

RESOLUTION NO. 2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT THE KNOWLAND GROUP, INC. IS ELIGIBLE TO RECEIVE ENTERPRISE ZONE BENEFITS FOR JOB CREATION SINCE THEY LOCATED IN THE ENTERPRISE ZONE AT 2424 NORTHGATE DRIVE, SUITE 100.

WHEREAS the City of Salisbury, Maryland and Wicomico County created an Enterprise Zone on June 6, 1983 for the purpose of encouraging economic development of the area encompassed within the boundaries of such zone; and

WHEREAS the Enterprise Zone was created under authority granted by the State of Maryland; and

WHEREAS the State Code permits certain benefits to be extended to businesses that locate or expand in the Enterprise Zone provided that they meet certain standards; and

WHEREAS, the City of Salisbury and Wicomico County have also established certain standards, which must be met in order for a business to be deemed eligible to receive Enterprise Zone benefits; and

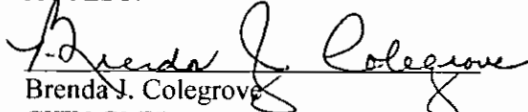
WHEREAS, the Knowland Group, Inc. meets the standards set forth in the State Code and in local regulations to be eligible to receive Enterprise Zone benefits; and

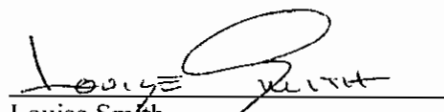
WHEREAS, Jeff Haslow, representing the Knowland Group, Inc., has requested that the company be designated as eligible for Enterprise Zone benefits because they have created more than two full-time positions at their location in the zone at 2424 Northgate Drive, Suite 100;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that the Knowland Group, Inc. be designated as eligible to receive the benefits of the Enterprise Zone effective upon the adoption of this resolution.

The above Resolution was introduced and read and passed at the regular meeting of the Salisbury City Council on the 24<sup>th</sup> day of January, 2011.


ATTEST:

  
Brenda J. Colegrove  
CITY CLERK

  
Louise Smith  
PRESIDENT, City Council

APPROVED by me this

31<sup>st</sup> day of January, 2011


  
James Breton, Jr.  
MAYOR, City of Salisbury

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**INTER**  
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\_\_\_\_\_**OFFICE****MEMO**

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## Office of the Mayor

**To:** City Council  
**From:** John R. Pick   
**Subject:** Enterprise Zone Eligibility – Knowland Group, Inc.  
**Date:** January 18, 2011

Attached is a copy of the application requesting Enterprise Zone designation for the Knowland Group, Inc. from Jeff Haslow. I have reviewed this application and, to the best of my knowledge, this establishment meets all of the qualifications to be so designated. This property is located within the boundaries of the City's Enterprise Zone, and this company has created more than two full-time positions since locating in the zone. The \$1.8 Million in improvements noted in the application is not in capital improvements that would increase the assessed value of the property. Therefore, the Knowland Group, Inc. only qualifies for the income tax credit due to their job creation.

I recommend that the City Council adopt the attached resolution designating Knowland Group, Inc. located at 2424 Northgate Drive, Suite 100 eligible to receive the benefits of the Enterprise Zone.

The Mayor concurs with this recommendation.

As a reminder, companies that are declared eligible for enterprise zone benefits are able to receive both income tax and property tax benefits for ten years. The purpose of this program is to encourage industries to locate in areas identified as enterprise zones and to reinvest in such properties.

cc: Mayor Ireton  
Brenda Colegrove

Attachments

REQUEST FOR STATE ENTERPRISE ZONE QUALIFICATION  
IN THE CITY OF SALISBURY

This application allows us to determine whether or not your business is eligible to receive Enterprise Zone benefits. Please return the application to:

John R. Pick, Executive Officer  
City of Salisbury  
125 North Division Street  
Salisbury, MD 21801-4940

If determined eligible, you will receive a letter confirming this determination from the City of Salisbury. Keep the letter as proof of your Enterprise Zone certification.

GENERAL INFORMATION NEEDED:

NAME OF FIRM: Knowland Group, Inc.

CONTACT PERSON: Jeff Haslow PHONE: 302.645.9777 x201

PRESENT LOCATION: 2424 Northgate Drive, Salisbury, Md, 21801 SUITE 100

TYPE OF BUSINESS: Call Center

FEDERAL TAX ID NO. 54-1905430 SIC CODE: 7375

HOW LONG IN THIS LOCATION: 1 month

Mailing Address:

Po Box 476  
Lewes, DE 19958

RECEIVED  
DEC 17 2010

OWNER OF REAL PROPERTY WHERE BUSINESS IS LOCATED: Rinnier Development

ADDRESS OF OWNER: 218 East Main St., Salisbury, Md. 21801

OUR COMPANY QUALIFIES FOR ENTERPRISE ZONE BENEFITS BECAUSE (CHECK ALL THAT APPLY):

WE HAVE CREATED MORE THAN TWO FULL-TIME POSITIONS SINCE LOCATING IN THE ENTERPRISE ZONE\*.

(EMPLOYEES WORKING IN EXCESS OF 25 HOURS PER WEEK ON AVERAGE ARE CONSIDERED FULL TIME.)

WE HAVE INVESTED MORE THAN \$50,000 IN OUR PROPERTY LOCATED IN THE ENTERPRISE ZONE.

IF COMPANY QUALIFIES FOR ENTERPRISE ZONE BENEFITS DUE TO JOB CREATION, PLEASE COMPLETE THE FOLLOWING:

DATE COMPANY LOCATED IN THE ENTERPRISE ZONE: 11-27-10

NUMBER OF FULL-TIME EMPLOYEES EMPLOYED AT THIS LOCATION ON THE DATE COMPANY LOCATED IN THE ENTERPRISE ZONE: 40

CURRENT NUMBER OF FULL-TIME EMPLOYEES EMPLOYED AT THIS LOCATION: 53

IF COMPANY QUALIFIES FOR ENTERPRISE ZONE BENEFITS DUE TO INVESTMENT IN THE PROPERTY, PLEASE COMPLETE THE FOLLOWING:

APPROXIMATE DATE ON WHICH IMPROVEMENTS WERE COMPLETED: 11-27-10

BRIEFLY DESCRIBE IMPROVEMENTS: Purchased existing furniture and leasehold improvements from prior tenant.

APPROXIMATE COST OF IMPROVEMENTS: \$1.8 million

Enterprise Zone Property Tax Calculation  
Knowland Group, Inc.

Assessment Value of Improvement	\$1,800,000.00	Property Tax Rate	\$0.819
Per \$100	\$18,000.00		
Annual Tax	\$14,742.00		

<u>Year</u>	<u>Total City Property Tax</u>	<u>E-Zone Credit</u>	<u>Refunded By State</u>	<u>Taxes Paid To City</u>	<u>Taxes Not Received By City</u>	<u>Total Revenue To City</u>
Year 1	\$14,742.00	\$11,793.60	\$5,896.80	\$2,948.40	\$5,896.80	\$8,845.20
Year 2	\$14,742.00	\$11,793.60	\$5,896.80	\$2,948.40	\$5,896.80	\$8,845.20
Year 3	\$14,742.00	\$11,793.60	\$5,896.80	\$2,948.40	\$5,896.80	\$8,845.20
Year 4	\$14,742.00	\$11,793.60	\$5,896.80	\$2,948.40	\$5,896.80	\$8,845.20
Year 5	\$14,742.00	\$11,793.60	\$5,896.80	\$2,948.40	\$5,896.80	\$8,845.20
Year 6	\$14,742.00	\$10,319.40	\$5,159.70	\$4,422.60	\$5,159.70	\$9,582.30
Year 7	\$14,742.00	\$8,845.20	\$4,422.60	\$5,896.80	\$4,422.60	\$10,319.40
Year 8	\$14,742.00	\$7,371.00	\$3,685.50	\$7,371.00	\$3,685.50	\$11,056.50
Year 9	\$14,742.00	\$5,896.80	\$2,948.40	\$8,845.20	\$2,948.40	\$11,793.60
Year 10	\$14,742.00	\$4,422.60	\$2,211.30	\$10,319.40	\$2,211.30	\$12,530.70
<b>Total</b>	<b>\$147,420.00</b>	<b>\$95,823.00</b>	<b>\$47,911.50</b>	<b>\$51,597.00</b>	<b>\$47,911.50</b>	<b>\$99,508.50</b>