



**SALISBURY CITY COUNCIL
WORK SESSION AGENDA**

**JUNE 1, 2020
ZOOM MEETING**

4:30 p.m. **SPECIAL MEETING – Separate Agenda**

WORK SESSION

- 4:47 p.m. Transitioning 1/4 of Revolving Loan funds into a Downtown COVID-19 Emergency Microgrant Fund- Business Development Director Laura Soper
- 4:57 p.m. Ordinance- Budget amendment for Gordy Road Water Main- Department of Infrastructure & Development (DID) Director Amanda Pollack
- 5:02 p.m. 1305 S. Division Street Annexation Plan (old Skateland property)- Permits and Inspections Manager William Holland and City Annexation Consultant Michael Sullivan
- 5:15 p.m. Comprehensive Connection Charges Discussion- DID Director Amanda Pollack
- 5:30 p.m. Ordinance- FY20 General Fund Budget Amendment for Attorney Fees – City Administrator Julia Glanz
- 5:40 p.m. Council discussion
- 5:45 p.m. Adjournment

*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).*

Join Zoom Meeting
<https://us02web.zoom.us/j/88576521778>
Meeting ID: 885 7652 1778
One tap mobile
+13017158592,,88576521778# US (Germantown)
Call 1-301-715-8592

Memo

To: City Council
From: Laura Soper
Subject: Revolving Loan to Microgrant Program
Date: 5/19/20

In response to the COVID-19 pandemic, we would like to transition some of the existing Revolving Loan fund into micro-grants available to our Downtown Salisbury business community. Currently, the City has \$279,552 in our Revolving Loan account. This proposal would repurpose $\frac{1}{4}$ of those funds for a micro-grant program, totaling \$69,888. The grants would be available on lottery basis for qualified Downtown businesses (must be within the Revolving Loan map area) and the maximum they could apply for is up to \$2,300.

Originally, these funds were provided to the City by HUD in the early 1980s for use on a bulkheading project. When they were unable to utilize them for that purpose, the City received authorization to transition them into a Revolving Loan account to spur new business development and aid with capital improvements. Over the years, HUD has authorized the City to make changes to the Revolving Loan guidelines to allow the program to be more flexible. Included with this proposal is authorization from Charles Halm, the Director of Community and Planning Development at HUD, to repurpose these funds into a microgrant program.

The application process will be overseen by my department and in order to apply, the business must fill out an application that will require them to demonstrate either a financial need for the grant and specify what it will be used for.

Additional Program Guidelines are as follows

- Must have been established prior to March 5, 2020 and have employed no more than 25 full-time people at that time
- Businesses must have a physical location in the Revolving Loan boundaries map, be in good standing with the State of Maryland Department of Assessments & Taxation, Wicomico County, and the City of Salisbury
- Must be engaged in activities that were regulated or impacted by the COVID-19 Maryland's State of Emergency and have a license/permit associated to that regulation
- Have no pre-existing tax liens or legal judgements prior to March 5, 2020
- The following organizations are not eligible for funding
 - Non-profits
 - Medical service providers
 - Home based businesses located in a residence



City of Salisbury

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- Churches
- Banks & financial institutions
- Investment real-estate entities
- Food trucks
- National franchises
- Government agencies
- Grants will be awarded on a lottery basis, and applications will be accepted during a 1 week period when the program is started.
 - Only one application per business will be considered at this time
 - Applicants must remain in business 1 year after receiving the funding.

Funds Can Be Used For:

- Provide paid sick leave to employees unable to work due to the direct effect of the coronavirus
- Maintaining payroll and/or retaining employees during business disruptions or substantial shutdowns
- Meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains
- Making rent or mortgage payments
- Repaying obligations that cannot be met due to revenue losses
- Purchasing PPE or spending on safety measures to reduce the spread of COVID-19

The goal of the program is to provide funding to businesses that were most impacted by the mandated shutdowns. Businesses that were mandated to fully close (non-essential retail, salons, etc) would receive first priority in applying for the funding. (Tier 1) If funding is not fully expended on these types of businesses, secondary businesses that were impacted by partial shutdowns could apply and potentially received funding. (Tier 2)

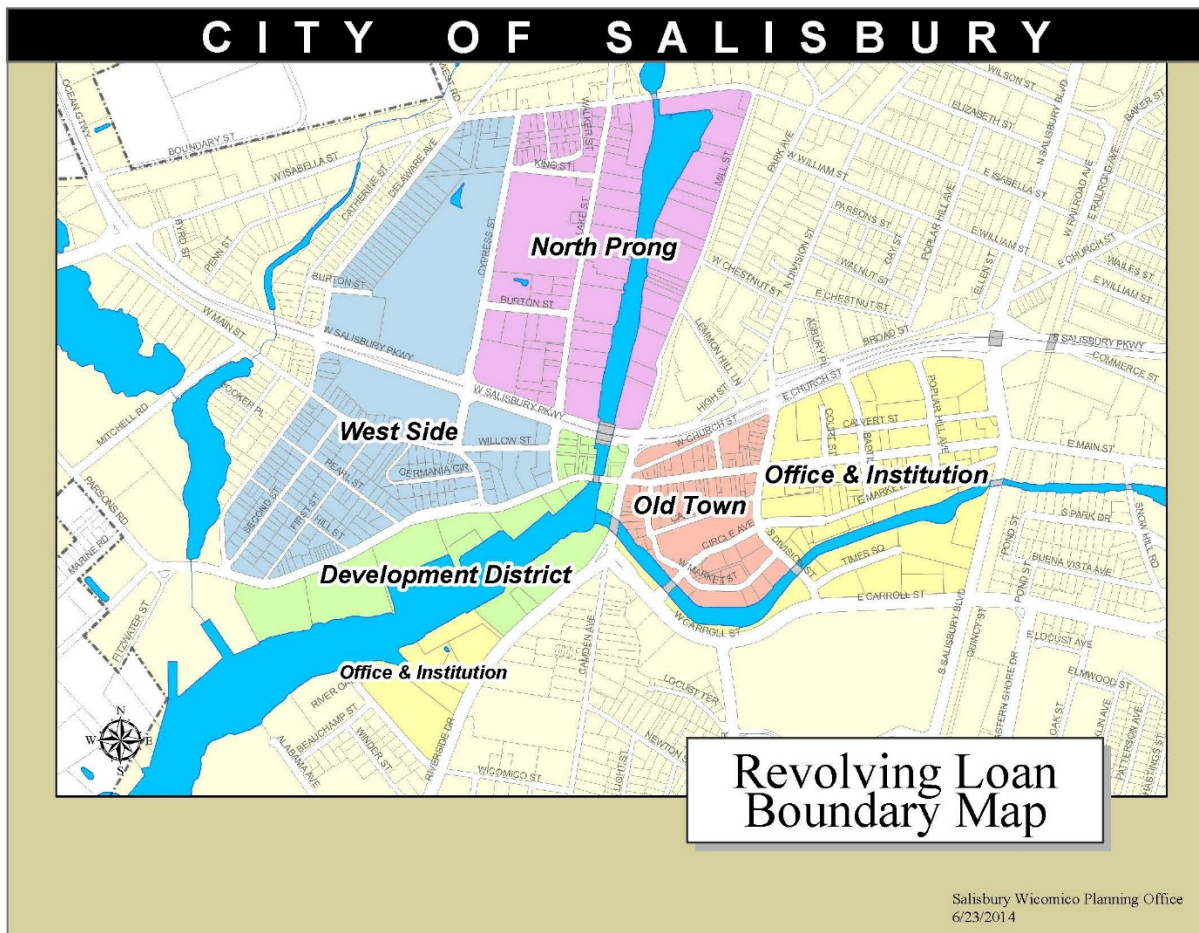
Process

1. An applicant can apply online or by email to LSoper@salisbury.md
2. The application will be reviewed by the Director of Business Development, an officer in the City of Salisbury Finance Department, and the Deputy City Administrator for completeness
 - a. The applicant must demonstrate a tangible and immediate need for funding
 - b. The applicant must certify that the funds will be used for the tangible and immediate need
3. Once the applicants are verified and approved, they will be classified by Tier 1 or Tier 2. Tier 1 applicants must meet all guidelines of the application process and demonstrate that they were mandated to be fully closed. Tier 2 applicants must demonstrate that they were mandated to partially close or saw a reduction in income as a result of COVID-19.
4. Tier 1 applicants will receive first priority and approved applications will be entered into a lottery system. If there are funds left over after the Tier 1 lottery system, a lottery will open for Tier 2 applicants.
5. Awardees will be selected at random and will receive the grant check via mail.
6. Awardees will be required to complete a disbursement form and must be able to produce receipts within 1 month of City approval.



City of Salisbury

Jacob R. Day, Mayor





U.S. Department of Housing and Urban Development

Baltimore Office
Bank of America Bldg Tower II
100 South Charles Street Suite 500
Baltimore, MD 21201

May 14, 2020

Ms. Julia Glanz
City Administrator
125 North Division Street
Salisbury, MD 21801

Dear Ms. Glanz:

**SUBJECT: Revolving Loan Fund
 Salisbury, Maryland
 Repurposing One Quarter of the Revolving Loan Fund for Emergency Grants**

Recently I had a telephone conversation with Laura Soper, the City's Director of Business Development, concerning a proposal to repurpose some of the current balance of the Revolving Loan Fund for a micro-grant program. That program would assist qualified Downtown businesses to provide funds to assist businesses with assistance for a variety of purposes, all related to the adverse impact of the COVID-19 social distancing on those businesses and their employees.

Because HUD community development assistance was the original source for the revolving loan fund, the City is asking the CPD Division in the HUD Baltimore Office to comment on this change, as it has done in the past when changes are proposed to the design of the fund.

The City followed up that conversation with your letter, which states that that City "thought it prudent to have the express approval to repurpose these funds for use in a micro-grant program to serve our business community that is suffering in the wake of the COVID-19 pandemic." A memo describing the proposed design of the program was enclosed with your letter.

We are pleased to inform you that the program design is indeed compatible with the uses of these funds originally authorized by HUD.

In addition, we also note that the CARES Act, recently enacted to provide assistance to various segments of the American people in these challenging times, included \$5 billion in Community Development Block Grant (CDBG) funding to prevent, prepare for, and respond to the coronavirus pandemic. Those funds include \$227,905 for the City of Salisbury (a CDBG entitlement grantee), its share of the first \$2 billion allocated to specific CDBG grantees.

This Office applauds the City's effort to use a portion of the Revolving Loan Fund to address the special needs of Downtown businesses at this time, certainly an effort to "respond to the coronavirus pandemic." We have absolutely no qualms about the proposed repurposing of some of the Revolving Loan Fund for the uses described in your letter and in the memo.

HUD nationally is in a mandatory telework status. If there are any questions about this matter, please feel free to contact me by phone at (410) 366-5719 (home phone) or (443) 418-6025 (cellphone) or by email at charles.e.halm@hud.gov.

Sincerely

Charles Halm

Charles Halm
Director
Community Planning and Development

cc:
Laura Soper

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND, TRANSITIONING Sixty Nine Thousand Eight Hundred Eighty Eight Dollars (\$69,888.00) FROM THE REVOLVING LOAN FUND TO A MICRO-GRANT PROGRAM TO AID SMALL BUSINESSES IN THE WAKE OF THE COVID-19 PANDEMIC.

WHEREAS, the Mayor and City Council of the City of Salisbury have established a Revolving Loan fund to aid in the revitalization of the Downtown area; and

WHEREAS, there is currently Two Hundred Seventy Nine Thousand Five Hundred Fifty Two Dollars (\$279,552.00) in the fund and the Mayor and City Council wish to repurpose one-fourth of those funds to help businesses most affected by mandated shutdowns in the wake of the COVID-19 pandemic; and

WHEREAS, these funds were originally provided by HUD, and its approval of this repurposing was granted by its Director of Community Planning and Development in a May 14, 2020 letter, a copy of which is attached; and

WHEREAS, eligible businesses within the Revolving Loan boundaries could apply for a maximum of Two Thousand Three Hundred (\$2,300.00) for use in accordance with grant rules to pay sick leave, maintain payroll, meet increased costs, pay commercial rents/mortgages or other obligations, to purchase PPE, or to spend on safety measures to reduce the spread of COVID-19; and

WHEREAS, applications would be reviewed by the Director of Business Development, Deputy City Administrator, and an officer of the City of Salisbury Finance Department for completeness and eligibility; and

WHEREAS, applicants would be entered into a lottery system after submitting an eligible application; and

WHEREAS, funds would be disbursed to applicants selected by the lottery system.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that the repurposing of Sixty Nine Thousand Eight Hundred Eighty Eight Dollars (\$69,888.00) of the City's Downtown Revolving Loan Fund balance is hereby authorized.

The above Resolution was introduced, read and passed at the regular meeting of the Salisbury City Council on the _____ day of _____, 2020.

Kimberly Nichols
CITY CLERK

John R. Heath
PRESIDENT, City Council

APPROVED by me this
_____ day of _____ 2020

Jacob R. Day
MAYOR, City of Salisbury



City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda H. Pollack, P.E., Director of Infrastructure & Development AP
Date: May 19, 2020
Re: Budget Amendment – Lawsuit proceed reallocation for Gordy Road Water Main

The Department of Infrastructure and Development has worked with the Department of Procurement to bid the Gordy Road Water Main Extension construction and the related RFP for Construction Administration and Inspection. Both contracts came in over budget. The budget was from FY16 and had not been increased in recent years due to inflation. The available budget and bid amounts are shown in the table below.

The Gordy Road Water Main extension project is a critical project to loop the City's water system on the eastern side of the City and to provide redundancy in the distribution system. The close range of construction bids represents a good bidding climate. We were not able to find opportunities to value engineer to reduce the scope of work because this scope is relatively straightforward. The Department of Infrastructure and Development recommends proceeding with this project by allocating additional funding.

For construction, eight (8) bids were received with a range from \$2,157,930.80 to \$3,635,710.00. The references for the apparent low bidder were called and provided positive feedback. For the Construction Administration and Inspection RFP, five (5) proposal were received and ranked by the selection committee. The value of the recommended vendor's contract is shown below.

	Budget	Actual Bids	Overage	Requested Budget Amendment	Revised Budget	Contingency Amount	Contingency %
Construction	\$ 2,000,000.00	\$ 2,157,930.80	\$ 157,930.80	\$ 268,000.00	\$ 2,268,000.00	\$ 110,069.20	5.10%
C/A and Inspection	\$ 117,907.00	\$ 141,936.00	\$ 24,029.00	\$ 32,000.00	\$ 149,907.00	\$ 7,971.00	5.62%
Total	\$ 2,117,907.00	\$ 2,299,866.80	\$ 181,959.80	\$ 300,000.00	\$ 2,417,907.00	\$ 118,040.20	5.13%

To fund the project, we are seeking to reallocate unused lawsuit proceed funds which are in the Fitzwater Lift Station account. The Fitzwater Lift Station is under construction and has above normal levels of contingency funding in the account. The requested budget amendment is for \$300,000 to provide for the bid amount plus contingency for both the construction bid and the Construction Administration and Inspection proposal.

Unless you or the Mayor have further questions, please forward a copy of this memo and the ordinance to the City Council.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SALISBURY APPROVING AN AMENDMENT OF THE CITY'S WATER SEWER CAPITAL PROJECT FUND BUDGET TO REALLOCATE FUNDING FOR THE GORDY ROAD WATER MAIN EXTENSION PROJECT.

WHEREAS, Ordinance No. 2430 authorized the City to allocate funding for projects in the lawsuit proceeds pool which appropriated funds for various capital projects; and

WHEREAS, the lawsuit proceeds pool included funding for the Fitzwater Street Lift Station; and

WHEREAS, the Department of Infrastructure and Development is seeking to move unused funds from the Fitzwater Street Lift Station project to the Gordy Road Water Main Extension project to provide the funding necessary for inspection and construction of the Gordy Road Water Main Extension project.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND THAT THE City's Capital Projects Fund Budget be and hereby is amended as follows:

Project Description	Account Description	Account	Amount
Revenues:			
Fitzwater	Decrease Lawsuit Proceeds	97010-456939-55011	-300,000.00
Gordy Road	Increase Lawsuit Proceeds	97010-456939-48021	300,000.00
Expenditures:			
Fitzwater Lift Station	Decrease Construction	97010-513026-55011	-300,000.00
Gordy Road	Increase Engineering	97010-513020-48021	32,000.00
Gordy Road	Increase Construction	97010-513026-48021	268,000.00

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on this ____ day of _____ 2020, 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 _____, 2020.

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS ____ day of _____, 2020.

Jacob R. Day, Mayor

MEMO

To: Amanda Pollack, Director Infrastructure & Development
From: William T Holland
Date: 5/20/2020
Re: South Division Street – S. Div. St. Condo Annexation

Attached is the annexation package for the referenced annexation. The site is developed with numerous small businesses and is in need of City water and sewer utilities. There are several conditions in the annexation agreement that have been highlighted for consideration by the City Council.

With this in mind, please forward this to the City Council for the June 1 work session.

KENPO333, LLC

KENPO333, LLC
305A Union Avenue
Salisbury, MD 21801

March 25, 2019
William Holland
125 North Division Street
Salisbury, MD 21801

Dear Mr. Holland,

As the owner of Wicomico County Tax Map 0048, Grid 0008, Parcel 217, which property on the Southeastern quadrant of the Business 13/ South Division Street, we are providing this letter indicating our intent to move forward with the annexation of the aforementioned property due to the need of municipal water and sewer. Currently, the property is served by a septic system which has outlived its useful life and has been determined by the Wicomico Health Department public water and sewer is needed at the site.

Sincerely,

A handwritten signature in black ink, appearing to read 'R Mitchell', is written over a horizontal line.

Richard Mitchell
Owner

1305 S. Division Street
Salisbury, MD 21801
Phone: 410-844-4160

BDMK LLC

February 20, 2019

William Holland, Building Official

City of Salisbury

125 North Division Street

Salisbury, Maryland 21801

As the owner of Wicomico County Tax Map 0048, Grid 0008, Parcel 0217, which property is located on the southeast quadrant of Business 13/South Division Street, we are providing this letter indicating our intent to move forward with the annexation of the aforementioned property due to the need of municipal water and sewer. Currently, the property is served by a septic system which has outlived its useful life and has been determined by Wicomico Health Department that public water and sewer is needed at the site.

Sincerely,

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

Bret Davis

Owner

CITY OF SALISBURY

PETITION FOR ANNEXATION

To the Mayor and Council of the City of Salisbury:

I/We request annexation of my/our land to the City of Salisbury.

Parcel(s) #

0217

Map

#

0048

SIGNATURE (S)



Date

3/28/19

Date



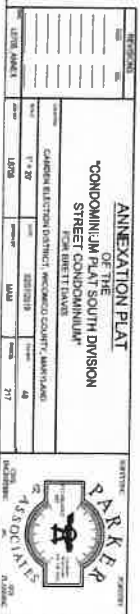
Date

Melody L. Mitchell

Date

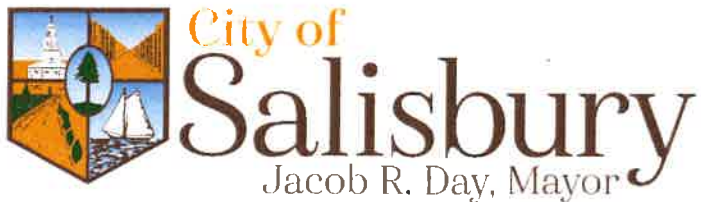
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— **Spencer** —



HONORABLE CHIEF OF POLICE, FREDERICK COUNTY, 1000 N. WOOD STREET
 FREDERICK, MARYLAND 21701-1000
 (410) 326-1234
 ATTENTION: CHIEF OF POLICE
 DATE: 11/15/10
 BY: [Signature]
 OFFICE: [Signature]





September 30, 2019

1305 S. Division Street
Salisbury, Maryland

RE: Annexation Zoning-1305 S. Division Street
Project #19-022
Map 048-Parcel 0217
City of Salisbury, Wicomico County, Maryland

Dear Mr. Davis,

The Salisbury-Wicomico Planning Commission at its May 16, 2019 meeting forwarded a **FAVORABLE** recommendation to the Mayor and City Council for this property to be zoned **General Commercial** upon annexation. The Commission also found that the proposed zoning is consistent with the Wicomico County Zoning and the Salisbury Comprehensive Plan.

If you have any questions, please don't hesitate to contact me.

Sincerely,

Henry Eure
Project Manager
Department of Infrastructure & Development
City of Salisbury
125 North Division St., Room 202
Salisbury, MD 21801
410-548-3130



www.salisbury.md

Department of Infrastructure & Development
125 N. Division St., #202 Salisbury, MD 21801
410-548-3170 (fax) 410-548-3107
www.salisbury.md



City of
Salisbury
Jacob R. Day, Mayor

**Infrastructure and Development
Staff Report
Planning and Zoning Commission
Meeting of May 16, 2019**

I. BACKGROUND INFORMATION:

Project Name: 1305 S. Division Street

Applicant/Owner (s): KENPO333, LLC-Mr. Richard Mitchell
BDMK, LLC-Mr. Bret Davis

Infrastructure and Development Project No.: 19-022

Nature of Request: Zoning Recommendation for Annexation Request-3.03 Acres

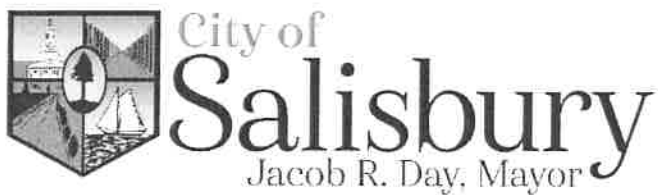
Location of Property: Easterly quadrant of South Division Street and its northerly side and rear property line is contiguous to the Orchards student housing development.

Tax Map: 048 Parcel: 0217

A. Introduction.

The City Administration has referred KENPO333, LLC-Mr. Richard Mitchell and BDMK, LLC-Mr. Bret Davis, the owners of 1305 S. Division St, request for the annexation located on the south-east side of Salisbury to the Planning Commission for review and recommendation of an appropriate zoning designation. The property is located on the Easterly quadrant of South Division Street and its northerly side and rear property line is contiguous to the Orchards student housing development and consists of 2.68 acres. **(See Attachments #1 and 2.)**

Under the procedures established by the Mayor and City Council in 1987, the zoning classification of the area will be included in the resolution that annexes the property to the City. Prior to this policy, annexations were conducted by resolution and the zoning category established by a separate ordinance on a separate time schedule. This policy now puts the zoning classification and annexation on the same schedule.



B. Area Description.

This annexation area consists of two buildings on one parcel 3.03 acres in size and that is an occupied mixed retail development

ZONING ANALYSIS:

A. Existing Zoning

The annexation area zoned LB-1 Light Business and Institutional. (See Attachment #3.)

B. Proposed Zoning:

The City of Salisbury Planning staff recommends that the property be zoned Commercial, which is consistent with the zoning and land use recommended in the Salisbury Comprehensive Plan adopted in 2010. (See Attachment #4)

C. County Plan.

Wicomico County's Comprehensive Plan was adopted on February 3, 1998. This site is located within the area designated as "Commercial". (See Attachment #5)

D. Zoning for Annexed Areas.

1. Introduction.

Current City policy requires that all areas to be annexed shall be submitted to the Salisbury-Wicomico Planning Commission for review and recommendation of an appropriate zoning district. The Zoning Code does not establish specific procedures for zoning lands to be annexed to the City of Salisbury. The classification of future City areas, therefore, is conducted consistent with local adopted plan recommendations and Maryland Annexation Law.

2. Adopted Plans.



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The Planning Commission is a jointly established agency for both the City of Salisbury and Wicomico County. One of its basic charges is to prepare and recommend various plans guiding the long-range development of both jurisdictions.

The information below summarizes the legal status of the plans currently in effect for Wicomico County and the City of Salisbury.

- a. The Salisbury Comprehensive Plan - The Salisbury City Council adopted the current Comprehensive Plan on July 12, 2010. That document includes land use policies for all lands within the Corporate Limits as well as a Municipal Growth Element addressing growth areas outside the Corporate Limits. The Land Use Map of the City Plan designates this area as a "Commercial".
- b. The Wicomico County Comprehensive Plan - The Wicomico County Council adopted its Plan in 2017. The Land Use Map of the County Comprehensive Plan designates this area as "Commercial."

3. Maryland Law.

House Bill 1141 made two changes to Annexation Procedures that became effective October 1, 2006. They are:

1. **The Five-Year Rule.** First, the rule is applied solely on zoning. In the past, the five-year rule could be applied whenever a proposed new zoning classification was substantially different from the use envisioned "in the current and duly adopted master plan." The reference to the master plan is now gone and the issue becomes the degree of change from the current county zoning classification to the proposed municipal classification following the annexation. When the zoning change is from one residential zone to another, "substantially different" is now defined as a density change. The five-year rule will not kick in for a density change unless the proposed zoning is more dense by 50 percent. For example, if the current



City of
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Jacob R. Day, Mayor

zoning permits 1 unit per acre, the new zoning can be subject to the five-year rule if it permits anything more than 1.5 units per acre. As before, a municipality may obtain a waiver from the county to avoid the five-year wait until the new zoning classification applies.

2. **Annexation Plans Required.** An annexation plan is required that replaces the “outline” for the extension of services and public facilities prior to the public hearing for an annexation proposal. This section contains no additional language for the content of the annexation plan to be adopted, but does require it to be consistent with the municipal growth element for any annexations that begin after October 1, 2009 (unless extended for up to two six-month periods). The Plan must be provided to the county and the State (the Maryland Department of Planning) at least 30 days prior to the hearing.

III. DEVELOPMENT SCENARIO.

- A. These are two existing occupied structures with failing septic systems.

Memorandum

To: Amanda Pollack, Director, City of Salisbury Department of Infrastructure & Development
From: Michael P. Sullivan, Esq.
Date: 5/19/2020
Re: *Fiscal Impact* – Annexation of 1305 S. Division Street, Salisbury, MD 21804

Petition Requesting the City's Annexation of the Annexed Property:

On behalf of all owners of the Annexed Property, BDMK, LLC, a Maryland limited liability company ("BDMK") filed a Petition for Annexation (the "**Petition**") with the City of Salisbury (the "**City**"), requesting the City annex the following parcel of land: Map 0048, Grid 0008, Parcel 0217, having a premises address of 1305 S. Division Street (the "**Annexed Property**").¹

If approved by the City Council, the City's annexation of the Annexed Property will add 3.03+/- acres of land to the municipal boundaries of the City, all of which will be zoned as "General Commercial" and subject to the standards set forth in Section 17.36 *et seq.* of the City of Salisbury City Code (the "**City Code**"). The City's annexation of the Annexed Property is estimated to have an immediate, annual net-positive fiscal impact on the City in an amount not less than \$4,500. This Memorandum is intended to summarize estimated costs the City will incur, and estimated revenues the City will generate, if the Annexed Property is annexed by the City as requested by the Petition.

Costs Incurred by the City from the Annexation of the Annexed Property:

Cost projections are based on a snapshot marginal cost approach. The current level of service (derived from the approved FY2020 Budget) is used to project new costs, using demand unit multipliers, which reflect how responsive a cost is to demand – i.e. how much the costs incurred by the City for providing a service are likely to vary with each additional household or job. With respect to the City's annexation of the Annexed Property, cost projections are limited solely to jobs added by the subject annexation, because the Annexed Property is fully

¹ The Annexed Property consists of real property owned by BDMK, Kenpo333, a Maryland limited liability company, and South Division Street Condominium Association, Inc., a Maryland non-stock corporation.

Furthermore, the Annexed Property consists of all that certain real property identified by the Maryland State Department of Assessments and Taxation as follow: Tax Account No. 13-129740; Tax Account No. 13-129748; Tax Account No. 13-129756; Tax Account No. 13-129741; Tax Account No. 13-129749; Tax Account No. 13-129757; Tax Account No. 13-129739; Tax Account No. 13-129747; Tax Account No. 13-129755; Tax Account No. 13-129738; Tax Account No. 13-129746; Tax Account No. 13-129754; Tax Account No. 13-129743; Tax Account No. 13-129751; Tax Account No. 13-129759; Tax Account No. 13-129742; Tax Account No. 13-129750; Tax Account No. 13-129758; Tax Account No. 13-129745; Tax Account No. 13-1297453; Tax Account No. 13-129744; Tax Account No. 13-129752; Tax Account No. 13-129760; Tax Account No. 13-129735; Tax Account No. 13-129734; Tax Account No. 13-129761; Tax Account No. 13-129737; Tax Account No. 13-129736; Tax Account No. 13-129763; and, Tax Account No. 13-129762.

developed, improved by two (2) free-standing buildings consisting of twenty-four (24) rental units leased to various commercial tenants.

Regardless of the nature or extent of the ongoing use of the Annexed Property, some portion of all public services provided by the City is fixed; therefore, the cost to the City for providing such public services will remain constant no matter how the Annexed Property is used following its annexation by the City. In light of such considerations, the annual, total costs to the City arising from the annexation of the Annexed Property is estimated to be approximately \$12,000+/-.

Revenues to City from the Annexation of the Annexed Property:

When land is annexed into the City it is immediately subject to the municipal real property tax levied by the City. The municipal real property tax is applied to the value of land and improvements located thereon. Under the City's FY2020 Budget (and the Mayor's proposed FY2021 Budget), the municipal real property tax rate is set at \$0.9832 per \$100 of assessed value. The total assessed value of the Annexed Property as determined by the Maryland State Department of Assessment and Taxation is currently \$1,665,000.00.² Accordingly, using the real property tax rate set by the City for the FY2020 Budget, the City's expected annual revenue from municipal real property taxes levied on the Annexed Property is estimated to be: \$16,650. Because the Annexed Property is fully developed to its highest and best use (subject to any complete redevelopment of the site, which is not planned), the amount of revenue generated by the City from municipal real property taxes assessed against the property is unlikely to experience any material variance beyond that caused by any change to the City's real property tax rate.³

The City also imposes certain user fees, capacity fees and impact fees, which the City charges to applicants for permits and/or users of certain public services provided by the City. The capacity fees the City will charge to the owners of units located at the Annexed Property (i.e. BDMK and Kenpo333, respectively) to the City's public water and sewer utilities will be based on the number of equivalent dwelling units ("EDUs") allocated to the Annexed Property. It is estimated that thirty-one (31) EDUs will be required to serve all users of City water and sewer utilities at the Annexed Property. Currently, under the FY2020 Budget (and as set forth in the Mayor's proposed FY2021 Budget), the City charges a Capacity Fee in the amount of \$3,533.00 per EDU. Accordingly, if thirty-one (31) EDUs must be allocated for use of City water and sewer utilities at the Annexed Property, the City can expect to receive a one-time Connection Fee payment in the amount of \$109,523.00 prior to connecting the Annexed Property to City water and sewer utilities.

² The assessed value of each property tax account that comprises the Annexed Property is as follows: Tax Account No. 13-129740 (\$17,100); Tax Account No. 13-129748 (\$47,500); Tax Account No. 13-129756 (\$30,100); Tax Account No. 13-129741 (\$19,200); Tax Account No. 13-129749 (\$48,300); Tax Account No. 13-129757 (\$5,200); Tax Account No. 13-129739 (\$21,300); Tax Account No. 13-129747 (\$47,500); Tax Account No. 13-129755 (\$27,500); Tax Account No. 13-129738 (\$19,300); Tax Account No. 13-129746 (\$19,200); Tax Account No. 13-129754 (\$26,100); Tax Account No. 13-129743 (\$19,200); Tax Account No. 13-129751 (\$27,700); Tax Account No. 13-129759 (\$3,000); Tax Account No. 13-129742 (\$43,300); Tax Account No. 13-129750 (\$46,500); Tax Account No. 13-129758 (\$3,000); Tax Account No. 13-129745 (\$19,200); Tax Account No. 13-1297453 (\$27,800); Tax Account No. 13-129744 (\$19,200); Tax Account No. 13-129752 (\$59,900); Tax Account No. 13-129760 (\$3,500); Tax Account No. 13-129735 (\$73,800); Tax Account No. 13-129734 (\$72,100); Tax Account No. 13-129761 (\$4,300); Tax Account No. 13-129737 (\$774,800); Tax Account No. 13-129736 (\$131,100); Tax Account No. 13-129763 (\$5,600); and, Tax Account No. 13-129762 (\$2,700).

³ Because it is difficult to estimate the activities of businesses that currently occupy (or may occupy in the future) rental spaces located at the Annexed Property, personal property tax receipts likely to accrue from the businesses currently operating (or business which may, in the future, operate) at the Annexed Property are not included as part of the analysis contained in this Memorandum.

May 19, 2020

In addition to the Capacity Fee, once connected to the City's public water and sewer utilities system, all users/rental units at the Annexed Property of such utility services will be billed quarterly by the City for service charges arising from the usage of water and sewer utilities at such rental units. The actual quarterly water and sewer utility charges that will be billed by the City for use of water and sewer utilities at the Annexed Property is unknown and cannot be estimated; however, for purposes of this Memorandum, it is assumed all users of water and sewer utilities at the Annexed Property would fall within the definition of "Commercial Customers" and thus would be charged: a Metered Water Rate of \$420.08/quarter, \$1.95/thousand gallons; and Sewer Charge Rate of \$1,047.42/quarter, \$4.84/thousand gallons (which would imply an allocation of EDUs greater than one (1)).

Conclusion:

The City's annexation of the Annexed Property is estimated to have a net-positive fiscal impact to the City (on an annual basis) in an amount not less \$4,500 (but, very likely, more).

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A RESOLUTION of the City of Salisbury proposing the annexation to the City of Salisbury of a certain area of land contiguous to and binding upon the southerly corporate limit of the City of Salisbury to be known as the "South Division Street – S. Div. St. Condo Annexation" beginning for the same at a point on the existing corporate limit, said point lying on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium continuing around the perimeter of the affected property to the point of beginning, containing all of Map 048 -Parcel 0217 and consisting of approximately 3.03 acres of land.

WHEREAS the City of Salisbury has received a petition to annex dated March 28, 2019, attached hereto **(Exhibit 1)**, signed by at least twenty-five percent (25%) of the persons who are resident registered voters and of the persons who are owners of at least twenty-five percent (25%) of the assessed valuation of the real property in the area sought to be annexed binding upon the southerly corporate limit of the City of Salisbury to be known as “South Division Street – S. Div. St. Condo Annexation” beginning for the same at a point on the existing corporate limit, said point lying on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium continuing around the perimeter of the affected property to the point of beginning, containing all of Map 048 -Parcel 0217, and consisting of approximately 3.03 acres of land,; and

WHEREAS the City of Salisbury has caused to be made a certification of the signatures on said petition for annexation and has verified that the persons signing the petition represent at least twenty-five percent (25%) of the persons who are eligible voters and property owners owning twenty-five percent (25%) of the assessed valuation of real property in the area to be annexed, all as of April 12, 2019, and, as will more particularly appear by the certification of Leslie C. Sherrill, Surveyor, of the City of Salisbury, attached hereto **(Exhibit 2)**; and

WHEREAS it appears that the petition dated March 28, 2019, meets all the requirements of the law; and

WHEREAS the public hearing is scheduled for _____ , 2020 at 6:00 p.m.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY THAT it is hereby proposed and recommended that the boundaries of the City of Salisbury be changed so as to annex and include within said City all that parcel of land together with the persons residing therein and their property, contiguous to and binding upon the southerly corporate limit, said point lying on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium continuing around the perimeter of the affected property to the point of beginning, containing all of Map 048 -Parcel 0217, and consisting of approximately 3.03 acres of land, being more particularly described on **Exhibit A** attached hereto and made a part hereof.

AND BE IT FURTHER RESOLVED BY THE CITY OF SALISBURY, THAT the annexation of the said area be made subject to the terms, conditions and agreements in **Exhibits A-C** attached hereto and made a part hereof.

AND BE IT FURTHER RESOLVED BY THE CITY OF SALISBURY, that the Zoning Map of the City of Salisbury shall be amended to include this newly annexed property in the General Commercial district. Said property is presently classified as Light Business and Institutional under the zoning laws of Wicomico County.

AND BE IT FURTHER RESOLVED BY THE CITY OF SALISBURY, that the Council shall hold a public hearing on the annexation hereby proposed on _____ , 2020, at 6:00 p.m. in the Council Chambers at the City-County Office Building and the City Administrator shall cause a public notice of time and place of said hearing to be published not fewer than two (2) times at not less than weekly intervals, in at least one newspaper of general circulation in the City of Salisbury, which said notice shall specify a time and place at which the Council of the City of Salisbury will hold a public hearing on the Resolution, which date shall be no sooner than 15 days after the final

required date of publication specified above.

AND BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY, THAT this resolution shall take effect upon the expiration of forty-five (45) days following its final passage, subject, however, to the right of referendum as contained in the Local Government Article of the Maryland Annotated Code.

The above Resolution was introduced, read and passed at the regular meeting of the Council of the City of Salisbury held on _____, 2020, having been duly published as required by law in the meantime a public hearing was held on the ____ day of _____, 2020, and was finally passed by the Council at its regular meeting held on the ____ day of _____, 2020.

Kimberly R. Nichols,
City Clerk

John R. Heath,
Council President

APPROVED BY ME this ____ day of _____, 2020.

Jacob R. Day,
Mayor

CITY OF SALISBURY

PETITION FOR ANNEXATION

To the Mayor and Council of the City of Salisbury:

I/We request annexation of my/our land to the City of Salisbury.

Parcel(s) # 0217

Map # 0048

SIGNATURE (S)





Date 3/28/19



Date _____

Melody K. Mitchell

Date _____

Date _____



CERTIFICATION

SOUTH DIVISION STREET – SOUTH DIVISION STREET CONDO ANNEXATION

This is to certify that I have verified the petitions for the annexation and that to the best of my knowledge the persons having signed the petition represent at least 25% of the registered voters residing in the area to be annexed and are the owners of at least 25% of the assessed valuation of real property located in the area to be annexed.

Leslie C. Sherrill
Surveyor

Date: 4/12/2019

South Division Street – South Division Street Condo – Certification – 4-12-19.doc

EXHIBIT A

SOUTH DIVISION STREET – S. DIV. ST. CONDO

Beginning for the same at a point at a corner of the existing Corporate Limits Line of the City of Salisbury, MD, being on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium. X 1,201,684.02 Y 187,177.01 (1) Thence by and with the said line of South Division Street South five degrees eleven minutes thirty-three seconds West ($S 5^{\circ} 11' 33'' W$) four hundred decimal zero, six (400.06) feet to a point at the southwesterly corner of the said Condominium land. X 1,201,647.81 Y 186,778.59 (2) Thence by and with the southerly line of the said Condominium land South eighty-nine degrees forty-six minutes thirty-five seconds East ($S 89^{\circ} 46' 35'' E$) three hundred thirty-four decimal two, zero (334.20) feet to a point on the aforementioned line of the Corporate Limits of Salisbury, MD, at the southeasterly corner of the said Condominium land. X 1,201,981.83 Y 186,777.29 (3) Thence by and with the easterly line of the said Condominium land North four degrees twenty-two minutes fifty-seven seconds East ($N 4^{\circ} 22' 57'' E$) three hundred ninety-nine decimal six, one (399.61) feet to a point at the northeasterly corner of the said Condominium land. X 1,202,012.36 Y 187,175.73 (4) Thence by and with the northerly line of the said Condominium land North eighty-nine degrees forty-six minutes thirty-five seconds West ($N 89^{\circ} 46' 35'' W$) three hundred twenty-eight decimal three, five (328.35) feet to the point of beginning.

Annexation containing 3.03 acres, more or less.

1305 SOUTH DIVISION STREET ANNEXATION

ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT (“Agreement”) is made this ____ day of _____, 2020, by and between the *City of Salisbury, Maryland*, a municipal corporation of the State of Maryland (the “City”), and *Kenpo333, LLC*, a Maryland limited liability company (“**Kenpo333**”), *BDMK, LLC* (“**BDMK**”) and *South Division Street Condominium Association, Inc.*, a Maryland non-stock corporation (the “**SDS Condo Assoc.**”) (Kenpo333, BDMK and the SDS Condo Assoc. are hereinafter referred to collectively as the “**Petitioner**”) (the City and Petitioner are hereinafter referred to collectively as the “**Parties**”).

RECITALS

WHEREAS, for purposes of this Agreement, the term “Petitioner” shall be deemed to include each and every subsidiary, successor-in-interest and assign of Kenpo333 or BDMK, as the case may be, such that this Agreement, and all of the terms and conditions set forth herein, shall apply to, be binding in all respects upon and inure to the benefit of each and every subsidiary, successor-in-interest and assign of Kenpo333 or BDMK, as the case may be;

WHEREAS, Kenpo333 is the fee simple owner of all that certain real property situate and lying in the Camden Election District of Wicomico County, Maryland, more particularly known and designated as Condominium Units 2, 3, 4, and 5, and Storage Units G, F and E, as more fully described on that certain condominium plat made and prepared by Parker & Associates, Inc., entitled “Condominium Plat South Division Street Condominium”, dated May 25, 2016, and record and among the Land Records of Wicomico County, State of Maryland, in Plat CAB. 16, 794 (said real property is hereinafter referred to as the “**Kenpo333 Property**”);

WHEREAS, BDMK is the fee simple owner of all that certain real property situate and lying in the Camden Election District of Wicomico County, Maryland, more particularly known and designated as Condominium Units 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24 and Storage Units A, B, C, and D, as more fully described on that certain condominium plat made and prepared by Parker & Associates, Inc., entitled “Condominium Plat South Division Street Condominium”, dated May 25, 2016, and record and among the Land Records of Wicomico County, State of Maryland, in Plat CAB. 16, 794 (said real property is hereinafter referred to as the “**BDMK Property**”);

WHEREAS, SDS Condo Assoc. is the fee simple owner of all that certain real property situate and lying in the Camden Election District of Wicomico County, Maryland, more particularly designated as the “Common area of the South Division Street Condominium”, on that certain condominium plat made and prepared by Parker & Associates, Inc., entitled “Condominium Plat South Division Street Condominium”, dated May 25, 2016, and record and among the Land Records of Wicomico County, State of Maryland, in Plat CAB. 16, 794 (said real property is hereinafter referred to as the “**SDS Condo Assoc. Property**”) (the Kenpo333 Property, the BDMK Property and the SDS Condo Assoc. Property are hereinafter referred to collectively as the “**Annexed Property**”);

WHEREAS, the Kenpo333 Property, the BDMK Property and the SDS Condo Assoc. Property constitute all of the property described in the Declaration for South Division Street Condominium recorded among the Land Records of Wicomico County in Liber 4127 folio 415 (“**SDS Declaration**”);

WHEREAS, Kenpo333 and BDMK constitute the sole Unit Owners as described in the SDS Declaration and as such, constitute 100% of the members of SDS Condo Assoc.;

WHEREAS, the Annexed Property is contiguous and adjacent to the present corporate boundaries of the City, which said Annexed Property is more particularly described and depicted by a plat entitled “Annexation Plat, of the Condominium Plat South Division Street Condominium”, dated June 27, 2019 (the “**Annexation Plat**”) (the Annexation Plat is incorporated herein and a reduced scale copy of said Annexation Plat is attached hereto as *Exhibit A*), prepared by Parker & Associates, Inc. and intended to be recorded among the Plat Records of Wicomico County, Maryland upon the City’s annexation of the Annexed Property, depicting all that same real property more particularly described by metes, bounds, courses and distances in that certain legal description attached hereto and incorporated herein as *Exhibit B* (the “**Annexed Property Description**”);

WHEREAS, to effectuate the annexation of the Annexed Property, Kenpo333 and BDMK, on behalf of themselves and on behalf of the SDS Condo Assoc., submitted to the City a Petition for Annexation requesting the City's annexation of the Annexed Property (the "**Petition**") (a copy of the Petition is attached hereto and incorporated herein as *Exhibit C*);

WHEREAS, as of the date and year of this Agreement, Petitioners constitute the owners of one hundred percent (100%) of the assessed value of the Annexed Property, being all that real property intended to be annexed by the City in accordance with the terms and conditions of this Agreement;

WHEREAS, the Annexed Property is comprised of all of that property located at 1305 South Division Street and more particularly described on a Plat entitled South Division Street Condominium and recorded among the Plat Records of Wicomico County, Maryland in Plat Book 16 folio 794;

WHEREAS, the 2010 City of Salisbury Comprehensive Plan (the "**Comprehensive Plan**") sets forth the land use policies for all lands located within the City's municipal limits and includes a Municipal Growth Element addressing growth areas outside the municipal limits of the City;

WHEREAS, the Municipal Growth Element section of the City's Comprehensive Plan provides in pertinent part: "the City has defined a Municipal Growth [A]rea that is sufficient to accommodate residential, commercial, and industrial land uses as illustrated on Map 11-3" attached to and incorporated within the Comprehensive Plan, and the land uses shown within the City's Municipal Growth Area "reflect[] a policy decision by the City, and by Wicomico County, that the City will remain the center for employment and commercial development in Wicomico County";

WHEREAS, the Annexed Property is included within the City's Municipal Growth Area, which designates the Annexed Property as "**Medium Density Residential**";

WHEREAS, upon the submission of the Petition on behalf of the Petitioners, the City, through its Department of Infrastructure and Development (the "**I&D Department**"), referred the Petition to the Salisbury-Wicomico County Planning Commission (the "**Planning Commission**") for the Planning Commission's consideration and approval of the proposed zoning for the Annexed Property upon its annexation by the City;

WHEREAS, at its May 16, 2019 meeting, the Planning Commission unanimously approved zoning the Annexed Property as "General Commercial" upon its annexation by the City, on the basis the "General Commercial" zoning is consistent with Petitioners' existing use of the Annexed Property, as well as the land use policies set forth in the City's Comprehensive Plan;

WHEREAS, without annexation, the Annexed Property is ineligible to receive City services, including municipal water and sanitary sewer utility service;

WHEREAS, the City agrees to annex the Annexed Property, provided each of Petitioners agree to adhere to all laws, ordinances and regulations of the City and all of the terms and conditions of this Agreement, including, expressly, such terms and conditions governing each of Kenpo333's, BDMK's and the SDS Condo Assoc.'s use of their respective property, or any portion thereof, constituting the Annexed Property or any portion thereof;

WHEREAS, the City has held all public hearings regarding the proposed annexation of the Annexed Property as required by applicable state and local law and as otherwise deemed appropriate by the City; and,

WHEREAS, in accordance with the Petition and pursuant to the authority granted unto the City by the provisions of MD Code, Local Government, § 4-101, et seq., the Parties hereby enter into this Agreement for the purpose of establishing the terms and conditions governing the City's annexation of the Annexed Property and all annexation proceedings relating thereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the Parties expressly acknowledge, the Parties agree as follows:

1. **Effective Date.** The effective date of this Agreement shall be the date upon which the Resolution authorizing the City's annexation of the Annexed Property, passed by majority vote of the City Council of the City of Salisbury (the "**City Council**"), becomes effective (the Resolution passed by the City Council authorizing the City's annexation of the Annexed Property is hereinafter referred to as the "**Annexation Resolution**"). The City's annexation of the Annexed Property shall not become effective until all appeal and referendum periods for the Annexation Resolution have expired, and, if applicable, all appeals and referenda have been resolved in favor of the City's annexation of the Annexed Property.

2. **Warranties & Representations of the City.**

(a) When reviewing any development plan submitted for or relating to the Annexed Property, or any portion thereof, the Planning Commission, and its associated staff, and the City, and all of its officials, employees, representatives, agents and consultants, shall be guided by all terms of this Agreement, to ensure all matters addressed by this Agreement are implemented in accordance with the terms and conditions set forth herein. Any and all approvals relating to the development and/or use of the Annexed Property granted by any commission, board, body or agent of the City or any other government agency having jurisdiction over the Annexed Property and/or the development thereof, shall, to the fullest extent possible, comply with all terms and conditions of this Agreement.

(b) The Parties expressly acknowledge the City's annexation of the Annexed Property is not intended, nor shall it be construed, in any way whatsoever, to prohibit the City from enacting or otherwise adopting any future ordinance(s), charter provision(s) and/or engineering standard(s), including any amendment(s) thereto, the City may deem necessary or appropriate to protect the health, safety and welfare of City residents or the public at large, or from applying the provisions of any such future ordinance(s), charter provision(s) and/or engineering standard(s), including any amendment(s) thereto, to any matter relating to any development or use of any portion of the Annexed Property; provided, however, any such application by the City shall not result in the divestment or termination of any prior approval(s) for any development and/or use of any portion of the Annexed Property or interfere with any vested rights Kenpo333, BDMK and/or the SDS Condo Assoc. has, respectively, in and to any portion of the Annexed Property to an extent greater than the impact such future ordinance(s), charter provision(s) and/or engineering standard(s), including any amendment(s) thereto, have upon other similarly-situated properties located within the municipal limits of the City.

3. **Warranties & Representations of Petitioners.**

(a) The execution of this Agreement shall constitute the express written consent of each of Petitioners to the City's annexation of Annexed Property as required by MD Code, Local Government, § 4-403(b)(1)-(2).

(b) Petitioners, jointly and severally, represent and warrant to the City as follows: (i) each of Petitioners has the full power and authority to execute this Agreement; (ii) Kenpo333 is the sole, fee simple owner of the Kenpo333 Property, BDMK is the sole, fee simple owner of the BDMK Property, and the SDS Condo Assoc. is the sole, fee simple owner of the SDS Condo Assoc. Property, and, accordingly, Petitioners are collectively the fee simple owners of all that certain real property constituting one hundred percent (100%) of the assessed value of the Annexed Property, as of the date and year first above written; and, (iii) to the best of each of Petitioners' knowledge and belief there is no action pending against or otherwise involving any of Petitioners and/or any portion of the Annexed Property which could affect, in any way whatsoever, any of Petitioners' right and authority to execute this Agreement.

(c) The Parties expressly acknowledge and agree each of Petitioners will receive a benefit from the City's annexation of the Annexed Property; accordingly, by their execution of this Agreement, each of Petitioners expressly waive and relinquish any and all rights or claims any of Petitioners has, or may have, to withdraw its respective consent to the City's annexation of the Annexed Property or any portion thereof; and, furthermore, none of Petitioners nor any of their respective agents or representatives shall petition the Annexation Resolution to referendum. The Parties expressly agree the waiver and relinquishment made by Petitioners under this Section 3(b) represents material consideration received by the City for its annexation of the Annexed Property, without which the City would not enter into this Agreement.

4. **Application of City Code and Charter; City Taxes.** From and after the effective date of the Annexation Resolution, all provisions of the City of Salisbury Charter and the City Code shall have full force and effect as to all matters applicable or otherwise relating to the Annexed Property including the development and/or use of any portion thereof by any of Petitioners, except as otherwise expressly set forth herein. The Parties expressly acknowledge and agree that, upon the City's annexation of the Annexed Property, the Annexed Property shall be subject to any and all applicable taxes, fees and/or other charges levied, assessed or imposed by the City from time to time.

5. **Municipal Zoning.** Upon the effective date of the Annexation Resolution, the Annexed Property shall be zoned General Commercial.

6. **Municipal Services.**

(a) Subject to the obligations of Kenpo333 and BDMK under Sections 9(c)(i)-(iii), the City agrees to provide all necessary municipal services required for the development and/or use of the Annexed Property, including, but not limited to, adequate water and sewer services, fire and police protection, and other municipal services generally available to residents of the City.

(b) With respect to the allocation of public water and/or wastewater capacity and/or services for the Annexed Property or any portion thereof, any such allocation shall be determined by the City pursuant to the City's allocation plans in effect at the time a request for public water and/or wastewater capacity and/or services is submitted by Kenpo333, BDMK and/or the SDS Condo Assoc., respectively, in accordance with the City's applicable policies and procedures. Notwithstanding any term to the contrary set forth herein, Petitioners, jointly and severally, expressly acknowledge and agree that no public water or wastewater capacity for any existing use(s) or any future development of any portion of the Annexed Property shall be allocated or otherwise reserved by the City unless and until Kenpo333, BDMK and/or the SDS Condo Assoc., as applicable, has made payment to the City for all capacity fee(s) charged for any such allocation of water and/or wastewater capacity and/or services provided to the Annexed Property, or such portion thereof, in accordance with the applicable policies of the City existing at such time. None of Petitioners shall be obligated to pay any capacity fee(s) or to connect any portion of the Annexed Property to the City's water and/or wastewater systems until the earlier occurrence of: (i) the election by any of Kenpo333, BDMK and/or the SDS Condo Assoc. to connect such party's respective portion of the Annexed Property to the City's water and/or wastewater systems; or (ii) the issuance, by the Wicomico County Health Department or the Maryland Department of the Environment (as the case may be), of a final non-appealable order requiring the connection of any portion of the Annexed Property to the City's water and/or wastewater systems.

7. **Standards & Criteria.** Should any environmental, engineering or other similar standard or criteria expressly provided in this Agreement be exceeded by any local, state or federal law, regulation, rule, standard or authorized criteria enacted, promulgated, ordered or adopted following the date and year of this Agreement, the newer stricter law, regulation, rule, standard or authorized criteria shall govern the rights and obligations of the Parties hereunder.

8. City Boundary Markers.

(a) At their sole cost and expense, Kenpo333 and BDMK, on behalf of Petitioners, shall install City Boundary Markers at the boundary lines of the Annexed Property to identify the new, enlarged municipal boundaries of the City resulting from the annexation of the Annexed Property. Within sixty (60) days from the date the forty-five (45) day referendum period for the Annexation Resolution expires, Kenpo333 and/or BDMK, on behalf of Petitioners, shall provide the City with receipt(s), or other written documentation acceptable to the City, evidencing the installation of the aforesaid City Boundary Markers.

(b) The terms contained in Section 8(a) are the joint and several obligations of Kenpo333 and BDMK. In the event Kenpo333 and BDMK fail to perform their obligations under Section 8(a), then, after the expiration of the sixty (60) day period provided in Section 8(a), Kenpo333 and BDMK shall make payment to the City in the amount of Ten Thousand Dollars and 00/100 (\$10,000.00) or in the amount of the total costs incurred by the City to perform the obligations of Kenpo333 and BDMK under Section 8(a), whichever amount is greater.

9. Development Considerations.

(a) **Fees & Costs.** Kenpo333 and BDMK each, jointly and severally, acknowledge and agree to pay the City for any and all fees, costs and/or expenses, including, but not limited to, any legal fees, planning fees and/or consulting fees, incurred by the City in connection with the preparation of this Agreement, the preparation of the Annexation Resolution, the preparation of any other document(s) pertaining to the annexation of the Annexed Property, the publication of any public notice(s) for or in connection with the City's annexation of the Annexed Property, and/or any other matter relating to or arising from the City's annexation of the Annexed Property, as determined by the City in its sole discretion. The City shall invoice Kenpo333 and BDMK, jointly, for all costs to be paid by Kenpo333 and BDMK under this Section 9(a); and, Kenpo333 and BDMK shall be, jointly and severally, responsible for making payment of all amounts due and owing the City under this Section 9(a) within fifteen (15) days from Kenpo333's or BDMK's receipt of any invoice from the City.

(b) **Development of the Annexed Property.** Each of Petitioners shall develop and use their respective portion of the Annexed Property in a manner that complies with all laws and regulations governing the development of property located within the City's General Commercial zoning district.

(c) **Contribution to Area Improvement; Road Improvements; Stormwater Management; Sewer Service.** Kenpo333 and BDMK, jointly and severally, agree to install sidewalks along the full public road frontage of the Annexed Property and to install pedestrian walkways along and within the Annexed Property in such a manner and to such an extent as determined by the City's I&D Department.

(d) Contribution to the Re-Investment in Existing Neighborhoods.

- (i) Kenpo333 and BDMK, jointly and severally, expressly acknowledge and agree as follows: upon the expiration of three hundred sixty-five (365) days from the effective date of the Annexation Resolution, shall pay a non-refundable development assessment to the City in the amount of Twenty-Seven Thousand Three Hundred Four Dollars and 25/100 (\$27,304.25) (the "**Development Assessment**"). It is expressly acknowledged by the Parties that the payment of the Development Assessment as aforesaid represents a material part of the consideration to be received by the City hereunder, without which the City would not enter into this Agreement.
- (ii) In the event the Development Assessment is not paid to the City in accordance with the terms of Section 9(d)(i), the Development Assessment shall bear interest from the due date thereof to the date of payment at the rate of ten percent (10%) per annum. Notwithstanding any term to the contrary set forth herein, the Development Assessment, including all late charges incurred thereon (if any), shall be paid to the

City prior to the issuance of any permit for or in connection with any use or development of the Annexed Property following the expiration of the time period set forth in Section 9(d)(i).

- (iii) The Development Assessment is intended for use by the City, in its sole discretion, for purposes of beautification, restoration and revitalization improvements to existing neighborhoods in the City, or for any other purpose deemed necessary and appropriate by the City. The Development Assessment is in addition to and independent of: (A) any water and/or wastewater comprehensive connection charge(s), capacity fee(s) or any other assessment(s) charged, levied or otherwise imposed by the City in connection with the development of the Annexed Property; (B) any impact fee(s) levied or imposed by Wicomico County or the City; (C) and/or, any other charge(s) or fee(s) the City may assess against Petitioners and/or the Annexed Property in accordance with this Agreement and/or any applicable law(s) or regulation(s) governing the development or use of the Annexed Property or any portion thereof.

(e) Public Utility Improvements & Extensions; Wastewater Service.

- (i) The Parties expressly acknowledge and agree the extension of public water and wastewater utilities will be necessary to meet the requirements for utility service provided to the Annexed Property. Accordingly, at their sole cost and expense, Kenpo333 and BDMK shall design and construct, or cause to be designed and constructed, such public water and wastewater utility extension(s), including, but not limited to, water main(s), sewer main(s), trunk line(s), fire hydrant(s) and any appurtenant facilities, necessary to serve the Annexed Property, including any future development thereof, subject to all applicable City standards and specifications. Each of Kenpo333 and BDMK, jointly and severally, further acknowledge and agree the water and wastewater sewer utility facilities designed and constructed in accordance with this Section 9(e)(i) shall be oversized in the manner and to the extent determined by the Director of the City's I&D Department.
- (ii) The design and construction of the facilities required for the extension and service of public water and wastewater utilities to the Annexed Property shall be governed by the terms and conditions of a Public Works Agreement by and between Kenpo333, BDMK, the SDS Condo Assoc. and the City (the "PWA"), which shall be executed by the Parties as soon as practicable after the Annexation Resolution becomes effective. Notwithstanding any term to the contrary set forth herein, no permit may be issued to Petitioners, or any party acting for or on behalf of any of Petitioners, for any work associated with the development of the Annexed Property until the PWA is executed by the Parties.

10. RECORD PLAT. Petitioners shall provide the City with a copy of the Annexation Plat recorded with the Land Records of Wicomico County, Maryland.

11. NOTICES. All notices and other communication in connection with this Agreement shall be made in writing and shall be deemed delivered to the addressee thereof as follows: (a) when delivered in person on a business day at the address set forth below; (b) on the third (3rd) business day after being deposited in any main or branch United States post office, for delivery by properly addressed, postage prepaid certified or registered mail, return receipt requested, at the address set forth below; or, (c) when delivered by a nationally-recognized delivery service company at the address set forth below, with written proof of delivery.

All notices and other communications to Kenpo333 shall be addressed to, and delivered at, the following addresses:

Kenpo333, LLC
c/o R.S. Mitchell

All notices and other communications to BDMK shall be addressed to, and delivered at, the following addresses:

BDMK, LLC
c/o Bret C. Davis
_____ Carroll Street
Salisbury, Maryland 21801

All notices and other communications to the SDS Condo Assoc. shall be addressed to, and delivered at, the following addresses:

South Division Street Condominium Association
c/o Bret C. Davis
_____ Carroll Street
Salisbury, Maryland 21801

All notices and other communications to the City shall be addressed to, and delivered at, the following addresses:

City of Salisbury
c/o Amanda H. Pollack, P.E., Director
Department of Infrastructure and Development
125 N. Division Street, Room 202
Salisbury, Maryland 21801

With a copy to:
Michael P. Sullivan, Esquire
Cockey, Brennan & Maloney, P.C.
313 Lemmon Hill Lane
Salisbury, Maryland 21801

With a copy to:
S. Mark Tilghman, Esquire
Seidel, Baker & Tilghman, P.A.
110 N. Division Street
Salisbury, Maryland 21801
City Solicitor

12. **Future Uses of the Annexed Property.** Petitioners, jointly and severally, expressly acknowledge and agree that, upon the effective date of the Annexation Resolution, any development or use of Annexed Property or any portion thereof must comply with all applicable laws, rules and regulations of the City, as may be amended from time to time, including, but not limited to, all applicable zoning laws of the City and all applicable permitting and/or approval procedures established by the City governing the development and/or use of property located within the City's General Commercial zoning district. Any development and/or use of the Annexed Property shall be subject to, and must comply with, all applicable capacity fees and/or impact fees as established by the City and/or Wicomico

County existing on the effective date of the Annexation Resolution, subject to any amendments thereto as may be adopted or promulgated, from time to time, by the City and/or Wicomico County, as the case may be. The Parties expressly acknowledge and agree that neither this Agreement nor any of the terms set forth herein shall, in any way whatsoever, constitute or otherwise be construed as an approval by the City of any specific development or use at, upon or within any portion of the Annexed Property subsequent to the date and year first above written. The Parties further expressly acknowledge and agree that neither this Agreement nor any of its terms shall constitute or otherwise be construed as a waiver by the City of: any tax(es) levied or assessed by the City upon the Annexed Property; or, any fee(s), assessment(s) or charge(s) that may be imposed by the City, from time to time, arising from or in connection with any development or use of any portion of the Annexed Property.

13. Miscellaneous Provisions.

(a) Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland, without regard to its conflict of laws principles. The Parties, acting for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably consent to and subject themselves to the jurisdiction of the Maryland courts and to venue in Wicomico County, Maryland with respect to any matter arising from or in connection with this Agreement.

(b) Scope of Agreement. This Agreement is not intended to limit the exercise of any police power(s) of the City, nor is this Agreement intended to limit the operations of the City government or guarantee the outcome of any administrative process. Unless otherwise expressly set forth herein, this Agreement shall be subject to all properly enacted laws and properly adopted governmental regulations, now or hereafter existing and applicable. This Agreement shall not be rendered invalid by reason of the enactment or amendment of any law or the adoption or amendment of any regulation, which is: **(i)** enacted or adopted by the City in the exercise of a governmental power for a valid governmental purpose; **(ii)** enacted or adopted by the City as a result of a state or federal mandate; or, **(iii)** applicable to the Annexed Property and to similarly situated property located outside of the City in Wicomico County.

(c) Entire Agreement. This Agreement and all exhibits attached hereto constitutes the entire agreement and understanding of the Parties with respect to the transactions contemplated herein, and all prior negotiations, writings and understandings of the Parties relating to the subject matter of this Agreement are merged herein and are superseded and canceled by this Agreement.

(d) Waiver. None of the terms or conditions of this Agreement may be waived, except if set forth in a writing signed by the party entitled to the benefit of the term(s) or condition(s) so waived; and, such waiver shall be effective only in the specific instance and for the specific purpose for which the waiver is given.

(e) Development of Annexed Property as a Private Undertaking. The Parties expressly acknowledge and agree: **(i)** any development or use of the Annexed Property, or any portion thereof, is a private undertaking by the respective Petitioner; **(ii)** neither the City nor any of Petitioners is acting as the agent of any other party hereto in any respect hereunder; and, **(iii)** that each party hereto is an independent contracting entity with respect to the provisions of this Agreement. No partnership, joint venture or other association between the Parties, of any kind whatsoever, is formed by the terms of this Agreement.

(f) Modification. Neither this Agreement nor any term contained herein may be waived, modified, amended, discharged or terminated except in a writing signed by the Parties.

(g) Binding Effect. The terms of this Agreement shall be binding upon and shall inure to the benefit of the Parties, any successor municipal authority of the City and any successor owner(s) of record of any portion of the Annexed Property.

(h) Assignment of Agreement. The Parties expressly acknowledge and agree this Agreement shall be assignable, in whole or in part, by Kenpo333 and/or BDMK to any purchaser of the Kenpo333 Property and/or the BDMK Property or any portion thereof, respectively, without the consent of the City or any of its elected officials, employees or agents; provided, however, any sale, transfer, assignment, gift or conveyance of the Annexed Property, or any portion thereof, shall be subject to the terms of this Agreement. Notwithstanding any term to the

contrary set forth in this Section 13(h), Petitioners shall not transfer, or pledge as security for any debt or obligation, any of their respective interest in or to any portion of the Annexed Property without first obtaining the acknowledgment of the transferee or pledgee to be bound by all of the terms and conditions contained in this Agreement, as if such transferee or pledgee was a party to this Agreement. Kenpo333 and/or BDMK, as the case may be, shall provide the City with a copy of all documents, including all exhibits attached thereto (if any), evidencing any transfer or assignment by Kenpo333 and/or BDMK of any of their respective interests in and to the Annexed Property or any portion thereof.

(i) **Express Condition.** The respective obligations of Petitioners, as set forth herein, shall be contingent upon the annexation of the Annexed Property becoming effective (as set forth in Section 1 hereof) and shall not constitute the obligations of any of Petitioners independent of their respective ownership of any portion of the Annexed Property. Notwithstanding any term to the contrary set forth herein, Kenpo333 and BDMK, jointly and severally, expressly acknowledge and agree their obligations under Section 9(a) are not contingent or otherwise conditioned upon the City's annexation of the Annexed Property, and such obligations shall be binding upon each of Kenpo333 and BDMK, jointly and severally, and shall be enforceable by the City against each of Kenpo333 and/or BDMK, and/or any of their respective successor(s), representative(s), transferee(s) and/or assign(s), to the fullest extent permitted by Maryland law.

(j) **No Third-Party Beneficiaries.** This Agreement shall not confer any rights or remedies upon any person or entity other than the Parties and their respective successors and/or assigns.

(k) **Recording of Agreement.** This Agreement, including all exhibits attached hereto (each of which is incorporated in this Agreement by this reference), shall be recorded among the Land Records of Wicomico County, the costs of which shall be the joint and several obligation of Kenpo333 and BDMK. This Agreement and all terms and conditions contained herein shall run with the Annexed Property, and all portions thereof (regardless of ownership), and shall be binding upon and inure to the benefit of the Parties and each of their respective heirs, personal representatives, successors, transferees and/or assigns.

(l) **No Reliance.** Each of the Parties, for itself, expressly acknowledges and agrees that, in entering into this Agreement, such party has not been induced by or relied upon any representation(s) or statement(s), whether express or implied, written or unwritten, made by any agent, representative or employee of the other party to this Agreement, which is not expressly set forth herein.

(m) **Further Assurances.** The Parties covenant and agree to do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to give full effect to this Agreement.

(n) **Severability.** In the event any term, provision, covenant, agreement or portion of this Agreement, or his application to any person, entity or property, is adjudged invalid by a court of competent jurisdiction, the remaining provisions of this Agreement and the validity, enforceability, and application thereof to any person, entity or property shall not be impaired thereby, but such remaining provisions shall be interpreted, applied and enforced so as to achieve, as near as may be, the purpose and intent of this Agreement to the greatest extent permitted by applicable law.

(o) **Waiver of Jury Trial.** The Parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counter-claim brought by a party hereto against the other party on any matters whatsoever arising out of or in any way connected with this Agreement, the relationship of the Parties to one another, and/or any claim, injury or damage arising from or consequent upon this Agreement.

(p) **Remedies.** In addition to each and every remedy now or hereafter existing at law or in equity, the Parties expressly agree that, provided the Annexation Resolution becomes effective, each party shall have the right to enforce this Agreement by an action for specific performance against the other.

(q) **Survival.** The terms and conditions of this Agreement shall survive the effective date of the Annexation Resolution and shall not be merged or expunged by the City's annexation of the Annexed Property or any portion thereof.

(r) **Construction.** This Agreement and all of the terms and conditions set forth herein shall not be construed or enforced in favor of or against any party hereto by reason of the fact that party or that party's agent or attorney drafted all or any part of this Agreement. Section headings are for convenience of reference only and shall not limit or otherwise affect any of the provisions of this Agreement. As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural.

(s) **Time.** Time is of the essence with respect to this Agreement and each and every provision hereof.

(t) **Recitals.** The Recitals set forth hereinabove are incorporated by reference herein, and made a part hereof, as if fully set forth in this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[SIGNATURES APPEAR ON THE PAGE THAT FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals and acknowledged this Annexation Agreement as of the day and year first above written.

ATTEST/WITNESS:

“Petitioners”:

Kenpo333, LLC

By: _____ (Seal)
R.S. Mitchell, Authorized Representative

BDMK, LLC

By: _____ (Seal)
Bret C. Davis, Authorized Representative

South Division Street Condominium Association, Inc.

By: _____ (Seal)
Bret C. Davis, President

THE “CITY”:

City of Salisbury, Maryland

By: _____ (Seal)
Jacob R. Day, Mayor

**[Signature Page to Annexation Agreement by and between Kenpo333, LLC, BDMK LLC,
South Division Street Condominium Association, Inc. and the City of Salisbury, Maryland]**

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A RESOLUTION of the City of Salisbury to adopt an annexation plan for a certain area of land contiguous to and binding upon the southerly corporate limit of the City of Salisbury, to be known as the "South Division Street – S. Div. St. Condo Annexation" beginning for the same at a point on the existing corporate limit, said point lying on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium continuing around the perimeter of the affected property to the point of beginning, containing all of Map 048 -Parcel 021 and consisting of approximately 3.03 acres of land.

WHEREAS the City of Salisbury is considering the annexation of a parcel of land contiguous to and binding upon the southerly corporate limit of the City of Salisbury beginning for the same at a point on the existing corporate limit, said point lying on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium continuing around the perimeter of the affected property to the point of beginning, containing all of Map 048 - Parcel 0217 and consisting of approximately 3.03 acres of land, being more particularly described in **Exhibit A** attached hereto and made a part hereof; and

WHEREAS the City of Salisbury is required to adopt an annexation plan for the proposed area of annexation pursuant to the Local Government Article of the *Maryland Annotated Code*; and

WHEREAS the required public hearing is scheduled for _____, 2020 at 6:00 p.m.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY THAT an annexation plan for the “South Division Street – S. Div. St. Condo Annexation” as set forth in **Exhibit B** attached hereto and made a part hereof, is adopted for that area of land located and binding upon the southerly corporate limit Line of the City of Salisbury beginning for the same at a point on the existing corporate limit, said point lying on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street

30 Condominium continuing around the perimeter of the affected property to the point of beginning,
31 containing all of Map 048 -Parcel 0217 and consisting of approximately 3.03 acres of land, said
32 parcel being contiguous to and binding upon the corporate limit of the City of Salisbury.

33 AND BE IT FURTHER RESOLVED BY THE CITY OF SALISBURY, THAT the Council shall hold a
34 public hearing on the annexation plan hereby proposed on _____, 2020 at 6:00p.m. in
35 the Council Chambers at the City-County Office Building and the City Administrator shall cause a
36 public notice of time and place of said hearing to be published not fewer than two (2) times at not
37 less than weekly intervals, in a newspaper of general circulation in the City of Salisbury, which said
38 notice shall specify a time and place at which the Council of the City of Salisbury will hold a public
39 hearing on the Resolution.

40 The above Resolution was introduced and read and passed at the regular meeting of the
41 Council of the City of Salisbury held on the _____, 2020, having been duly published
42 as required by law in the meantime a public hearing was held on _____, 2020, and
43 was finally passed by the Council at its regular meeting held on the _____, 2020.

44
45 _____
46 Kimberly R. Nichols,
47 City Clerk

John R. Heath,
Council President

48
49 APPROVED BY ME this ____ day of _____, 2020.

50 _____
51 Jacob R. Day,
52 Mayor

EXHIBIT A

SOUTH DIVISION STREET – S. DIV. ST. CONDO

Beginning for the same at a point at a corner of the existing Corporate Limits Line of the City of Salisbury, MD, being on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium. X 1,201,684.02 Y 187,177.01 (1) Thence by and with the said line of South Division Street South five degrees eleven minutes thirty-three seconds West ($S 5^{\circ} 11' 33'' W$) four hundred decimal zero, six (400.06) feet to a point at the southwesterly corner of the said Condominium land. X 1,201,647.81 Y 186,778.59 (2) Thence by and with the southerly line of the said Condominium land South eighty-nine degrees forty-six minutes thirty-five seconds East ($S 89^{\circ} 46' 35'' E$) three hundred thirty-four decimal two, zero (334.20) feet to a point on the aforementioned line of the Corporate Limits of Salisbury, MD, at the southeasterly corner of the said Condominium land. X 1,201,981.83 Y 186,777.29 (3) Thence by and with the easterly line of the said Condominium land North four degrees twenty-two minutes fifty-seven seconds East ($N 4^{\circ} 22' 57'' E$) three hundred ninety-nine decimal six, one (399.61) feet to a point at the northeasterly corner of the said Condominium land. X 1,202,012.36 Y 187,175.73 (4) Thence by and with the northerly line of the said Condominium land North eighty-nine degrees forty-six minutes thirty-five seconds West ($N 89^{\circ} 46' 35'' W$) three hundred twenty-eight decimal three, five (328.35) feet to the point of beginning.

Annexation containing 3.03 acres, more or less.

**ANNEXATION PLAN
FOR THE
ANNEXATION OF 1305 SOUTH DIVISION STREET, SALISBURY, MARYLAND 21804
TO THE CITY OF SALISBURY**

May 18, 2020

This Annexation Plan is consistent with the Municipal Growth Element of the City of Salisbury's adopted Comprehensive Plan. The following are milestones in the public review and consideration of the proposed Annexation which is the subject of this Annexation Plan:

- At a Work Session of the City of Salisbury Mayor and City Council, held on March 4, 2019, the Salisbury City Council (the "**City Council**") reviewed the Petition for Annexation (the "**Annexation Petition**") submitted by BDMK, LLC ("**BDMK**"), dated March 28, 2019, which requested the City of Salisbury, Maryland (the "**City**") annex the following property:
 - Map 0048, Grid 0008, Parcel 0217, consisting of 3.03 acres, more less (the "**Annexed Property**").¹
- At the May 16, 2019 Meeting of the Salisbury-Wicomico County Planning Commission (the "**Planning Commission**"), the Planning Commission reviewed the proposed annexation of the Annexed Property and unanimously approved a recommendation to the City Council that the Annexed Property be zoned "General Commercial" upon its annexation by the City.
- On June 8, 2020, a Regular Meeting of the City of Salisbury Mayor and City Council was convened, during which the City Council reviewed this Annexation Plan and a Resolution of the City Council to authorize and approve the City's annexation of the Annexed Property (said Resolution is hereinafter referred to as the "**Annexation Resolution**"), and, in accordance with applicable state and local law, directed that a date for a Public Hearing be established to hear public comment on the City's annexation of the Annexed Property, as requested by the Annexation Petition submitted by BDMK. Furthermore, at the June 8, 2020, Regular Meeting of the City of Salisbury Mayor and City Council, the City Council directed that this Annexation Plan be submitted to the Maryland Department of Planning and the Wicomico County Council for comment, within thirty (30) days of the Public Hearing on the Annexation Resolution, as required by applicable Maryland law.

1.0. GENERAL INFORMATION AND DESCRIPTION OF ANNEXED PROPERTY.

1.1. Petitioners for Annexation of the Annexed Property. The party which filed the Annexation Petition (the "**Petition**") requesting the City annex the Annexed Property is BDMK, LLC, a Maryland limited liability company, having a principal office address of 100 North Division Street, Apt. 301, Salisbury, Maryland 21801. BDMK filed the Petition on behalf of all owners of the Annexed Property, which are as follows: BDMK, Kenpo333, LLC, a Maryland limited liability company ("**Kenpo333**"), and South Division Street Condominium Association, Inc., a Maryland non-stock corporation (the "**SDS Condo. Assoc.**").

¹ The Annexed Property consists of all that certain real property identified by the Maryland State Department of Assessments and Taxation as follow: Tax Account No. 13-129740; Tax Account No. 13-129748; Tax Account No. 13-129756; Tax Account No. 13-129741; Tax Account No. 13-129749; Tax Account No. 13-129757; Tax Account No. 13-129739; Tax Account No. 13-129747; Tax Account No. 13-129755; Tax Account No. 13-129738; Tax Account No. 13-129746; Tax Account No. 13-129754; Tax Account No. 13-129743; Tax Account No. 13-129751; Tax Account No. 13-129759; Tax Account No. 13-129742; Tax Account No. 13-129750; Tax Account No. 13-129758; Tax Account No. 13-129745; Tax Account No. 13-1297453; Tax Account No. 13-129744; Tax Account No. 13-129752; Tax Account No. 13-129760; Tax Account No. 13-129735; Tax Account No. 13-129734; Tax Account No. 13-129761; Tax Account No. 13-129737; Tax Account No. 13-129736; Tax Account No. 13-129763; and, Tax Account No. 13-129762.

1.2. Location. The Annexed Property is located on the easterly side of South Division Street and the northerly property line and the rear property line of the Annexed Property are each contiguous and adjacent to the present corporate boundaries of the City.

1.3. Property Description.

- The Annexed Property consists of 3.03 acres of land, more or less, comprising all that certain parcel of real property more particularly depicted and described by a plat entitled “Annexation Plat, of the Condominium Plat South Division Street Condominium”, dated June 27, 2019 (the “**Annexation Plat**”) (the Annexation Plat is incorporated herein and a reduced scale copy of said Annexation Plat is attached hereto as **Exhibit A**), prepared by Parker & Associates, Inc. and intended to be recorded among the Plat Records of Wicomico County, Maryland upon the City’s annexation of the Annexed Property, depicting all that same real property more particularly described by metes, bounds, courses and distances in that certain legal description attached hereto and incorporated herein as **Exhibit B** (the “**Annexed Property Description**”).
- The Annexed Property is comprised of twenty-four (24) rental units (Condominium Units 1-24) (collectively the “**Condo Units**”), seven (7) storage units (Storage Units A-G) (collectively the “**Storage Units**”), and those certain common areas located within and a part of the Annexed Property, which said common areas are more particularly designated as the “Common area of the South Division Street Condominium”, on that certain condominium plat made and prepared by Parker & Associates, Inc., entitled “Condominium Plat South Division Street Condominium”, dated May 25, 2016, and record and among the Land Records of Wicomico County, State of Maryland, in Plat CAB. 16, 794 (said plat is hereinafter referred to as the “**SDS Condo Plat**”) (the said real property identified as common areas on the SDS Property is hereinafter referred to as the “**SDS Condo Assoc. Property**”).
- The Annexed Property is subject to that certain Declaration for South Division Street Condominium recorded among the Land Records of Wicomico County in Liber 4127 folio 415 (“**SDS Declaration**”).
- The Annexed Property is owned as follows:
 - The SDS Condo Assoc. is the fee simple owner of the SDS Condo Assoc. Property, which is maintained by the SDS Condo Assoc. for the use and enjoyment of the owners (and users) of the Condo Units and the Storage Units located on and within the Annexed Property.
 - BDMK is the fee simple owner of Condo Units 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24, and Storage Units A, B, C, and D, as more particularly described and depicted on the SDS Condo Plat (collectively the “**BDMK Property**”).²
 - Kenpo333 is the fee simple owner of Condo Units 2, 3, 4, and 5, and Storage Units E, F, and G, as more particularly described and depicted on the SDS Condo Plat (collectively the “**Kenpo333 Property**”).³

² The BDMK Property consists of all that certain real property identified by the Maryland State Department of Assessments and Taxation as follows: Tax Account No. 13-129740; Tax Account No. 13-129748; Tax Account No. 13-129756; Tax Account No. 13-129741; Tax Account No. 13-129749; Tax Account No. 13-129757; Tax Account No. 13-129739; Tax Account No. 13-129747; Tax Account No. 13-129755; Tax Account No. 13-129738; Tax Account No. 13-129746; Tax Account No. 13-129754; Tax Account No. 13-129743; Tax Account No. 13-129751; Tax Account No. 13-129759; Tax Account No. 13-129742; Tax Account No. 13-129750; Tax Account No. 13-129758; Tax Account No. 13-129745; Tax Account No. 13-1297453; Tax Account No. 13-129744; Tax Account No. 13-129752; and, Tax Account No. 13-129760.

³ The Kenpo333 Property consists of all that certain real property identified by the Maryland State Department of Assessments and Taxation as follows: Tax Account No. 13-129735; Tax Account No. 13-129734; Tax Account No. 13-129761; Tax Account No. 13-129737; Tax Account No. 13-129736; Tax Account No. 13-129763; and, Tax Account No. 13-129762.

1.4. Existing Zoning. All of the Annexed Property is now zoned LB-1 “Light Business & Institutional” under the Wicomico County Code. All of the property, located within the municipal limits of the City, which adjoins the Annexed Property is zoned “General Commercial” under the City Code for the City of Salisbury (the “City Code”).

1.5. Reasons for Annexation. The sewage disposal system serving the Annexed Property, and all improvements located thereon, is in the form of a cesspool. The cesspool providing sewage disposal for the Annexed Property is currently failing. Under applicable law, when the cesspool fails, the owners of the Annexed Property (i.e. BDMK, Kenpo333 and the SDS Condo Assoc.) will be prohibited from repairing or replacing the cesspool, effectively rendering all improvements located at the Annexed Property ineligible for occupancy (i.e. uninhabitable) and any use whatsoever, thereby jeopardizing the business operations of the various tenants leasing any of the Condo Units (as defined hereinabove) and preventing any future use of the property by BDMK or Kenpo333 or any other future owner of the Annexed Property or any portion thereof. Because the cesspool serving the Annexed Property cannot be repaired or replaced when it eventually fails (which is imminent), BDMK, on behalf of itself, Kenpo333 and the SDS Condo Assoc., has requested the City annex the Annexed Property so that the Annexed Property can be promptly connected to the City’s public water and sewer utilities. Without annexation by the City and the access to public utilities annexation will provide, any permitted occupancy and use of any portion of the Annexed Property will – sooner rather than later – be barred indefinitely.

2.0. LAND USE PATTERN PROPOSED FOR THE ANNEXED PROPERTY.

2.1. Comprehensive Plan. In 2010, the Mayor and City Council of the City of Salisbury adopted the City of Salisbury Comprehensive Plan (the “**Comprehensive Plan**”). The Comprehensive Plan sets forth the land use policies for all lands located within the City’s municipal limits, including a Municipal Growth Element which establishes growth areas outside the municipal limits of the City. The Municipal Growth Element section of the City’s Comprehensive Plan provides in pertinent part: “the City has defined a Municipal Growth [A]rea that is sufficient to accommodate residential, commercial, and industrial land uses as illustrated on Map 11-3” attached to and incorporated within the Comprehensive Plan, and the land uses shown within the City’s Municipal Growth Area “reflect[] a policy decision by the City, and by Wicomico County, that the City will remain the center for employment and commercial development in Wicomico County.” With respect to annexation of lands, the goal of the City of Salisbury’s Comprehensive Plan is as follows: “To encourage the orderly growth and expansion of the City of Salisbury by annexing selected areas and by providing public services to newly developing areas without overburdening these facilities while continuing to maintain a high level of services to existing developments and residents of the City.” The Annexed Property is located within the City’s designated Municipal Growth Area established by the Comprehensive Plan. Annexation to the City will allow the Annexed Property to be served by municipal water and sewer utilities.

2.2. Proposed Zoning for Annexed Property. Upon annexation, the Annexed Property is proposed to be zoned as “General Commercial”. Per Section 17.36.010 of the City of Salisbury Code, the purpose of the “General Commercial” zoning district is: “to provide a wide range of functional and attractive regional retail, office, service, wholesale, storage, distributing and light manufacturing activities.”

2.3. Existing Use for Annexed Property. As shown on Existing Site Plan attached hereto as *Exhibit C*, the Annexed Property is fully developed and consists of two (2) free-standing buildings, one of which is 39,101.87+/- square feet in size, and the other which is 6,915.6+/- square feet in size, which said two (2) free-standing buildings comprise collectively the BDMK Property and Kenpo333 Property and consist of multiple tenant spaces.

3.0. THE PUBLIC FACILITIES AND SERVICES NEEDED BY THE DEVELOPMENT AND THE METHODS TO PROVIDE SUCH FACILITIES AND SERVICES TO THE ANNEXED PROPERTY.

3.1. Roads & Sidewalks.

- (a) Currently, and following its annexation by the City, the Annexed Property can be accessed by (2) access points on South Division Street.
- (b) Sidewalks shall be installed as shown on Sheet 3 of the Existing Site Plan (attached as *Exhibit C*), subject to the determination of the City and as approved by the Planning Commission, and shall be built to City standards.

3.2. Water and Wastewater Treatment. Based on the existing site development and use of the Annexed Property, the annexation of the Annexed Property will create a demand of approximately 7,807 gallons per day (approximately 3,807 gallons per day for the existing retail operations located at the Annexed Property and approximately 4,000 gallons per day for the existing school/daycare operations located at the Annexed Property (i.e. the business known as “Mitchell’s Martial Arts”), as shown on the Existing Site Development Plan (see “Estimated Water & Sewer Usage” contained on the “Title Sheet” (Sheet 1) of the Existing Site Development Plan attached as *Exhibit C*)). At its expense, BDMK and Kenpo333 will connect to existing public water and sewerage facilities in the area in accordance with the Existing Site Development Plan (see *Exhibit C*), subject to the direction of the City of Salisbury Department of Infrastructure and Development. The City has no concerns about the feasibility or capacity to serve the Annexed Property upon its annexation.

3.3. Schools. As a non-residential use, the City’s annexation of the Annexed Property will not generate pupil enrollment and will have no impact on school capacity.

3.4. Parks and Recreation. As a non-residential use, the City’s annexation of the Annexed Property will have no impact on park and recreational facilities, nor will the City’s annexation of the Annexed Property generate a demand for park and recreational facilities.

3.5. Fire, E.M., and Rescue Services. The Salisbury Fire Department provides fire suppression, technical rescue, special operations and advanced life support emergency medical treatment and transport services to residents of the Salisbury Fire District. The Annexed Property is located within the Salisbury Fire District; accordingly, the Salisbury Fire Department will provide the aforesaid services to the Annexed Property.

3.6. Police. The City of Salisbury Police Department will provide police services to the Annexed Property.

3.7. Stormwater Management. Stormwater management is governed by the State of Maryland, and stormwater management regulations are administered locally.

3.8. Waste Collection. The Annexed Property is fully developed for commercial use by various tenants. Commercial development in the City of Salisbury is served by independent waste haulers. Accordingly, the City will not be responsible for waste collection for the Annexed Property upon the annexation of the Annexed Property.

SOUTH DIVISION STREET – S. DIV. ST. CONDO

Beginning for the same at a point at a corner of the existing Corporate Limits Line of the City of Salisbury, MD, being on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium. X 1,201,684.02 Y 187,177.01 (1) Thence by and with the said line of South Division Street South five degrees eleven minutes thirty-three seconds West (S 5° 11' 33" W) four hundred decimal zero, six (400.06) feet to a point at the southwesterly corner of the said Condominium land. X 1,201,647.81 Y 186,778.59 (2) Thence by and with the southerly line of the said Condominium land South eighty-nine degrees forty-six minutes thirty-five seconds East (S 89° 46' 35" E) three hundred thirty-four decimal two, zero (334.20) feet to a point on the aforementioned line of the Corporate Limits of Salisbury, MD, at the southeasterly corner of the said Condominium land. X 1,201,981.83 Y 186,777.29 (3) Thence by and with the easterly line of the said Condominium land North four degrees twenty-two minutes fifty-seven seconds East (N 4° 22' 57" E) three hundred ninety-nine decimal six, one (399.61) feet to a point at the northeasterly corner of the said Condominium land. X 1,202,012.36 Y 187,175.73 (4) Thence by and with the northerly line of the said Condominium land North eighty-nine degrees forty-six minutes thirty-five seconds West (N 89° 46' 35" W) three hundred twenty-eight decimal three, five (328.35) feet to the point of beginning.

Annexation containing 3.03 acres, more or less.

GENERAL NOTES

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Abstract

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ON DAILY BASIS FOR THE DAY

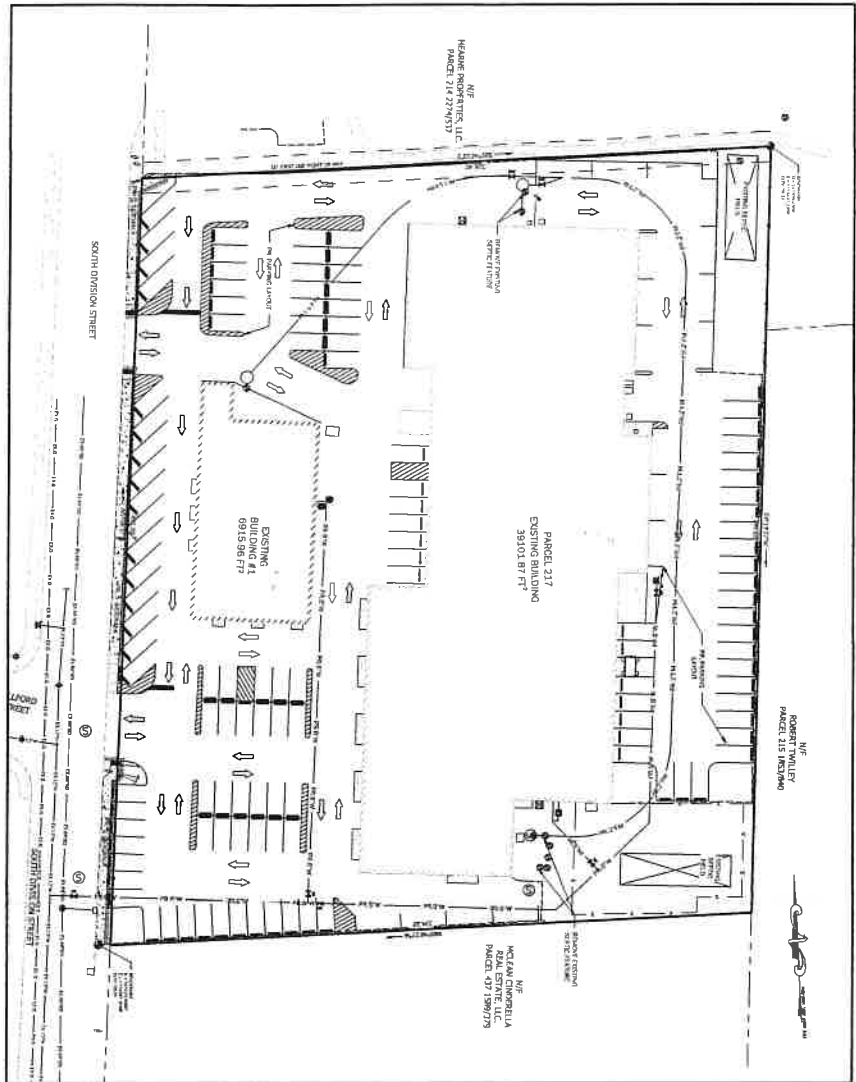
EDUC.

AFSA 2114413 D.D.A. AND O.D.
SHEET MUSIC AND THE DANCE INSTRUCTOR
DANCE

REMARKS:

2000 WYOMING AVE. - 1970-1975
4000 BAYVIEW DR. 1970 - 1975

CITY OF SALISBURY STANDARD NOTES



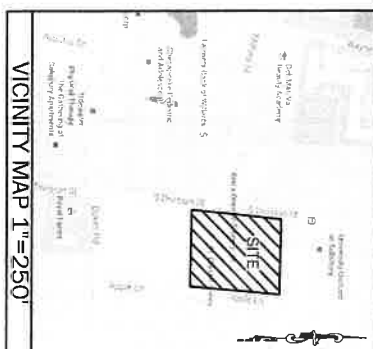
LEGEND

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SHEET INDEX

- SHEET 1 TITLE SHEET
SHEET 2 EXISTING CONDITIONS/DEMO
SHEET 3 SIDEWALK PLAN
SHEET 4 SEWER / FORCEMAIN PLAN
SHEET 5 SEWER / FORCEMAIN PROFILE
SHEET 6 SEWER SYSTEM DETAILS
SHEET 7 STRIPING PLAN

VICINITY MAP 1"=250'



TITLE SHEET
SOUTH DIVISION STREET

1305 South Division Street
For: Michelle Martial Arts
CITY OF SALISBURY, WYOMING COUNTY, MARYLAND



OWNERS CERTIFICATION

Submitted to the Journal of the American Academy of Child and Adolescent Psychiatry, 1997. Received revised manuscript, 1997. Accepted for publication, 1997.

PHONE: 202-941-0441

ME AND TONY (AS A BILLY LUTHER) (2002), EPISODE 11, UNDER THE LEAF OF THE TREE OF LIFE. (C) 2002 BY THE BILLY LUTHER TRUST. ALL RIGHTS RESERVED.

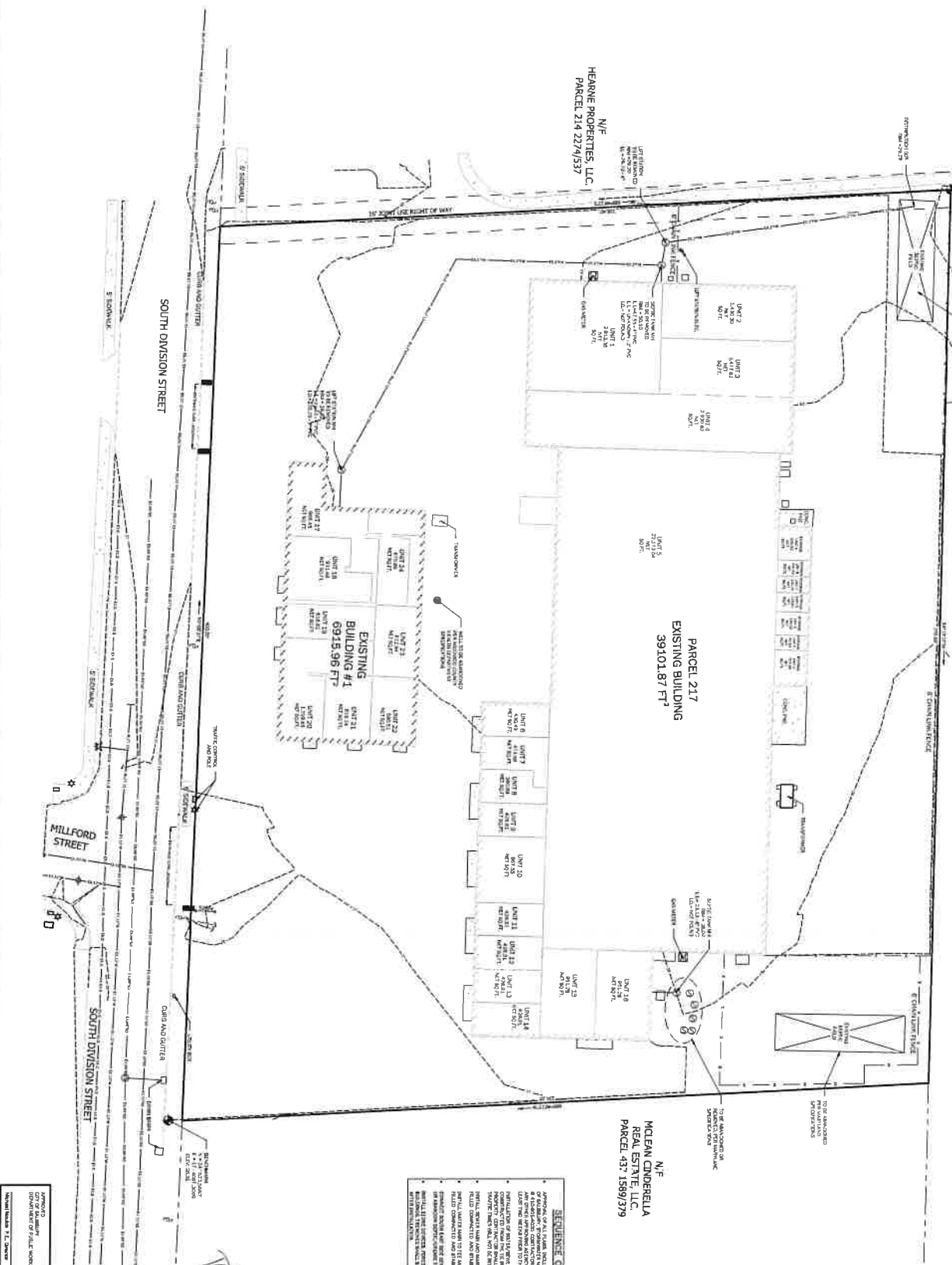
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Michael Hughes, P.E., Director	DALE
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N/F
ROBERT TWILLEY
PARCEL 215 1853/940

N/F
HEARNE PROPERTIES, LLC
PARCEL 214 2274/537

N/F
MCLEAN CUNDELLA
REAL ESTATE, LLC
PARCEL 437 1589/379



SEQUENCE OF CONSTRUCTION

1. EXISTING BUILDING TO BE DEMOLISHED.
2. EXISTING FOUNDATION TO BE EXPOSED AND REINFORCED.
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2. EXISTING FOUNDATION TO BE EXPOSED AND REINFORCED.
3. EXISTING FOUNDATION TO BE EXPOSED AND REINFORCED.
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EXISTING CONDITIONS / DEMO
1305 SOUTH DIVISION STREET

1305 South Division Street
For: Michelle Mariani Arts
CITY OF SALESURRY, WOODCOCK COUNTY, MARYLAND
DATE: 3/4/2017
SHEET: 227





- 2½" WAT CHINA BLUE
- 4½" PURPLE GROUND





APPROVED:
CITY OF BIRMINGHAM
DEPARTMENT OF PUBLIC WORKS

My Region is _____
Using Contract # _____

DATE

Approved: _____, P.E., Director



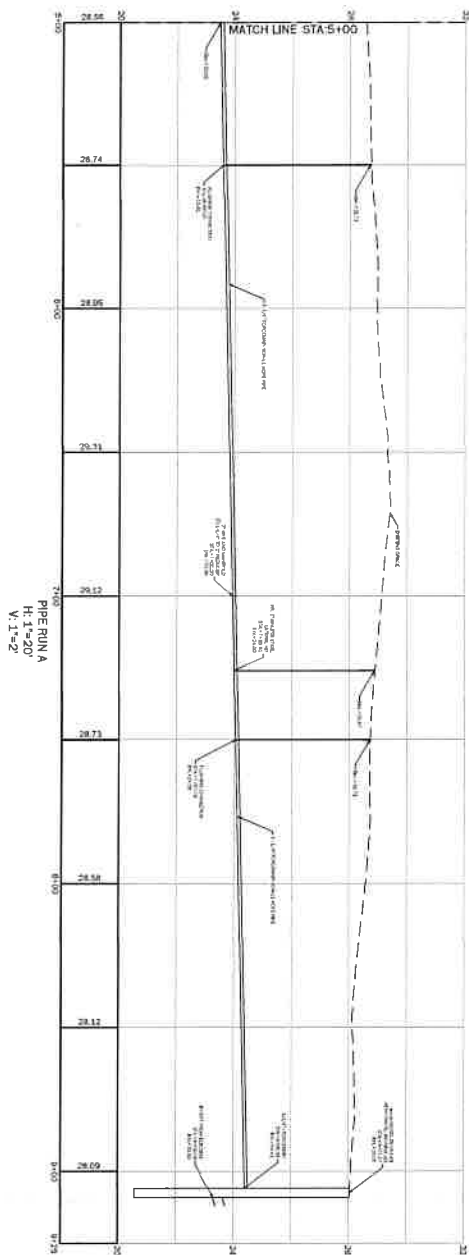
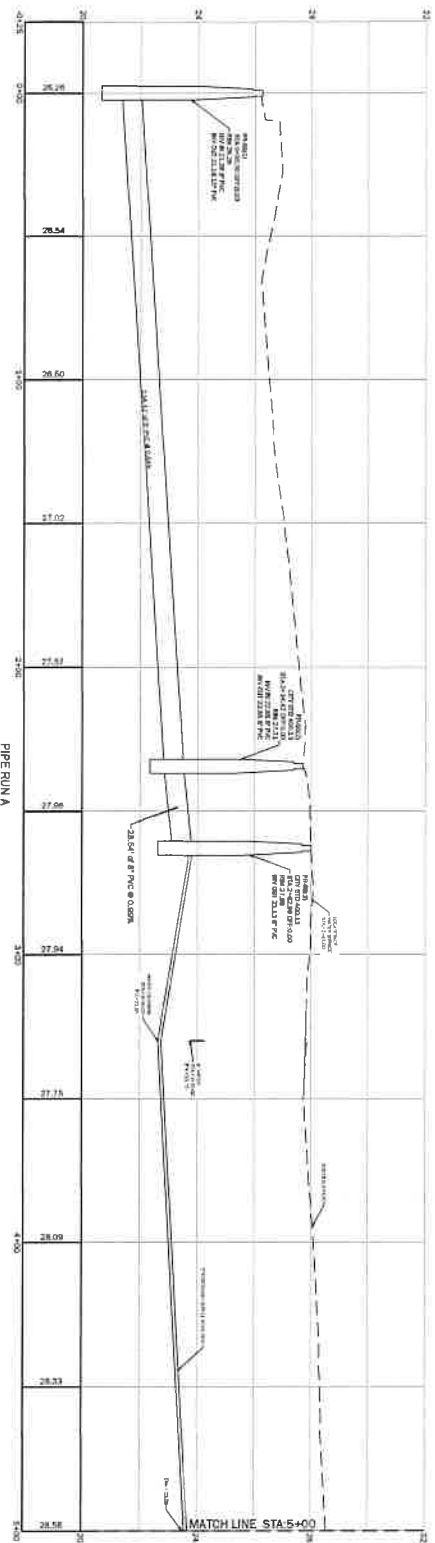
1905 South Division Street For: Mitchell's Martial Arts CITY OF SALISBURY, WICOMICO COUNTY, MARYLAND			
ROLL	1 st 20	DATE	3/4/2017
ISSUED BY	187706A	ISSUED BY	HOE
		ISSUED BY	48

SHEET 4 OF 7

GRAPHIC SCALE

100 90 80 70 60 50 40 30 20 10 0

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PROJECT NO. _____
 CITY OF KANSAS CITY, MISSOURI
 DEPARTMENT OF PUBLIC WORKS
 DATE: _____
 DRAWN BY: _____
 CHECKED BY: _____
 SCALE: _____



SEWER / FORCEMAIN PROFILE 1305 SOUTH DIVISION STREET

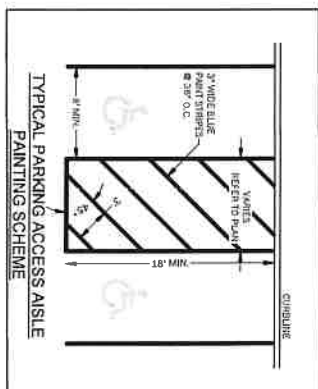
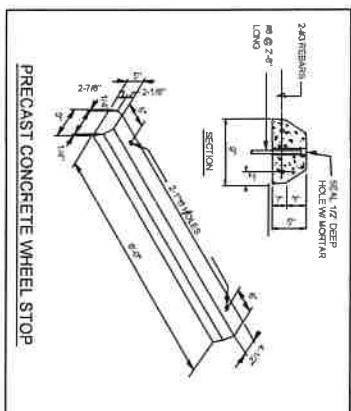
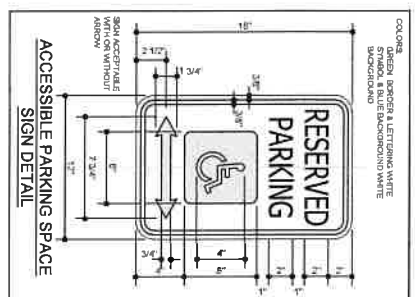
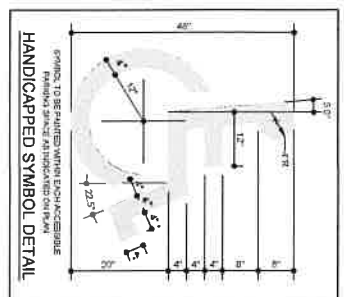
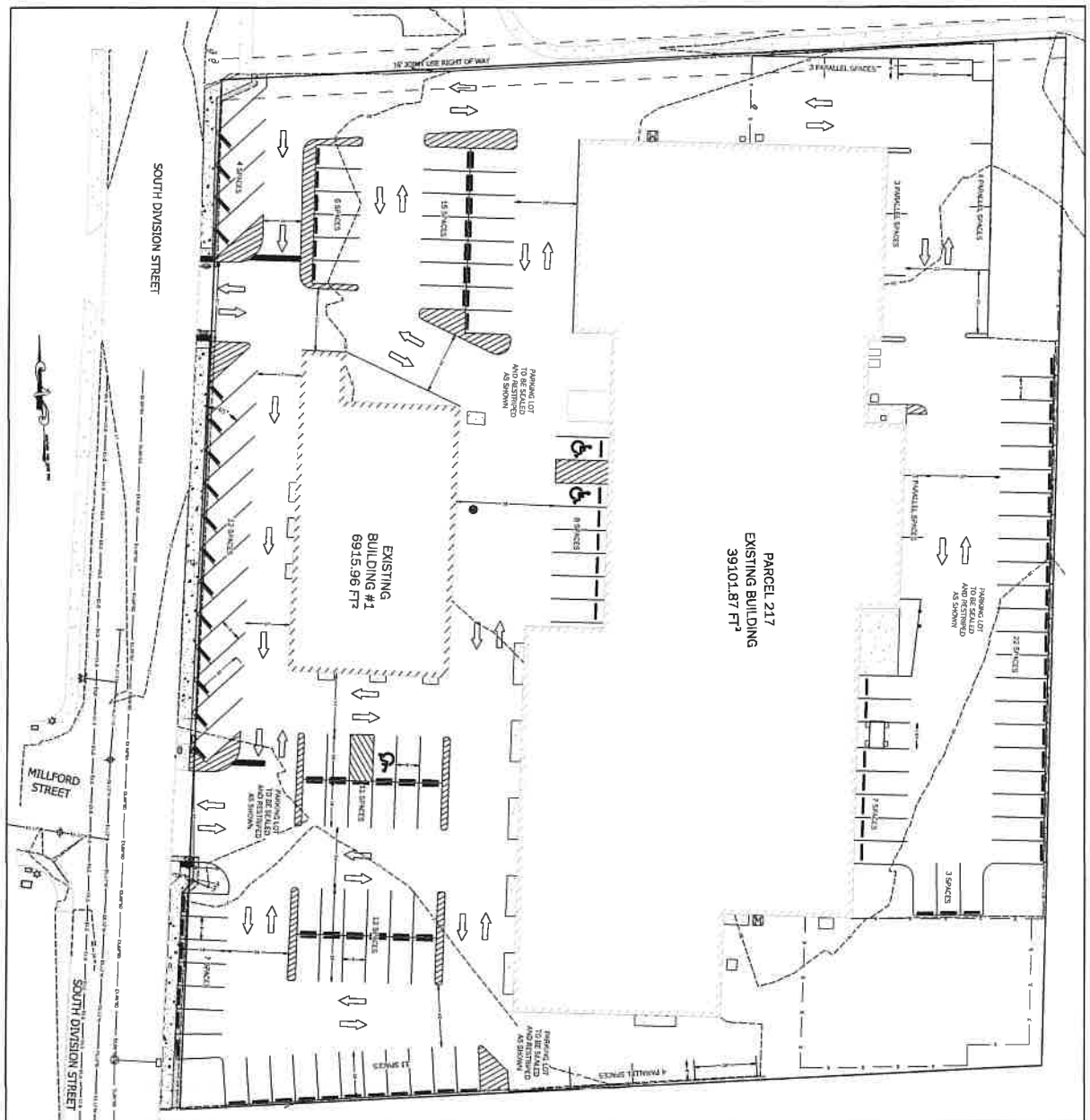
1305 South Division Street
 For: Michelle Marcell Area
 CITY OF KANSAS CITY, MISSOURI
 PROJECT NO. 1305

DATE: 3/14/2017
 PROJECT: 1305

REVISION	DATE	BY	CHKD	APP
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3				
4				
5				
6				
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8				
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10				

SHEET 5 OF 7





PROJECT: 1305 South Division Street
 CITY OF SALEM, MD
 COUNTY OF TALBOT, MD
 DRAWN BY: J. J. Dwyer
 DATE: 12/1/2017

STRIPING PLAN
1305 SOUTH DIVISION STREET

1305 South Division Street
For: Mitchell Martial Arts
CITY OF SALEM, MD
DATE: 12/1/2017

1" = 20'

1305 South Division Street
Parcel 217

SHEET 7 OF 7

REVISIONS

NO.	DATE	DESCRIPTION
1	12/1/2017	Initial Design



City of Salisbury

Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda Pollack, P.E., Director of Infrastructure and Development
Date: May 21, 2020
Re: Comprehensive Connection Charges

AP

In July 2018, Stantec Consultants completed their assessment for the City's Water and Sewer Rate Study. Part of the evaluation included an analysis of the City's Comprehensive Connection Charges. The Comprehensive Connection Charges are outlined in the City Code Chapter 13. The Department of Infrastructure and Development has reviewed the report findings and recommends proceeding with an overhaul of the Comprehensive Connection Charges. This memo details the current Comprehensive Connection Charges, the proposed fees and incentive programs. The memo also includes historical information on the fees and incentive programs.

Comprehensive Connection Charges:

The Comprehensive Connection Charges are one-time charges designed to recover the cost of capacity used for new development. The benefit is that growth is paying for growth, thereby not placing the burden of paying the capital costs of system expansions on existing customers. There are currently Water Capacity Fees, Sewer Capacity Fees, and Central System Line Fees. The Water and Sewer Capacity Fees are based on the 10 year CIP. The ten year CIP is difficult to project and has not been adopted in recent years. The most recent change to capacity fees occurred in July 2013. The Central System Line Fee is intended to recover construction costs from future development utilizing existing mains, however it is based on the area (square footage) of a parcel instead of its water and sewer use. Basing the fee on the property area does not directly correlate to the use of the utility system.

The Water and Sewer Rate Study recommended adopting an Equity Based Alternative Fee, which is called the "Connection Fee." The Connection Fee will be based on the current equity value of the utility system per equivalent dwelling unit. This enables developers to buy into the current value of the system at its current capacity. Since the fee is based on the value of the existing system, it recognizes the contributions existing users have made to the system over time, including maintenance and debt payment. The fee is calculated based on the total current valuation of water and sewer assets and total capacity of the water and sewer systems. Prior grant funding, outstanding debt and developer dedicated facilities are not included in the valuation.

$$\text{Connection Fee} = \frac{\text{Value of System} - \text{Credit}}{\text{System Capacity}}$$

- Value of Utility System is depreciated value escalated to current replacement cost.
- Credit is outstanding principal on existing utility debt and grant funding.
- System Capacity is the total capacity in utility system measured in Equivalent Dwelling Units (EDUs). Per the Code, one EDU is 250 gallons per day.



City of Salisbury

Jacob R. Day, Mayor

The July 2018 analysis provided the following calculations:

$$\begin{aligned}\text{Water Connection Fee} &= \frac{\$150,615,690 - \$4,339,622}{30,680 \text{ EDUs}} \\ &= \$4,768 \text{ per EDU} \\ &= \$5,058 \text{ Adjusted to 2020 assuming a 3\%} \\ &\quad \text{escalation per year to account for inflation} \\ \text{Sewer Connection Fee} &= \frac{\$223,883,647 - \$73,651,358}{34,000 \text{ EDUs}} \\ &= \$4,418 \text{ per EDU} \\ &= \$4,688 \text{ Adjusted to 2020 assuming a 3\%} \\ &\quad \text{escalation per year to account for inflation}\end{aligned}$$

Water capacity is based on 7.67 Million Gallons per Day per the water appropriations permit. Sewer capacity is based on 8.5 Million Gallons per Day per the rated capacity at the WWTP. The total proposed Connection Fee is \$9,746 per EDU.

One advantage with an equity based fee is that this simplifies the fee system and eliminates the Central System Line Fee. Additionally, future adjustment of the fee will be based on accepted industry cost index, additions and deletions of the City asset inventory and changes in outstanding debt. The fee would be based on infrastructure instead of capacity allowing the use of funds for facilities improvements as well as capacity projects. Finally, this establishes a benchmark for identifying the system value with the existing user allowing a more informed decision on setting the Connection Fee.

Note that this is a significant increase when looking at only the current Capacity Fees, however it will be a reduction depending on the size of the lot and whether there was a central system line fee. The current Capacity Fees are \$3,533 per EDU (\$1,513 for water and \$2,020 for sewer). Exhibit A shows a comparison of Comprehensive collection fees charges for a variety of size and type of project. Additionally, the code allows for Incentive Programs, which are connection fee waivers to target growth in specific areas.

The Sewer Lateral and Water Meter/Tap fees have been modified to reflect the actual costs expended by the Field Operations Department to install sewer laterals and water services, and related appurtenances. The property owner has the option of hiring an outside contractor or utilizing the City for these services. Since each connection to utilities is unique, the code changes reflect that actual labor and materials shall be reimbursed to the City. An estimate for the work will be provided to the property owner prior to initiating the work.

The last recommended change to the Comprehensive Connection Charges Code is to rename Facility Fee to Infrastructure Reimbursement Fee. Currently, Facility Fees can be reimbursements to either the City or to another entity that installed infrastructure for a public use. Renaming this fee to Infrastructure Reimbursement Fee will clarify the purpose of the fee.



City of Salisbury

Jacob R. Day, Mayor

Incentive Programs:

The next major proposed change to the code includes the incentive programs. There are currently three active incentive programs: Affordable Housing, Development or Redevelopment, and Single Family Infill. The incentive programs are important because they direct growth to the areas of the City where growth is desired and where utilities exist to support growth. For reference, Exhibit B shows the capacity fees collected and waived over the past 16 fiscal years.

Resolution No. 1211 was passed on February 28, 2005 and provided for affordable housing capacity fee waivers if the project meets specific criteria including that for at least 10 years, the rent shall be affordable to households earning less than 60% of the area median income. Each waiver is approved by Council via Resolution. This waiver did not come with an expiration date. This incentive program is in the Code per Section 13.02.070.B.10.

Ordinance No. 2258 was adopted on September 23, 2013 and provided for Code Section 13.04.110, which is an EDU Incentive Area to reduce the capacity fees for eligible development and redevelopment in the Downtown Development District, the Central Business District, the Riverfront Redevelopment Area and the Enterprise Zone. The Ordinance provided for a bank of 300 EDUs. The EDU Incentive Area was established for a period of five years which would have expired on September 23, 2018. Resolution No. 2864 extended the EDU Incentive Area for five years, which would expire on September 23, 2023. To date, 252.54 EDUs have been allocated through this incentive program. Over the past six years, twelve projects have received Capacity Fee Waivers which totaled \$892,223.82. Ten projects were in the Central Business District and two projects were in other zone but eligible due to being in the Enterprise Zone. This incentive program has provided a significant impact on the financial feasibility of the projects. Each waiver is approved by Council via Resolution and expires after two years.

Resolution No. 2734 was passed on February 28, 2017 and provided for a Moratorium on Building permit fees, plan review fees, plumbing permit fees, mechanical permit fees, capacity fees and central system line fees for single family, owner occupied detached dwellings. Resolution Nos. 2808 and 2911 extended the expiration of the program to February 28, 2021. This incentive program is not codified.

The recommended changes to the Code for each of the incentive programs are listed below:

1. Affordable Housing – Add that the waiver is valid for two years and is renewable for up to two one-year terms. Add that the waiver is non-transferrable.
2. Development and Redevelopment – Updated names of City Departments to reflect the July 2017 reorganization. Eliminate the EDU bank and expiration of the program. Applies to downtown zoning districts only.
3. Single Family – Add to the code in Section 13.02.080 - City infill or redevelopment projects. The single family fee waivers are proposed to be applied to only lots platted as of the date of the passing of this Ordinance (infill only). Therefore, newly subdivided single family developments will need to pay permit and connection fees.

Attached are the proposed code changes to reflect the information presented herein. Unless you or the Mayor has further questions, please forward a copy of the memo and the code changes to the City Council.

Project	# EDU's	Current Fees		Proposed Fees		Difference
Capacity Fees (not including meter setting fee, tapping fee, Facility Fees, inspection fees)		Water Capacity Fee	\$ 1,513.00	Water Connection Charge	\$ 5,058.00	
		Sewer Capacity Fee	\$ 2,020.00	Sewer Connection Charge	\$ 4,688.00	per EDU
			\$ 3,533.00		\$ 9,746.00	\$ 6,213.00
Existing Central System Line Fee			\$64.50/ft			
Commercial property Outside central core	6	Water Capacity Fee	\$ 9,078.00	Water Connection Charge	\$ 30,348.00	
		Sewer Capacity Fee	\$ 12,120.00	Sewer Connection Charge	\$ 28,128.00	
		Central System Line Fee	\$ -			
Total			\$ 21,198.00		\$ 58,476.00	\$ 37,278.00
Commercial property Inside central core (2 acres)	6	Water Capacity Fee	\$ 9,078.00	Water Connection Charge	\$ 30,348.00	
		Sewer Capacity Fee	\$ 12,120.00	Sewer Connection Charge	\$ 28,128.00	
		Central System Line Fee	\$ 19,038.00			
Total			\$ 40,236.00		\$ 58,476.00	\$ 18,240.00
Single Family (1/4 acre lot)	1	Water Capacity Fee	\$ 1,513.00	Water Connection Charge	\$ 5,058.00	
		Sewer Capacity Fee	\$ 2,020.00	Sewer Connection Charge	\$ 4,688.00	
		Central System Line Fee	\$ 6,731.00			
Total			\$ 10,264.00		\$ 9,746.00	\$ (518.00)
Single Family (3/4 acre lot)	1	Water Capacity Fee	\$ 1,513.00	Water Connection Charge	\$ 5,058.00	
		Sewer Capacity Fee	\$ 2,020.00	Sewer Connection Charge	\$ 4,688.00	
		Central System Line Fee	\$ 11,658.00			
Total			\$ 15,191.00		\$ 9,746.00	\$ (5,445.00)

Central System Line Fee (Per Code 13.02.070) --

Comprehensive Connection Charge of Central System Line Fee for water and sewer services connecting directly to the City's Central System. --

64.50

Per-linear-foot based on the area of the property and is the square-root of the lot area, in square feet

Exhibit B

Capacity Fee Analysis

Fiscal Year	Capacity Fee Rate	Gross Capacity Fees Collected	Capacity Fees waived for EDU Incentive Area	Capacity Fees waived for Affordable Housing	Capacity Fees waived for Single Family	Net Capacity Fees Collected
FY 2005	\$ 4,800.00	\$ 12,600.00	\$ -	\$ -	\$ -	\$ 12,600.00
FY 2006	\$ 5,300.00	\$ 393,330.00	\$ -	\$ 1,006,800.00	\$ -	\$ (613,470.00)
FY 2007	\$ 5,967.00	\$ 468,300.72	\$ -	\$ 135,680.00	\$ -	\$ 332,620.72
FY 2008	\$ 6,535.00	\$ 1,604,845.68	\$ -	\$ 78,764.00	\$ -	\$ 1,526,081.68
FY 2009	\$ 8,508.00	\$ 465,908.76	\$ -	\$ -	\$ -	\$ 465,908.76
FY 2010	\$ 8,508.00	\$ 851,821.20	\$ -	\$ -	\$ -	\$ 851,821.20
FY 2011	\$ 8,508.00	\$ 263,742.88	\$ -	\$ -	\$ -	\$ 263,742.88
FY 2012	\$ 8,508.00	\$ 369,774.70	\$ -	\$ -	\$ -	\$ 369,774.70
FY 2013	\$ 3,392.00	\$ 399,687.66	\$ -	\$ -	\$ -	\$ 399,687.66
FY 2014	\$ 3,533.00	\$ 350,882.22	\$ 21,198.00	\$ 356,833.00	\$ -	\$ (27,148.78)
FY 2015	\$ 3,533.00	\$ 502,477.39	\$ 17,665.00	\$ 120,122.00	\$ -	\$ 364,690.39
FY 2016	\$ 3,533.00	\$ 480,993.77	\$ 34,623.40	\$ 222,579.00	\$ -	\$ 223,791.37
FY 2017	\$ 3,533.00	\$ 88,395.66	\$ -	\$ -	\$ 14,132.00	\$ 74,263.66
FY 2018	\$ 3,533.00	\$ 324,943.65	\$ -	\$ -	\$ 60,061.00	\$ 264,882.65
FY 2019	\$ 3,533.00	\$ 597,939.93	\$ 603,577.72	\$ -	\$ 81,259.00	\$ (86,896.79)
FY 2020 to date	\$ 3,533.00	\$ 339,168.00	\$ 215,159.70	\$ -	\$ 105,990.00	\$ 18,018.30
		\$ 7,514,812.21	\$ 892,223.82	\$ 1,920,778.00	\$ 261,442.00	\$ 4,440,368.39

Title 13 - PUBLIC SERVICES

Chapter 13.01 - ABBREVIATIONS AND DEFINITIONS

13.01.030 - Definitions.

As used in this chapter:

"Act" or "the Act" means the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. 1251, et seq.

"Administrative fee" means a fee to cover the cost of recordkeeping and to recover any handling charges and/or payment processing costs incurred by the city as a result of processing developer reimbursements. This fee is to be deducted from developer reimbursements by the city finance office.

"Approval authority" or "MDE" means the state of Maryland Secretary of the Department of the Environment and/or his designated agents and/or agencies.

"Authorized representative" of the industrial user:

1. If the industrial user is a corporation, "authorized representative" means:
 - a. The president, secretary, treasurer, or a vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision making functions for the corporation,
 - b. The manager of one or more manufacturing, production or operation facilities employing more than two hundred fifty (250) persons or having a gross annual sales or expenditures exceeding twenty-five million dollars (\$25,000,000.00) (in second-quarter 1980 dollars), if authority to sign documents have been assigned or delegated to the manager in accordance with corporate procedures;
2. If the industrial user is a partnership or sole proprietorship, an authorized representative means a general partner or proprietor, respectively;
3. If the industrial user is a federal, state or local governmental facility, an authorized representative means a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or his/her designee;
4. The individuals described in subsections (1), (2) and (3) of this definition may designate another authorized representative if the authorization is in writing and submitted to the city of Salisbury wastewater pretreatment program, the authorization specifies the individual or position responsible for the overall operation of the facility from which the discharge originates or having overall responsibility for the environmental matters for the company.

"Backbone infrastructure" means and includes the water and sewer mains, pumping stations, tanks, etc. which will provide the primary service for a new service area. The water mains and tanks are typically sized for fire flow demand.

"Biochemical oxygen demand (BOD)" means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure, five days at twenty (20) degrees centigrade expressed in terms of weight and concentration (milligrams per liter (mg/l)).

"Branch mains" are typically water and sewer mains eight inches or less in diameter that are intended to serve communities off of main lines or within proposed or existing developments.

"Building drain" means that part of the lowest horizontal piping of a drainage system which receives the discharge from soil waste and other drainage pipes inside the walls of the building and conveys it to the building sewer, beginning ten feet outside the inner face of the building wall.

"Building sewer" means the extension from the building drain to the public sewer or other place of disposal.

"Bypass" means the intentional diversion of wastestreams from any portion of the industrial user's treatment facility.

~~"Connection FeeCapacity fee" is based on the number of EDUs that the customer is projected to generate at total build-out of the development project. It is calculated by multiplying the capacity connection unit fee by the projected EDU value (average daily water) for a particular development project. The fee shall be charged for each new connection to the city's system, regardless of location, to pay for equity in the City's utility systems, the systems' growth and expansion projects as outlined in the city's water and sewer CIP.~~

~~"ConnectionCapacity unit fee" means intended to pay for capacity in the "central system." It is based on the growth and expansion projects as outlined in the city's water and sewer CIP. The fee is a unit rate based on the capacity equity of the water and sewer systems costs expressed in dollars per EDU.~~

"Capital costs" shall be construed to include necessary studies, investigations, designs, construction, project management and other related administrative and overhead costs incurred by the city.

"Capital improvement plan" means a ~~ten~~five-year plan showing the city's capital outlay needs for the water treatment plant, water distribution system, wastewater collection system and wastewater treatment plant and setting forth a plan for financing those needs.

"Categorical pretreatment standard" or "categorical standard" means any regulation containing pollutant discharge limits promulgated by the United States EPA in accordance with Sections 307(b) and (c) of Act (33 U.S.C. 1317) which apply to a specific category or industrial users and which appear in 40 CFR Chapter I, Subchapter N, Parts 405—471.

~~"Central system line fee" means the line fee for new water and sewer users within the city's central system where there are existing mains from which the property is to be served. This fee reimburses the city for the construction costs of the existing mains that serve the property and is proportional to the size of the property to be served.~~

~~"Central system line unit fee" means the in-place construction cost per linear foot for eight-inch diameter water and sewer mains. The fee is calculated as the average construction contract cost for installing eight-inch water and sewer mains throughout the city water and sewer systems for the previous twelve (12) months as determined by the Department of Infrastructure and Development.~~

"Cesspool" means a lined or partially lined pit into which raw wastewater is discharged and from which the liquid seeps into the surrounding soil.

"City" means the mayor and city council for the city of Salisbury and their duly appointed officers and/or representatives.

"Color" means the true color due to substances in solution expressed in color units on a platinum-cobalt scale.

"Combined sewer" means a sewer receiving both surface runoff and sewage.

"Composite sample" means a sample of wastewater consisting of a number of combined individual samples collected at uniform intervals based on an increment of either time or flow.

"Comprehensive connection charge" means the charge to new customers connecting to the system that includes the ~~capacity connection~~ fee, ~~infrastructure reimbursementfacility~~ fee, ~~line fee~~, and sewer ~~lateral connection~~ and water-meter/tap fee.

"Cooling water" means the water discharged from any use, such as cooling or refrigeration, to which the only pollutant added is heat.

"Easement" means a grant of the use of a parcel of land to the city or a person or persons or the public for a specific, limited purpose, without including fee simple ownership of the land.

"Engineer" means the director of infrastructure and development of the city or his duly authorized representative.

"Environmental protection agency," or "EPA" means the United States Environmental Protection Agency or, where appropriate, the term may also be used as a designation for the regional water management division director or duly authorized official of said agency.

"Equivalent dwelling unit (EDU)" means the average water needed to serve a typical single-family home; including allowances for inside and outside use. For the purpose of this chapter, one EDU shall equal to two hundred fifty (250) gallons per day (gpd) of water.

"Existing source" means any source of discharge, the construction or operation of which commenced prior to the publication of proposed categorical pretreatment standards which will be applicable to such source if the standard is thereafter promulgated in accordance with Section 307 of the Act.

~~"Facility fee" is based on the number of EDUs that the customer is projected to generate at total build-out of the development project. It is calculated by multiplying the facility unit fee by the projected EDU value (average daily water) for a particular development project. The fee shall be charged to properties connecting to water/sewer extensions outside of the city's core or central system.~~

~~"Facility unit fee" is intended to recover the costs of system extensions to a service area outside of the central system. These facilities will typically be the "backbone" of a new service area and may include major water and sewer transmission mains, pumping stations, and water storage tanks. The fee is a unit rate based on the cost of the system extension expressed in dollars per EDU.~~

"Floatable grease" means grease, fat, wax or oil in a physical state such that it will separate by gravity from wastewater by treatment in an approved facility.

"Garbage" means any solid wastes from the domestic and commercial preparation, cooking and dispensing of food and from the handling, storage and sale of produce.

"Grab sample" means a sample which is taken from a wastestream on a one-time basis without regard to the flow in the wastestream and without consideration of time.

"Grease," "fats," "wax" or "oils" means those substances, whether emulsified or not, which may solidify or become viscous at temperatures between zero degrees centigrade and sixty-five (65) degrees centigrade.

"Groundwater" means all the water under the surface of the ground not identified as flowing in well-defined channels.

"Growth improvement" means the improvement required only to provide additional capacity to accommodate growth and primarily benefits new users.

"Holding tank waste" means any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks and vacuum-pump trucks.

"Indirect discharge" or "discharge" means the introduction of (nondomestic) pollutants into the city of Salisbury wastewater treatment works from any nondomestic regulated under Section 307(b), (c) or (d) of the Act.

"Individual water supply system" means a water supply system from which water is not available to the people at large, its location and outlets being on private property.

"Industrial user (IU)" means a source of indirect discharge.

"Industrial wastes" means the liquid wastes from industrial manufacturing processes, trade or business as distinct from sanitary sewage.

"Industry" means any person, establishment, firm, company, association or group, whether public or private, engaged in a manufacturing or service enterprise.

"Infrastructure Reimbursement fee" is based on the number of EDUs that the customer is projected to generate at total build-out of the development project. It is calculated by multiplying the infrastructure reimbursement unit fee by the projected EDU value (average daily water) for a particular development project.

"Infrastructure Reimbursement unit fee" is intended to recover the costs of system extensions to a service area outside of the central system. These facilities will typically be the "backbone" of a new service area and may include major water and sewer transmission mains, pumping stations, and water storage tanks. The fee is a unit rate based on the cost of the system extension expressed in dollars per EDU. The system extension may have been performed by the City or a private entity."Instantaneous maximum allowable discharge limit" means the maximum concentration (or loading) of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composite sample collected, independent of the industrial flow rate and the duration of the sampling event.

"Interference" means a discharge which alone or in conjunction with a discharge or discharges from other sources: (1) inhibits or disrupts the city of Salisbury wastewater treatment works, its treatment processes or operations or its sludge processes, use or disposal; and (2) therefore is a cause of the city of Salisbury wastewater treatment work's NPDES permit or of the prevention of sewage sludge use or disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder (or more stringent state or local regulations): Section 405 of the Clean Water Act; the Solid Waste Disposal Act (SWDA), including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); any state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of the SWDA; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research and Sanctuaries Act.

~~"Line fee" means the cost of extending water distribution and sewage collection mains to exclusively serve a specific geographic area, development or neighborhood.~~

"Lot" means a plat or parcel of land occupied or intended to be occupied by a principal building or use or group of buildings and accessory buildings and uses, including all open spaces and yards having frontage on a road as defined herein.

"Main lines" means the water and sewer mains, which are part of a system extension as a backbone for a new service area.

"Master plan" means the water and sewer plan, which outlines scope and costs of potential extensions and, service areas for those extensions.

"Maximum daily demand" means the water consumption, in volume of water, used on the highest consumption day of the year, otherwise known as the peaking factor.

"Medical waste" means isolation wastes, infectious agents, human blood and blood byproducts, pathological wastes, potentially contaminated laboratory wastes and dialysis wastes.

"Meter assembly" means the piping, fittings, and valves within the water meter vault or pit that supports and secures the water meter.

"Meter box" is also referred to as "meter vault" and "meter pit," the underground structure that houses and protects the water meter and water meter assembly.

"National Pollution Discharge Elimination System Permit" or "NPDES permit" means a permit issued pursuant to Section 402 of the Act (33 U.S.C. 1342).

"Natural outlet" means any outlet into a watercourse, pond, ditch or lake or other body of surface or groundwater.

"New source" means:

1. Any building, structure, facility or installation from which there is or may be a discharge of pollutants, the construction of which commenced after the publication of the proposed pretreatment standards under Section 307(c) of the Act which will be applicable to such source if such standards are thereafter promulgated in accordance with that section; provided that:
 - a. The building, structure, facility or installation is constructed at a site at which no other source is located,
 - b. The building, structure, facility or installation totally replaces the process or production equipment that causes the discharge of pollutants at an existing source, or

- c. The production or wastewater generating processes of the building, structure, facility or installation are substantially independent of an existing source at the same site. In determining whether these are substantially independent, factors such as extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the existing source, should be considered;
2. Construction on a site at which an existing source is located results in a modification rather than a new source if the construction does not create a new building, structure, facility or installation meeting the criteria of subsection (1)(b) or (c) of this definition but otherwise alters, replaces, or adds to existing process or production equipment;
3. Construction of a new source as defined under this definition has commenced if the owner or operator has:
 - a. Began, or caused to begin as part of a continuous on-site construction program:
 - i. Any placement, assembly, or installation of facilities or equipment, or
 - ii. Significant site production site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment.
 - b. Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this definition.

"Noncontact cooling water" means water used for cooling which does not come into direct contact with any raw material intermediate product, waste product, or finished product.

"Parts per million (ppm)" or "milligrams per liter (mg/l)" means the relative concentration of substance in sample of waste, by weight, in terms of the weight of such substance per unit volume of the waste.

"Pass through" means the discharge of pollutants through the WTW and/or WWTP into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the city of Salisbury wastewater treatment plant's NPDES (including an increase in the magnitude or duration of a violation).

"Person" means any individual, partnership, copartnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity or any other legal entity or their legal representatives, agents or assigns. This definition includes all federal, state or local governmental entities. The masculine gender shall include the feminine, the singular shall include the plural and the plural shall include the singular where indicated by the context of its use.

"Person" means a person, persons, partnerships, firms, corporations and cooperative enterprises.

"pH" means the measure of acidity or alkalinity of a substance expressed in standards units.

"Pollutant" means any dredged soil, solid waste, incinerator residue, sewage, garbage, sewer sludge, munitions, chemical wastes, industrial wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, municipal and agricultural waste, and the characteristics of the wastewater (i.e., pH, temperature, TSS, turbidity, color, BOD, chemical oxygen demand (COD), toxicity, odor).

"Potable water" means water which is safe for human consumption.

"Pretreatment" or "treatment" means the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in the wastewater prior to or in lieu of discharging or otherwise introducing such pollutants into the city of Salisbury wastewater treatment plant. The reduction or alteration can be obtained by physical, chemical or biological processes, by process changes, or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable pretreatment standard.

"Pretreatment requirements" means any substantive or procedural requirement relating to pretreatment other than a pretreatment standard imposed on an industrial user.

"Pretreatment standards" or "standards" means prohibitive discharge standards, categorical pretreatment standards and local limits.

"Private water supply" means a supply other than an approved public water supply, which serves one or more buildings.

"Privy" means a building either portable or fixed directly to a pit or vault, equipped with seating and used for excretion of bodily waste.

"Prohibited discharge standards" or "prohibited discharges" means absolute prohibitions against the discharge of certain substances; these prohibitions appear in Section 13.12.070(B) of this title.

"Public sewer" means a sewer which is owned or controlled by the city of Salisbury or its duly authorized representatives and in which all owners of abutting property have equal rights. It includes that portion of the building sewer within the street right-of-way or public easement up to but not including the "clean-out" (if any) adjacent to the curb, sidewalk or edge of paving.

"Public sewer main" means the common sewer directly controlled by the city of Salisbury.

"Public water main" means a water supply pipe for public use controlled by the city of Salisbury.

"Publicly owned treatment works (POTW)," "city of Salisbury wastewater treatment works," "wastewater treatment works," "treatment works" or "works (WTW)" means a treatment works as defined by Section 212 of the Act (33 U.S.C. 1292) which is owned in this instance by the city of Salisbury. This definition includes any devices or systems used in the collection, storage, treatment, recycling and reclamation of sewage or industrial wastes and any conveyances (sewers) which convey wastewater to the city of Salisbury wastewater treatment plant, but does not include pipes, sewers or other conveyances not connected to the city of Salisbury wastewater treatment plant. For the purposes of this chapter, this meaning shall also include any of the above mentioned facilities which convey wastewaters to the city of Salisbury wastewater treatment works from persons outside the city who are, by contract or agreement with the city, users of the city of Salisbury wastewater treatment works. These terms also include the city of Salisbury entity having jurisdiction over the industrial users and the responsibility for the maintenance of the treatment works.

"Right-of-way" means a strip of land occupied or intended to be occupied by a street, alley, crosswalk, water line, sanitary or storm sewer line, storm drain, drainage ditch, or for another special use.

"Regulatory improvement" means the improvement needed to meet regulatory requirements and benefits all users.

"Sanitary sewer" means a sewer which carries sewage and to which storm surface and groundwater are not intentionally admitted.

"Screening" means the removal of solids from liquid wastes by screening through twenty (20) mesh screens or finer.

"Septic tank" means a settling tank in which settled sludge is in immediate contact with the wastewater flowing through the tank and the organic solids are decomposed by anaerobic bacterial action.

"Septic wastes" means any sewage from holding tanks such as vessels, chemical toilets, campers, trailers and septic tanks.

"Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

"Sewage" or "wastewater" means a combination of the water-carried wastes from residences, business buildings, institutions and industrial establishments, together with such ground, surface and stormwater as may be present.

"Sewer" means a pipe or conduit for carrying sewage, wastewater, surface water and/or stormwaters.

"Sewer ~~lateral-connection~~ and water-meter/tap fee" is intended to cover the cost of tapping the water and sewer mains and providing the lateral, service, water meter, corporation stop, cleanout, and stub out for the ~~user~~-water and sewer connections.

"Sewer lateral" means the section of sewer pipe extending from the public sewer main to the right-of-way or property line owned by the public authority or public utility.

"Shall" is mandatory; "may" is permissive.

"Significant industrial user" or "SIU" means any user of the city's wastewater treatment works who: (1) is subject to categorical pretreatment standards; (2) discharges having an average of twenty-five thousand (25,000) gallons per day or more of process wastewater (excluding sanitary, noncontact cooling and boiler blowdown wastewater); (3) discharges a flow equal to or greater than five percent of the hydraulic or organic capacity of the city of Salisbury wastewater treatment plant (WWTP); (4) is designated as such by the WTW on the basis that the IU has a reasonable potential for adversely affecting the WTW's operation or for violating any pretreatment standard or requirement; or (5) is found by the WTW, MDE or the EPA to have significant impact either alone or in combination with other contributing industries to the WTW, the quality of the sludge, the WWTP effluent quality, or air emissions generated by the system.

"Site plan" means a construction plan, prepared to scale by a registered professional engineer or other qualified professional, showing accurately and with complete dimensioning, the boundaries of a site and the location of all roadways, structures, parking, utilities, topographic modifications, and other principal site development features proposed for a specific parcel of land or portion thereof.

"Sludge" means solid, semi-solid or liquid residue removed during the treatment of industrial flows and/or wastestreams, sewage or potable water.

"Slug" or "slug load" means any discharge at a flow rate or concentration which could cause a violation of the prohibited discharge standards in Section 13.12.070(B) of this title, cause interference of the treatment works, pass through the WWTP, endanger sewer worker safety, contaminate the sludge, cause a violation of any permit issued to the WWTP or any discharge of a nonroutine, episodic nature, including but not limited to, an accidental spill or a noncustomary batch discharge.

"Standard industrial code (SIC)" means a classification, pursuant to the Standard Industrial Classification Manual issued by the United States Office of Management and Budget.

"State" means the state of Maryland (See "Approval authority").

"Storm drain" or "storm sewer" means a sewer which carries storm and surface and drainage, but excludes sewage and industrial wastes, other than noncontact cooling waters.

"Stormwater" means any flow occurring during or following any form of natural precipitation and resulting therefrom, including snowmelt.

"Superintendent" means the superintendent of the city of Salisbury wastewater treatment plant or his authorized deputy, agent or representative.

"Surface water" means a pond, lake or a stream of water flowing in a definite direction or course. A surface stream includes the springs in which the stream originates and those that contribute to its flow. The stream flow may vary and, in times of drought, may even cease to flow at all for a period of time.

"Suspended solids" or "total suspended solids" or "TSS" means the total suspended matter that either float on the surface of or are in suspension in water, sewage or other liquids and which are water and wastewater.

"System extension" means the major, public water or sewer infrastructure extended from the central system, prompted by proposed development and oversized to serve a new service area, i.e., water and sewer mains that are eight inches or greater in diameter, pumping stations, tanks, etc.

"Toxic pollutant" means one of one hundred twenty-six (126) pollutants, or combination of those pollutants, listed as toxic in regulations promulgated by the EPA under the provisions of Section 307 (33 U.S.C. 1317) of the Act, as amended by EPA and/or MDE.

"Treatment plant effluent" means any discharge of pollutants from the WTW into the waters of the state.

"User" means any person who contributes, causes or permits the contribution of wastewater into the WTW.

"Watercourse" means a channel in which a flow of water occurs, either continuously or intermittently.

"Waters of the state" means all streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, reservoirs, aquifers, irrigation systems, drainage systems and all other bodies or accumulations of water, surface or underground, natural or artificial, public or private, which are contained within, flow through or border upon the state of Maryland or any portion thereof.

"Wastewater" means the liquid and water carried industrial or domestic wastes from dwellings, commercial buildings, industrial facilities and institutions, whether treated or untreated, which is contributed to or permitted to enter the city of Salisbury wastewater treatment works.

"Wastewater discharge permit" means as set forth in Section 13.12.090 of this title.

"City of Salisbury wastewater treatment plant," "wastewater treatment plant" or "treatment plant (WWTP)" means that arrangement of devices and structures, of the city of Salisbury wastewater treatment works, used to provide treatment for sewage, wastewater and industrial waste.

(Ord. 1983 (part), 2006)

([Ord. No. 2451, 10-9-2017](#))

Chapter 13.02 - GENERAL PROVISIONS—CONNECTION TO THE CITY'S WATER AND SEWER MAINS

13.02.020 - Legislative intent.

- A. Overview. The city of Salisbury desires to establish a consistent comprehensive connection charge. The city will establish a methodology for the comprehensive connection charge calculation. A comprehensive connection charge policy will be adopted which will specify funding of improvements and appropriate reimbursements.
- B. Goals. The goals of the comprehensive connection charge are as follows:
 - 1. To establish a consistent methodology for calculating a comprehensive connection charge;
 - 2. Capital costs due to growth are paid by new or increased water or sewer usage; The "Growth Pays for Growth" concept;
 - 3. New or increased water or sewer usage will be charged for equity in the existing system a portion of the cost of the central or core system through a "capacity feeconnection fee";
 - 4. Property owners shall fund water and sewer extension projects when they desire to extend the city's water and sewer infrastructure into new service areas;
 - 5. Property owners that fund such projects may be reimbursed through connections according to the city of Salisbury's adopted extension reimbursement policy;
 - 6. To establish policy flexibility to allow for periodic review and adjustments of fees and terms of agreements;
 - 7. The facility-infrastructure reimbursement fees are to be indexed yearly in order to cover the costs of inflation impacting the costs of past improvements;

8. Basis of proposed methodology for ~~capacity fee~~connection fee is that the "value of service" is equal to all users;
9. In appropriate cases, to provide incentive for development and redevelopment within the city's central system.

(Ord. 1983 (part), 2006)

13.02.050 - Responsibilities.

A. The director of infrastructure and development shall:

1. Develop and maintain a policy and procedures handbook which provides detailed information, procedures, and examples of the comprehensive connection charge, ~~developer infrastructure~~ reimbursement and other relevant development policies;
2. Review and update the city's water and sewer master plan periodically;
3. Provide recommended adjustments for annual variances in the comprehensive connection charge structure in coordination with the Director of Finance to the office of the mayor and city council on or before March 15 of each year. The proposed comprehensive connection charge structure, if approved, shall become effective on July 1 of that same year. The specific recommendation, at a minimum, shall include:

~~a. The capacity connection unit fee based on the value of the utility systems and the capacity of the systems, ten-year water and sewer capital improvement plan approved by the mayor and city council,~~

~~b. The sewer connection and water tap/meter fee based on the actual costs for the previous fiscal year. To provide a transition from 1999 rates, a one-time adjustment period shall be calculated as follows: actual costs in 2005 exceed the 2005 sewer connection and water tap/meter fee by varying amounts depending on the size of the service. There will be a phase-in period from 20[0]6 through 2008 in which the sewer connection and water tap/meter fee will only partially recover actual costs through 2007 but will be incrementally increased to completely recover actual costs by 2008.~~

~~The computed fee in those years will be as follows:~~

~~2006 Fee = 2005 Fee + (2005 Costs — 2005 Fee) × 33%,~~

~~2007 Fee = 2006 Fee + (2006 Costs — 2006 Fee) × 66%,~~

~~2008 Fee = 2007 Fee + (2007 Costs — 2007 Fee) × 100%,~~

~~c. The central system line fee for new water and/or sewer users within the city's central system where there are existing mains. This central system line fee will be based on the average contract cost for installing eight-inch diameter water and sewer mains for the previous twelve (12) months.~~

B. The director of finance shall:

1. Provide a recommended comprehensive connection charge structure in coordination with the Director of Infrastructure and Development on an annual basis to the office of the mayor and city council on or before March 15 of each year. The proposed comprehensive connection charge structure, if approved, shall become effective on July 1 of that same year. This rate structure shall include an administrative fee for recordkeeping and payment of processing costs;
2. Provide a report to the Mayor and City Council on an annual basis on or before March 15 of each year, which will include a list of:
 - a. The Consumer Price Index for urban areas, commonly abbreviated as the CPI-U,
 - b. Developer reimbursements for the previous fiscal year,

- c. Unreimbursed developer costs as of the end of the city's fiscal year and indexed using the Consumer Price Index for urban areas (CPI-U);
3. Develop and implement procedures for collecting and recording developer reimbursements;
4. Deposit comprehensive connection charges in an appropriate special fund to insure that the fees and all interest accruing to the special fund are designated for improvements reasonably attributable to new or increased growth and are expended to reasonably benefit the new or increased growth.

(Ord. 1983 (part), 2006)

(Ord. No. 2214, §§ 1—3, 8-13-2012; [Ord. No. 2451, 10-9-2017](#).)

13.02.060 - General connection policies.

- A. Property owners requesting connection to the city's public water and sewer systems shall be required to connect to both the public water and public sewer system when available.
- B. The city shall reserve the right to evaluate each request for service and to deny the extension of the city's facilities in those cases where it is not in the best interest of the city.
- C. The city shall have the flexibility to determine how much of the master-planned infrastructure shall be constructed when presented with a new development project.
- D. Any public water and sewer facilities constructed or installed hereunder shall be the property of the city and constructed within city-owned easements and rights-of-way in accordance with city standards and specifications. The city shall specify the size, type, quality of materials, and their location. The city, or at the city's option, a pre-approved utility contractor, will perform the actual construction.
- E. Property owners requesting connection to the city's public water and/or sewer systems that are not located within the city's corporate limit shall either submit a request for annexation if the property is contiguous with the city's corporate limit or execute a pre-annexation agreement if the property is not contiguous to the city's corporate limit. ~~if a public health emergency exists pursuant to subsection G of this section.~~
- F. Property owners requesting annexation shall not be connected with water and/or sewer service until the city approves the annexation and the annexation has become effective in accordance with state law, except in a public health emergency described in subsection G of this section.
- G. The director of infrastructure and development shall have the authority to approve water and/or sewer connections to properties outside the corporate limits of the city where water and/or sewer is available when the county health officer or designee provides a notification of the need of an immediate connection due to public health concerns, and the property owner complies with subsection (F).
- H. Property owners in previously identified urban service districts may apply for connection to water and/or sewer service.

(Ord. 1983 (part), 2006)

([Ord. No. 2451, 10-9-2017](#))

13.02.070 - Comprehensive connection charge.

- A. Overview and General Policies.
 1. The comprehensive connection charge includes ~~four specific fees, which are: capacity fee, connection fee, facility infrastructure reimbursement fee, line fee, and sewer lateral -~~

~~connection~~ and water-meter/tap fee. The comprehensive connection charge for all customers will be calculated under the methodologies discussed in this chapter.

- a. The ~~capacity fee~~connection fee will apply to all new or increased water and/or sewer usage. The ~~capacity fee~~connection fee is based on the number of EDUs that the user is projected to generate.
- b. The ~~facility fee and the line~~infrastructure reimbursement fee portions will vary depending on a user's location and the required infrastructure that either must be installed or was previously nstalled for service to that user.
- c. The sewer ~~lateral-connection~~ and water-meter/tap fee is based on the size and installation complexity of the user's water and/or sewer connections.
2. The ~~capacity fee~~connection fee and, facility- infrastructure reimbursement fee, and line fee are the respective amounts of each fee that a property owner will pay for water and/or sewer services for a specific property, development project, redevelopment project, or change in and/or water usage.
3. The ~~capacity unit fee and facility unit fee~~connection fee and infrastructure reimbursement fee are the respective amounts of each fee's cost per EDU.
4. The ~~facility unit~~infrastructure reimbursement fee will be indexed yearly in order to cover the costs of inflation impacting the costs of past improvements.
- ~~5. There are two types of new water and/or sewer users: a) property owners contiguous to the city's central system; b) property owners not contiguous to the city's central system. The city's central system is defined as the publicly owned water and sewer infrastructure that was operational on January 1, 2005.~~
 - ~~a. The first type of new user shall be charged a line fee for connection to existing water and/or sewer mains, called the central system line fee, in addition to other applicable fees of the comprehensive connection charge. Additional information on the central system line fee is in Section 13.02.080. The central system unit line fee will be established on an annual basis by the department of infrastructure and development and approved by the city council through resolution.~~
 - ~~b. The second type of user shall be charged a facility fee for a new service area, in addition to other applicable fees of the comprehensive connection charge. A "new service area" consists of an area outside the "central" system.~~
- ~~65.~~ The extension of water and/or sewer mains outside the city's ~~central-existing~~ system may require major infrastructure (i.e., pumping stations, water and sewer mains greater than eight inches in diameter, storage tanks, etc.), oversized to serve the needs of the service area, as determined by the city.
- ~~76.~~ The city will identify the new service area to be served by extensions. The city will require a water and sewer plan and estimated cost for the extension of infrastructure.
- ~~87.~~ The city reserves the right to negotiate the property owner's payment, in full or part, for capital improvement plan projects which are required to be constructed earlier than planned, due to the demands of proposed development projects. Subsequent adjustments in the ~~capacity fee~~infrastructure reimbursement fee may be required.
- ~~98.~~ The mayor and council may adopt a policy by separate resolution, which would allow discounts, deferrals, and payment plans for the comprehensive connection charge to encourage water and sewer usage that is consistent with the city's goals.
- ~~109.~~ All comprehensive connection charge fees shall be paid before the first water meter is set or sewer service is provided to the property by the City, whichever is the first to occur.

~~4410.~~ The property owner shall pay the applicable comprehensive connection charge fees ~~(capacity, line, central system line, facility, and sewer connection and water meter/tap fees)~~ when due for each phase of the development.

~~42.11~~ The comprehensive connection charge fees for water and sewer service to a particular building unit shall be based on the unit rates in effect at the time that the fee is paid for that building unit so long as the time limit set forth in section 13.02.070A.13 has not expired.

~~4312.~~ Comprehensive connection charge fees shall not be paid prior to the execution of the Development Agreement. Once any comprehensive connection charge fees are paid, the first water meter shall be set and/or sewer service provided within two years, unless a request for an extension of time to set the water meter and/or provide sewer service at the same comprehensive connection charge fees previously paid is made to the Director of Infrastructure and Development in writing prior to the expiration of the two year time limit. Any extension granted shall not exceed one year. Up to two, one year extensions may be granted. The Director of Infrastructure and Development may refuse to grant a requested extension where the Director of Infrastructure and Development finds that the property owner is not making good faith efforts to conclude the development of the project to the point where the water meter will be set and/or sewer service is provided. If the first water meter has not been set and/or sewer service has not been provided within two years of any comprehensive connection charge fee payment or any approved one year extension, the comprehensive connection charge fees in effect at the time that the water meter is set and/or sewer service provided shall apply. After the expiration of the time set forth herein, the property owner will be required to pay any increase in comprehensive connection charge fees which has occurred and the property owner will not be guaranteed the same allotment of EDUs on which the prior comprehensive connection charge fees were based.

~~4413.~~ Comprehensive connection charge fees, once paid, shall remain the property of the City and shall not be refunded if the unit rates decline or the project is not constructed. Instead, the money collected for fees shall be allocated to the property for which those fees were paid as a credit for future comprehensive connection charge fees owed with regard to the property.

B. ~~Capacity Fee~~Connection fee.

1. The ~~capacity connection~~ unit fee shall be based on the value of the utility system, the existing utility system debt, the amount of the grants used to fund the utility system and the existing capacity of the utility system. recent improvements and a ten-year water and sewer capital improvement plan approved by the city council. The CIP includes proposed major projects and equipment expenditures for the next ten budget years. The department of infrastructure and development will identify the "capacity expansion" vs. "maintenance and replacement" components of all water and sewer capital improvement plan projects and equipment. The capacity expansion component is solely for additional capacity to accommodate growth and will be paid through the capacity unit fee. All water and sewer users will fund the maintenance and replacement components through user rates.

2. New or increase water and/or sewer usage by a property owner shall pay a ~~one-time adjustable capacity fee~~connection fee adjustment that is intended to recover the capital costs of ~~capacity equity~~ in the water and sewer system that is used by or reserved for new or increased usage.

~~3.~~ ~~The capacity unit fee shall be based on recent improvements and a ten-year water and sewer capital improvement plan approved by the city council. The CIP includes proposed major projects and equipment expenditures for the next ten budget years. The department of public works will identify the "capacity expansion" vs. "maintenance and replacement" components of all water and sewer capital improvement plan projects and equipment. The capacity expansion component is solely for additional capacity to accommodate growth and will be paid through the capacity unit fee. All water and sewer users will fund the maintenance and replacement components through user rates.~~

~~43.~~ The ~~capacity connection~~ unit fee shall be calculated by determining the depreciated value of the utility system in terms of current costs for replacement. For both water and sewer, the calculation is based on value of the utility asset minus the credit from outstanding debt or grant funding,

~~divided by the system capacity in dividing the capital costs of capacity by the incremental capacity of the improvement (in gallons) which results in a capital cost per gallon of capacity. Such costs may be expressed in terms of capital costs per equivalent dwelling unit (EDU). This cost shall be defined to be the capital cost per gallon of capacity multiplied by two hundred fifty (250).~~

54. ~~Capacity fee~~Connection fees may be expressed in multiples and fractions of EDUs for various size water meters, using equivalent meters as defined by the American Water Works Association Manual M1, Water Rates, or some other generally recognized industry standard. The minimum for any property is one (1) EDU.

6. ~~The cost of the wastewater treatment plant improvement project will be broken down into "expansion" vs. "regulatory" based on the city's rationale of cost distribution funding sources, etc. Expansion costs shall be paid through the capacity fee. All sewer users shall share regulatory costs through the sewer usage rate structure or some other billing surcharge.~~

7. ~~The director of infrastructure and development shall define and establish capacity fees for unique customer needs, or to affect other policy goals of the city government.~~

8. ~~The capacity unit fee is based on dollars per gallon derivation for all planned water/sewer projects, which provide expansion capacity. Therefore, the capacity fee at the time of connection is two hundred fifty (250) gal/EDU x \$/gal for expansion projects. Commercial or industrial users requiring larger service will be charged for the equivalent number of EDUs used.~~

95. The projected EDU value (average daily water usage) for a particular property owner will be determined initially by the city and a ~~capacity fee~~connection fee collected, and either the City or the property owner may request one subsequent adjustment, based on actual daily water usage as measured and recorded by water meter. When the project/building is fully occupied, the ~~capacity fee~~connection fee may then be adjusted and additions or deductions applied accordingly based on an average of a minimum two consecutive years of water meter billings and other documentation as required by the department of infrastructure and development. The ~~capacity fee~~connection fee may be increased based on average of two consecutive years of water meter billings and other documentation. Any reimbursement of ~~capacity fee~~connection fee shall be without interest.

406. Capacity-Connection Fee Waiver for Public Sponsored or Affordable Housing.

a. "Public sponsored or affordable housing" means any dwelling unit built or financed under a government program, regulation, or binding agreement that limits for at least ten years the price or rent charged for the unit in order to make the unit affordable to households earning less than sixty (60) percent of the area median income, adjusted for family size.

b. Requests for a public sponsored or affordable housing ~~capacity-connection~~ fee waiver are submitted to the Director of Infrastructure and Development for review. After review, the department of infrastructure and development shall submit the waiver request as a resolution for city council approval.

c. The resolution for each property will specify that the connection fee waiver is valid for two years, with the option to extend the waiver for two one-year terms if approved in writing by the Director of Infrastructure and Development prior to expiration of the term. The Director of Infrastructure and Development may refuse to grant a requested extension if the Director of Infrastructure and Development finds that the property owner is not making good faith efforts to complete the project.

d. The two-year waiver begins to run from the time of the signing of the resolution awarding the waiver.

e. The waiver is assigned to a project and to the property on which the project is located, and cannot be transferred by the recipient.

C. ~~Facility Fee~~Infrastructure reimbursement fee.

1. ~~Facility Fee~~Infrastructure reimbursement fee's Purpose. The ~~facilities—infrastructure reimbursement~~ fee is intended to recover the costs of system extensions to a service area outside of the central system. These facilities will typically be the "backbone" of a new service area and may include major water and sewer transmission mains, pumping stations, and water storage tanks. The fee shall be charged to properties connecting to water and/or sewer extensions outside of the city's core or central system.
2. If a developer, community association, property owner, or other entity requests that the city extend water or sewer service to a geographic area currently not served by the city's water or sewer systems, the city at its sole discretion may elect to serve such a geographic area. In such cases, the entity requesting the provision of water or sewer service shall pay for the entire costs of extending the backbone system of the water or sewer utility to such geographic area, and the city may require the requesting party to oversize the lines, pump stations, storage facilities or other capital facilities to accommodate future utility customers in or adjacent to the area requesting service.
3. All such extensions of the backbone systems shall be built in city-owned easements and/or rights-of-way in accordance with city specifications, and shall be inspected and require approval by the city. The title to such facilities shall be vested in the name of the city, unless the city determines that it is to its advantage to title such facilities in the name of another entity. A portion of, or the entire costs less the property owner's facilities fee may be reimbursed to the property owner responsible for installing the facilities. The city's reimbursement policy is set forth in Section 13.02.090, extension reimbursement policy.
4. The ~~facility fee~~infrastructure reimbursement fee will use an incremental method to determine the cost. The incremental method is based solely on the actual incremental/sequential costs of property owner projects as they are added to the system. Property owners will "oversize" facilities in accordance with the city's directives to serve the entire service area.
5. Fees and service areas are adjusted for each area served. The incremental method is based on actual costs of backbone infrastructure needed to serve new areas. As a consequence, the more remote the service from the city's core system, the higher the fee because of greater infrastructure needs.
6. The ~~facility~~infrastructure reimbursement unit fee shall be calculated by dividing the capital costs of capacity by the incremental capacity of the proposed water or sewer main improvement (in gallons) which results in a capital cost per gallon of capacity. At the city's discretion, the ~~facility infrastructure reimbursement~~ unit fee may be calculated by dividing the capital costs of capacity by the estimated ultimate flow in the proposed water or sewer main. Such costs may be expressed in terms of capital costs per equivalent dwelling unit (EDU). This cost shall be defined to be the capital cost per gallon of capacity multiplied by two hundred fifty (250).
7. The city reserves the right to charge an ~~facility fee~~infrastructure reimbursement fee for any infrastructure project, the construction of which has been authorized by the city prior to the effective date of the ordinance codified in this chapter, and for which the city has not been fully reimbursed.

~~D. Line Fee.~~

- ~~1. Line Fee's Purpose. The line fee is intended to cover the costs of extending water distribution and sewage collection mains to exclusively serve a specific geographic area, development or neighborhood. The line fee charge is paid by the property owner directly to his contractor for the cost of water distribution mains and collector sewers installed within a community or development, which feed into the backbone infrastructure.~~
- ~~2. If a property owner, community association or other entity requests that properties in a specific neighborhood, development or other similarly defined geographic area receive city water and/or sewer service, then the entity requesting such service shall be responsible for designing and constructing such water distribution and/or sewer collection system (including any related appurtenances such as storage facilities or pumping stations), using design and construction~~

~~standards as may be specified by the city. Upon acceptance of such facilities by the city, title to such facilities shall be vested in the name of the city.~~

- ~~3. The city may, at its sole discretion (e.g., in the case of homes with failing septic systems), provide financing for the design and construction costs of such distribution system/collection system facilities (including related appurtenances), with recovery of the eligible capital costs and related interest costs to be effected via a payment mechanism to be established by the city, such as a one-time fee, a lien on real property to be repaid over time, a front foot assessment or any other such payment mechanism that is lawful and available for use by the city. The city may also require property owner construction of these facilities; therefore, no fees would be collected particularly if it is self-contained.~~
- ~~4. The director of infrastructure and development shall have sole discretion in determining which proposed improvements constitute "backbone infrastructure of water/sewer facilities," subject to property owner upfront funding and reimbursement under the extension policy and which improvements are subject to the "line fee" policy.~~
- ~~5. New development line fee water and sewer mains shall be constructed to city standards by a property owner and then turned over to the city.~~
- ~~6. In the event that lines are required to serve existing subdivisions, such as those with failing septic systems, this fee will enable the city to recover the cost of installing the lines.~~

ED. Sewer Lateral-Connection and Water-Meter/Tap Fee.

1. Sewer Lateral-Connection and Water-Meter/Tap Fee's Purpose. This fee is intended to cover the actual cost of tapping the water and sewer mains and providing the lateral, service, water meter, corporation stop, cleanout, and stub out for the user water and sewer connections, if these services are provided by the City.
2. The cost of this fee will be the actual labor and materials costs incurred by the Department of Field Operations to perform the sewer connection or water tap. The fee will be estimated prior to performing the work. ~~should be proportional to the projected domestic water demands, which will be reflected in the required meter size.~~
- ~~3. These fees shall be reviewed annually by the department of infrastructure and development to ensure that actual costs are being captured.~~
43. All other tap sizes, including combinations of meter sizes and service line size, shall be computed by the Department of Infrastructure and Development for that particular application. The cost shall be based on time, equipment and material involved with a thirty (30) percent markup on direct labor costs and fifteen (15) percent markup on equipment and materials.

(Ord. 1983 (part), 2006; Ord. No. 2249, 6-10-2013)

([Ord. No. 2451, 10-9-2017](#))

13.02.080 - City infill or redevelopment projects.

- ~~A. For owners of property requesting water and sewer service within the city's central system and to whose property existing water and sewer mains are adjacent to the property, the property owner will pay a city central system line fee, in addition to any other applicable fees of the comprehensive connection charge. The city central system line fee shall not apply to redevelopment of property with existing water and sewer service.~~
- ~~B. The central system line unit fee will be based on the average contract cost per linear foot for installing eight-inch diameter water and sewer mains for the previous twelve (12) months. It will be adjusted annually by resolution of the city council.~~

~~C. A specific property's central system line fee is calculated by taking the square root of the property's area in square feet and then multiplying the result by the central system line unit fee.~~

~~D. There may be proposed projects inside the city's central system, which trigger reinforcing of the existing system due to inadequate capacity. In some areas, the city may be planning a future project in the water/sewer capital improvement plan to address the problem. At the city's discretion, the developer shall fund all or a portion of the project.~~

~~EA. Property owners with existing water and/or sewer service, who increase usage of water or sewer, shall pay a the applicable Connection Fees comprehensive connection charges, to include the capacity fee adjustment for the additional water and sewer volumes.~~

~~FB. The capacity unit fee is based on dollars per gallon derivation for all planned water/sewer projects, which provide expansion capacity. Therefore, the capacity fee at the time of connection is two hundred fifty (250) gal/EDU x \$/gal for expansion projects. Commercial or industrial users requiring larger service will be charged for the equivalent number of EDUs used.~~

~~GC. The projected EDU value (average daily water usage) for a particular property owner will be determined initially by the city and a capacity connection fee collected, and either the City or the property owner may request on subsequent adjustment, based on actual daily water usage as measured and recorded by water meter. When the project/building is fully occupied, the capacity connection fee may then be adjusted and additions or deductions applied accordingly based on an average of a minimum two consecutive years of water meter billings and other documentation as required by the Department of Infrastructure and Development. The capacity connection fee may be increased based on average of two consecutive years of water meter billings and other documentation. Any reimbursement of capacity connection fee shall be without interest.~~

~~D. Permit and Connection Fee Waiver for Single Family Detached Dwelling Units~~

~~1. This section establishes the criteria for the waiver of building permit fees, plan review fees, plumbing fees, mechanical permit fees and connection fees imposed by the City for construction of new single family detached dwelling units. The single family parcels shall be recorded as of the date of the passing of this ordinance therefore, the waiver is for infill properties only.~~

~~2. The single-family detached dwelling proposed to be built shall conform to existing single-family detached homes in the neighborhood in which it is to be constructed and meet all required square footage and architecture requirements.~~

~~3. Requests for single family permit and connection fee waivers are submitted to the Director of Infrastructure and Development for review and internal processing.~~

~~4. The fee waiver is assigned to a project and to the property on which the project is located, and cannot be transferred by the recipient.~~

~~5. The fees waived for the construction of new single family detached dwellings shall apply only to new homes built for and sold to individuals who will reside in the structures as homeowner-occupied dwellings. Homeownership will be confirmed through the records of the Maryland Department of Assessments and Taxation upon sale and closing of the real estate transaction and by the homeowner upon demand by the City. The structure shall remain homeowner occupied for a period of not less than five (5) years.~~

~~6. In the event the homeowner ceases to occupy the property or if the property is sold and no longer remains a homeowner occupied structure, prior to the end of the five year period, waived permit fees, utility fees and other waived fees shall be due and payable to the City.~~

~~7. The fees waived as part of this program shall be a lien against the real property in question and shall be recorded, charged and collected as real property taxes owed upon a property on which there is a structure that ceased to be utilized as a homeowner-occupied structure during the five (5) year period. A notice of lien shall be recorded with the City's Finance Department and also in the Land Records of Wicomico County, if desired, by the City, detailing the types and amounts of~~

fees that were waived in connection with the design, permitting, and construction process for each single-family home covered by the program described in this Resolution. A copy of the notice of lien shall also be provided to the homeowner. An administrative fee of \$500 shall also be collected if a structure ceases to be utilized as a homeowner-occupied structure during the five (5) year period referenced above.

8. The fees to be recovered pursuant to the lien will decline by twenty percent (20%) for each full year that the property remains homeowner-occupied. The administrative fee will not decline pursuant to this five (5) year schedule.

(Ord. 1983 (part), 2006)

([Ord. No. 2451, 10-9-2017](#))

13.02.090 - Extension reimbursement policy.

A. Overview.

1. This policy is intended to reimburse property owners over time for their proportionate share of the ~~facility fee~~infrastructure reimbursement fee based on their initial investment, which will be indexed using the Consumer Price Index for urban areas (CPI-U).
2. Property owner risk will be based on the rate at which the area builds out and the sunset on reimbursement.
3. The maximum reimbursement to the property owner, installing the water and sewer infrastructure, will be the entire initial design and construction cost less the "~~facility fee~~infrastructure reimbursement fee" costs for the number of EDUs to be used by the property owner.
4. This policy involves full property owner funding of extension projects with no out-of-pocket costs for the city.

B. Reimbursement Procedures.

1. The director of finance, through the collection of the ~~facility fee~~infrastructure reimbursement fee, will reimburse the property owner who installed the water and sewer infrastructure, as new users connect to the property owner-constructed system.
2. The director of finance will reimburse the developer within forty-five (45) calendar days of collecting the ~~facility fee~~infrastructure reimbursement fee from the new user(s).
3. The director of finance shall charge an appropriate administrative fee for recordkeeping and to recover any handling charges and/or payment processing costs. The administrative fee shall be deducted from the reimbursement amount.
4. The director of finance shall calculate the reimbursement amount by using original construction cost figures that will be updated to current costs using the CPI-U.
5. It shall be the original property owner's responsibility to furnish the director of public works with contractor invoices or other forms of cost verification to be used by the city for the reimbursement calculation.

C. Sunset Clause.

1. The initial reimbursement period to property owner shall be twenty (20) years with an additional optional period of ten years.
2. The ten-year optional period shall be subject to city approval.

3. The city will consider factors such as the magnitude of the project cost, the city's historical growth rate, and the projected time period to reach build out within the area served by the water and sewer extension, before making the decision to extend the reimbursement period.

(Ord. 1983 (part), 2006)

Chapter 13.04 - GENERAL PROVISIONS—WATER AND SEWER SERVICE CHARGES

13.04.110 - EDU Incentive Areas.

- A. An equivalent dwelling unit (EDU) incentive area is established ~~to incentivize growth in areas desired by the City for a period of five years from the date of final passage of the ordinance. The incentive shall be reevaluated prior to the end of the five-year period. Three hundred (300) EDUs are hereby reallocated from the former Linens of the Week property for use in the EDU incentive area.~~
- B. A developer may submit written documentation to the Director of Infrastructure and Development to establish eligibility for a project within the EDU incentive area if the project meets all of the following criteria:
 1. The project location is within one or more of the following areas: Central Business Zoning District; Riverfront Redevelopment Zoning District #1; Riverfront Redevelopment Zoning District #2;~~Enterprise Zone.~~
 2. The project within an above referenced downtown zoning district constitutes new development or revitalization of an existing building;~~or a project outside a referenced district but within an enterprise zone which constitutes revitalization of an existing building.~~
 3. The project does not receive a ~~capacity fee~~connection fee waiver for public sponsored or affordable housing.
 4. The project complies, or will comply, with all applicable zoning and building code criteria, the adopted comprehensive plan of the City, and all requirements of the Salisbury Historic District Commission, if applicable, as confirmed by the Director of Infrastructure and Development.
 - ~~5. The project complies, or will comply, with all requirements of the Salisbury Historic District Commission, if applicable, as confirmed by the Director of the Housing and Community Development Department.~~
 - ~~6. The project is consistent with the adopted comprehensive plan of the city, as confirmed by the City Planner.~~
 - ~~75.~~ The project is consistent with the city sustainable community plan, on file with the Maryland Department of Housing and Community Development (DHCD),~~as confirmed by the director of community development.~~ Particular attention is to be given to the following action plan elements: Supporting existing communities and reducing environmental impacts: Valuing communities and neighborhoods — building upon assets creating and/or enhancing amenities: Enhancing economic competitiveness.
 - ~~86.~~ The project is consistent with one or more of the following benchmark objectives of a plan for transformation (2012): Increase the number of permanent, living wage jobs in the city; increase the number of downtown housing units and the associated resident population; increase the amount of commercial square footage in the city; effectively remove twenty-five (25) percent of the impervious surface area in the downtown area without reducing existing building footprints.
- C. If eligible, the developer shall comply with the following requirements and submit the required documentation to the Director of Infrastructure and Development.
 1. Written requests for ~~connection fee waivers~~EDU allocations will be submitted to the Director of Infrastructure and Development for review and to make an eligibility determination. After review and upon a favorable recommendation, Infrastructure and Development shall submit

~~waiver~~~~allocation~~ requests from qualified applicants to the mayor for approval. With the mayor's approval, a resolution will be forwarded to city council for its approval.

2. The resolution for each property will specify that the ~~connection fee waiver~~~~EDU-allocation~~ is valid for two years, with the option to extend the allocation for two one-year terms if approved in writing by the Director of Infrastructure and Development prior to expiration of the term. The Director of Infrastructure and Development may refuse to grant a requested extension if the director of infrastructure and development finds that the property owner is not making good faith efforts to complete the project.
3. The two-year ~~allocation-waiver~~ begins to run from the time of the signing of the resolution awarding the ~~EDU-allocation~~~~collection fee waiver~~.
4. ~~Allocated-EDUs~~~~Waivers~~ are assigned to a project and to the property on which the project is located, and cannot be transferred by the recipient.

(Ord. No. 2258, 9-23-2013; [Ord. No. 2452, 10-9-2017](#))

Title 13 - PUBLIC SERVICES

Chapter 13.01 - ABBREVIATIONS AND DEFINITIONS

13.01.030 - Definitions.

As used in this chapter:

"Act" or "the Act" means the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. 1251, et seq.

"Administrative fee" means a fee to cover the cost of recordkeeping and to recover any handling charges and/or payment processing costs incurred by the city as a result of processing developer reimbursements. This fee is to be deducted from developer reimbursements by the city finance office.

"Approval authority" or "MDE" means the state of Maryland Secretary of the Department of the Environment and/or his designated agents and/or agencies.

"Authorized representative" of the industrial user:

1. If the industrial user is a corporation, "authorized representative" means:
 - a. The president, secretary, treasurer, or a vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision making functions for the corporation,
 - b. The manager of one or more manufacturing, production or operation facilities employing more than two hundred fifty (250) persons or having a gross annual sales or expenditures exceeding twenty-five million dollars (\$25,000,000.00) (in second-quarter 1980 dollars), if authority to sign documents have been assigned or delegated to the manager in accordance with corporate procedures;
2. If the industrial user is a partnership or sole proprietorship, an authorized representative means a general partner or proprietor, respectively;
3. If the industrial user is a federal, state or local governmental facility, an authorized representative means a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or his/her designee;
4. The individuals described in subsections (1), (2) and (3) of this definition may designate another authorized representative if the authorization is in writing and submitted to the city of Salisbury wastewater pretreatment program, the authorization specifies the individual or position responsible for the overall operation of the facility from which the discharge originates or having overall responsibility for the environmental matters for the company.

"Backbone infrastructure" means and includes the water and sewer mains, pumping stations, tanks, etc. which will provide the primary service for a new service area. The water mains and tanks are typically sized for fire flow demand.

"Biochemical oxygen demand (BOD)" means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure, five days at twenty (20) degrees centigrade expressed in terms of weight and concentration (milligrams per liter (mg/l)).

"Branch mains" are typically water and sewer mains eight inches or less in diameter that are intended to serve communities off of main lines or within proposed or existing developments.

"Building drain" means that part of the lowest horizontal piping of a drainage system which receives the discharge from soil waste and other drainage pipes inside the walls of the building and conveys it to the building sewer, beginning ten feet outside the inner face of the building wall.

"Building sewer" means the extension from the building drain to the public sewer or other place of disposal.

"Bypass" means the intentional diversion of wastestreams from any portion of the industrial user's treatment facility.

"Connection Fee" is based on the number of EDUs that the customer is projected to generate at total build-out of the development project. It is calculated by multiplying the connection unit fee by the projected EDU value (average daily water) for a particular development project. The fee shall be charged for each new connection to the city's system, regardless of location, to pay for equity in the City's utility systems.

"Connection unit fee" is a unit rate based on the equity of the water and sewer systems expressed in dollars per EDU.

"Capital costs" shall be construed to include necessary studies, investigations, designs, construction, project management and other related administrative and overhead costs incurred by the city.

"Capital improvement plan" means a five-year plan showing the city's capital outlay needs for the water treatment plant, water distribution system, wastewater collection system and wastewater treatment plant and setting forth a plan for financing those needs.

"Categorical pretreatment standard" or "categorical standard" means any regulation containing pollutant discharge limits promulgated by the United States EPA in accordance with Sections 307(b) and (c) of Act (33 U.S.C. 1317) which apply to a specific category or industrial users and which appear in 40 CFR Chapter I, Subchapter N, Parts 405—471.

"Cesspool" means a lined or partially lined pit into which raw wastewater is discharged and from which the liquid seeps into the surrounding soil.

"City" means the mayor and city council for the city of Salisbury and their duly appointed officers and/or representatives.

"Color" means the true color due to substances in solution expressed in color units on a platinum-cobalt scale.

"Combined sewer" means a sewer receiving both surface runoff and sewage.

"Composite sample" means a sample of wastewater consisting of a number of combined individual samples collected at uniform intervals based on an increment of either time or flow.

"Comprehensive connection charge" means the charge to new customers connecting to the system that includes the connection fee, infrastructure reimbursement fee, and sewer lateral and water-meter/tap fee.

"Cooling water" means the water discharged from any use, such as cooling or refrigeration, to which the only pollutant added is heat.

"Easement" means a grant of the use of a parcel of land to the city or a person or persons or the public for a specific, limited purpose, without including fee simple ownership of the land.

"Engineer" means the director of infrastructure and development of the city or his duly authorized representative.

"Environmental protection agency," or "EPA" means the United States Environmental Protection Agency or, where appropriate, the term may also be used as a designation for the regional water management division director or duly authorized official of said agency.

"Equivalent dwelling unit (EDU)" means the average water needed to serve a typical single-family home; including allowances for inside and outside use. For the purpose of this chapter, one EDU shall equal to two hundred fifty (250) gallons per day (gpd) of water.

"Existing source" means any source of discharge, the construction or operation of which commenced prior to the publication of proposed categorical pretreatment standards which will be applicable to such source if the standard is thereafter promulgated in accordance with Section 307 of the Act.

"Floatable grease" means grease, fat, wax or oil in a physical state such that it will separate by gravity from wastewater by treatment in an approved facility.

"Garbage" means any solid wastes from the domestic and commercial preparation, cooking and dispensing of food and from the handling, storage and sale of produce.

"Grab sample" means a sample which is taken from a wastestream on a one-time basis without regard to the flow in the wastestream and without consideration of time.

"Grease," "fats," "wax" or "oils" means those substances, whether emulsified or not, which may solidify or become viscous at temperatures between zero degrees centigrade and sixty-five (65) degrees centigrade.

"Groundwater" means all the water under the surface of the ground not identified as flowing in well-defined channels.

"Growth improvement" means the improvement required only to provide additional capacity to accommodate growth and primarily benefits new users.

"Holding tank waste" means any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks and vacuum-pump trucks.

"Indirect discharge" or "discharge" means the introduction of (nondomestic) pollutants into the city of Salisbury wastewater treatment works from any nondomestic regulated under Section 307(b), (c) or (d) of the Act.

"Individual water supply system" means a water supply system from which water is not available to the people at large, its location and outlets being on private property.

"Industrial user (IU)" means a source of indirect discharge.

"Industrial wastes" means the liquid wastes from industrial manufacturing processes, trade or business as distinct from sanitary sewage.

"Industry" means any person, establishment, firm, company, association or group, whether public or private, engaged in a manufacturing or service enterprise.

"Infrastructure Reimbursement fee" is based on the number of EDUs that the customer is projected to generate at total build-out of the development project. It is calculated by multiplying the infrastructure reimbursement unit fee by the projected EDU value (average daily water) for a particular development project.

"Infrastructure Reimbursement unit fee" is intended to recover the costs of system extensions to a service area outside of the central system. These facilities will typically be the "backbone" of a new service area and may include major water and sewer transmission mains, pumping stations, and water storage tanks. The fee is a unit rate based on the cost of the system extension expressed in dollars per EDU. The system extension may have been performed by the City or a private entity. "Instantaneous maximum allowable discharge limit" means the maximum concentration (or loading) of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composite sample collected, independent of the industrial flow rate and the duration of the sampling event.

"Interference" means a discharge which alone or in conjunction with a discharge or discharges from other sources: (1) inhibits or disrupts the city of Salisbury wastewater treatment works, its treatment processes or operations or its sludge processes, use or disposal; and (2) therefore is a cause of the city of Salisbury wastewater treatment work's NPDES permit or of the prevention of sewage sludge use or disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder (or more stringent state or local regulations): Section 405 of the Clean Water Act; the Solid Waste Disposal Act (SWDA), including Title II commonly referred to as the Resource Conservation and Recovery Act (RCRA); any state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of the SWDA; the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research and Sanctuaries Act.

"Lot" means a plat or parcel of land occupied or intended to be occupied by a principal building or use or group of buildings and accessory buildings and uses, including all open spaces and yards having frontage on a road as defined herein.

"Main lines" means the water and sewer mains, which are part of a system extension as a backbone for a new service area.

"Master plan" means the water and sewer plan, which outlines scope and costs of potential extensions and, service areas for those extensions.

"Maximum daily demand" means the water consumption, in volume of water, used on the highest consumption day of the year, otherwise known as the peaking factor.

"Medical waste" means isolation wastes, infectious agents, human blood and blood byproducts, pathological wastes, potentially contaminated laboratory wastes and dialysis wastes.

"Meter assembly" means the piping, fittings, and valves within the water meter vault or pit that supports and secures the water meter.

"Meter box" is also referred to as "meter vault" and "meter pit," the underground structure that houses and protects the water meter and water meter assembly.

"National Pollution Discharge Elimination System Permit" or "NPDES permit" means a permit issued pursuant to Section 402 of the Act (33 U.S.C. 1342).

"Natural outlet" means any outlet into a watercourse, pond, ditch or lake or other body of surface or groundwater.

"New source" means:

1. Any building, structure, facility or installation from which there is or may be a discharge of pollutants, the construction of which commenced after the publication of the proposed pretreatment standards under Section 307(c) of the Act which will be applicable to such source if such standards are thereafter promulgated in accordance with that section; provided that:
 - a. The building, structure, facility or installation is constructed at a site at which no other source is located,
 - b. The building, structure, facility or installation totally replaces the process or production equipment that causes the discharge of pollutants at an existing source, or
 - c. The production or wastewater generating processes of the building, structure, facility or installation are substantially independent of an existing source at the same site. In determining whether these are substantially independent, factors such as extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the existing source, should be considered;
2. Construction on a site at which an existing source is located results in a modification rather than a new source if the construction does not create a new building, structure, facility or installation meeting the criteria of subsection (1)(b) or (c) of this definition but otherwise alters, replaces, or adds to existing process or production equipment;
3. Construction of a new source as defined under this definition has commenced if the owner or operator has:
 - a. Began, or caused to begin as part of a continuous on-site construction program:
 - i. Any placement, assembly, or installation of facilities or equipment, or
 - ii. Significant site production site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment.
 - b. Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or

contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this definition.

"Noncontact cooling water" means water used for cooling which does not come into direct contact with any raw material intermediate product, waste product, or finished product.

"Parts per million (ppm)" or "milligrams per liter (mg/l)" means the relative concentration of substance in sample of waste, by weight, in terms of the weight of such substance per unit volume of the waste.

"Pass through" means the discharge of pollutants through the WTW and/or WWTP into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the city of Salisbury wastewater treatment plant's NPDES (including an increase in the magnitude or duration of a violation).

"Person" means any individual, partnership, copartnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity or any other legal entity or their legal representatives, agents or assigns. This definition includes all federal, state or local governmental entities. The masculine gender shall include the feminine, the singular shall include the plural and the plural shall include the singular where indicated by the context of its use.

"Person" means a person, persons, partnerships, firms, corporations and cooperative enterprises.

"pH" means the measure of acidity or alkalinity of a substance expressed in standards units.

"Pollutant" means any dredged soil, solid waste, incinerator residue, sewage, garbage, sewer sludge, munitions, chemical wastes, industrial wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, municipal and agricultural waste, and the characteristics of the wastewater (i.e., pH, temperature, TSS, turbidity, color, BOD, chemical oxygen demand (COD), toxicity, odor).

"Potable water" means water which is safe for human consumption.

"Pretreatment" or "treatment" means the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in the wastewater prior to or in lieu of discharging or otherwise introducing such pollutants into the city of Salisbury wastewater treatment plant. The reduction or alteration can be obtained by physical, chemical or biological processes, by process changes, or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable pretreatment standard.

"Pretreatment requirements" means any substantive or procedural requirement relating to pretreatment other than a pretreatment standard imposed on an industrial user.

"Pretreatment standards" or "standards" means prohibitive discharge standards, categorical pretreatment standards and local limits.

"Private water supply" means a supply other than an approved public water supply, which serves one or more buildings.

"Privy" means a building either portable or fixed directly to a pit or vault, equipped with seating and used for excretion of bodily waste.

"Prohibited discharge standards" or "prohibited discharges" means absolute prohibitions against the discharge of certain substances; these prohibitions appear in Section 13.12.070(B) of this title.

"Public sewer" means a sewer which is owned or controlled by the city of Salisbury or its duly authorized representatives and in which all owners of abutting property have equal rights. It includes that portion of the building sewer within the street right-of-way or public easement up to but not including the "clean-out" (if any) adjacent to the curb, sidewalk or edge of paving.

"Public sewer main" means the common sewer directly controlled by the city of Salisbury.

"Public water main" means a water supply pipe for public use controlled by the city of Salisbury.

"Publicly owned treatment works (POTW)," "city of Salisbury wastewater treatment works," "wastewater treatment works," "treatment works" or "works (WTW)" means a treatment works as defined by Section 212 of the Act (33 U.S.C. 1292) which is owned in this instance by the city of Salisbury. This definition includes any devices or systems used in the collection, storage, treatment, recycling and reclamation of sewage or industrial wastes and any conveyances (sewers) which convey wastewater to the city of Salisbury wastewater treatment plant, but does not include pipes, sewers or other conveyances not connected to the city of Salisbury wastewater treatment plant. For the purposes of this chapter, this meaning shall also include any of the above mentioned facilities which convey wastewaters to the city of Salisbury wastewater treatment works from persons outside the city who are, by contract or agreement with the city, users of the city of Salisbury wastewater treatment works. These terms also include the city of Salisbury entity having jurisdiction over the industrial users and the responsibility for the maintenance of the treatment works.

"Right-of-way" means a strip of land occupied or intended to be occupied by a street, alley, crosswalk, water line, sanitary or storm sewer line, storm drain, drainage ditch, or for another special use.

"Regulatory improvement" means the improvement needed to meet regulatory requirements and benefits all users.

"Sanitary sewer" means a sewer which carries sewage and to which storm surface and groundwater are not intentionally admitted.

"Screening" means the removal of solids from liquid wastes by screening through twenty (20) mesh screens or finer.

"Septic tank" means a settling tank in which settled sludge is in immediate contact with the wastewater flowing through the tank and the organic solids are decomposed by anaerobic bacterial action.

"Septic wastes" means any sewage from holding tanks such as vessels, chemical toilets, campers, trailers and septic tanks.

"Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

"Sewage" or "wastewater" means a combination of the water-carried wastes from residences, business buildings, institutions and industrial establishments, together with such ground, surface and stormwater as may be present.

"Sewer" means a pipe or conduit for carrying sewage, wastewater, surface water and/or stormwaters.

"Sewer lateral and water-meter/tap fee" is intended to cover the cost of tapping the water and sewer mains and providing the lateral, service, water meter, corporation stop, cleanout, and stub out for the water and sewer connections.

"Sewer lateral" means the section of sewer pipe extending from the public sewer main to the right-of-way or property line owned by the public authority or public utility.

"Shall" is mandatory; "may" is permissive.

"Significant industrial user" or "SIU" means any user of the city's wastewater treatment works who: (1) is subject to categorical pretreatment standards; (2) discharges having an average of twenty-five thousand (25,000) gallons per day or more of process wastewater (excluding sanitary, noncontact cooling and boiler blowdown wastewater); (3) discharges a flow equal to or greater than five percent of the hydraulic or organic capacity of the city of Salisbury wastewater treatment plant (WWTP); (4) is designated as such by the WTW on the basis that the IU has a reasonable potential for adversely affecting the WTW's operation or for violating any pretreatment standard or requirement; or (5) is found by the WTW, MDE or the EPA to have significant impact either alone or in combination with other

contributing industries to the WTW, the quality of the sludge, the WWTP effluent quality, or air emissions generated by the system.

"Site plan" means a construction plan, prepared to scale by a registered professional engineer or other qualified professional, showing accurately and with complete dimensioning, the boundaries of a site and the location of all roadways, structures, parking, utilities, topographic modifications, and other principal site development features proposed for a specific parcel of land or portion thereof.

"Sludge" means solid, semi-solid or liquid residue removed during the treatment of industrial flows and/or wastestreams, sewage or potable water.

"Slug" or "slug load" means any discharge at a flow rate or concentration which could cause a violation of the prohibited discharge standards in Section 13.12.070(B) of this title, cause interference of the treatment works, pass through the WWTP, endanger sewer worker safety, contaminate the sludge, cause a violation of any permit issued to the WWTP or any discharge of a nonroutine, episodic nature, including but not limited to, an accidental spill or a noncustomary batch discharge.

"Standard industrial code (SIC)" means a classification, pursuant to the Standard Industrial Classification Manual issued by the United States Office of Management and Budget.

"State" means the state of Maryland (See "Approval authority").

"Storm drain" or "storm sewer" means a sewer which carries storm and surface and drainage, but excludes sewage and industrial wastes, other than noncontact cooling waters.

"Stormwater" means any flow occurring during or following any form of natural precipitation and resulting therefrom, including snowmelt.

"Superintendent" means the superintendent of the city of Salisbury wastewater treatment plant or his authorized deputy, agent or representative.

"Surface water" means a pond, lake or a stream of water flowing in a definite direction or course. A surface stream includes the springs in which the stream originates and those that contribute to its flow. The stream flow may vary and, in times of drought, may even cease to flow at all for a period of time.

"Suspended solids" or "total suspended solids" or "TSS" means the total suspended matter that either float on the surface of or are in suspension in water, sewage or other liquids and which are water and wastewater.

"System extension" means the major, public water or sewer infrastructure extended from the central system, prompted by proposed development and oversized to serve a new service area, i.e., water and sewer mains that are eight inches or greater in diameter, pumping stations, tanks, etc.

"Toxic pollutant" means one of one hundred twenty-six (126) pollutants, or combination of those pollutants, listed as toxic in regulations promulgated by the EPA under the provisions of Section 307 (33 U.S.C. 1317) of the Act, as amended by EPA and/or MDE.

"Treatment plant effluent" means any discharge of pollutants from the WTW into the waters of the state.

"User" means any person who contributes, causes or permits the contribution of wastewater into the WTW.

"Watercourse" means a channel in which a flow of water occurs, either continuously or intermittently.

"Waters of the state" means all streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, reservoirs, aquifers, irrigation systems, drainage systems and all other bodies or accumulations of water, surface or underground, natural or artificial, public or private, which are contained within, flow through or border upon the state of Maryland or any portion thereof.

"Wastewater" means the liquid and water carried industrial or domestic wastes from dwellings, commercial buildings, industrial facilities and institutions, whether treated or untreated, which is contributed to or permitted to enter the city of Salisbury wastewater treatment works.

"Wastewater discharge permit" means as set forth in Section 13.12.090 of this title.

"City of Salisbury wastewater treatment plant," "wastewater treatment plant" or "treatment plant (WWTP)" means that arrangement of devices and structures, of the city of Salisbury wastewater treatment works, used to provide treatment for sewage, wastewater and industrial waste.

(Ord. 1983 (part), 2006)

([Ord. No. 2451, 10-9-2017](#))

Chapter 13.02 - GENERAL PROVISIONS—CONNECTION TO THE CITY'S WATER AND SEWER MAINS

13.02.020 - Legislative intent.

- A. Overview. The city of Salisbury desires to establish a consistent comprehensive connection charge. The city will establish a methodology for the comprehensive connection charge calculation. A comprehensive connection charge policy will be adopted which will specify funding of improvements and appropriate reimbursements.
- B. Goals. The goals of the comprehensive connection charge are as follows:
 - 1. To establish a consistent methodology for calculating a comprehensive connection charge;
 - 2. Capital costs due to growth are paid by new or increased water or sewer usage; The "Growth Pays for Growth" concept;
 - 3. New or increased water or sewer usage will be charged for equity in the existing system through a "connection fee";
 - 4. Property owners shall fund water and sewer extension projects when they desire to extend the city's water and sewer infrastructure into new service areas;
 - 5. Property owners that fund such projects may be reimbursed through connections according to the city of Salisbury's adopted extension reimbursement policy;
 - 6. To establish policy flexibility to allow for periodic review and adjustments of fees and terms of agreements;
 - 7. The infrastructure reimbursement fees are to be indexed yearly in order to cover the costs of inflation impacting the costs of past improvements;
 - 8. Basis of proposed methodology for connection fee is that the "value of service" is equal to all users;
 - 9. In appropriate cases, to provide incentive for development and redevelopment within the city's central system.

(Ord. 1983 (part), 2006)

13.02.050 - Responsibilities.

- A. The director of infrastructure and development shall:
 - 1. Develop and maintain a policy and procedures handbook which provides detailed information, procedures, and examples of the comprehensive connection charge, infrastructure reimbursement and other relevant development policies;
 - 2. Review and update the city's water and sewer master plan periodically;

3. Provide recommended adjustments for annual variances in the comprehensive connection charge structure in coordination with the Director of Finance to the office of the mayor and city council on or before March 15 of each year. The proposed comprehensive connection charge structure, if approved, shall become effective on July 1 of that same year. The specific recommendation, at a minimum, shall include the connection unit fee based on the value of the utility systems and the capacity of the systems.
- B. The director of finance shall:
1. Provide a recommended comprehensive connection charge structure in coordination with the Director of Infrastructure and Development on an annual basis to the office of the mayor and city council on or before March 15 of each year. The proposed comprehensive connection charge structure, if approved, shall become effective on July 1 of that same year. This rate structure shall include an administrative fee for recordkeeping and payment of processing costs;
 2. Provide a report to the Mayor and City Council on an annual basis on or before March 15 of each year, which will include a list of:
 - a. The Consumer Price Index for urban areas, commonly abbreviated as the CPI-U,
 - b. Developer reimbursements for the previous fiscal year,
 - c. Unreimbursed developer costs as of the end of the city's fiscal year and indexed using the Consumer Price Index for urban areas (CPI-U);
 3. Develop and implement procedures for collecting and recording developer reimbursements;
 4. Deposit comprehensive connection charges in an appropriate special fund to insure that the fees and all interest accruing to the special fund are designated for improvements reasonably attributable to new or increased growth and are expended to reasonably benefit the new or increased growth.

(Ord. 1983 (part), 2006)

(Ord. No. 2214, §§ 1—3, 8-13-2012; [Ord. No. 2451, 10-9-2017](#))

13.02.060 - General connection policies.

- A. Property owners requesting connection to the city's public water and sewer systems shall be required to connect to both the public water and public sewer system when available.
- B. The city shall reserve the right to evaluate each request for service and to deny the extension of the city's facilities in those cases where it is not in the best interest of the city.
- C. The city shall have the flexibility to determine how much of the master-planned infrastructure shall be constructed when presented with a new development project.
- D. Any public water and sewer facilities constructed or installed hereunder shall be the property of the city and constructed within city-owned easements and rights-of-way in accordance with city standards and specifications. The city shall specify the size, type, quality of materials, and their location. The city, or at the city's option, a pre-approved utility contractor, will perform the actual construction.
- E. Property owners requesting connection to the city's public water and/or sewer systems that are not located within the city's corporate limit shall either submit a request for annexation if the property is contiguous with the city's corporate limit or execute a pre-annexation agreement if the property is not contiguous to the city's corporate limit..
- F. Property owners requesting annexation shall not be connected with water and/or sewer service until the city approves the annexation and the annexation has become effective in accordance with state law, except in a public health emergency described in subsection G of this section.

- G. The director of infrastructure and development shall have the authority to approve water and/or sewer connections to properties outside the corporate limits of the city where water and/or sewer is available when the county health officer or designee provides a notification of the need of an immediate connection due to public health concerns, and the property owner complies with subsection (F).
- H. Property owners in previously identified urban service districts may apply for connection to water and/or sewer service.

(Ord. 1983 (part), 2006)

([Ord. No. 2451, 10-9-2017](#))

13.02.070 - Comprehensive connection charge.

A. Overview and General Policies.

1. The comprehensive connection charge includes connection fee, infrastructure reimbursement fee, and sewer lateral and water-meter/tap fee. The comprehensive connection charge for all customers will be calculated under the methodologies discussed in this chapter.
 - a. The connection fee will apply to all new or increased water and/or sewer usage. The connection fee is based on the number of EDUs that the user is projected to generate.
 - b. The infrastructure reimbursement fee portions will vary depending on a user's location and the required infrastructure that either must be installed or was previously installed for service to that user.
 - c. The sewer lateral and water-meter/tap fee is based on the size and installation complexity of the user's water and/or sewer connections.
2. The connection fee and infrastructure reimbursement fee are the respective amounts of each fee that a property owner will pay for water and/or sewer services for a specific property, development project, redevelopment project, or change in and/or water usage.
3. The connection fee and infrastructure reimbursement fee are the respective amounts of each fee's cost per EDU.
4. The infrastructure reimbursement fee will be indexed yearly in order to cover the costs of inflation impacting the costs of past improvements.
5. The extension of water and/or sewer mains outside the city's existing system may require major infrastructure (i.e., pumping stations, water and sewer mains greater than eight inches in diameter, storage tanks, etc.), oversized to serve the needs of the service area, as determined by the city.
6. The city will identify the new service area to be served by extensions. The city will require a water and sewer plan and estimated cost for the extension of infrastructure.
7. The city reserves the right to negotiate the property owner's payment, in full or part, for capital improvement plan projects which are required to be constructed earlier than planned, due to the demands of proposed development projects. Subsequent adjustments in the infrastructure reimbursement fee may be required.
8. The mayor and council may adopt a policy by separate resolution, which would allow discounts, deferrals, and payment plans for the comprehensive connection charge to encourage water and sewer usage that is consistent with the city's goals.
9. All comprehensive connection charge fees shall be paid before the first water meter is set or sewer service is provided to the property by the City, whichever is the first to occur.

10. The property owner shall pay the applicable comprehensive connection charge fees when due for each phase of the development.
11. The comprehensive connection charge fees for water and sewer service to a particular building unit shall be based on the unit rates in effect at the time that the fee is paid for that building unit so long as the time limit set forth in section 13.02.070A.13 has not expired.
12. Comprehensive connection charge fees shall not be paid prior to the execution of the Development Agreement. Once any comprehensive connection charge fees are paid, the first water meter shall be set and/or sewer service provided within two years, unless a request for an extension of time to set the water meter and/or provide sewer service at the same comprehensive connection charge fees previously paid is made to the Director of Infrastructure and Development in writing prior to the expiration of the two year time limit. Any extension granted shall not exceed one year. Up to two, one year extensions may be granted. The Director of Infrastructure and Development may refuse to grant a requested extension where the Director of Infrastructure and Development finds that the property owner is not making good faith efforts to conclude the development of the project to the point where the water meter will be set and/or sewer service is provided. If the first water meter has not been set and/or sewer service has not been provided within two years of any comprehensive connection charge fee payment or any approved one year extension, the comprehensive connection charge fees in effect at the time that the water meter is set and/or sewer service provided shall apply. After the expiration of the time set forth herein, the property owner will be required to pay any increase in comprehensive connection charge fees which has occurred and the property owner will not be guaranteed the same allotment of EDUs on which the prior comprehensive connection charge fees were based.
13. Comprehensive connection charge fees, once paid, shall remain the property of the City and shall not be refunded if the unit rates decline or the project is not constructed. Instead, the money collected for fees shall be allocated to the property for which those fees were paid as a credit for future comprehensive connection charge fees owed with regard to the property.

B. Connection fee.

1. The connection unit fee shall be based on the value of the utility system, the existing utility system debt, the amount of the grants used to fund the utility system and the existing capacity of the utility system.
2. New or increase water and/or sewer usage by a property owner shall pay a connection fee adjustment that is intended to recover the capital costs of equity in the water and sewer system that is used by or reserved for new or increased usage.
3. The connection unit fee shall be calculated by determining the depreciated value of the utility system in terms of current costs for replacement. For both water and sewer, the calculation is based on value of the utility asset minus the credit from outstanding debt or grant funding, divided by the system capacity in equivalent dwelling unit (EDU).
4. Connection fees may be expressed in multiples and fractions of EDUs for various size water meters, using equivalent meters as defined by the American Water Works Association Manual M1, Water Rates, or some other generally recognized industry standard. The minimum for any property is one (1) EDU.
5. The projected EDU value (average daily water usage) for a particular property owner will be determined initially by the city and a connection fee collected, and either the City or the property owner may request one subsequent adjustment, based on actual daily water usage as measured and recorded by water meter. When the project/building is fully occupied, the connection fee may then be adjusted and additions or deductions applied accordingly based on an average of a minimum two consecutive years of water meter billings and other documentation as required by the department of infrastructure and development. The connection fee may be increased based on average of two consecutive years of water meter billings and other documentation. Any reimbursement of connection fee shall be without interest.
6. Connection Fee Waiver for Public Sponsored or Affordable Housing.

- a. "Public sponsored or affordable housing" means any dwelling unit built or financed under a government program, regulation, or binding agreement that limits for at least ten years the price or rent charged for the unit in order to make the unit affordable to households earning less than sixty (60) percent of the area median income, adjusted for family size.
- b. Requests for a public sponsored or affordable housing connection fee waiver are submitted to the Director of Infrastructure and Development for review. After review, the department of infrastructure and development shall submit the waiver request as a resolution for city council approval.
- c. The resolution for each property will specify that the connection fee waiver is valid for two years, with the option to extend the waiver for two one-year terms if approved in writing by the Director of Infrastructure and Development prior to expiration of the term. The Director of Infrastructure and Development may refuse to grant a requested extension if the Director of Infrastructure and Development finds that the property owner is not making good faith efforts to complete the project.
- d. The two-year waiver begins to run from the time of the signing of the resolution awarding the waiver.
- e. The waiver is assigned to a project and to the property on which the project is located, and cannot be transferred by the recipient.

C. Infrastructure reimbursement fee.

1. Infrastructure reimbursement fee's Purpose. The infrastructure reimbursement fee is intended to recover the costs of system extensions to a service area outside of the central system. These facilities will typically be the "backbone" of a new service area and may include major water and sewer transmission mains, pumping stations, and water storage tanks. The fee shall be charged to properties connecting to water and/or sewer extensions outside of the city's core or central system.
2. If a developer, community association, property owner, or other entity requests that the city extend water or sewer service to a geographic area currently not served by the city's water or sewer systems, the city at its sole discretion may elect to serve such a geographic area. In such cases, the entity requesting the provision of water or sewer service shall pay for the entire costs of extending the backbone system of the water or sewer utility to such geographic area, and the city may require the requesting party to oversize the lines, pump stations, storage facilities or other capital facilities to accommodate future utility customers in or adjacent to the area requesting service.
3. All such extensions of the backbone systems shall be built in city-owned easements and/or rights-of-way in accordance with city specifications, and shall be inspected and require approval by the city. The title to such facilities shall be vested in the name of the city, unless the city determines that it is to its advantage to title such facilities in the name of another entity. A portion of, or the entire costs less the property owner's facilities fee may be reimbursed to the property owner responsible for installing the facilities. The city's reimbursement policy is set forth in Section 13.02.090, extension reimbursement policy.
4. The infrastructure reimbursement fee will use an incremental method to determine the cost. The incremental method is based solely on the actual incremental/sequential costs of property owner projects as they are added to the system. Property owners will "oversize" facilities in accordance with the city's directives to serve the entire service area.
5. Fees and service areas are adjusted for each area served. The incremental method is based on actual costs of backbone infrastructure needed to serve new areas. As a consequence, the more remote the service from the city's core system, the higher the fee because of greater infrastructure needs.
6. The infrastructure reimbursement unit fee shall be calculated by dividing the capital costs of capacity by the incremental capacity of the proposed water or sewer main improvement (in

gallons) which results in a capital cost per gallon of capacity. At the city's discretion, the infrastructure reimbursement unit fee may be calculated by dividing the capital costs of capacity by the estimated ultimate flow in the proposed water or sewer main. Such costs may be expressed in terms of capital costs per equivalent dwelling unit (EDU). This cost shall be defined to be the capital cost per gallon of capacity multiplied by two hundred fifty (250).

7. The city reserves the right to charge an infrastructure reimbursement fee for any infrastructure project, the construction of which has been authorized by the city prior to the effective date of the ordinance codified in this chapter, and for which the city has not been fully reimbursed.

D. Sewer Lateral and Water-Meter/Tap Fee.

1. Sewer Lateral and Water-Meter/Tap Fee's Purpose. This fee is intended to cover the actual cost of tapping the water and sewer mains and providing the lateral, service, water meter, corporation stop, cleanout, and stub out for the water and sewer connections, if these services are provided by the City.
2. The cost of this fee will be the actual labor and materials costs incurred by the Department of Field Operations to perform the sewer connection or water tap. The fee will be estimated prior to performing the work.
3. All other tap sizes, including combinations of meter sizes and service line size, shall be computed by the Department of Infrastructure and Development for that particular application. The cost shall be based on time, equipment and material involved with a thirty (30) percent markup on direct labor costs and fifteen (15) percent markup on equipment and materials.

(Ord. 1983 (part), 2006; Ord. No. 2249, 6-10-2013)

([Ord. No. 2451, 10-9-2017](#))

13.02.080 - City infill or redevelopment projects.

- A. Property owners with existing water and/or sewer service, who increase usage of water or sewer, shall pay a Connection Fees adjustment for the additional water and sewer volumes.
 - B. Commercial or industrial users requiring larger service will be charged for the equivalent number of EDUs used.
 - C. The projected EDU value (average daily water usage) for a particular property owner will be determined initially by the city and a connection fee collected, and either the City or the property owner may request on subsequent adjustment, based on actual daily water usage as measured and recorded by water meter. When the project/building is fully occupied, the connection fee may then be adjusted and additions or deductions applied accordingly based on an average of a minimum two consecutive years of water meter billings and other documentation as required by the Department of Infrastructure and Development. The connection fee may be increased based on average of two consecutive years of water meter billings and other documentation. Any reimbursement of connection fee shall be without interest.
- D. Permit and Connection Fee Waiver for Single Family Detached Dwelling Units
1. This section establishes the criteria for the waiver of building permit fees, plan review fees, plumbing fees, mechanical permit fees and connection fees imposed by the City for construction of new single family detached dwelling units. The single family parcels shall be recorded as of the date of the passing of this ordinance therefore, the waiver is for infill properties only.
 2. The single-family detached dwelling proposed to be built shall conform to existing single-family detached homes in the neighborhood in which it is to be constructed and meet all required square footage and architecture requirements.

3. Requests for single family permit and connection fee waivers are submitted to the Director of Infrastructure and Development for review and internal processing.
4. The fee waiver is assigned to a project and to the property on which the project is located, and cannot be transferred by the recipient.
5. The fees waived for the construction of new single family detached dwellings shall apply only to new homes built for and sold to individuals who will reside in the structures as homeowner-occupied dwellings. Homeownership will be confirmed through the records of the Maryland Department of Assessments and Taxation upon sale and closing of the real estate transaction and by the homeowner upon demand by the City. The structure shall remain homeowner occupied for a period of not less than five (5) years.
6. In the event the homeowner ceases to occupy the property or if the property is sold and no longer remains a homeowner occupied structure, prior to the end of the five year period, waived permit fees, utility fees and other waived fees shall be due and payable to the City.
7. The fees waived as part of this program shall be a lien against the real property in question and shall be recorded, charged and collected as real property taxes owed upon a property on which there is a structure that ceased to be utilized as a homeowner-occupied structure during the five (5) year period. A notice of lien shall be recorded with the City's Finance Department and also in the Land Records of Wicomico County, if desired, by the City, detailing the types and amounts of fees that were waived in connection with the design, permitting, and construction process for each single-family home covered by the program described in this Resolution. A copy of the notice of lien shall also be provided to the homeowner. An administrative fee of \$500 shall also be collected if a structure ceases to be utilized as a homeowner-occupied structure during the five (5) year period referenced above.
8. The fees to be recovered pursuant to the lien will decline by twenty percent (20%) for each full year that the property remains homeowner-occupied. The administrative fee will not decline pursuant to this five (5) year schedule.

(Ord. 1983 (part), 2006)

([Ord. No. 2451, 10-9-2017](#))

13.02.090 - Extension reimbursement policy.

A. Overview.

1. This policy is intended to reimburse property owners over time for their proportionate share of the infrastructure reimbursement fee based on their initial investment, which will be indexed using the Consumer Price Index for urban areas (CPI-U).
2. Property owner risk will be based on the rate at which the area builds out and the sunset on reimbursement.
3. The maximum reimbursement to the property owner, installing the water and sewer infrastructure, will be the entire initial design and construction cost less the "infrastructure reimbursement fee" costs for the number of EDUs to be used by the property owner.
4. This policy involves full property owner funding of extension projects with no out-of-pocket costs for the city.

B. Reimbursement Procedures.

1. The director of finance, through the collection of the infrastructure reimbursement fee, will reimburse the property owner who installed the water and sewer infrastructure, as new users connect to the property owner-constructed system.
2. The director of finance will reimburse the developer within forty-five (45) calendar days of collecting the infrastructure reimbursement fee from the new user(s).
3. The director of finance shall charge an appropriate administrative fee for recordkeeping and to recover any handling charges and/or payment processing costs. The administrative fee shall be deducted from the reimbursement amount.
4. The director of finance shall calculate the reimbursement amount by using original construction cost figures that will be updated to current costs using the CPI-U.
5. It shall be the original property owner's responsibility to furnish the director of public works with contractor invoices or other forms of cost verification to be used by the city for the reimbursement calculation.

C. Sunset Clause.

1. The initial reimbursement period to property owner shall be twenty (20) years with an additional optional period of ten years.
2. The ten-year optional period shall be subject to city approval.
3. The city will consider factors such as the magnitude of the project cost, the city's historical growth rate, and the projected time period to reach build out within the area served by the water and sewer extension, before making the decision to extend the reimbursement period.

(Ord. 1983 (part), 2006)

Chapter 13.04 - GENERAL PROVISIONS—WATER AND SEWER SERVICE CHARGES

13.04.110 - EDU Incentive Areas.

- A. An equivalent dwelling unit (EDU) incentive area is established to incentivize growth in areas desired by the City.
- B. A developer may submit written documentation to the Director of Infrastructure and Development to establish eligibility for a project within the EDU incentive area if the project meets all of the following criteria:
 1. The project location is within one or more of the following areas: Central Business Zoning District; Riverfront Redevelopment Zoning District #1; Riverfront Redevelopment Zoning District #2.
 2. The project within an above referenced downtown zoning district constitutes new development or revitalization of an existing building.
 3. The project does not receive a connection fee waiver for public sponsored or affordable housing.
 4. The project complies, or will comply, with all applicable zoning and building code criteria, the adopted comprehensive plan of the City, and all requirements of the Salisbury Historic District Commission, if applicable, as confirmed by the Director of Infrastructure and Development.
 5. The project is consistent with the city sustainable community plan, on file with the Maryland Department of Housing and Community Development (DHCD). Particular attention is to be given to the following action plan elements: Supporting existing communities and reducing environmental impacts: Valuing communities and neighborhoods — building upon assets creating and/or enhancing amenities: Enhancing economic competitiveness.
 6. The project is consistent with one or more of the following benchmark objectives of a plan for transformation (2012): Increase the number of permanent, living wage jobs in the city; increase

the number of downtown housing units and the associated resident population; increase the amount of commercial square footage in the city; effectively remove twenty-five (25) percent of the impervious surface area in the downtown area without reducing existing building footprints.

C. If eligible, the developer shall comply with the following requirements and submit the required documentation to the Director of Infrastructure and Development.

1. Written requests for connection fee waivers will be submitted to the Director of Infrastructure and Development for review and to make an eligibility determination. After review and upon a favorable recommendation, Infrastructure and Development shall submit waiver requests from qualified applicants to the mayor for approval. With the mayor's approval, a resolution will be forwarded to city council for its approval.
2. The resolution for each property will specify that the connection fee waiver is valid for two years, with the option to extend the allocation for two one-year terms if approved in writing by the Director of Infrastructure and Development prior to expiration of the term. The Director of Infrastructure and Development may refuse to grant a requested extension if the director of infrastructure and development finds that the property owner is not making good faith efforts to complete the project.
3. The two-year waiver begins to run from the time of the signing of the resolution awarding the collection fee waiver.
4. Waivers are assigned to a project and to the property on which the project is located, and cannot be transferred by the recipient.

(Ord. No. 2258, 9-23-2013; [Ord. No. 2452, 10-9-2017](#))



City of
Salisbury
Jacob R. Day, Mayor

MEMORANDUM

To: City Council
From: Julia Glanz, City Administrator
Subject: Ordinance – Request to increase Appropriation for Attorney Fees
Date: May 27, 2020

The Salisbury Legal Department is requesting to increase their FY2020 budget for an additional \$45,000. This increase is mainly due to the incredibly time consuming work related to the Company No. 1 case. There have been additional costs for depositions transcripts and records that were subpoenaed from banks related to this case as well. Some of these costs are shared with LGIT, but the large majority are ours.

Please let me or Mark Tilghman know if you have any questions.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SALISBURY APPROVING A BUDGET AMENDMENT OF THE FY2020 GENERAL FUND TO APPROPRIATE FUNDS FOR ATTORNEY FEES.

WHEREAS, the City of Salisbury has projected the amount of Attorney Fees expected for FY 2020; and

WHEREAS, the City of Salisbury's projection indicates an increase of \$45,000.00 in FY2020 appropriations is needed in account 17000-513301 City Attorney in order to meet the projected requirements for legal fees for the remainder of FY 2020.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, THAT THE City's Fiscal Year 2020 General Fund Budget be amended as follows:

- 1) Increase Current Year Surplus (01000-469810) by \$45,000.00
- 2) Increase City Attorney (17000-513301) by \$45,000.00

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 _____ 2020, 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 _____, 2020.

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS ____ day of _____, 2020.

Jacob R. Day, Mayor