



STAFF REPORT ON PROPOSED LEGISLATION

To: Mayor Gavin Buckley
From: David Jarrell, City Manager
Date: April 17, 2020
Subject: O-4-20: Plumbing Code – Capital Facilities Payment Plan

This ordinance will establish a payment plan for Capital Facilities fees, including eligibility requirements, payment schedules, and interest and penalties.

Eligible properties include:

- a. Those in a “Sustainable Communities Area” as designated by the Maryland Department of Housing and Community Development and the City Council
- b. Those with their principal office or business located within the Annapolis city limits with no other national headquarters outside the city limits
- c. Those with five or fewer branches or outlets of the business in total, as long as the principal office is within Annapolis city limits
- d. Those that pay all of its own marketing, rent, and other business expenses without assistance from a corporate headquarters that owns one or more shares of the business
- e. Those with the decision-making authority vested in the local business owner

The payment plan is that 40% of the capital facilities charge is paid prior to the issuance of any permit; 20% is paid prior to the first anniversary of the earliest permit issuance; 20% is paid prior to the second anniversary of the earliest permit issuance; and the final 20% is paid prior to the third anniversary of the earliest permit issuance.

A capital facilities payment plan request must include an agreement signed by the business owner and property owner establishing a lien on the property in favor of the city. The lien will remain in effect until the Capital Facilities fees have been paid in full.

Deferred Capital facilities charges will accrue interest after the first 12 months. Interest rates will be based on the prime interest rate plus three percent, effective July 1st of each year.

Prepared by David Jarrell, City Manager