

RESOLUTION NO. 2929

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT APPI ENERGY AND 112 MARKET STREET LLC ARE ELIGIBLE TO RECEIVE ENTERPRISE ZONE BENEFITS FOR PROPERTY LOCATED AT 112 E MARKET 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, APPI Energy meets the standards set forth in the State Code and in local regulations to be eligible to receive Enterprise Zone benefits; and

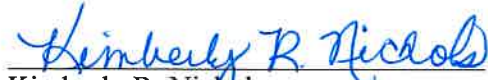
WHEREAS, 112 Market Street, LLC meets the standards set forth in the State Code and in local regulations to be eligible to receive Enterprise Zone benefits; and


WHEREAS, Walter Moore, representing APPI Energy, has requested that 112 Market Street, LLC be designated as eligible for Enterprise Zone benefits because of its investment of more than \$50,000 at the property located in the zone at 112 E Market Street and that APPI Energy be designated as eligible for Enterprise Zone benefits because of their hiring of two or more new full time employees in connection with their business at the same location.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that APPI Energy and 112 Market Street, 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 8th day of April 2019.

ATTEST:


Kimberly R. Nichols
CITY CLERK


John R. Heath
PRESIDENT, City Council

APPROVED by me this
15th day of APRIL 2019.


Jacob R. Day
MAYOR, City of Salisbury

INTER

OFFICE

MEMO

Office of the Business Development

To: City Council
From: Laura Soper
Subject: Enterprise Zone Eligibility – APPI Energy
Date: April 8, 2019

Attached is a copy of the application requesting Enterprise Zone designation for APPI Energy that I received from Walt Moore. 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/or has hired (or will hire) two or more NEW full time employees since locating in the Enterprise Zone.

I recommend that the City Council adopt the attached resolution designating APPI Energy located at 112 E Market Street, eligible to receive the benefits of the Enterprise Zone.

As a reminder, companies that are declared eligible for enterprise zone benefits are able to receive either a one time Income Tax Credit of \$1,000 per new employee hired or a 10 year Property Tax Credit. 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 Day
Julia Glanz
Kim Nichols

Attachments

Laura Soper

From: Amanda Pollack
Sent: Thursday, March 07, 2019 1:28 PM
To: Laura Soper
Subject: RE: Enterprise Zone

Laura,
120 Market St has building, plumbing and electrical permits issued. Once completed, the business will meet current building codes. All other criteria evaluated by this department have been met.
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



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From: Laura Soper
Sent: Friday, March 1, 2019 2:53 PM
To: Connie Klaverweiden; Amanda Pollack; Anne Roane
Subject: Enterprise Zone

I have received a request from 112 Market Street LLC located at 120 E Market Street, Salisbury, MD that they be deemed qualified to receive Enterprise Zone benefits. In order to receive such designation, it is necessary that they meet certain criteria. I am requesting that your departments help me in processing their application by helping me to determine if they meet the necessary criteria.

Infrastructure & Development

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?

Please answer the questions above under the heading for your department and return to my office by 3/8/2019. Your assistance is appreciated. If you have any questions, please let me know.

Laura Soper
Director of Business Development
City of Salisbury
110 N Division Street
Salisbury, MD 21801
(O): 410-677-1916



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Laura Soper

From: Connie Klaverweiden
Sent: Friday, March 01, 2019 8:30 AM
To: Laura Soper
Cc: Olga Butar
Subject: FW: Enterprise Zone - APPI Energy
Attachments: Application.pdf

Laura,

112 Market Street LLC was just created 12/13/18. It is in good standing and does not owe the city any money. The real estate taxes are paid.

I cannot find APPI Energy registered as a business.

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: Wednesday, February 27, 2019 9:54 AM
To: Connie Klaverweiden <ccklaverweiden@salisbury.md>
Cc: Laura Soper <lsoper@salisbury.md>
Subject: FW: Enterprise Zone - APPI Energy

Connie,

Could you please assist with the request below.
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



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From: Laura Soper
Sent: Wednesday, February 27, 2019 9:49 AM
To: Amanda Pollack <APollack@salisbury.md>; Keith Cordrey <kcordrey@salisbury.md>
Cc: Olga Butar <obutar@salisbury.md>
Subject: Enterprise Zone - APPI Energy

I have received a request from APPI Energy located at 112 E Market Street, Salisbury, MD that they be deemed qualified to receive Enterprise Zone benefits. In order to receive such designation, it is necessary that they meet certain criteria. I am requesting that your departments help me in processing their application by helping me to determine if they meet the necessary criteria.

Infrastructure & Development

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?

Please answer the questions above under the heading for your department and return to my office by 3/6/2019. Your assistance is appreciated. If you have any questions, please let me know.

Laura Soper
Director of Business Development
City of Salisbury
110 N Division Street
Salisbury, MD 21801

Laura Soper

From: Anne Roane
Sent: Wednesday, February 27, 2019 11:57 AM
To: Laura Soper
Subject: RE: Enterprise Zone - APPI Energy

Hi Laura,
My answers are in blue, below.
Let me know if you need anything else.
Anne

From: Laura Soper
Sent: Wednesday, February 27, 2019 10:07 AM
To: Anne Roane
Subject: FW: Enterprise Zone - APPI Energy

Forwarding this to you since Amanda is out of the office. Can you confirm the items below?

From: Laura Soper
Sent: Wednesday, February 27, 2019 9:49 AM
To: Amanda Pollack; Keith Cordrey
Cc: Olga Butar
Subject: Enterprise Zone - APPI Energy

I have received a request from APPI Energy located at 112 E Market Street, Salisbury, MD that they be deemed qualified to receive Enterprise Zone benefits. In order to receive such designation, it is necessary that they meet certain criteria. I am requesting that your departments help me in processing their application by helping me to determine if they meet the necessary criteria.

Infrastructure & Development

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

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

Does this business meet the zoning code? Yes, the property is zoned Central Business District

Does this business comply with subdivision regulations? Yes.

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

Does this business meet all permit requirements? Yes.

Finance

Is this business up to date on their taxes?

Are they in good standing with SDAT?

Please answer the questions above under the heading for your department and return to my office by 3/6/2019. Your assistance is appreciated. If you have any questions, please let me know.

Laura Soper
Director of Business Development
City of Salisbury
110 N Division Street
Salisbury, MD 21801
(O): 410-677-1916



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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:

APPI ENERGY

Name of Contact Person: Walter Moore

Title: President & CEO

Phone: 410-430-9520

Email: wmoore@appienergy.com

Mailing Address: 2013 Northwood Dr Salisbury MD 21801

Section B: Enterprise Zone Property Information

Enterprise Zone Property Address: 112 E. Market St. Salisbury MD 21801

Property Tax Account Number: 003636

Property Ownership: 112 Market Street, LLC

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: 112 Market Street, LLC

Mailing address of property owner: 206 E Maine St Salisbury MD 21801

Phone: 410-430-9520

Email Address: wmoore@appienergy.com

Project Start Date: 2/1/19

Anticipated Project Completion Date: 4/1/19

Briefly describe capital improvements plans: Painting, new bathrooms, new lighting, landscaping, floor, tile, new kitchen, electrical, parking lot.

REV. MAR2018

Type of Construction and Costs

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

New Construction: \$ _____

Rehabilitation: \$ 88,975.⁰⁰ _____

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: Walter Moore Position/Title: Resident & CEO

Applicant Signature: [Signature] Date: 2/26/19

Name of Property Owner: [Signature] Position/Title: _____

Property Owner Signature: Walter Moore Date: 2/26/19

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