

RESOLUTION NO. 2386

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT DELMAR BREWING COMPANY, LLC IS ELIGIBLE TO RECEIVE ENTERPRISE ZONE BENEFITS FOR PROPERTY LOCATED AT 200 ELMWOOD STREET, SALISBURY MD.

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

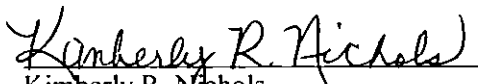
WHEREAS, the City of Salisbury and Wicomico County have also established certain standards, which must be met in order for a business to be deemed eligible to receive Enterprise Zone benefits; and

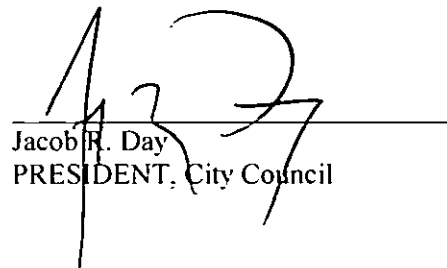
WHEREAS, Delmar Brewing Company, LLC meets the standards set forth in the State Code and in local regulations to be eligible to receive Enterprise Zone benefits; and

WHEREAS, C. John Knorr, III, representing Delmar Brewing Company, LLC has requested that the company be designated as eligible for Enterprise Zone benefits because of its investment of more than \$50,000 and their creation of more than two full-time positions at their property located in the zone at 200 Elmwood Street;

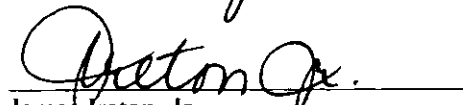
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that Delmar Brewing Company, LLC be designated as eligible to receive the benefits of the Enterprise Zone effective upon the adoption of this resolution.

The above Resolution was introduced and read and passed at the regular meeting of the Salisbury City Council on the 14<sup>th</sup> day of April, 2014.

  
Kimberly R. Nichols  
CITY CLERK

  
Jacob R. Day  
PRESIDENT, City Council

APPROVED by me this 21<sup>st</sup> day of April 2014.

  
James Ireton, Jr.  
MAYOR, City of Salisbury

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**OFFICE**

# MEMO

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## Office of the Mayor

**To:** City Council  
**From:** Tom Stevenson  
**Subject:** Enterprise Zone Eligibility – Delmar Brewing Company, LLC  
**Date:** April 9, 2014

Attached is a copy of the application requesting Enterprise Zone designation for Delmar Brewing Company, LLC from C. John Knorr, III. 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 invested more than \$50,000 in the property and created more than two full-time positions since locating in the zone.

I recommend that the City Council adopt the attached resolution designating the Delmar Brewing Company, LLC located at 200 Elmwood Street, 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  
Kim Nichols

Attachments

RECEIVED  
AUG 16 2012

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, City Administrator  
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: Delmar Brewing Company LLC

CONTACT PERSON: C. John Knorr III PHONE: 1-443-260-2337

PRESENT LOCATION: 200 Elmwood Street Salisbury, Maryland 21801

TYPE OF BUSINESS: Manufacturer of Alcoholic beverages and restaurant

FEDERAL TAX ID NO. 26-3415780 NAICS CODE: 312120

HOW LONG IN THIS LOCATION: March 2012  
OWNER OF REAL PROPERTY WHERE BUSINESS IS LOCATED: Nsah Miller Holdings LLC

ADDRESS OF OWNER: C/o Sperry Van Ness-Miller Commercial Real Estate  
206 East Main Street 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 35 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: March 2012

NUMBER OF FULL-TIME EMPLOYEES EMPLOYED AT THIS LOCATION ON THE DATE COMPANY LOCATED IN THE ENTERPRISE ZONE: 0  
(Please provide a list of names of the employees hired into new positions since the company located in the Enterprise Zone.) See attachment A

CURRENT NUMBER OF FULL-TIME EMPLOYEES EMPLOYED AT THIS LOCATION: 20

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

APPROXIMATE DATE ON WHICH IMPROVEMENTS WERE COMPLETED:  
Restaurant - March 2012  
Brewery - April 2012

BRIEFLY DESCRIBE IMPROVEMENTS: Restaurant Equipment and  
construction of storefront, ceilings and interior layout. Brewery  
tanks, equipment, plumbing, electrical and refrigeration improvements

APPROXIMATE COST OF IMPROVEMENTS: \$900000

Delmar Brewing , LLC  
Current Full Time Employees  
August 2012

**Attachment A**

Attached Listing of full time employees work over 35 hours a week and are paid over 150% of the Federal Minimum Wage

Sarah Bolek  
Stephen Chandler  
Keith Dale  
Kathleen Debisschop  
Gains Hawkins  
Wally Heinz  
Audrie Kowitiski  
Matthew Larson  
Shannon Miller  
Dennis Mogan  
Carter Price  
Shawn Wetzel

Geoffrey Debisschop  
Scott hammond  
Thomas Knorr  
Kristine Kruger  
Randall Mills  
Jesus Sariato  
Jasmine Moore  
Kerry Williams

**Enterprise Zone Property Tax Calculation  
Delmar Brewing Company**

Assessment Value of Improvement	\$900,000.00	Property Tax Rate	\$0.819
Per \$100	\$9,000.00		
Annual Tax	\$7,371.00		

<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	\$7,371.00	\$5,896.80	\$2,948.40	\$1,474.20	\$2,948.40	\$4,422.60
Year 2	\$7,371.00	\$5,896.80	\$2,948.40	\$1,474.20	\$2,948.40	\$4,422.60
Year 3	\$7,371.00	\$5,896.80	\$2,948.40	\$1,474.20	\$2,948.40	\$4,422.60
Year 4	\$7,371.00	\$5,896.80	\$2,948.40	\$1,474.20	\$2,948.40	\$4,422.60
Year 5	\$7,371.00	\$5,896.80	\$2,948.40	\$1,474.20	\$2,948.40	\$4,422.60
Year 6	\$7,371.00	\$5,159.70	\$2,579.85	\$2,211.30	\$2,579.85	\$4,791.15
Year 7	\$7,371.00	\$4,422.60	\$2,211.30	\$2,948.40	\$2,211.30	\$5,159.70
Year 8	\$7,371.00	\$3,685.50	\$1,842.75	\$3,685.50	\$1,842.75	\$5,528.25
Year 9	\$7,371.00	\$2,948.40	\$1,474.20	\$4,422.60	\$1,474.20	\$5,896.80
Year 10	\$7,371.00	\$2,211.30	\$1,105.65	\$5,159.70	\$1,105.65	\$6,265.35
<b>Total</b>	<b>\$73,710.00</b>	<b>\$47,911.50</b>	<b>\$23,955.75</b>	<b>\$25,798.50</b>	<b>\$23,955.75</b>	<b>\$49,754.25</b>