

RESOLUTION NO. 2930

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT 112 E MARKET STREET LLC IS ELIGIBLE TO RECEIVE ENTERPRISE ZONE BENEFITS FOR PROPERTY LOCATED AT 120 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, 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, Christopher Eccleston, representing 112 Market Street, LLC, has requested that the company be designated as eligible for Enterprise Zone benefits because of its investment of more than \$50,000 at their property located in the zone at 120 E Market Street.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that 112 Market Street, LLC be designated as eligible to receive the benefits of the Enterprise Zone effective upon the adoption of this resolution.

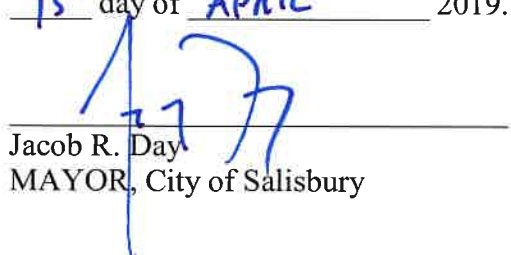
The above Resolution was introduced and read and passed at the regular meeting of the Salisbury City Council on the 8<sup>th</sup> day of April 2019.

ATTEST:

  
\_\_\_\_\_  
Kimberly R. Nichols  
CITY CLERK

  
\_\_\_\_\_  
John R. Heath  
PRESIDENT, City Council

APPROVED by me this  
15<sup>th</sup> day of APRIL 2019.

  
\_\_\_\_\_  
Jacob R. Day  
MAYOR, City of Salisbury

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**INTER**  
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\_\_\_\_\_**OFFICE**

# MEMO

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## Office of the Business Development

**To:** City Council  
**From:** Laura Soper  
**Subject:** Enterprise Zone Eligibility – 112 Market Street LLC  
**Date:** April 8, 2019

Attached is a copy of the application requesting Enterprise Zone designation for 112 Market Street LLC that I received from Chris Eccleston. 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 112 Market Street LLC located at 120 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

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**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 <cklaverweiden@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](mailto:obutar@salisbury.md)  
Phone: 410-548-3110

## Laura Soper

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**From:** Amanda Pollack  
**Sent:** Thursday, March 07, 2019 1:27 PM  
**To:** Laura Soper  
**Subject:** RE: Enterprise Zone - APPI Energy

Laura,  
112 E Market St. has plumbing & electrical permits issued. Once completed, the business will be updated to meet 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



[www.salisbury.md](http://www.salisbury.md)

**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?

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

Does this business meet the zoning code?

**Laura Soper**

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**From:** Laura Soper  
**Sent:** Friday, March 01, 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

**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.

<b>Applying For:</b>	
Income Tax Credit	<input type="checkbox"/>
Real Property Tax Credit	<input checked="" type="checkbox"/>
Personal Property Tax Credit (Applies only to Focus Area Zones)	<input type="checkbox"/>
<b>This Section is to be filled by Local Zone Administrators Only</b>	

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.

**Section A: Applicant Information**

Name of Business / Developer applying for Enterprise Zone credits:  
112 Market Street, LLC

Name of Contact Person: Christopher Eccleston

Title: Owner & Tenant

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: 120 E. Market Street, Salisbury MD 21801

Property Tax Account Number: 05-017122

Property Ownership: \_\_\_\_\_

Lease: \_\_\_\_\_ Own: X

**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. Main St, Salisbury MD 21801

Phone: 443-736-1584

Email Address: chris@delmarvaveteranbuilders.com

Project Start Date: 02/25/2019

Anticipated Project Completion Date: 04/01/2019

Briefly describe capital improvements plans: Exterior & Interior Renovations

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Type of Construction and Costs

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

New Construction: \$ \_\_\_\_\_

Rehabilitation: \$ 67,755

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/Owner

Applicant Signature:  Date: 02/26/19

Name of Property Owner: 112 Market Street, LLC Position/Title: \_\_\_\_\_

Property Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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