

RESOLUTION NO. 2388

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE CAPACITY FEE OF THE CITY'S COMPREHENSIVE CONNECTION CHARGE BE WAIVED FOR A DEVELOPMENT KNOWN AS 100 NORTH DIVISION STREET.

WHEREAS, the Owner of 100 North Division Street has requested a waiver of the Capacity Fee for the redevelopment of their property; and

WHEREAS, the proposed redevelopment is located inside the City Limits and the Central Business District; and

WHEREAS, the City seeks to encourage development and redevelopment in the Central Business District; and

WHEREAS, the City seeks to reduce the capacity fees for eligible development and redevelopment in the Central Business District by means of an Equivalent Dwelling Unit (EDU) Incentive Area; and

WHEREAS, the proposed redevelopment of 100 North Division Street requires six (6) Equivalent Dwelling Units of water and sewer service; and

WHEREAS, the Capacity Fee for six Equivalent Dwelling Units is \$21,198; and

WHEREAS, the City Council approved a Capacity Fee waiver process under Ordinance No. 2258 for redevelopment in the Central Business District; and

WHEREAS, the Director of Public Works reviewed the request and has determined that the project is eligible for the Capacity Fee waiver; and

WHEREAS, the Mayor reviewed the request and supports sending the request to the City Council; and

WHEREAS, if approved, the EDU allocation for the Capacity Fee waiver is valid for two years from the time of the signing of this Resolution; and

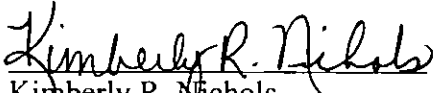
WHEREAS, the property owner has the option to request an extension of the allocation for two one-year terms if approved in writing by the Public Works Director prior to expiration of the term; and

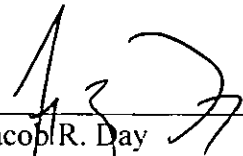
WHEREAS, the allocated EDUs are assigned to the redevelopment of 100 North Division Street and cannot be transferred by the recipient.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Salisbury, Maryland approves the waiver of six Equivalent Dwelling Units of Capacity Fee for the redevelopment of 100 North Division Street.

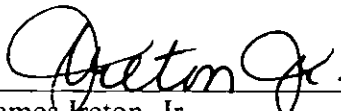
THIS RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on April 14, 2014 and is to become effective immediately upon adoption.

ATTEST:


Kimberly R. Nichols
CITY CLERK


Jacob R. Day
PRESIDENT, City Council

APPROVED by me this 21st day of April, 2014


James Heton, Jr.
MAYOR, City of Salisbury

City of Salisbury



MARYLAND



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SALISBURY, MARYLAND 21801
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Fax: 410-548-3107

JAMES IRETON, JR.
MAYOR

M. THOMAS STEVENSON, JR.
CITY ADMINISTRATOR

TERENCE ARRINGTON
ASSISTANT CITY ADMINISTRATOR

MICHAEL S MOULDS, P.E.
DIRECTOR OF PUBLIC WORKS

To: Tom Stevenson, City Administrator
From: Michael Moulds, Director of Public Works *MM*
Date: April 3, 2014
Re: 100 North Division Street – Capacity Fee Waiver

Attached is a letter from the owner of 100 North Division Street dated January 27, 2014. The letter requests consideration for a Capacity Fee waiver for the redevelopment of the property. The current use of the property is offices. The owner seeks to redevelop the first floor to construct a restaurant. The restaurant will use more water and generate more sewer than an office, therefore Public Works would typically assess Capacity Fees. Per Ordinance No. 2258, the owner is seeking a Capacity Fee waiver as part of the Equivalent Dwelling Unit (EDU) Incentive Area. This is the first request for an EDU allocation under Ordinance No. 2258. There are a maximum of 300 EDUs available.

As per Ordinance No. 2258, Public Works has evaluated the eligibility of this project for the EDU Incentive Area. The project meets the following criteria:

1. The project location is within the Central Business Zoning District.
2. The project within the Central Business Zoning District constitutes revitalization of an existing building.
3. The project is not eligible for a capacity fee waiver for public sponsored or affordable housing.
4. The project complies, or will comply, with all applicable Zoning and Building Code criteria, as confirmed by the Director of Building, Permits and Inspections. Bill Holland will work with the developers Architect and will confirm that the requirements of the Building Code have been met once he receives a formal plan submittal.
5. The project complies, or will comply, with all requirements of the Salisbury Historic District Commission, if applicable, as confirmed by the Director of Neighborhood Services and Code Compliance. On January 31, 2014, Susan Phillips confirmed that the project complies with the requirements of the Salisbury Historic District Commission. She noted that before any exterior changes can be made, an application must be submitted to the commission requesting approval, as required as standard procedure.
6. The project is consistent with the adopted Comprehensive Plan of the City of Salisbury, as confirmed by the Director of Planning and Zoning. On February 7, 2014, Jack Lenox confirmed the proposed redevelopment of the subject property is consistent with the provisions of the 2010 City of Salisbury Comprehensive Plan. He also noted that the proposal

is illustrative of the comprehensive plan's goal to strengthen Main Street and the Downtown corridor. Redevelopment of this underutilized property meets the comprehensive plan's objectives to direct development to underutilized areas to foster revitalization and redevelopment of commercial properties, and to create and retain employment.

7. The project is consistent with the Salisbury Sustainable Community Plan, on file with the Maryland Department of Housing and Community Development (DHCD), as confirmed by the Director of Community Development. On February 7, 2014, Debbie Stam confirmed that the project is generally consistent with the Salisbury Sustainable Community Plan. She noted that the proposed project would meet the Sustainable Community (SC) Plan goal of "supporting existing communities and reducing environmental impacts" by revitalizing an existing building in the historic downtown area. The creation of a new restaurant / bar would address the SC goal of "valuing communities and neighborhoods" by adding a new amenity to the downtown area. The project would also address the SC goal of "promoting access to quality affordable housing", as it would result in a revitalized mixed-use property with a new business on the ground floor and an renovated apartment on the upper level.
8. The project is consistent with the following benchmark objectives of A Plan For Transformation (2012): Increase the number of permanent, living wage jobs in the City and increase the amount of commercial square footage in the City.

Public Works has evaluated the number of EDUs in the request and has found the amount to be consistent with MDE's flow projection guidelines for a restaurant.

Attached is a Resolution for consideration to waive the Capacity Fees associated with the redevelopment of 100 North Division Street. Public Works has reviewed the waiver request and recommends approval. The request meets the criteria outlined in Ordinance No. 2258.

If this EDU waiver is approved, then it will be valid for two years from the date of the Resolution. Additionally, the EDU Incentive Area will have 294 EDUs remaining for other projects.

Unless you or the Mayor has further questions, please forward a copy of this memo, request letter and Resolution to the City Council.

1/27/2014

To: Salisbury City Department of Public Works

I am writing the city in hopes of using grant money from the city's Equivalent Dwelling Unit Incentive Area program. The property is 100 N Division Street, located at the intersection of Main Street and N Division. I am currently in the process of purchasing the building and have come to an agreement with the current owner Division Street Properties LLC, to lease out the first floor space to a new business. The business is to be named the "Echelon Lounge." The owner of the business Chawaun Mathews will be going through the permitting process for all work to be done by the city and will adhere to all regulations set forth by current city laws. At this time we wish to ask the city for 6 EDU's in order to cover the increased water usage when converting from office space to restaurant. The restaurant will have approximately 75 to 80 seats and with 2,500 square feet of total square footage, utilizing 1,600 square feet for customer seating and the bar area.

This will not be a public sponsored or affordable housing project, and is located in the enterprise zone. The restaurant will look to improve an already existing building in downtown Salisbury. This project will also not go against any regulations set forth by the historic district, this will also look to generate new jobs for the Salisbury area, as well as converting office space that has been vacant for years, into an operational restaurant, further driving competition downtown. This restaurant will look to be a tourist attraction, and symbol of downtown Salisbury's growth, as it lies at the heart of the city. This restaurant is part of a push by the buyers of the building to bring in several new businesses, as well as revitalizing an existing apartment space to help further support the downtown Salisbury movement.

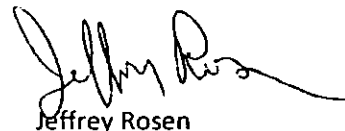
This restaurant would bring new permanent jobs to the area, by hiring several chefs, managers, and full time employees to help handle operations. This will bring new patrons to downtown Salisbury, and with increased food locations we believe it will allow for greater interest in citizens living downtown. A separate portion of the development of this building will be to revitalize an existing apartment that has recently gone vacant, to further support the city's goal of increasing the downtown housing units available. We would use all allocated EDU's for the use of satisfying the city's requirements for this restaurant and none of these would be transferred or allocated to other businesses or locations.

This letter is written in hopes that the city's grant would allow for a new business to open up in downtown Salisbury, which would normally be hindered by the large start-up capital required to meet the EDU requirements of the city. We look forward to working with the city to further drive the growth of downtown Salisbury.



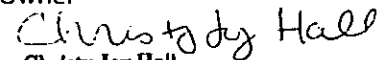
Bret Davis

Acting on Behalf of Current Owner



Jeffrey Rosen

Current Owner



Christy Joy Hall
Notary Public
Maryland

Wicomico County

My Commission Expires November 2, 2015