centennial Alley (20 feet wide) and north side of Pennington Street (70 feet wide), thence binding on the east side of said Centennial Alley 1) *North 1 degree 40 minutes 29 seconds West 150.00 feet*; thence leaving said Centennial Alley and binding on the southernmost side of that land described in a Deed dated May 21, 1979 conveyed by Donald F. Collins, Personal Representative of the Estate of Margaret S. McCommons unto Bernice Pasqualini recorded among the Land Records of Harford County in Liber HDC 1095 folio 768 and also along the southernmost side of that land described in a Deed dated December 29, 2004 conveyed by Thomas R. Cherry unto Thomas R. Cherry and Mary Cherry recorded among the Land Records of Harford County in Liber JJR 5822 folio 523 2) *North 88 degrees 19 minutes 31 seconds East 200.00 feet* to intersect with the west side of the North Stokes Street (70 feet wide), thence binding on said North Stokes Street 3) *South 1 degree 40 minutes 29 seconds East 150.00 feet* to the intersection formed by the west side of said North Stokes Street and the north side of Pennington Street (70 feet wide); thence binding on the north side of said Pennington Street 4) *South 88 degrees 19 minutes 31 seconds West 200.00 feet* to the place of beginning. Containing 30,000 square feet or 0.6887 acres of land more or less.

Being the same land described in a Deed of Consolidation dated March 29, 2010 by and between Merrill R. Dougherty and Susan G. Dougherty (Grantors) and Merrill R. Dougherty and Susan G. Dougherty (Grantees) recorded among the Land Records of Harford County in Liber JJR 8672 folio 267.

