

RESOLUTION NO. 2838

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND DECLARING THAT GREEN STREET HOUSING IS ELIGIBLE TO RECEIVE ENTERPRISE ZONE BENEFITS FOR PROPERTY LOCATED AT 212 E 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

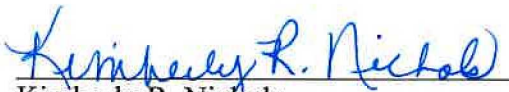
WHEREAS, the City of Salisbury and Wicomico County have also established certain standards, which must be met in order for a business to be deemed eligible to receive Enterprise Zone benefits; and

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

WHEREAS, Tom Ayd, representing Green Street Housing has requested that the company be designated as eligible for Enterprise Zone benefits because they have or will hire 2 or more new full time employees at their property located in the zone at 212 E Main Street.

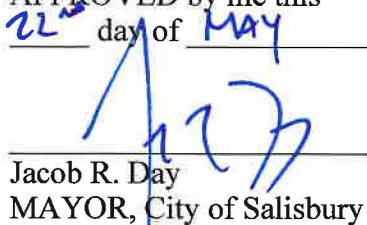
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that Green Street Housing be designated as eligible to receive the benefits of the Enterprise Zone, contingent on Green Street Housing meeting the standards set forth in the State Code, Wicomico County Code and Salisbury Municipal Code, effective upon the adoption of this resolution.

The above Resolution was introduced and read and passed at the regular meeting of the Salisbury City Council on the 14th day of May, 2018.


Kimberly R. Nichols
CITY CLERK


Muir Boda
VICE-PRESIDENT, City Council

APPROVED by me this
22nd day of May 2018.


Jacob R. Day
MAYOR, City of Salisbury

INTER

OFFICE

MEMO

Office of Business Development

To: Amanda Pollack, Anne Roane, and Keith Cordrey
From: Laura Soper
Subject: Enterprise Zone Qualifications – Green Street Housing
Date: April 19, 2018

I have received a request from Green Street Housing located at 212 E Main Street Suite 200, 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.

Public Works

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?

Planning & Zoning

Does this business meet the zoning code?

Does this business comply with subdivision regulations?

Building, Permits & Inspections

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 4/27/2018. Your assistance is appreciated. If you have any questions, please let me know.

Laura Soper

From: Connie Klaverweiden <cklaverweiden@salisbury.md>
Sent: Wednesday, April 25, 2018 4:47 PM
To: Laura Soper
Subject: Enterprise Zone Credit Response
Attachments: 20180425164529.pdf

Laura,

Attached is the information that I received for Green Street Housing LLC. In response, they are current on their personal property taxes and they are in good standing with SDAT.

Connie Klaverweiden
Revenue Clerk II
Finance Department
City of Salisbury
125 N. Division Street, Room 103
Salisbury, MD 21801
410-548-3110



Laura Soper

From: Anne Roane <aroane@salisbury.md>
Sent: Wednesday, May 02, 2018 8:13 AM
To: Laura Soper
Cc: Amanda Pollack
Subject: Green Street Housing

Hi Laura,

The property is located in the Central Business District (CBT) zone and offices are permitted by right. This business complies with the subdivision regulations in this zone.

Sincerely,

Anne Roane

City Planner

Department of Infrastructure & Development

City of Salisbury

125 North Division St. Room 202

Salisbury, MD 21801

410-548-3170



www.salisbury.md

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Laura Soper

From: Amanda Pollack
Sent: Tuesday, May 08, 2018 11:05 AM
To: Laura Soper
Subject: RE: Green Street Housing

Laura,
The business meets the City's Sewer use ordinance and the building and stormwater management codes at the time of construction.
Amanda

From: Laura Soper
Sent: Tuesday, May 8, 2018 10:57 AM
To: Amanda Pollack
Subject: FW: Green Street Housing

Hi Amanda,
Just following up on this.
Thank you
Laura

From: Laura Soper
Sent: Wednesday, May 02, 2018 10:31 AM
To: 'Anne Roane'
Cc: Amanda Pollack
Subject: RE: Green Street Housing

Amanda,
Will this serve as I&D's approval as well?
Thank you
Laura

From: Anne Roane [<mailto:aroane@salisbury.md>]
Sent: Wednesday, May 02, 2018 8:13 AM
To: Laura Soper
Cc: Amanda Pollack
Subject: Green Street Housing

Hi Laura,

The property is located in the Central Business District (CBT) zone and offices are permitted by right. This business complies with the subdivision regulations in this zone.

Sincerely,
Anne Roane
City Planner
Department of Infrastructure & Development

Section D: Enterprise Zone Employment Tax Credit Information

To be eligible of Enterprise Zone employment tax credits, please complete the following section. Employment tax credits to be applied against State income tax liabilities are available for certain new employees hired in the Enterprise Zone. The requirements for qualified employees can be found on Maryland Department of Commerce Website: <http://commerce.maryland.gov/fund/programs-for-businesses/enterprise-zone-tax-credit>. If you are not applying for the employment tax credit, this section may be left blank.

Federal Employer Identification Number (EFIN): 26-3829488

Unemployment Insurance #: 0000848522 NAICS Code (if available): n/a

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

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

If yes, since what year: 2018

Is the business relocation from another place? Yes X No

If yes, where was the previous location?: Salisbury, non-Enterprise Zone

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

Did the Enterprise Zone benefits affect your decision to locate at this address? Yes ☐ No ☒

If yes, please explain how the Enterprise Zone benefits will assist your business. :

Number of existing employees: 2

If you are new to the Enterprise Zone, please provide the number of employees before relocating or locating in the Enterprise Zone: 2

If you were already located in the Enterprise Zone, please provide the number of employees as of date of this application in the Enterprise Zone:

Number of new full-time jobs to be created in the Enterprise Zone in the next 12 months: 2-3

Number of new part-time jobs to be created in the Enterprise Zone in the next 12 months: 0

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

Name of Applicant: Thomas J. Ayd, Jr. Position/Title: Operating Manager

Signature:  Date: April 10, 2018

Type of Construction and Costs

Cost of building(s) & land (acquisition): \$ _____

New Construction: \$ _____

Rehabilitation: \$ _____

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: _____ Position/Title: _____

Applicant Signature: _____ Date: _____

Name of Property Owner: _____ Position/Title: _____

Property Owner Signature: _____ Date: _____

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

Section A: Applicant Information

Name of Business / Developer applying for Enterprise Zone credits:
Green Street Housing, LLC (Employer & Lessee)

Name of Contact Person: Thomas J Ayd, Jr

Title: Operating Manager

Phone: 443-614-4976

Email: tom@greenstreethousing.com

Mailing Address: 212 E. Main St, Suite 200, Salisbury, MD 21801

Section B: Enterprise Zone Property Information

Enterprise Zone Property Address: 212 E. Main Street, Unit 2

Property Tax Account Number: 05-017270

Property Ownership: 212 East Main Street, LLC (Landlord)

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: _____

Mailing address of property owner: _____

Phone: _____

Email Address: _____

Project Start Date: _____

Anticipated Project Completion Date: _____

Briefly describe capital improvements plans: _____

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

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.

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