

Ordinance No. \_\_\_\_\_

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE (“CITY”) PURSUANT TO THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND CITY CHARTER SECTIONS 34, 38, 39 AND 73 APPROVING AND PROVIDING FOR A CONTRACT OF SALE AND A MULTI-YEAR INSTALLMENT PURCHASE AGREEMENT BY THE CITY TO ACQUIRE THE LAND, BUILDINGS, PROPERTY AND OTHER IMPROVEMENTS AT 627 AND A PORTION OF 649 WATER STREET, HAVRE DE GRACE, MARYLAND, (“LAND”), FROM HARFORD COUNTY, UPON THE FULL FAITH AND CREDIT AND GENERAL OBLIGATION OF THE CITY TO BE APPROVED BY THE CITY VOTERS AT A SPECIAL CITY ELECTION HELD ON DECEMBER 27, 2016.**

**WHEREAS**, the Mayor and City Council are committed to providing water front access to the public, which access in the past had been denied or limited by private development of property; and

**WHEREAS**, Harford County and the City of Havre de Grace worked together to obtain public ownership of a tract of land along Water Street in the City pursuant to a Memorandum of Understanding dating back to October 17, 2014, which included the City of Havre de Grace expending Four Hundred Thousand Dollars (\$400,000.00) towards Harford County’s acquisition of the waterfront property from a private developer; and

**WHEREAS**, the plan had been for the tract of land to be designed and developed by Harford County and then turned over to the City for use as a public park; and

**WHEREAS**, Harford County has elected to allow the City to take over all aspects of the design and development of the tract of land and to give the City all of the credits available for its past contributions; and

**WHEREAS**, in exchange the City will reimburse Harford County for its net contribution for the acquisition costs for the tract of land; and

**WHEREAS**, the parties have negotiated in good faith and have agreed that the net contribution to be paid back to Harford County in exchange for the transfer of the tract of land to the City of Havre de Grace will be \$1,100,000.00 payable over twenty (20) years with no interest, with annual payments of \$55,000.00 beginning in 2017 and have prepared a written Contract of Sale and an Installment Purchase Agreement to consummate the transaction; and

**WHEREAS**, the Mayor and City Council have determined that the final decision for the City to commit to expend \$1,100,000.00 and acquire the tract of land for use as a waterfront park, rather than to seek the return of \$400,000.00 from Harford County which could allow for private development for the entire tract, belongs with the City voters for approval, at a special City election to be held on December 27, 2016, which stipulation appears in the Contract of Sale and the Installment Purchase Agreement; and

**WHEREAS**, the Mayor and City Council have determined that it is in the best interest of the City to enter into the Contract of Sale and the Installment Purchase Agreement with Harford County with the noted stipulation.

**NOW THEREFORE**, be it enacted and ordained by the Mayor and City Council of Havre de Grace that:

1. The City, shall enter into the Contract of Sale and the Installment Purchase Agreement with a principal balance of \$1,100,000.00 with Harford County to acquire the real property and all of the land and buildings at 627 and a portion of 649 Water Street, Havre de Grace, Maryland within the City ("Land") and to pay the balance of the purchase price or \$1,100,000.00 without interest on the unpaid balance over 20 years in annual installments of \$55,000.00;
2. The Contract of Sale and the Installment Purchase Agreement shall be in substantially the form attached hereto as Exhibit A and made a part hereof, and in such form the Contract of Sale and the Installment Purchase Agreement is hereby approved as to form and content. The Installment Purchase Agreement and the Contract of Sale shall be dated as of the date of its execution by the Mayor and delivery by the City and Harford County at the closing for the acquisition (the "Closing Date");

3. The City's obligation to make payments of the balance of the Purchase Price under the Installment Purchase Agreement is and shall be a general obligation of the City and is and shall be made upon the City's full faith and credit and unlimited taxing authority;
4. The acquisition of the Land and the form of the Contract of Sale and the Installment Purchase Agreement attached hereto as Exhibit A have been determined by the Mayor and City Council to be in the best interests of the City, which Land shall be used for the public purpose of a waterfront park;
5. The Installment Purchase Agreement is a contract providing for the payment of funds for a time beyond the current fiscal year in which it was made and requires the payment of funds from appropriations of later fiscal years;
6. The City shall acquire the Land described in the Contract of Sale and the Installment Purchase Agreement as shown in Exhibit A;
7. The Purchase Price is within the legal limitation on the indebtedness of the City;
8. The only practical way to acquire the Land for the City to use as a waterfront park is by private negotiated agreement between the City and Harford County;
9. That the Contract of Sale and the Installment Purchase Agreement, after approval by the City voters, are authorized to be executed by the Mayor of the City (the "Mayor") and the Installment Purchase Agreement and the Contract of Sale shall bear the corporate seal of the City, attested by the Director of Administration of the City. In the event that any officer whose signature shall appear on the Installment Purchase Agreement and the Contract of Sale shall cease to be such officer before the delivery of the Installment Purchase Agreement and the Contract of Sale, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery;

10. That the Mayor and Director of Finance with the written approval of Harford County are hereby authorized, prior to execution and delivery of the Installment Purchase Agreement and the Contract of Sale, to make such non-material changes or modifications in the form of the Installment Purchase Agreement and the Contract of Sale attached hereto as Exhibit A as may be required or deemed appropriate by them at the direction of the City's Counsel in order to accomplish the purpose of the transaction authorized by this Ordinance; provided that such changes shall be within the scope of the transactions authorized by this Ordinance and the execution of the Installment Purchase Agreement and the Contract of Sale by the Mayor shall be conclusive evidence of the approval by the Mayor of all changes or modifications in the form of the Installment Purchase Agreement and the Contract of Sale and shall thereupon become binding upon the City in accordance with its terms, as authorized by the City Charter and as provided for in this Ordinance;

11. That the Mayor, the Director of Finance of the City and other officials of the City are hereby authorized and empowered to do all such acts and things and to execute, acknowledge, seal and deliver such documents and certificates as the Mayor and the City's Counsel may determine to be necessary to carry out and comply with the provisions of this Ordinance and subject to the limitations set forth in the City Charter;

12. That for the purpose of paying the installments of the deferred portion of the Purchase Price when due and payable there is hereby levied, and there shall hereafter be levied in each fiscal year that any portion of the Purchase Price payable under the Installment Purchase Agreement remains outstanding, *ad valorem* taxes on real and tangible personal property and intangible property subject to taxation by the City, without limitation of rate or amount, and, in addition, upon such other intangible property as may be subject to taxation by the City within limitations prescribed by law, in an amount sufficient, to pay any installment of the deferred portion of the Purchase Price under the Installment Purchase Agreement maturing during the succeeding year and to pay the deferred portion of the Purchase Price until the balance of the Purchase Price under the Installment Purchase Agreement has been paid in full; and the full faith and credit and the unlimited taxing power of the City are hereby irrevocably pledged to the punctual payment of the unpaid balance of Purchase Price under the Installment Purchase Agreement.

13. The final approval of the decision for the City of Havre de Grace to spend \$1,100,000.00 and acquire the Land from Harford County for use as a waterfront park as set forth in the Installment Purchase Agreement and the Contract of Sale shall be with the City voters by vote on a ballot question at a special City election on December 27, 2016.

14. That this Ordinance shall take effect immediately.

WITNESS/ATTEST:

MAYOR AND CITY COUNCIL OF  
HAVRE DE GRACE, MARYLAND

\_\_\_\_\_  
Patrick D. Sypolt,  
Director of Administration

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William T. Martin, Mayor

First Reading: November 21, 2016

Public Hearing: December 5, 2016 and December 19, 2016

Second Reading: January 3, 2017