O-20-25

Sale of City-Owned Property at Spa Road and 935 Spa Road, Lot 1

AMENDMENT 2 - Mayor Buckley

On page 1, strike line 35 down through page 2, line 11, and substitute:

WHEREAS, Portions of the property were used historically for a landfill, incinerator and public works operations; and

WHEREAS, In preparation for the future use and development of the property, the City sought to investigate the potential environmental impacts of these historical uses; and

WHEREAS, As part of this investigation, the City commissioned a Phase II environmental site assessment of the property ("Phase II ESA"), which was completed in February 2025; and

WHEREAS, The results of the Phase II ESA indicate environmental impacts related to the historical uses of the property that will require remedial action before the property can be redeveloped; and

WHEREAS, The City Council has determined that the property is no longer needed currently for public use; and

WHEREAS, The City Council has determined that the sale of the property to the Resilience Authority will serve the public interest by advancing resilience infrastructure projects or environmental initiatives that benefit the residents of Annapolis; and

WHEREAS, Pursuant to Article III, Section 7 of the City Charter, the City may dispose of real property by private sale by ordinance; and

WHEREAS, The City Council has determined that it is in the best interest of the City to sell the Property to the Resilience Authority, for the sole purpose of obtaining grants and funds to remediate the contamination on the property and, to thereafter having obtained sufficient funds, conduct remediation of the property.

WHEREAS, The City has entered into a memorandum of understanding with the Resilience Authority to facilitate the development, funding, and execution of resilience infrastructure projects in the City; and

WHEREAS, The City and the Resilience Authority have identified a brownfield grant administered by the United States Environmental Protection Agency ("EPA") that may provide significant funding for the planning and execution of necessary remedial actions on the property; and

WHEREAS, The City of Annapolis is not eligible to receive an EPA brownfield grant; and

WHEREAS, The Resilience Authority would be eligible to receive an EPA brownfield grant if it owned the property; and

WHEREAS, The Resilience Authority is willing to accept ownership of the property for the purpose of of remediating the property pursuant to the terms and conditions of an EPA brownfield grant, consistent with its mission to address environmental challenges, climate resilience, or infrastructure needs within the City and consistent with its memorandum of understanding with the City; and

WHEREAS, certain actions are necessary to prepare the property for remediation, such as the removal of structures, vehicles, trash, or other materials not covered by the EPA brownfield grant must be completed prior to the Resilience Authority's commencement of remedial activities, and

WHEREAS, the City has determined it is in the public interest to undertake or fund such prerequisite actions prior to the Resilience Authority's commencement of remedial activities."

On page 2, strike lines 26 through 28 and substitute:

6. Notwithstanding subparagraph 5. above, the City shall be responsible for undertaking or funding such preparatory actions as are necessary to enable the Resilience Authority to carry out remedial activities on the property under the EPA brownfield grant to the extent such actions are not funded by the grant. These actions may include, but are not limited to, the removal of structures, vehicles, trash, or other materials not eligible for reimbursement under the grant.

7. The Resilience Authority shall apply for a brownfield grant from the Environmental Protection Agency for the purpose of remediating contamination on the property pursuant to the conditions and terms of the grant;

8. If the Resilience Authority is successful in obtaining a brownfield grant from the Environmental Protection Agency, the Resilience Authority shall make best efforts to complete the remediation activities of the property to the satisfaction of the grantor pursuant to the terms and conditions of the grant agreement;

9. During remediation, the Resilience Authority shall coordinate with the Annapolis Heritage Commission and the City to secure any Council-required on-site archaeological consulting that is not covered by the grant; any cost and liability shall be covered by the City.

10. The deed transferring the property shall include a reverter clause providing that the property shall revert to the City of Annapolis upon acceptance by the Environmental Protection Agency that the remediation activities were completed pursuant to the terms and conditions of the grant.

11. If the resilience authority is unable to obtain funding for remediation pursuant to an Environmental Protection Agency brownfield grant, the property shall revert to the City of Annapolis upon EPA's denial of the Resilience Authority's grant application.

12. The City shall be responsible for all costs associated with the reversion of the property to the City of Annapolis."

On page 2, strike lines 30 through 38 and substitute:

SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that:

1. The Mayor is hereby authorized to execute all documents necessary to effectuate the sale of the Property to the Resilience Authority for a purchase price of$1.00.

2. The Office of Law is hereby authorized and directed to prepare all necessary documents to effectuate the sale and transfer of the Property consistent with this ordinance.

3. Prior to any submission of development plans to the City's Department of Planning & Zoning regarding development or remediation of these properties, a work session shall be held with the Council and concurrence with the development plan sought from the City Council via Resolution.

4. Any grant applications for remediation assistance funding, or correspondence with Maryland Department of the Environment shall specify that the intended use of the properties is to have one side be dedicated to affordable housing, and the other for City office spaces or other City-related non-residential uses.

On page 2, line 40, strike "II" and substitute "III."

CHANGES TO THE ORIGINAL ORDINANCE:

WHEREAS, The City of Annapolis ("City") is the owner of certain real property located at 932 Spa Road, Annapolis, Maryland, also known as Tax Map 51F, Grid 1, Parcel 62; Spa Road (identified on Anne Arundel County Tax Map 51F, Grid 1, Parcel 358, Tax ID 06-000-01407408); and 935 Spa Road, Lot 1, Annapolis, Maryland, also known as Tax Map 51F, Grid 8, Parcel 859, Lot 1 (collectively, "Property"); and

WHEREAS, The Resilience Authority of Annapolis and Anne Arundel County, Inc. (Resilience Authority") was established pursuant to State and local law to undertake and support resilience infrastructure projects in the City of Annapolis and Anne Arundel County; and

WHEREAS, Portions of the property were used historically for a landfill, incinerator and public works operations; and

WHEREAS, In preparation for the future use and development of the property, the City sought to investigate the potential environmental impacts of these historical uses; and

WHEREAS, As part of this investigation, the City commissioned a Phase II environmental site assessment of the property ("Phase II ESA"), which was completed in February 2025; and

WHEREAS, The results of the Phase II ESA indicate environmental impacts related to the historical uses of the property that will require remedial action before the property can be redeveloped; and

WHEREAS, The City Council has determined that the property is no longer needed currently for public use; and

WHEREAS, The City Council has determined that the sale of the property to the Resilience Authority will serve the public interest by advancing resilience infrastructure projects or environmental initiatives that benefit the residents of Annapolis; and

WHEREAS, Pursuant to Article III, Section 7 of the City Charter, the City may dispose of real property by private sale by ordinance; and

WHEREAS, The City Council has determined that it is in the best interest of the City to sell the Property to the Resilience Authority for the sole purpose of obtaining grants and funds to remediate the contamination on the property and, to thereafter having obtained sufficient funds, conduct remediation of the property.

WHEREAS, The City has entered into a memorandum of understanding with the Resilience Authority to facilitate the development, funding, and execution of resilience infrastructure projects in the City; and

WHEREAS, The City and the Resilience Authority have identified a brownfield grant administered by the United States Environmental Protection Agency ("EPA") that may provide significant funding for the planning and execution of necessary remedial actions on the property; and

WHEREAS, The City of Annapolis is not eligible to receive an EPA brownfield grant; and

WHEREAS, The Resilience Authority would be eligible to receive an EPA brownfield grant if it owned the property; and

WHEREAS, The Resilience Authority is willing to accept ownership of the property for the purpose of of remediating the property pursuant to the terms and conditions of an EPA brownfield grant, consistent with its mission to address environmental challenges, climate resilience, or infrastructure needs within the City and consistent with its memorandum of understanding with the City; and

WHEREAS, Certain actions are necessary to prepare the property for remediation, such as the removal of structures, vehicles, trash, or other materials not covered by the EPA brownfield grant must be completed prior to the Resilience Authority's commencement of remedial activities, and

WHEREAS, The City has determined it is in the public interest to undertake or fund such prerequisite actions prior to the Resilience Authority's commencement of remedial activities.

NOW, THEREFORE, BE IT RESOLVED BY THE ANNAPOLIS CITY COUNCIL that the Property located at 932 Spa Road and 935 Spa Road, Lot 1, Annapolis, Maryland, shall be sold to the Resilience Authority of Annapolis and Anne Arundel County, Inc. subject to the following terms and conditions:

1. The approval of this sale is contingent upon the City's completion of the subdivision of the property at 935 Spa Road into Lot 1 and Lot 2, with only Lot 1 being the subject of this Ordinance;
2. The City shall be responsible for all costs associated with the subdivision process;
3. The Resilience Authority shall use the Property for purposes consistent with its mission to address environmental challenges, climate resilience, or infrastructure needs;
4. The City shall be responsible for all costs associated with the transfer of the Property;
5. The Resilience Authority shall accept the Property in "as is" condition;

~~6. The deed transferring the Property shall include a reverter clause providing that the Resilience Authority's ownership of the Property shall revert to the City seven years from the date of the transfer.~~

6. Notwithstanding subparagraph 5. above, the City shall be responsible for undertaking or funding such preparatory actions as are necessary to enable the Resilience Authority to carry out remedial activities on the property under the EPA brownfield grant to the extent such actions are not funded by the grant. These actions may include, but are not limited to, the removal of structures, vehicles, trash, or other materials not eligible for reimbursement under the grant.

7. The Resilience Authority shall apply for a brownfield grant from the Environmental Protection Agency for the purpose of remediating contamination on the property pursuant to the conditions and terms of the grant;

8. If the Resilience Authority is successful in obtaining a brownfield grant from the Environmental Protection Agency, the Resilience Authority shall make best efforts to complete the remediation activities of the property to the satisfaction of the grantor pursuant to the terms and conditions of the grant agreement;

9. During remediation, the Resilience Authority shall coordinate with the Annapolis Heritage Commission and the City to secure any Council-required on-site archaeological consulting that is not covered by the grant; any cost and liability shall be covered by the City.

10. The deed transferring the property shall include a reverter clause providing that the property shall revert to the City of Annapolis upon acceptance by the Environmental Protection Agency that the remediation activities were completed pursuant to the terms and conditions of the grant.

11. If the resilience authority is unable to obtain funding for remediation pursuant to an Environmental Protection Agency brownfield grant, the property shall revert to the City of Annapolis upon EPA's denial of the Resilience Authority's grant application.

12. The City shall be responsible for all costs associated with the reversion of the property to the City of Annapolis.

SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that:

A. The Mayor is hereby authorized to execute all documents necessary to effectuate the sale of the Property to the Resilience Authority for a purchase price of$1.00.

B. The Office of Law is hereby authorized and directed to prepare all necessary documents to effectuate the sale and transfer of the Property consistent with this ordinance.

C. Prior to any submission of development plans to the City's Department of Planning & Zoning, regarding development and/or remediation of these properties, a work

session shall be held with the Council and concurrence with the development plan sought from the City Council via Resolution.

SECTION III: AND BE IT FINALLY ESTABLISHED AND ORDAINED BY ANNAPOLIS CITY COUNCIL that this ordinance shall take effect upon passage.