

RESOLUTION NO. 2902

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT DELMARVA VETERAN BUILDERS IS ELIGIBLE TO RECEIVE ENTERPRISE ZONE INCOME TAX CREDIT BENEFITS IN CONNECTION WITH ITS BUSINESS LOCATED AT 212 W MAIN 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, Delmarva Veteran Builders meets the standards set forth in the State Code and in local regulations to be eligible to receive Enterprise Zone benefits; and

WHEREAS, Heather Welch, representing Delmarva Veteran Builders has requested that the company be designated as eligible for Enterprise Zone benefits because of their plan to hire two or more new full-time employees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that Delmarva Veteran Builders be designated as eligible to receive the benefits of the Enterprise Zone, contingent upon the hiring of two new full-time employees at their business located at 212 W Main Street, Salisbury, MD, 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 14th day of January, 2019.

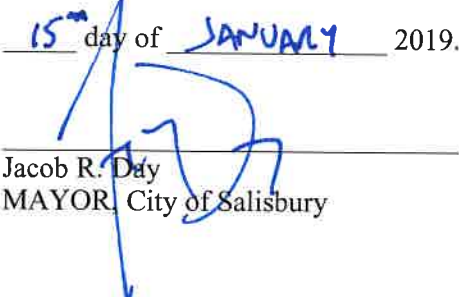
ATTEST:


Kimberly R. Nichols
CITY CLERK


John R. Heath
PRESIDENT, City Council

APPROVED by me this

15th day of JANUARY 2019.


Jacob R. Day
MAYOR, City of Salisbury

**Application for Maryland State Enterprise Zone Certification in
Salisbury-Wicomico County, Maryland**

This application will determine whether your business, property, or developer is eligible for Maryland Enterprise Zone tax credits. If determined to be eligible, you will receive a letter from the Enterprise Zone Administrator indicating which tax credit(s) you are eligible to receive.

Applying For:

- Income Tax Credit
- Real Property Tax Credit
- Personal Property Tax Credit (Applies only to Focus Area Zones)

This Section is to be filled by Local Zone Administrators Only

The Real Property Credit

A ten-year credit against local property taxes is available to companies that locate, expand, or substantially improve business properties in the Enterprise Zone. The property tax credit is equal to 80% of the difference between the base value of the property (the assessment in the year prior to new construction, expansion, or substantial improvement) and the newly assessed value of the property after the investment is made. The property tax credit is 80% for five years. During the last five years, the property tax credit declines 10% annually; the credit is 70%, 60%, 50%, 40%, and 30% respectively. This tax credit is administered to the real property owner in their Property Taxes.

Necessary Qualifications

- Applicant must plan to make a capital investment in its property of \$50,000 or more
- Applicant should be mindful of having a base assessment done before commencing work
- Applicant should apply after receiving all required building permits and before or at the beginning of construction.
- Only commercial properties may apply, any portion of the property devoted to residential use may not receive the credit
- In order to receive a property tax credit for the next taxable year (beginning on July 1 when the tax bill is issued), the local Zone Administrator must certify to the Department of Assessments and Taxation the eligibility of a particular business by no later than the end of the preceding calendar year on December 31st.
- The granting of an Enterprise Zone property tax credit is affected by the timing of the completion of capital improvements, the assessment cycle, and how the improvements are assessed. (I.E. the improvement must change the value of the real property)
- The law states that the credit shall be granted to the "owner" of a qualified property. In cases where a lessee make the capital improvements, the lessees should make a contractual provisions with the owner of the qualified property regarding receipt of the property tax credit.

The State Income Credit

This credit is applied to your state income taxes, and its value is based on the number and type of new employees hired by the business. To receive the credit the business must meet the following:

- Must have hired two or more employees that meet necessary qualifications
- Must have been hired after the date on which the Enterprise Zone was designated or the date on which the business relocated in the Enterprise Zone, whichever is later.
- Must be filling a new position or replacing an employee who was previously certified as economically disadvantaged
- Must have been employed at least 35 hours a week for at least six months
- Must be paid at least 150% of the federal minimum wage throughout his or her employment by a business entity before or during the taxable year for which the entity claims a credit
- Must have spent at least half of his or her working hours in the Enterprise Zone or on activities directly resulting from the business location in the zone
- Must be a new employee or an employee rehired after being laid off by the business for more than one year

There are two types of income tax credits. If the employee is not economically disadvantaged, you may qualify for a one-time credit of \$1,000 per employee. If the employee is economically disadvantaged (as determined by the Maryland Jobs Service), you may take a credit up to \$3,000 of the employee's wages in the first year of employment. The credit is \$2,000 in the second year, and \$1,000 in the third. Once/if you have been certified, you can claim these credits upon filing a Tax Return.

- To be eligible, an applicant must answer all questions in Sections A and B
- If applying for the "Property" tax credit, please complete Section C
- If applying for the "Employment (income)" tax credit, please complete Section D
- If the account is located in Focus Area and you are applying for the "Personal Property" tax credit, please complete Section E

Section A: Applicant Information

Name of Business / Developer applying for Enterprise Zone credits:

Delmarva Veteran Builders, LLC

Name of Contact Person: Christopher Ecclesto

Title: President

Phone: (443)736-1584

Email: chris@delmarvaveteranbuilders.com

Mailing Address: P.O. Box 621, Salisbury MD 21803

Section B: Enterprise Zone Property Information

Enterprise Zone Property Address: 212 W. Main St., Suite #400, Salisbury MD 21801

Property Tax Account Number: 09-040358

Property Ownership: State of MD to the Use of University System of MD

Lease: Own:

Section C: Enterprise Zone Property Improvements Information

To be eligible for Enterprise Zone property tax credits, the application must be submitted prior to the project completion date and issuance of User/Occupancy Permits. If the developer or company making property improvements is applying on behalf of the property owner, the property owner must concur with the application by co-signing below. The property tax credits are automatically applied to the property tax bill (i.e., directly awarded to the property owner only). If you are not applying for the property tax credit, this section may be left blank.

Owner of the Real Property: Delmarva Veteran Builders, LLC

Mailing address of property owner: P.O. Box 621. Salisbury MD 21803

Phone: (443)736-1584

Email Address: Chris@delmarvaveteranbuilders.com

Project Start Date: _____

Anticipated Project Completion Date: _____

Briefly describe capital improvements plans: _____

Type of Construction and Costs

Cost of building(s) & land (acquisition): \$ _____

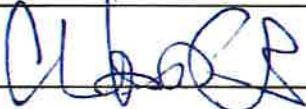
New Construction: \$ _____

Rehabilitation: \$ _____

Cost of new machinery & equipment*: \$ _____

I agree as a condition of certification to provide all data required by the Enterprise Zone Administrator as requested.

Name of Applicant: Christopher Eccleston Position/Title: President

Applicant Signature:  Date: 12/14/18

Name of Property Owner: _____ Position/Title: _____

Property Owner Signature: _____ Date: _____

*Cost of new machinery & equipment is not a part of real property assessment.

Section D: Enterprise Zone Employment Tax Credit Information

To be eligible of Enterprise Zone employment tax credits, please complete the following section. Employment tax credits to be applied against State income tax liabilities are available for certain new employees hired in the Enterprise Zone. The requirements for qualified employees can be found on Maryland Department of Commerce Website: <http://commerce.maryland.gov/fund/programs-for-businesses/enterprise-zone-tax-credit>. If you are not applying for the employment tax credit, this section may be left blank.

Federal Employer Identification Number (EFIN): 45-5463232

Unemployment Insurance #: _____ NAICS Code (if available): _____

Type of Business (i.e., restaurant, retail, financial services, etc.): Construction Management/General Contractor

Is business located in the Enterprise Zone now? Yes X No _____

If yes, since what year: 2013

Is the business relocation from another place? Yes _____ No X

If yes, where was the previous location?: _____

Is the business a new, start-up? Yes _____ No X

Did the Enterprise Zone benefits affect your decision to locate at this address? Yes No

If yes, please explain how the Enterprise Zone benefits will assist your business. :

Number of existing employees: 20

If you are new to the Enterprise Zone, please provide the number of employees before relocating or locating in the Enterprise Zone: _____

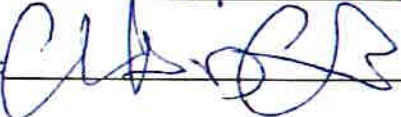
If you were already located in the Enterprise Zone, please provide the number of employees as of date of this application in the Enterprise Zone: 20

Number of new full-time jobs to be created in the Enterprise Zone in the next 12 months: 2

Number of new part-time jobs to be created in the Enterprise Zone in the next 12 months: 1

I agree as a condition of certification to provide all data required by the Enterprise Zone Administrator as requested.

Name of Applicant: Christopher Eccleston Position/Title: President

Signature:  Date: 12/14/18

Laura Soper

From: Connie Klaverweiden
Sent: Tuesday, December 18, 2018 1:05 PM
To: Laura Soper
Cc: Olga Butar
Subject: FW: Enterprise Zone App
Attachments: DOC121418-12142018154348.pdf

Laura,

The real estate taxes on the property are paid and the business personal property for Delmarva Veteran Builders is paid through the current year.

Connie Klaverweiden
Revenue Supervisor
Finance Department
City of Salisbury
125 N. Division Street, Room 103
Salisbury, MD 21801
410-548-3110



From: Olga Butar
Sent: Monday, December 17, 2018 12:04 PM
To: Connie Klaverweiden <cklaverweiden@salisbury.md>; Amanda Pollack <APollack@salisbury.md>
Subject: FW: Enterprise Zone App

Connie,

Could you please check Finance section of the attached Enterprise Zone application.

Amanda – please see email below from Laura and attached application. I do not think you were copied on the initial email.

Thank you,

Olga Butar
Assistant Director of Finance - Operations
City of Salisbury
125 N. Division St
Salisbury, MD 21801
Email: obutar@salisbury.md

Phone: 410-548-3110



www.salisbury.md

From: Laura Soper
Sent: Monday, December 17, 2018 11:56 AM
To: Olga Butar <obutar@salisbury.md>
Subject: FW: Enterprise Zone App

Olga & Amanda,
I received the attached Enterprise Zone application. Can you take a look and let me know the following:
(They are applying for the State Income credit for new hires at this point, so some of the I&D might not directly apply... if so – just note N/A)

I&D

Does this business meet the limitations of the City's Sewer Use Ordinance?

Does this business meet State and local storm water management codes and regulations?

Does this business meet the zoning code?

Does this business comply with subdivision regulations?

Does this business meet the building code (or did it at the time of construction)?

Does this business meet all permit requirements?

Finance

Is this business up to date on their taxes?

Are they in good standing with SDAT?

Thank you
Laura

From: Heather Welch [<mailto:Heather@delmarvaveteranbuilders.com>]
Sent: Friday, December 14, 2018 3:56 PM
To: Laura Soper
Subject: RE: Enterprise Zone App

Take a look now ☐

Laura Soper

From: Amanda Pollack
Sent: Tuesday, December 18, 2018 9:11 AM
To: Laura Soper
Subject: RE: Enterprise Zone App

Laura,
The existing Delmarva Veteran Builders office complies with the codes and regulations listed below under Infrastructure and Development. Please let me know if you have any questions.
Amanda

Amanda H. Pollack, P.E.
Director
Department of Infrastructure and Development
City of Salisbury
125 N. Division St., Room 202
Salisbury, MD 21801
410-548-3170



www.salisbury.md

From: Laura Soper
Sent: Monday, December 17, 2018 11:57 AM
To: Amanda Pollack
Subject: FW: Enterprise Zone App

Amanda,
I received the attached Enterprise Zone application. Can you take a look and let me know the following:
(They are applying for the State Income credit for new hires at this point, so some of the I&D might not directly apply... if so – just note N/A)

I&D

Does this business meet the limitations of the City's Sewer Use Ordinance?

Does this business meet State and local storm water management codes and regulations?

Does this business meet the zoning code?

Does this business comply with subdivision regulations?

Does this business meet the building code (or did it at the time of construction)?

Does this business meet all permit requirements?

Finance

Is this business up to date on their taxes?

Are they in good standing with SDAT?

Thank you

Laura

From: Heather Welch [<mailto:Heather@delmarvaveteranbuilders.com>]

Sent: Friday, December 14, 2018 3:56 PM

To: Laura Soper

Subject: RE: Enterprise Zone App

Take a look now

Merry Christmas!

(Our office will be closed for Christmas on December 24-25 and New Year's on January 1st)



HEATHER L. WELCH

a. P.O. Box 621, Salisbury MD 21803

o. 443.736.1584

[Website](#) | [Facebook](#)

From: Laura Soper <lsoper@salisbury.md>

Sent: Friday, December 14, 2018 1:38 PM

To: Heather Welch <Heather@delmarvaveteranbuilders.com>

Subject: RE: Enterprise Zone App

Hi Heather –

You can X the State Income Credit since you plan on hiring 2 or more full time employees in the near future. For the State Income credit, you will need to fill out Section D (page 5) of the application. Once you have that completed, you can send it back to me and I'll get it started!

Thanks

Laura

From: Heather Welch [<mailto:Heather@delmarvaveteranbuilders.com>]

Sent: Friday, December 14, 2018 1:33 PM

To: Laura Soper

Subject: Enterprise Zone App

Hi Laura,

Can you take a look over the attached application and let me know if anything else needs to be completed? I wasn't sure what to mark on the front as when I spoke with you I believe you said you didn't think we were applying for Tax Credit, however Chris thought we were so I left that blank for now. I can make any necessary changes just let me know, thank you!

Merry Christmas!

(Our office will be closed for Christmas on December 24-25 and New Year's on January 1st)



HEATHER L. WELCH

a. P.O. Box 621, Salisbury MD 21803

o. 443.736.1584

Website | Facebook