

RESOLUTION NO. 3027

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT OPPORTUNITY STREET, LLC IS ELIGIBLE TO RECEIVE ENTERPRISE ZONE BENEFITS FOR PROPERTY LOCATED AT 218 W MAIN STREET, SALISBURY MD.

WHEREAS, the City of Salisbury, Maryland and Wicomico County created an Enterprise Zone on June 6, 1983 for the purpose of encouraging economic development of the area encompassed within the boundaries of such zone; and

WHEREAS, the Enterprise Zone was created under authority granted by the State of Maryland; and

WHEREAS, the State Code permits certain benefits to be extended to businesses that locate or expand in the Enterprise Zone provided that they meet certain standards; and

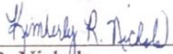
WHEREAS, the City of Salisbury and Wicomico County have also established certain standards, which must be met in order for a business to be deemed eligible to receive Enterprise Zone benefits; and

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

WHEREAS, Kevin Dorman, Managing Member/Owner representing Opportunity Street, LLC has requested that the company be designated as eligible for Enterprise Zone benefits because of its investment of more than \$50,000 at its property located in the zone at 218 W Main Street.

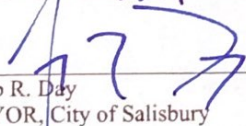
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that Opportunity Street, LLC be designated as eligible to receive the benefits of the Enterprise Zone effective upon the adoption of this resolution.

The above Resolution was introduced, read and passed at the regular meeting of the Salisbury City Council on the 13<sup>th</sup> day of April, 2020.

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

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

APPROVED by me this  
12<sup>th</sup> day of MAY 2020.

  
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Jacob R. Day  
MAYOR, City of Salisbury

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**INTER**

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**OFFICE**

# MEMO

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## Office of the Business Development

**To:** City Council  
**From:** Laura Soper  
**Subject:** Enterprise Zone Eligibility – Opportunity Street, LLC  
**Date:** April 8, 2020

Attached is a copy of the application requesting Enterprise Zone designation for Opportunity Street, LLC that I received from Kevin Dorman. I have reviewed this application and, to the best of my knowledge, this establishment meets all of the qualifications to be so designated. This property is located within the boundaries of the City's Enterprise Zone, and this company has invested more than \$50,000 in the property and/or has hired (or will hire) two or more NEW full time employees since locating in the Enterprise Zone.

I recommend that the City Council adopt the attached resolution designating Opportunity Street, LLC located at 218 W Main Street, eligible to receive the benefits of the Enterprise Zone.

As a reminder, companies that are declared eligible for enterprise zone benefits are able to receive either a one time Income Tax Credit of \$1,000 per new employee hired or a 10 year Property Tax Credit. The purpose of this program is to encourage industries to locate in areas identified as enterprise zones and to reinvest in such properties.

cc: Mayor Day  
Julia Glanz  
Kim Nichols

Attachments

**Application for Maryland State Enterprise Zone Certification in  
Salisbury-Wicomico County, Maryland**

This application will determine whether your business, property, or developer is eligible for Maryland Enterprise Zone tax credits. If determined to be eligible, you will receive a letter from the Enterprise Zone Administrator indicating which tax credit(s) you are eligible to receive.

**Applying For:**

Income Tax Credit

Real Property Tax Credit

Personal Property Tax Credit (Applies only to Focus Area Zones)

**This Section is to be filled by Local Zone Administrators Only**

The Real Property Credit

A ten-year credit against local property taxes is available to companies that locate, expand, or substantially improve business properties in the Enterprise Zone. The property tax credit is equal to 80% of the difference between the base value of the property (the assessment in the year prior to new construction, expansion, or substantial improvement) and the newly assessed value of the property after the investment is made. The property tax credit is 80% for five years. During the last five years, the property tax credit declines 10% annually; the credit is 70%, 60%, 50%, 40%, and 30% respectively. This tax credit is administered to the real property owner in their Property Taxes.

**Necessary Qualifications**

- Applicant must plan to make a capital investment in its property of \$50,000 or more
- Applicant should be mindful of having a base assessment done before commencing work
- Applicant should apply after receiving all required building permits and before or at the beginning of construction.
- Only commercial properties may apply, any portion of the property devoted to residential use may not receive the credit
- In order to receive a property tax credit for the next taxable year (beginning on July 1 when the tax bill is issued), the local Zone Administrator must certify to the Department of Assessments and Taxation the eligibility of a particular business by no later than the end of the preceding calendar year on December 31st.
- The granting of an Enterprise Zone property tax credit is affected by the timing of the completion of capital improvements, the assessment cycle, and how the improvements are assessed. (I.E. the improvement must change the value of the real property)
- The law states that the credit shall be granted to the "owner" of a qualified property. In cases where a lessee make the capital improvements, the lessees should make a contractual provisions with the owner of the qualified property regarding receipt of the property tax credit.

### The State Income Credit

This credit is applied to your state income taxes, and its value is based on the number and type of new employees hired by the business. To receive the credit the business must meet the following:

- Must have hired two or more employees that meet necessary qualifications
- Must have been hired after the date on which the Enterprise Zone was designated or the date on which the business relocated in the Enterprise Zone, whichever is later.
- Must be filling a new position or replacing an employee who was previously certified as economically disadvantaged
- Must have been employed at least 35 hours a week for at least six months
- Must be paid at least 150% of the federal minimum wage throughout his or her employment by a business entity before or during the taxable year for which the entity claims a credit
- Must have spent at least half of his or her working hours in the Enterprise Zone or on activities directly resulting from the business location in the zone
- Must be a new employee or an employee rehired after being laid off by the business for more than one year

There are two types of income tax credits. If the employee is not economically disadvantaged, you may qualify for a one-time credit of \$1,000 per employee. If the employee is economically disadvantaged (as determined by the Maryland Jobs Service), you may take a credit up to \$3,000 of the employee's wages in the first year of employment. The credit is \$2,000 in the second year, and \$1,000 in the third. Once/if you have been certified, you can claim these credits upon filing a Tax Return.

- To be eligible, an applicant must answer all questions in Sections A and B
- If applying for the "Property" tax credit, please complete Section C
- If applying for the "Employment (income)" tax credit, please complete Section D
- If the account is located in Focus Area and you are applying for the "Personal Property" tax credit, please complete Section E

**Section A: Applicant Information**

Name of Business / Developer applying for Enterprise Zone credits:

Opportunity Street, LLC

Name of Contact Person: Kevin Dorman

Title: Controller

Phone: 410-749-4821

Email: kdorman@ggibuilds.com

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

**Section B: Enterprise Zone Property Information**

Enterprise Zone Property Address: 218 W. Main Street, Salisbury, MD 21801

Property Tax Account Number: 09-055304

Property Ownership: Opportunity Street, LLC

Lease:  Own:

**Section C: Enterprise Zone Property Improvements Information**

To be eligible for Enterprise Zone property tax credits, the application must be submitted prior to the project completion date and issuance of User/Occupancy Permits. If the developer or company making property improvements is applying on behalf of the property owner, the property owner must concur with the application by co-signing below. The property tax credits are automatically applied to the property tax bill (i.e., directly awarded to the property owner only). If you are not applying for the property tax credit, this section may be left blank.

Owner of the Real Property: Opportunity Street, LLC

Mailing address of property owner: 118 N. Division Street, Suite 201, Salisbury, MD 21801

Phone: 410-749-4821

Email Address: kdorman@ggibuilds.com

Project Start Date: November 2019

Anticipated Project Completion Date: September 2020

Briefly describe capital improvements plans: Renovate interior space for first floor

commercial, and upper floor multi-family housing

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Type of Construction and Costs

Cost of building(s) & land (acquisition): \$ 525,000

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

Rehabilitation: \$ 4,800,000


Cost of new machinery & equipment\*: \$ \_\_\_\_\_

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

Name of Applicant: Kevin Dorman Position/Title: Controller

Applicant Signature:  Date: 3/12/2020

Name of Property Owner: Opportunity Street, LLC Position/Title: Owner

Property Owner Signature:  Date: 3/12/2020

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

## Laura Soper

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**From:** Amanda Pollack  
**Sent:** Monday, March 16, 2020 1:57 PM  
**To:** Laura Soper  
**Subject:** RE: Enterprise Zone Requests

Laura,  
110 hasn't submitted building permits yet. 218 is under construction. So I cannot certify yet that they have met all codes. Is that okay?  
Amanda

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**From:** Laura Soper  
**Sent:** Thursday, March 12, 2020 3:47 PM  
**To:** Amanda Pollack; Olga Butar  
**Subject:** Enterprise Zone Requests

I have received **two** requests from Opportunity Street, LLC located at 218 W Main Street and 110 W Main Street, Salisbury, MD that they be deemed qualified to receive Enterprise Zone benefits. In order to receive such designation, it is necessary that they meet certain criteria. I am requesting that your departments help me in processing their application by helping me to determine if they meet the necessary criteria.

### Infrastructure & Development

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

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

Does this business meet the zoning code?

Does this business comply with subdivision regulations?

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

Does this business meet all permit requirements?

### Finance

Is this business up to date on their taxes?

Are they in good standing with SDAT?

Please answer the questions above under the heading for your department and return to my office by 3/19/2020. Your assistance is appreciated. If you have any questions, please let me know.

**Laura Soper**

Director of Business Development

City of Salisbury

110 N Division Street

Salisbury, MD 21801

(O): 410-677-1916



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## Laura Soper

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**From:** Kay Lundy  
**Sent:** Thursday, March 12, 2020 4:08 PM  
**To:** Laura Soper  
**Subject:** RE: Enterprise Zone Requests

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**From:** Olga Butar  
**Sent:** Thursday, March 12, 2020 3:53 PM  
**To:** Kay Lundy <klundy@salisbury.md>  
**Cc:** Laura Soper <lsoper@salisbury.md>  
**Subject:** FW: Enterprise Zone Requests

Kay,

Could you please provide information requested to Laura.  
Thank you,

Olga Butar  
Assistant Director of Finance - Operations  
City of Salisbury  
125 N. Division St  
Salisbury, MD 21801  
Email: [obutar@salisbury.md](mailto:obutar@salisbury.md)  
Phone: 410-548-3110



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

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**From:** Laura Soper  
**Sent:** Thursday, March 12, 2020 3:47 PM  
**To:** Amanda Pollack <[APollack@salisbury.md](mailto:APollack@salisbury.md)>; Olga Butar <[obutar@salisbury.md](mailto:obutar@salisbury.md)>  
**Subject:** Enterprise Zone Requests

I have received **two** requests from Opportunity Street, LLC located at 218 W Main Street and 110 W Main Street, Salisbury, MD that they be deemed qualified to receive Enterprise Zone benefits. In order to receive such designation, it is necessary that they meet certain criteria. I am requesting that your departments help me in processing their application by helping me to determine if they meet the necessary criteria.

Infrastructure & Development

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

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

Does this business meet the zoning code?

Does this business comply with subdivision regulations?

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

Does this business meet all permit requirements?

Finance

Is this business up to date on their taxes? Yes.

Are they in good standing with SDAT? Yes.

Please answer the questions above under the heading for your department and return to my office by 3/19/2020. Your assistance is appreciated. If you have any questions, please let me know.

Real Property Data Search

Search Result for WICOMICO COUNTY

[View Map](#)      [View GroundRent Redemption](#)      [View GroundRent Registration](#)

**Special Tax Recapture: None**

**Account Identifier:**      **District - 09 Account Number - 055304**

Owner Information

<b>Owner Name:</b>	OPPORTUNITY STREET LLC	<b>Use:</b>	COMMERCIAL
		<b>Principal Residence:</b>	NO
<b>Mailing Address:</b>	118 N DIVISION ST STE 201 SALISBURY MD 21801-	<b>Deed Reference:</b>	/04537/ 00058

Location & Structure Information

<b>Premises Address:</b>	218 W MAIN ST SALISBURY 21801-0000	<b>Legal Description:</b>	L-43.3X117&34.5X125 218 W MAIN CITY OF SALIS
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<b>Map:</b>	<b>Grid:</b>	<b>Parcel:</b>	<b>Neighborhood:</b>	<b>Subdivision:</b>	<b>Section:</b>	<b>Block:</b>	<b>Lot:</b>	<b>Assessment Year:</b>	<b>Plat No:</b>
0107	0014	1061	21003.23	0000				2018	Plat Ref:

**Town:** SALISBURY

<b>Primary Structure Built</b>	<b>Above Grade Living Area</b>	<b>Finished Basement Area</b>	<b>Property Land Area</b>	<b>County Use</b>
1930	29,238 SF		13,816 SF	

<b>Stories</b>	<b>Basement</b>	<b>Type</b>	<b>Exterior</b>	<b>Quality</b>	<b>Full/Half Bath</b>	<b>Garage</b>	<b>Last Notice of Major Improvements</b>
		RETAIL STORE	/	C2			

Value Information

	<b>Base Value</b>	<b>Value</b>	<b>Phase-in Assessments</b>	
		As of	As of	As of
		01/01/2018	07/01/2019	07/01/2020
<b>Land:</b>	207,200	207,200		
<b>Improvements</b>	170,600	180,100		
<b>Total:</b>	377,800	387,300	384,133	387,300
<b>Preferential Land:</b>	0			0

Transfer Information

<b>Seller:</b> WRIGHT JOSEPH P JR	<b>Date:</b> 10/07/2019	<b>Price:</b> \$525,000
<b>Type:</b> ARMS LENGTH IMPROVED	<b>Deed1:</b> /04537/ 00058	<b>Deed2:</b>
<b>Seller:</b> POWELL, VERNON H	<b>Date:</b> 05/12/1987	<b>Price:</b> \$0
<b>Type:</b> ARMS LENGTH MULTIPLE	<b>Deed1:</b> /01103/ 00385	<b>Deed2:</b>
<b>Seller:</b>	<b>Date:</b>	<b>Price:</b>
<b>Type:</b>	<b>Deed1:</b>	<b>Deed2:</b>

Exemption Information

<b>Partial Exempt Assessments:</b>	<b>Class</b>		07/01/2019	07/01/2020
<b>County:</b>	000		0.00	
<b>State:</b>	000		0.00	
<b>Municipal:</b>	000		0.00 0.00	0.00 0.00

**Special Tax Recapture: None**

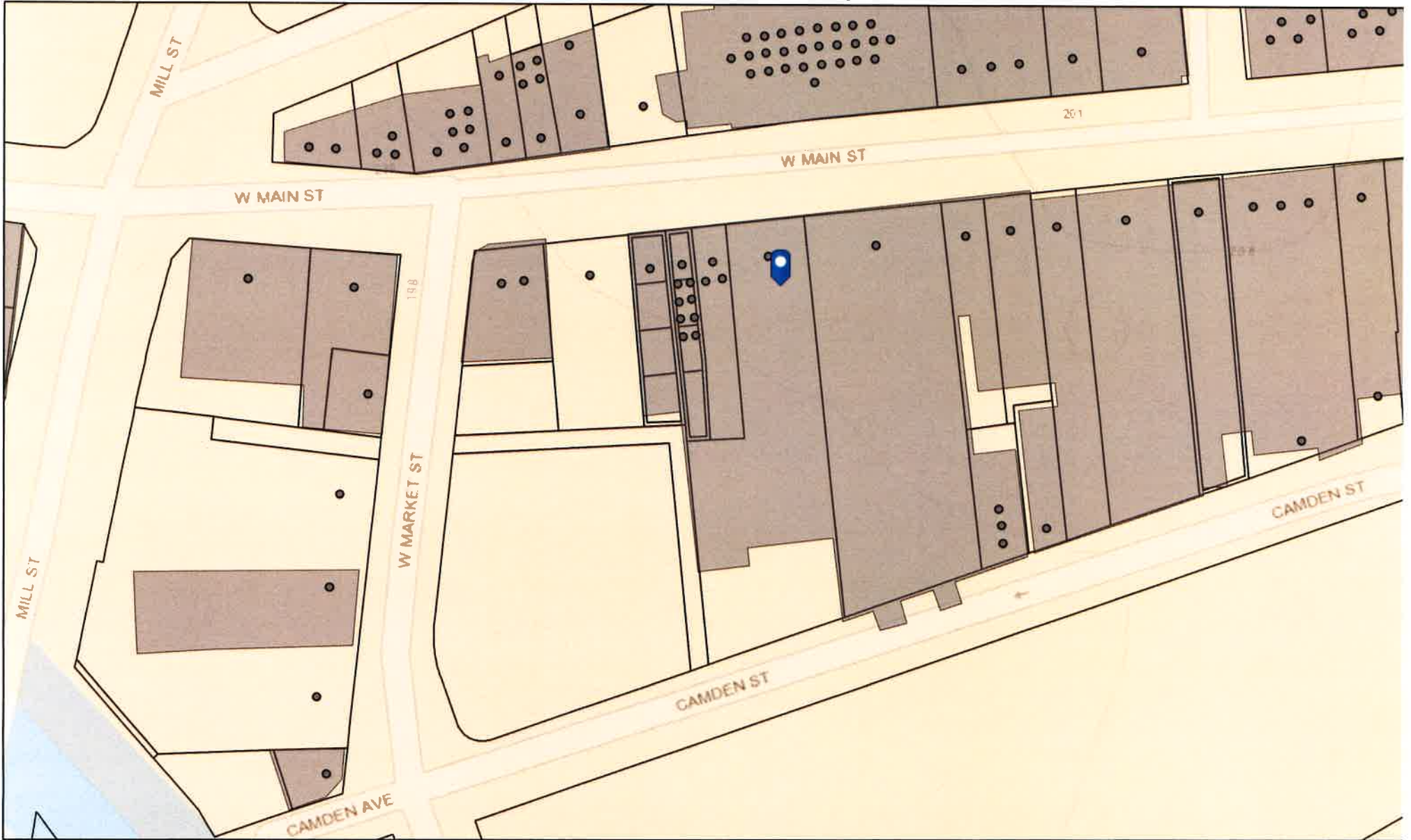
Homestead Application Information

**Homestead Application Status:** No Application

Homeowners' Tax Credit Application Information

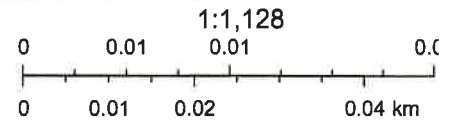
**Homeowners' Tax Credit Application Status:** No Application      **Date:**

# ArcGIS Web Map



3/27/2020, 2:05:56 PM

- Address Points
- Parcels
- Buildings
- Enterprise Zone



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GE FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contrib GIS User Community