



September 6, 2024

Joseph Pulver
Director, Division of Credit Assurance
Director, Maryland Housing Fund
Department of Housing and Community Development
7800 Harkins Rd.
Lanham, MD 20706

Re: Notice of Default -Mitchell Landing

Mr. Pulver,

I am receipt of your letter regarding the Notice of Default of the PHRP agreement entered into by the City of Salisbury in 1993. I am sure it comes as no surprise, this property has been under some level of criticism for **almost 10 years of the prior administration.**

As the new Mayor, I inherited this entire problem which is quite sad and unnecessary. In short, I inherited both the condition of the property as well as the LDA contract signed in December 2021 by Rivermitch, LLC/Green Street Housing, LLC (GSH). While anyone familiar with the situation, I clearly have my issues with the evolution of this LDA agreement both in contract terms and approach which I have documented. That said, about 8 days ago, I was notified by our legal counsel of a pending settlement with Rivermitch, LLC. In that process, I was merely checking for the final conditions of the contract. To my surprise, after all the forgiven sins of this process and after 3 years of the property being under contract, which I assume DHCD is well aware, the **ONLY** condition apart from the buyer's "demand" to close was a CDA commitment for the financing/rehabilitation of the project. A condition which Rivermitch, LLC did not have and could not satisfy. ***The CDA commitment condition was included in both the RFP and the LDA.*** Further, a condition which was the only reason --quite logically --the City of Salisbury would wait for 3-years for settlement. Otherwise, what are we waiting for and by the way ---a process which Rivermitch/GSH said in the RFP would only take 12-14 months.

I think it is important to point out – Rivermitch, LLC does not believe the CDA Commitment as a condition of closing despite 3(a) in fact “defines” its execution as the collar of the closing date. In short, I completely disagreed with that assessment and as such - I would not go to settlement.

Mayor's Office
115 S. Division St., Salisbury, MD 21801
410.548.3100
www.salisbury.md



For clarity, I had this entire agreement reviewed by independent legal counsel. Attached is that independent summary for your review. As you can see, there are meaningful challenges with the contract's righteousness INDEPENDENT of the obvious challenge of the CDA commitment. This commitment for financing - in my mind - is both a contractual obligation, but it is central to protecting the City's interest as it is the only mechanism to bring this project to fruition. Mitchell Landing is an extremely important component of local affordable housing and it has been "off-line" for way too long and can not be moth-balled any longer.

As you can see, I am in a challenging position. Clearly, inflammatory tones do not serve the issue at hand. As Mayor, I am merely doing my job, protecting the City's interest and in that effort, protecting Mitchell Landing - as directed by the LDA. I would hope DHCD would share the same goal.

It would be my hope that this matter could be resolved but I am equally hopeful that is not the intent of DHCD to interrupt the City of Salisbury protecting its interest as we pursue the same goal of rehabilitation. In that spirit, I would ask for the same discretion applied in the past 3 years as the parties attempt to resolve the matter.

Regards,

A handwritten signature in blue ink, appearing to read "R. Taylor", is written over the typed name.

Randolph J. Taylor
Mayor

LAW OFFICES
LAWS, INSLEY & BENSON, P.A.

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-Of Counsel-

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RICHARD E. CULLEN
(1914-1993)

VICTOR H. LAWS
(1919-2017)

Writer's E-Mail Address:
rbenson@shore-lawyers.com

September 5, 2024

The Honorable Randy Taylor
Mayor
City of Salisbury
115 S. Division Street
Salisbury, MD 21801

Re: Land Disposition Agreement
Mitchell Landing Apartments

Dear Mayor Taylor:

You have requested that I review the Land Disposition Contract, dated December 20, 2021, between the City of Salisbury and Rivermitch, LLC (herein "LDC"). In August 2021, the City declared the real property located at 135 Mitchell Road, Salisbury, Maryland ("Mitchell Landing") to be surplus. In October of 2021, the City issued a Request for Proposal for the disposition of Mitchell Landing ("RFP 21-101"). On or about November 5, 2021, Green Street Housing, LLC submitted a proposal for the Mitchell Landing RFP 22-101.¹

¹ There appears to be a discrepancy in the RFP number. The Request for Proposal the City issued for Mitchell Landing is identified as #RFP 21-101. The Green Steet response is labeled RFP 22-101. In the LDC, the RFP is identified as RFP 22-101.

On November 22, 2021, the Salisbury City Council voted to award the Mitchell Landing RFP. In the LDC it states the party awarded the RFP was the Developer. Accordingly, in the RFP award the Developer is presumed to be Rivermitch, LLC. On December 20, 2021, the City of Salisbury and Rivermitch, LLC entered into the LDC to set forth the terms of the purchase for Mitchell Landing.

In Paragraph 3.4 of the City's RFP, requirements for the LDC that will be executed upon the award of the RFP are set forth. Specifically, the RFP requires that the LDC implement the provisions of the RFP considered appropriate by the City Council. It appears almost none of the RFP controls were included in the LDC. It is not clear from the documents I have been provided what, if any, controls the City Council intended to be included in the LDC.

In the RFP submittal made by Green Street Housing, LLC, the financial information and the information required as part of the RFP submittal is substantially, if not completely, information for Green Street Housing, LLC². However, page 10 of the submittal Green Street Housing, LLC states it will be partnering with Wicomico County Housing Authority (herein "WCHA") and Green Street Housing, LLC will be a 51% owner and WCHA a 49% owner. Further in the RFP submittal, Green Street Housing, LLC stated that "settlement will occur within 12-14 months of the execution of the LDC" and "shall settle within 60 days of the execution of the commitment letters for MBP and RHW financing from Maryland CDA". The RFP submittal requires Green Street Housing, LLC, or the Developer, to renovate the Mitchell Landing Apartments and the City's awarding of the RFP to Developer is contingent on that renovation.

On December 20, 2021, the City and Rivermitch, LLC executed the Land Disposition Contract. In Paragraph 3 of the LDC, the parties agreed that closing shall occur, "on the demand of the Developer, and no later than sixty (60) days from the date Developer executes the commitment letters from Maryland Community Development Administration ("CDA") for MBP and RHW

² The RFP submittal did not contain any financial information for Rivermitch, LLC or GSH Partners, LLC. It is not clear that without that information the submittal complied with City requirements.

financing....”. My understanding is that Developer has now demanded settlement³, but Developer has not executed commitment letters with CDA.

On the signature page of the LDC, the Developer is identified as Rivermitch, LLC, a Maryland limited liability company. In the signature, Rivermitch MM, LLC is identified as the Sole Member of Rivermitch LLC and GSH Partners, LLC is identified as the Sole Member of Rivermitch MM, LLC. This signature is important because it is not consistent with the information provided in the RFP submittal and it contradicts the first Recital paragraph of the LDC. In the RFP submittal, the party submitting was Green Street Housing, LLC and all the financials and related information is for Green Street Housing, LLC. Despite that, in the LDC, Green Street Housing, LLC is not mentioned, rather a new entity, GSH Partners, LLC appears. More troubling is that in both the RFP submittal and in the Recitals in the LDC, Wicomico County Housing Authority is identified as a 49% percent owner of the Developer, but according to the signature line, WCHA has no ownership interest in Rivermitch, LLC. Instead, an entity identified as Rivermitch MM, LLC is identified as the Sole Member of Rivermitch, LLC.

In a review of Maryland State Department of Assessment & Taxation (“SDAT”) records, Rivermitch, LLC’s date of formation is December 27, 2021. See copy of SDAT printout attached as Exhibit “A”. This date is relevant because Rivermitch, LLC was not a legally formed or existing entity until 7 days after the LDC was executed and more than a month after the City awarded it the RFP. In addition, a search of the Maryland SDAT records indicates that Rivermitch MM, LLC does not exist, or at least is not a Maryland entity. See SDAT printout attached as Exhibit “B”. Under Maryland law a limited liability company is not formed until SDAT accepts its articles of organization. As such, at the time Rivermitch, LLC purportedly executed the LDC, it did not exist. In addition, the signature for Rivermitch, LLC reflecting its ownership is not consistent with either the RFP submittal or the LDC Recitals.

In my opinion the LDC is not a validly executed agreement and is not consistent with the RFP submittal made to the City by the Developer. In Paragraph 14. (a) of the LDC, Rivermitch,

³In its RFP submittal the Developer committed to settle the LDC within 12 to 14 months. The Developer failed to settle within that time period.

LLC warranted that it had the full right power and authority to execute the LDC. Since it did not exist on the date of execution, it is in material breach of the LDC. The deficiencies and the breach of the LDC can only be cured if the City agrees to permit the Developer to sign an amended LDC, and the discrepancy about ownership of Rivermitch, LLC can be corrected.

Even if the City were willing to allow the Developer to cure the breach, a second issue must be addressed, namely the fact that the Developer has not executed commitment letters with the CDA for MBP and RHW financing. In Paragraph 3 (a) of the LDC, closing “shall occur on demand of the Developer **and** execution of the CDA commitments” (emphasis added). At this time the second contingency has not been met and the execution of the CDA commitment is a material term of the LDC. Under its RFP submittal, the Developer committed to the extensive renovation of Mitchell Landing and the City relied on that commitment in awarding the RFP. In at least one of the letters from CDA included in its RFP submittal, the CDA indicated that in a pre-application meeting there was a discussion of an MBP application for the acquisition **and rehabilitation** of Mitchell Landing. (emphasis added). The execution of the CDA commitment letters is a material requirement for settlement to ensure the Developer has the necessary funds to complete the renovation of Mitchell Landing required under the RFP.

In rendering the opinions set forth above I have, with your permission, advised you only as to such knowledge as I have obtained from my examination of the documents referred to herein. I am admitted to practice only in the State of Maryland and I express no opinion as to matters under or involving the laws of any jurisdiction other than the United States of America and the State of Maryland and its political subdivisions. Let me know if you have any questions.


Sincerely,

Robert A. Benson

EXHIBIT "A"

RIVERMITCH, LLC: W22448435

Notice



Please be advised that business filings do not require additional representation and can be completed by the business owner. **Fully vet any unsolicited requests** for payment for services such as those listed below.

1. Solicitors who are not affiliated with SDAT are instructing newly registered businesses to send additional payment in order to obtain a Certificate of Status. Any 3rd party solicitation from a company attempting to represent the 'Maryland Secretary of State' or SDAT via mail or email should be fully vetted before submitting additional payment.

2. Solicitors who are not affiliated with SDAT are sending instructions to businesses entitled 'Annual Report Notice', in which they are asked to send \$400 to file an Annual Report through a third party service called "Business Services". This notice is not affiliated with SDAT. You may report the letter to the Maryland Secretary of State, the Federal Trade Commission (FTC) at www.ftccomplaintassistant.gov, or the United States Postal Inspection Service at www.uspis.gov or 1-877-876-2455.

Department ID Number:

W22448435

Business Name:

RIVERMITCH, LLC

Principal Office: 

212 EAST MAIN STREET
SALISBURY MD 21801

Resident Agent: 

GREEN STREET HOUSING, LLC
212 EAST MAIN STREET
SUITE 200
SALISBURY MD 21801

Status:

REVIVED

Good Standing:

THIS BUSINESS IS IN GOOD STANDING

Business Type:

DOMESTIC LLC

Business Code:

20 ENTITIES OTHER THAN CORPORATIONS

Date of Formation/ Registration:

12/27/2021

State of Formation:

MD

Stock Status:

N/A

Close Status:

N/A

[View Map](#)

[View GroundRent Redemption](#)

[View GroundRent Registration](#)

Special Tax Recapture: None

Account Identifier: District - 09 Account Number - 056238

Owner Information

Owner Name: CITY OF SALISBURY Use: EXEMPT COMMERCIAL
 Principal Residence: NO
 Mailing Address: 125 N DIVISION ST Deed Reference: /01023/ 00046
 SALISBURY MD 21801-5030

Location & Structure Information

Premises Address: 135 MITCHELL RD Legal Description: BL 1 L 41A-2.68 AC
 SALISBURY 21801-0000 135 MITCHELL RD
 MITCHELL PARK RESUB

Map:	Grid:	Parcel:	Neighborhood:	Subdivision:	Section:	Block:	Lot:	Assessment Year:	Plat No:
0106	0014	1116	10003.23	0000		1	41A	2024	

Town: SALISBURY

Primary Structure Built	Above Grade Living Area	Finished Basement Area	Property Land Area	County Use
1992	21,008 SF		2,6800 AC	

Stories	Basement	Type	Exterior	Quality	Full/Half Bath	Garage	Last Notice of Major Improvements
		OFFICE BUILDING	/	C3			

Value Information

	Base Value	Phase-in Assessments		
		Value	As of	As of
Land:	160,800	160,800	07/01/2024	07/01/2025
Improvements	902,600	345,400		
Total:	1,063,400	506,200	506,200	506,200
Preferential Land:	0	0		

Transfer Information

Seller:	Date:	Price:
SALISBURY BRICK CO	10/29/1984	\$200,000
Type: NON-ARMS LENGTH OTHER	Deed1: /01023/ 00046	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:
Seller:	Date:	Price:
Type:	Deed1:	Deed2:

Exemption Information

Partial Exempt Assessments:	Class	07/01/2024	07/01/2025
County:	610	506,200.00	506,200.00
State:	610	506,200.00	506,200.00
Municipal:	610	506,200.00 506,200.00	506,200.00 506,200.00

Special Tax Recapture: None

Homestead Application Information

Homestead Application Status: No Application

Homeowners' Tax Credit Application Information

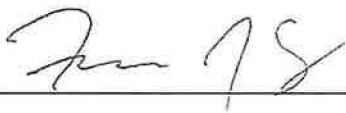
Homeowners' Tax Credit Application Status: No Application Date:

ARTICLES OF ORGANIZATION

The undersigned, with the intention of creating a Maryland Limited Liability Company files the following Articles of Organization:

- (1) The name of the Limited Liability Company: RIVERMITCH, LLC
- (2) The purpose for which the Limited Liability Company is filed is as follows:
OWN, MANAGE AND OPERATE REAL ESTATE OR ANY OTHER LEGAL PURPOSE.
- (3) The address of the Limited Liability Company in Maryland:
212 EAST MAIN STREET, SUITE 200, SALISBURY, MD 21801
- (4) The resident agent of the Limited Liability Company in Maryland:
GREEN STREET HOUSING, LLC

Whose address is 212 EAST MAIN STREET, SUITE 200, SALISBURY, MD 21801

(5) 

(6) 

Resident Agent

Thomas J. Ayd, Jr., Officer

I hereby consent to my designation in this document.

Signature(s) of Authorized Person(s)

Filing Party's return address:

(7) c/o GREEN STREET HOUSING, LLC

212 E. MAIN ST., SUITE 200

SALISBURY, MD 21801

RIVERMITCH, LLC: W22448435

Notice ✕

Please be advised that business filings do not require additional representation and can be completed by the business owner. **Fully vet any unsolicited requests** for payment for services such as those listed below.

1. Solicitors who are not affiliated with SDAT are instructing newly registered businesses to send additional payment in order to obtain a Certificate of Status. Any 3rd party solicitation from a company attempting to represent the 'Maryland Secretary of State' or SDAT via mail or email should be fully vetted before submitting additional payment.

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Filing History

The items listed below are associated with this business.

 - Click to view/print PDF (note: some items may not be available to view)

 - Click to view comment associated with this item

Item	Date/Time Filed	Film	Folio	Pages
 ARTICLES OF REINSTATEMENT	2/1/2024 2:10:00 PM			2
DEPT. ACTION - FORFEITURE 	10/2/2023 9:03:00 PM			
 ARTICLES OF ORGANIZATION	12/27/2021 11:28:00 AM			1

ARTICLES OR CERTIFICATE OF REINSTATEMENT

The name of the entity at the time of its forfeiture:
RIVERMITCH, LLC

The name the entity will use upon reinstatement:
RIVERMITCH, LLC

The address of the entity's principal office in Maryland (a P.O. Box can not be used):
212 EAST MAIN STREET
SUITE 200
SALISBURY, MD 21801

The name and address of the entity's resident agent in Maryland (a P.O. Box can not be used):
GREEN STREET HOUSING, LLC
212 EAST MAIN STREET
SUITE 200
SALISBURY, MD 21801

I swear under penalties of perjury that this is an authorized act of the above named entity.

Signed: THOMAS J. AYD, JR.
Authorized Person/General Partner

Signed:
Authorized Person

Signed:
Authorized Person

Signed:
Authorized Person

I hereby consent to my designation in this document as resident agent for this entity.

Signed: THOMAS J AYD, JR., OFFICER
Resident Agent

EXHIBIT "B"

Notice



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Business Name:

riversmith MM

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