

RESOLUTION NO. 2947

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT DEVRECO GLEN, LLC IS ELIGIBLE TO RECEIVE ENTERPRISE ZONE BENEFITS FOR PROPERTY LOCATED AT 600 GLEN AVENUE, 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

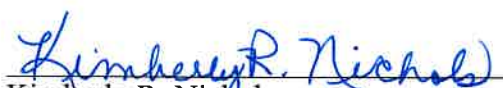
WHEREAS, the City of Salisbury and Wicomico County have also established certain standards, which must be met in order for a business to be deemed eligible to receive Enterprise Zone benefits; and


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

WHEREAS, Joey Gilkerson, representing Devreco Glen, 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 600 Glen Avenue.

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

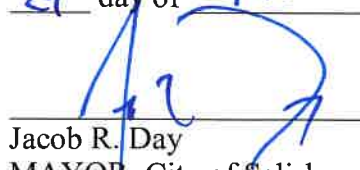
The above Resolution was introduced and read and passed at the regular meeting of the Salisbury City Council on the 28th day of May 2019.


Kimberly R. Nichols
CITY CLERK


Munir Boda
VICE-PRESIDENT, City Council

APPROVED by me this

29th day of MAY 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	<input type="checkbox"/>
Real Property Tax Credit	<input checked="" type="checkbox"/>
Personal Property Tax Credit (Applies only to Focus Area Zones)	<input type="checkbox"/>
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:

Devreco Glen, LLC

Name of Contact Person: Joey Gilkerson

Title: Principal

Phone: 443-880-6055

Email: joey@ggibuilds.com

Mailing Address: 118 N. Division Street, Suite 201 Salisbury, MD 21801

Section B: Enterprise Zone Property Information

Enterprise Zone Property Address: 600 Glen Avenue, Salisbury, MD 21801

Property Tax Account Number: 05-090032

Property Ownership: Devreco Glen, 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: Devreco Glen, LLC

Mailing address of property owner: 118 N. Division Street, Salisbury, MD 21801

Phone: 443-880-6055

Email Address: joey@ggibuilds.com

Project Start Date: July 2018

Anticipated Project Completion Date: 5/1/19 for 70,000 sq.ft. TBD for other 30,000 sq.ft.

Briefly describe capital improvements plans: Complete 70,000 sq.ft. of space for self-storage facility
Complete 30,000 sq.ft. of retail space

Type of Construction and Costs

Cost of building(s) & land (acquisition): \$ ~~1,300,000~~ 2,300,000

New Construction: \$ _____

Rehabilitation: \$ 5,450,000

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: Joey Gilkerson Position/Title: Principal

Applicant Signature:  Date: 5/6/19

Name of Property Owner: Denovo Gen, LLC Position/Title: Joey Gilkerson - Principal

Property Owner Signature:  Date: 5/6/19

*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): _____

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

Type of Business (i.e., restaurant, retail, financial services, etc.): _____

Is business located in the Enterprise Zone now? Yes ___ No ___

If yes, since what year: _____

Is the business relocation from another place? Yes ___ No ___

If yes, where was the previous location?: _____

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

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: _____

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: _____

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

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

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

Name of Applicant: _____ Position/Title: _____

Signature: _____ Date: _____

Amy Zaprowski

From: Amanda Pollack
Sent: Tuesday, May 14, 2019 1:13 PM
To: Amy Zaprowski
Cc: Laura Soper
Subject: RE: Enterprise Zone 600 Glen Ave.

Amy,
This project meets building, zoning and permit requirements reviewed by Infrastructure and Development.
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: Amy Zaprowski
Sent: Friday, May 10, 2019 1:48 PM
To: Amanda Pollack; Olga Butar
Cc: Laura Soper
Subject: RE: Enterprise Zone 600 Glen Ave.

Apologies, Still need to have you take a look at it. I've attached the application and if you could let me know by 5-17-19 if they are in conformance that would be great.

Thank you,

Amy

From: Amy Zaprowski
Sent: Friday, May 10, 2019 1:42 PM
To: Amanda Pollack <APollack@salisbury.md>; Olga Butar <obutar@salisbury.md>
Cc: Laura Soper <lsoper@salisbury.md>
Subject: RE: Enterprise Zone 600 Glen Ave.

Hello all, I am practicing so please disregard this email. I will send an update with the attachment in a bit.

Thank you!

Amy Zaprowski
Business Development Office Associate
City of Salisbury
110 N Division Street
Salisbury, MD 21801
(O): 410-677-1916



www.salisbury.md

From: Amy Zaprowski
Sent: Friday, May 10, 2019 1:41 PM
To: Amanda Pollack <APollack@salisbury.md>; Olga Butar <obutar@salisbury.md>
Cc: Laura Soper <lsoper@salisbury.md>
Subject: Enterprise Zone 600 Glen Ave.

I have received a request from Devreco Glen, LLC located at 600 Glen Ave., May 7, 2019 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

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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.

Amy Zaprowski

From: Connie Klaverweiden
Sent: Wednesday, May 15, 2019 7:56 AM
To: Amy Zaprowski
Cc: Olga Butar; Faith Richardson
Subject: FW: Enterprise Zone 600 Glen Ave.
Attachments: 20190510133156.pdf

Amy,

The business is in good standing and all taxes are paid.

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: Tuesday, May 14, 2019 10:11 AM
To: Connie Klaverweiden <ccklaverweiden@salisbury.md>; Faith Richardson <frichardson@salisbury.md>
Subject: FW: Enterprise Zone 600 Glen Ave.

Good morning,

Apologies for the delay in forwarding this message – Could you please assist with the request below and attached.

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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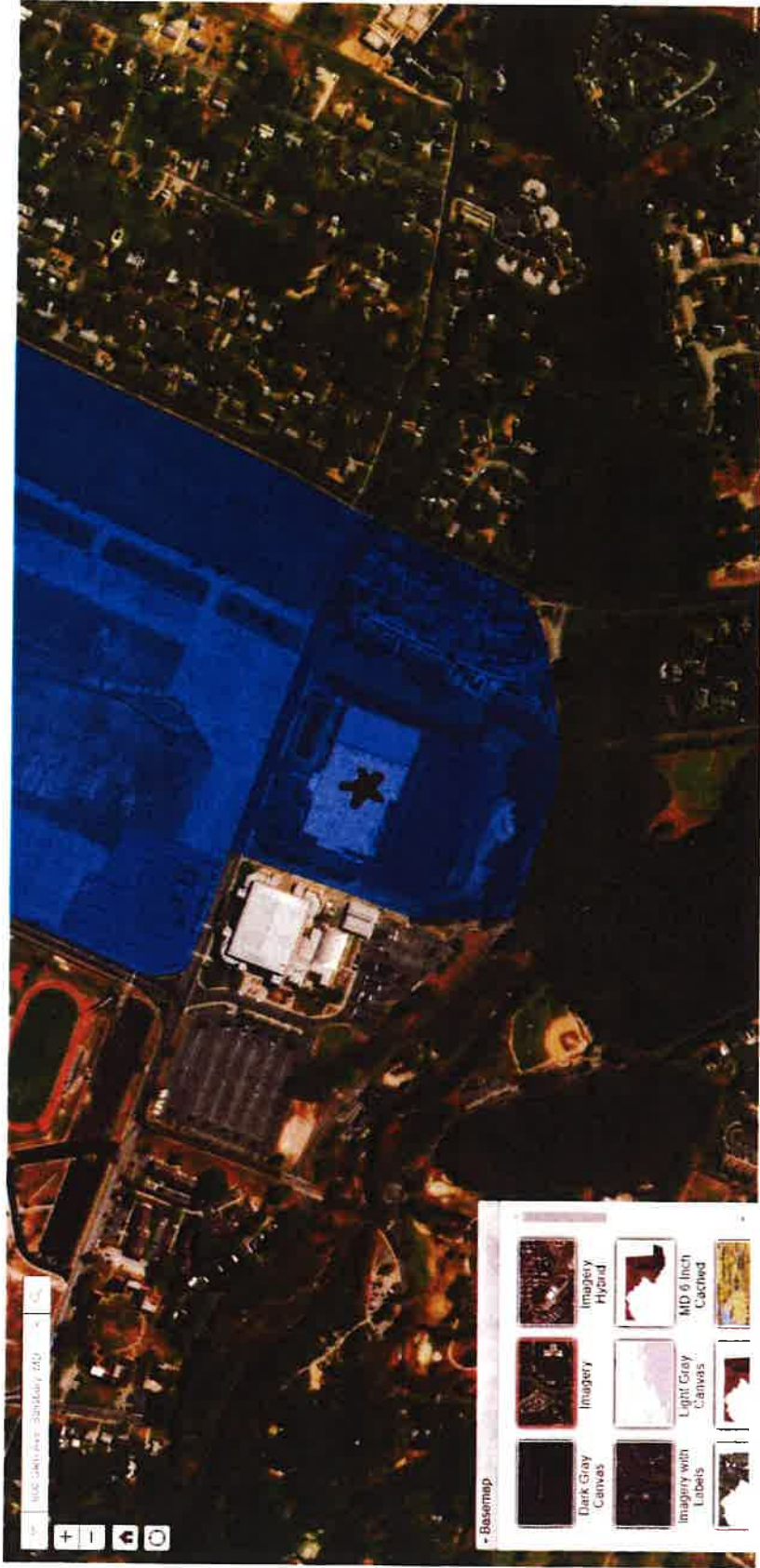
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City of Salisbury
110 N Division Street
Salisbury, MD 21801
(O): 410-677-1916



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100-041919-3045047-00



Basemap

- Dark Gray Canvas
- Imagery with Labels
- Imagery Hybrid
- Light Gray Canvas
- MD 6 Inch Cashed

Wicomico County

District: 05 Account Number: 090032

