

RESOLUTION NO. 2924

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE CAPACITY FEE OF THE CITY'S COMPREHENSIVE CONNECTION CHARGE TO BE WAIVED FOR THE REDEVELOPMENT OF 130 AND 132 EAST MAIN STREET.

WHEREAS, First Move Properties, LLC is requesting a waiver of the Capacity Fee for the redevelopment of 130 and 132 East Main Street; and

WHEREAS, the proposed development 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, as of the date of this Resolution, 27.04 Equivalent Dwelling Units of water and sewer service have already been allocated to 132 East Main Street for First Move Properties, LLC's redevelopment of the property, and, pursuant to Resolution No. 2883, dated November 13, 2018, the City Council approved the waiver of Capacity Fees associated with 25.66 of those already allocated Equivalent Dwelling Units; and

WHEREAS, since the passage of Resolution No. 2883, First Move has expanded its development plans to include the redevelopment of 130 East Main Street in conjunction with the redevelopment of 132 East Main Street, and will require an additional allocation of 31.18 Equivalent Dwelling Units, for a total allocation of 58.22 Equivalent Dwelling Units of water and sewer service; and

WHEREAS, 28.42 of the additional EDUs will be allocated to 130 East Main Street and 2.76 EDUs will be allocated to 132 East Main Street; and

WHEREAS, by letter dated, February 12, 2019, First Move Properties, LLC submitted to the Director of Infrastructure and Development a request for the waiver of Capacity Fees associated with the additional allocation of 31.18 Equivalent Dwelling Units required for First Move Properties, LLC's planned continued redevelopment of 130 East Main Street and 132 East Main Street; and

WHEREAS, the current Capacity Fee for one Equivalent Dwelling Unit is \$3,533.00; and

WHEREAS, the Capacity Fee for 31.18 Equivalent Dwelling Units is \$110,158.94; and

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

WHEREAS, the Director of Infrastructure and Development 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

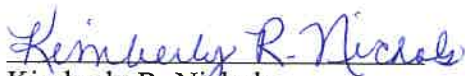
WHEREAS, the property owner has the option to request an extension of the allocation for two one-year terms, if approved in writing by the Director of Infrastructure and Development prior to expiration of the term; and


WHEREAS, the allocated EDUs are assigned to the redevelopment of 130 and 132 East Main 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 31.18 Equivalent Dwelling Units of Capacity Fee for the redevelopment of 130 and 132 East Main Street by First Move Properties, LLC, in addition to the waiver of 25.66 Equivalent Dwelling Units of Capacity Fee for First Move Properties, LLC's redevelopment of 132 East Mains Street as approved by the Council of the City of Salisbury pursuant to Resolution No. 2883.

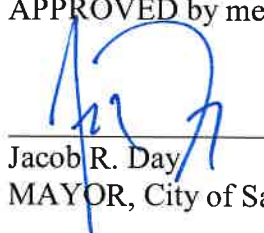
THIS RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on March 11, 2019 and is to become effective immediately upon adoption.

ATTEST:


Kimberly R. Nichols
CITY CLERK


John R. Heath
PRESIDENT, City Council

APPROVED by me this 12th day of March, 2019


Jacob R. Day
MAYOR, City of Salisbury



City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda Pollack, P.E., Director of Infrastructure and Development *AP*
Date: March 7, 2019
Re: Resolution – 130 & 132 East Main Street Capacity Fee Waiver

First Move Properties, LLC received a Capacity Fee waiver of 25.66 EDUs for their proposed development at 132 East Main Street via Resolution No. 2883 dated November 14, 2018. Attached is a letter from First Move Properties, LLC dated February 12, 2019 which requests consideration for a Capacity Fee waiver for the redevelopment of 130 & 132 East Main Street. Since the request for the waiver at 132 East Main Street was processed, the developer has purchased the adjacent property and is planning a combined project. The new request is for a waiver of an additional 31.18 EDUs. At the current Capacity Fee rate of \$3,533, the waiver request is \$110,158.94.

As a follow up to the discussion at the work session on March 4, 2019, the applicant provided the following information: of the requested additional 31.18 EDUs, the portions associated with 130 and 132 East Main Street are 28.42 EDUs and 2.76 EDUs, respectively.

Per Ordinance No. 2258, the owner is seeking a Capacity Fee waiver as part of the Equivalent Dwelling Unit (EDU) Incentive Area. The original allocation of 300 EDUs was based on a transfer of EDUs from the former Linens of the Week property. To date, 109.46 EDUs of the original allocation of 300 EDUs have been used, therefore there are 190.54 EDUs available.

As per Ordinance No. 2258, Infrastructure and Development has evaluated the eligibility of this project for the EDU Incentive Area. The project location is within the Central Business Zoning District and will consist of redevelopment that is not eligible for an affordable housing waiver. The project does or will comply with all other necessary criteria.

Attached is a Resolution for consideration to waive the Capacity Fees associated with the development of 130 & 132 East Main Street. After review of the request, Infrastructure and Development recommends approval. If this EDU waiver is approved, then it will be valid for two years from the date of the Resolution.

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

FIRST MOVE PROPERTIES, LLC
P.O. Box 335
Salisbury, MD 21803

February 12, 2019

City of Salisbury, Maryland
Department of Infrastructure & Development
Attn: Amanda H. Pollack, P.E., Director (apollack@salisbury.md)
125 N. Division Street, Room 202
Salisbury, Maryland 21801

Re: *First Move Properties, LLC's Request for Capacity Fee Waiver; Redevelopment of 130 E. Main Street, Salisbury, Maryland 21801 (Map 0107, Grid 0015, Parcel 0855 ("130 E. Main Street") and 132 E. Main Street, Salisbury, Maryland 21801 (Map 0107, Grid 0015, Parcel 0856) ("132 E. Main Street")*

Dear Ms. Pollack:

On behalf of First Move Properties, LLC ("First Move"), please accept this letter as First Move's formal request to the City of Salisbury for a waiver of the Capacity Fees for 31.18 EDUs that are required for First Move's planned redevelopment of 130 E. Main Street and 132 E. Main Street (130 E. Main Street and 132 E. Main Street are referred to collectively as the "Property").

By way of background: at the November 13, 2018 City Council Meeting, the City Council approved Resolution No. 2883 which authorized the waiver of Capacity Fees associated with 25.66 Equivalent Dwelling Units ("EDUs") needed for First Move's redevelopment of 132 E. Main Street. Since the City Council's approval of Resolution No. 2883, First Move has modified its redevelopment project to include the redevelopment of 130 E. Main Street. Now, First Move's project (the "Project") plans for the redevelopment of the three-story office building located at 130 E. Main Street and the four-story office building located at 132 E. Main Street into one, combined twelve-story building complete with: at least ten floors fit-out with two-person, three-person or four-person luxury-style apartments marketed towards Salisbury University students; and, commercial retail space on the Building's 1st floor. When finished, the Project will more than double the residential inventory available for rent in Downtown Salisbury, and it will strengthen the connection between Salisbury University and our Downtown.

Pursuant to Ordinance No. 2258, the City created and authorized an "EDU Incentive Area" to reduce the capacity fees assessed against certain development and redevelopment projects in the City's Downtown Development District, the Central Business District, the Riverfront Redevelopment Area and the City's designated Enterprise Zone. Before passing Resolution No. 2883, the City Council passed Resolution No. 2864 to extend the expiration date of the EDU Incentive Area until September 23, 2023.

First Move estimates a total of 58.22 EDUs are needed for the Project. The 58.22 EDUs needed for the Project are comprised of the 27.04 EDUs that were allocated for First

FIRST MOVE PROPERTIES, LLC
P.O. Box 335
Salisbury, MD 21803

Move's original project involving only the redevelopment of 132 E. Main Street, and an additional allocation of 31.18 EDUs required for First Move's current Project (i.e. the redevelopment of 132 E. Main Street and 130 E. Main Street into one, twelve-story building). Stated differently, the 58.22 EDUs needed for First Move's Project can be broken-down as follows:

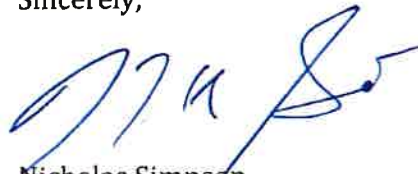
- (1) 1.38 EDUs that were allocated for the 132 E. Main Street property prior to the City Council's adoption of Resolution No. 2883;
- (2) 25.66 EDUs allocated for First Move's redevelopment of the 132 E. Main Street property. Pursuant to Resolution No. 2883, approved by the City Council on November 13, 2018, First Move was granted a waiver of the Capacity Fees associated with these 25.66 EDUs.
- (3) 31.18 EDUs required for First Move's proposed Project. These 31.18 EDUs are in addition to the 27.04 EDUs allocated already to First Move for its redevelopment of the 132 E. Main Street property, as set forth in Resolution No. 2883.

Accordingly, First Move requests the City Council approve the waiver of Capacity Fees for the additional 31.18 EDUs needed to provide water and sewer service for First Move's proposed Project (i.e. the redevelopment of 132 E. Main Street and 130 E. Main Street into one, twelve-story building). The 31.18 EDUs that are the subject of this request, plus the 27.04 EDUs already allocated for First Move's redevelopment of 132 E. Main Street, represent all 58.22 EDUs required to serve First Move's Project.

Under the City's EDU Incentive Area program, First Move is eligible for a waiver of the Capacity Fees associated with the EDUs allocated for the Project: the Project is located within the City's EDU Incentive Area; and, the Project satisfies all criteria governing the City's waiver of Capacity Fees for development projects undertaken within the EDU Incentive Area. Therefore, in accordance with the provisions of Chapter 13.04.110 of the City Code, First Move respectfully requests the City waive the Capacity Fees assessed for the additional 31.18 EDUs needed for First Move's development of the Project.

If City staff has any questions or needs additional information regarding the matters addressed in this correspondence, please do not hesitate to contact me. On behalf of First Move, thank you for your time and consideration of this request.

Sincerely,



Nicholas Simpson,
First Move Properties, LLC