



**SALISBURY CITY COUNCIL
WORK SESSION AGENDA**

MAY 20, 2019

**COUNCIL CHAMBERS
GOVERNMENT OFFICE BUILDING**

- 4:30 p.m. Capacity Fee Waiver for 206 E. Market Street – DID Director Amanda Pollack
- 4:45 p.m. Budget amendment to appropriate additional funds for electric for street lighting – Field Operations Director Tom Stevenson **
- 5:00 p.m. Council discussion
- 5:10 p.m. Adjournment

**** Updated information (as available) to be provided at meeting**

*Times shown are approximate. Council reserves the right to adjust the agenda as circumstances warrant.
The Council reserves the right to convene in Closed Session as permitted under the Annotated Code of Maryland 3-305(b).*



City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda Pollack, P.E., Director of Infrastructure and Development 
Date: April 30, 2019
Re: Resolution – 206 East Market Street Capacity Fee Waiver

Attached is a letter from Davis Simpson Holdings, LLC dated April 15, 2019 which requests consideration for a Capacity Fee waiver for the redevelopment of 206 East Market Street. 206 East Market Street was formerly known as Parking Lot 16 and will be developed into a mixed use apartment complex. The request is for a waiver of 37 EDUs. At the current Capacity Fee rate of \$3,533, the waiver request is \$130,721.00.

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, 154.64 EDUs of the original allocation of 300 EDUs have been used, therefore there are 145.36 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 206 East Market 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.

Davis Simpson Holdings LLC
318 W. Carroll Street Suite A
Salisbury, MD 21801

April 15, 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: Davis Simpson Holdings , LLC's Request for Capacity Fee Waiver;
Redevelopment of 206 E. Market Street Salisbury, MD 21801**

Dear Ms. Pollack:

On behalf of Davis Simpson Holdings , LLC ("Davis Simpson Holdings "), please accept this letter as Davis Simpson's formal request to the City of Salisbury for a waiver of the Capacity Fees associated with Davis Simpson Holdings 's redevelopment of 206 E. Market Street, Salisbury, Maryland 21081 (the "Space").

As the City is aware, Davis Simpson Holdings plans to redevelop the Space by: building a four story mixed use building that would feature one first floor retail space and the 2nd through floors into one-person and two person luxury style apartments. The building will consist of 24 apartments. (the "Project"). The Project is on the brink of being permitted for construction. Indeed, over the course of the last three months, Davis Simpson Holdings has received: preliminary approval from the City of Salisbury Historic District Commission (the "HDC") for the Project's design and facade; a Special Exception from the City of Salisbury Board of Zoning Appeals (the "BZA") permitting the Project's proposed building and, approval of the Project's Site Plan from the Salisbury-Wicomico County Planning & Zoning Commission. Davis Simpson request for final approval of the Project was considered by the HDC at its October 24, 2018 meeting.

Our apartments will be designed to attract tenants that like living within walking distance of restaurants, entertainment, shopping, and other services. It is our experience in other markets that these features will allow us to increase the rental rates, and in turn offer amenities that other apartment complexes can't. These new residents are likely to be regular customers of Salisbury's downtown businesses, and will be a great contributor to the economic growth of 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. Recently, the City Council passed Resolution No. 2864, which extended the expiration date of the EDU Incentive Area until September 23, 2023. Currently, 216.2 EDUs are available for use within the City's EDU Incentive Area. Davis Simpson Holdings LLC 206 E. Market Street Salisbury, MD 21801

Davis Simpson Holdings estimates a total of 37 EDUs are needed for the Project. Under the City's EDU Incentive Area program, Davis Simpson Holdings 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, Davis Simpson Holdings respectfully requests the City waive the Capacity Fees of \$130,721.00 assessed for the 37 EDUs needed for 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 Davis Simpson Holdings LLC, thank you for your time and consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Bret Davis", with a long horizontal flourish extending to the right.

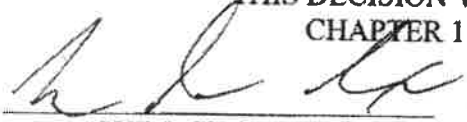
Bret Davis

Owner

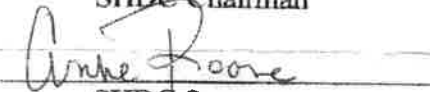
Salisbury Historic District Commission Certificate of Approval

Case # 18-30	Meeting Date: 10/24/18	Address: 300 E. Market Street- Lot 16
Description of Work: <i>New Construction</i>		
Presenting Case: <u>Owner/Agent</u> – Davis Simpson Holdings		
Motion: <i>Commissioner Phillips</i>		Second: <i>Commissioner Auchey</i>
Amendments to Proposal: ➤ <i>Approval of the general building massing</i>		
Decision: <i>Approved as submitted with amendments noted above.</i>		

THIS DECISION WAS MADE IN ACCORDANCE TO PROVISIONS OF
CHAPTER 17.52 OF THE SALISBURY MUNICIPAL CODE.



SHDC Chairman



SHDC Secretary

11/28/2018

Date

12.5.18

Date

Every certificate of approval and any permit arising as a result thereof shall become invalid unless the work on the site authorized by such certificate of approval or permit is commenced within one year after its issuance, or if the work authorized by such certificate of approval or permit is suspended or abandoned for a period of one hundred eighty (180) days after the time the work is commenced. The commission is authorized to grant, in writing, one or more extensions of time, for periods not more than one hundred eighty (180) days each. The extension shall be requested in writing and justifiable cause demonstrated.

1 RESOLUTION NO. _____

2
3 A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND
4 AUTHORIZING THE CAPACITY FEE OF THE CITY'S COMPREHENSIVE
5 CONNECTION CHARGE TO BE WAIVED FOR THE DEVELOPMENT OF 206 EAST
6 MARKET STREET.

7
8 WHEREAS, Davis Simpson Holdings, LLC has requested a waiver of the Capacity
9 Fee for the development of 206 East Market Street; and

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11 WHEREAS, the proposed development is located inside the City Limits and the
12 Central Business District; and

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

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

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21 WHEREAS, the proposed development of 206 East Market Street requires a total of
22 37.0 Equivalent Dwelling Units of water and sewer service; and

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24 WHEREAS, the current Capacity Fee for one Equivalent Dwelling Unit is
25 \$3,533.00; and

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27 WHEREAS, the Capacity Fee for 37.0 Equivalent Dwelling Units is \$130,721.00;
28 and

29
30 WHEREAS, the City Council approved a Capacity Fee waiver process under
31 Ordinance No. 2258 for development in the Central Business District; and

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33 WHEREAS, the Director of Infrastructure and Development reviewed the request
34 and has determined that the project is eligible for the Capacity Fee waiver; and

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

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

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

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46 WHEREAS, the allocated EDUs are assigned to the development of 206 East
47 Market Street and cannot be transferred by the recipient.

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49 NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Salisbury,
50 Maryland approves the waiver of 37.0 Equivalent Dwelling Units of Capacity Fee for the
51 development of 206 East Market Street by Davis Simpson Holdings, LLC.
52

53 THIS RESOLUTION was introduced and duly passed at a meeting of the Council
54 of the City of Salisbury, Maryland held on _____, 2019 and is to become effective
55 immediately upon adoption.
56

57 ATTEST:
58

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61 _____
Kimberly R. Nichols
62 CITY CLERK

John R. Heath
PRESIDENT, City Council

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65 APPROVED by me this _____ day of _____ 2019
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Jacob R. Day
70 MAYOR, City of Salisbury



City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz
From: Tom Stevenson
Subject: Budget Amendment (Traffic Electric) 22000-556201
Date: May 15, 2019

Attached, please find an Ordinance that will have the effect of amending the FY2019 General Fund Budget. As projected, the Traffic Control Branch identified a shortfall in the Electricity Account (22000-556201). These funds are used to purchase electricity for traffic signals, street lighting and other similar devices. There are insufficient funds available in other accounts to cover the deficit.

Unless you have any questions or require additional information, forward this request to the Mayor and Council for consideration.

Cc. Andy Kitzrow

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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SALISBURY APPROVING A BUDGET AMENDMENT OF THE FY2019 GENERAL FUND TO APPROPRIATE ADDITIONAL FUNDS FOR ELECTRICITY FOR STREET LIGHTING .

WHEREAS, the Traffic Control Branch has determined additional budgeted funds are required to maintain street lighting through the end of FY2019; and

WHEREAS, the City of Salisbury has determined there is insufficient funds available in other accounts to transfer to cover the amount required.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, THAT THE City's Fiscal Year 2019 General Fund Budget be amended as follows:

- 1) Increase Current Year Surplus (01000-469810) by \$145,000.00
- 2) Increase Department of Field Operations – Traffic Control (22000-556201) by \$145,000.00

BE IT FURTHER ORDAINED that this Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on this ____ day of _____, 2019, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the ____ day of _____, 2019.

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS ____ day of _____, 2019.

Jacob R. Day, Mayor