

RESOLUTION NO. 3042

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

WHEREAS, Davis Strategic Development, LLC has requested a waiver of the Capacity Fee for the development of 206 East Market Street; and

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

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

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

WHEREAS, as of the date of this Resolution, 37 EDUs have been allocated to 206 East Market Street for Davis Strategic Development, LLC pursuant to Resolution No. 2948, dated May 28, 2019; and

WHEREAS, since the passage of Resolution No. 2948, Davis Strategic Development, LLC has expanded its development plans to include the development of the adjacent property in conjunction with the development of 206 East Market Street, which will require an additional allocation of 19 EDU, for a total allocation of 56 EDU of water and sewer service; and

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

WHEREAS, the Capacity Fee for 19 Equivalent Dwelling Units is \$67,146.00; and

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

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

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

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

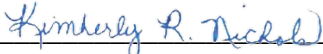
WHEREAS, the property owner has the option to request an extension of the allocation for two one-year terms, if approved in writing by the Director of Infrastructure and Development prior to expiration of the term; and

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

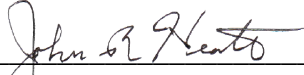
NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Salisbury, Maryland approves the waiver of 19 additional Equivalent Dwelling Units of Capacity Fee for the development of 206 East Market Street by Davis Strategic Development, LLC, in addition to the waiver of 37 Equivalent Dwelling Units of Capacity Fee as approved by the Council of the City of Salisbury pursuant to Resolution No. 2948.

THIS RESOLUTION was introduced, read and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on June 22, 2020 and is to become effective immediately upon adoption.

ATTEST:




Kimberly R. Nichols
CITY CLERK



John R. Heath
PRESIDENT, City Council

APPROVED by me this 24 day of June, 2020



Julia Glanz
City Administrator, City of Salisbury



City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda Pollack, P.E., Director of Infrastructure and Development
Date: June 1, 2020
Re: Resolution – 206 East Market Street Capacity Fee Waiver

AP

Attached is a letter from Davis Strategic Development LLC dated May 28, 2020 which requests consideration for an additional Capacity Fee waiver for the redevelopment of 206 East Market Street. 206 East Market Street was formerly known as Parking Lot 16 and will be developed into a mixed use apartment complex. Davis Strategic Development has recently acquired the adjacent parcel which was planned to be a Beer Garden. The new project will include 49 apartments and an adjacent Beer Garden.

The Lot 16 apartment project received a capacity fee waiver of 37 EDUs in May 2019 per Resolution No. 2948. As a result of the increased size of the project, the total number of EDUs associated with the project has increased. The new request is for a total of 56 EDUs, which is an increase of 19 EDUs.

Per Ordinance No. 2258, the owner is seeking a Capacity Fee waiver as part of the Equivalent Dwelling Unit (EDU) Incentive Area. The original allocation of 300 EDUs was based on a transfer of EDUs from the former Linens of the Week property. To date, 252.54 EDUs of the original allocation of 300 EDUs have been used, therefore there are 47.46 EDUs available.

As per Ordinance No. 2258, Infrastructure and Development has evaluated the eligibility of this project for the EDU Incentive Area. The project location is within the Central Business Zoning District and will consist of redevelopment that is not eligible for an affordable housing waiver. The project does or will comply with all other necessary criteria.

Attached is a Resolution for consideration to waive the additional Capacity Fees associated with the development of 206 East Market Street. After review of the request, Infrastructure and Development recommends approval. If this EDU waiver is approved, then it will be valid for two years from the date of the Resolution.

Unless you or the Mayor has further questions, please forward a copy of this memo, request letter and Resolution to the City Council.

**Davis Strategic
Development LLC
318 W. Carroll Street Suite A
Salisbury, MD 21801**

May 28, 2020

City of Salisbury, Maryland

Department of Infrastructure & Development

Attn: Amanda H. Pollack, P.E., Director (apollack@salisbury.md) 125 N. Division Street, Room 202

Salisbury, Maryland 21801

**Re: Davis Strategic Development , LLC's Request for Capacity Fee
Waiver; Redevelopment of 206 E. Market Street Salisbury, MD
21801**

Dear Ms. Pollack:

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

As the City is aware, Davis Strategic Development plans to redevelop the Space by: building a four story apartment building that would feature one first floor parking and the 2nd through 4th floors into luxury style apartments. The building will consist of 49 apartments, and an adjacent beer garden. (the “Project”).

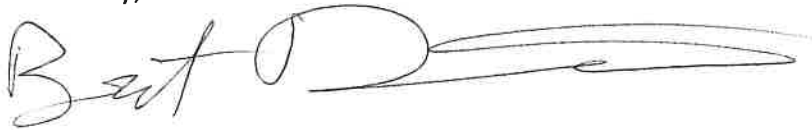
Over the course of the last year, Davis Strategic Development has received: preliminary approval from the City of Salisbury Historic District Commission (the “HDC”) for the Project’s design and facade; a Special Exception from the City of Salisbury Board of Zoning Appeals (the “BZA”) permitting the Project’s proposed building and, approval of the Project’s Site Plan from the Salisbury-Wicomico County Planning & Zoning Commission. Davis Simpson request for final approval of the Project was considered by the HDC at its October 24, 2018 meeting.

Pursuant to Ordinance No. 2258, the City created and authorized an "EDU Incentive Area" to reduce the capacity fees assessed against certain development and redevelopment projects in the City's Downtown Development District, the Central Business District, the Riverfront Redevelopment Area and the City's designated Enterprise Zone. Recently, the City Council passed Resolution No. 2864, which extended the expiration date of the EDU Incentive Area until September 23, 2023. Currently, 216.2 EDUs are available for use within the City's EDU Incentive Area. Davis Strategic Development LLC 206 E. Market Street Salisbury, MD 21801

Davis Strategic Development estimates a total of 56 EDUs are needed for the Project. Under the City's EDU Incentive Area program, Davis Strategic Development is eligible for a waiver of the Capacity Fees associated with the EDUs allocated for the Project: the Project is located within the City's EDU Incentive Area; and, the Project satisfies all criteria governing the City's waiver of Capacity Fees for development projects undertaken within the EDU Incentive Area. Therefore, in accordance with the provisions of Chapter 13.04.110 of the City Code, Davis Strategic Development respectfully requests the City waive the Capacity Fees of \$197,848.00 assessed for the 56 EDUs needed for development of the Project.

If City staff has any questions or needs additional information regarding the matters addressed in this correspondence, please do not hesitate to contact me. On behalf of Davis Strategic Development LLC, thank you for your time and consideration of this request.

Sincerely,

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

Bret Davis

Owner