

**ORDINANCE NO. 2533**

AN ORDINANCE OF THE CITY OF SALISBURY TO ESTABLISH A RIVERWALK CONSTRUCTION REIMBURSEMENT PROGRAM TO PROMOTE AND ACCELERATE NEW COMMERCIAL CONSTRUCTION OR EXPANSION ALONG THE RIVERWALK AREAS TO ENCOURAGE DEVELOPMENT IN AND NEAR THE DOWNTOWN AREA AND DISTRICTS TIED TO THE RIVERWALK.

WHEREAS, the City seeks to incentivize the construction and expansion of business interests in and near the Downtown area, the Central Business Zoning District, Riverfront Redevelopment Zoning District #1, Riverfront Redevelopment Zoning District #2 and areas designated as having future Riverwalk in the adopted 2015 Downton Master Plan in order to increase the amount of economic activity in those areas; and

WHEREAS, implementing a Riverwalk Construction Reimbursement Program will allow financially responsible businesses to construct or expand business interests in those areas, which will further result in positive economic and social effects, including, but not limited to increases in cultural activity opportunities, employment opportunities, extracurricular activities, business activities and environmental upgrades; and

WHEREAS, the City through the Department of Infrastructure & Development shall process applications connected to the Riverwalk Construction Reimbursement Program to ensure compliance with the program and adequate funding for the program and shall review and approve all completed applications before benefits tied to the program are approved and enjoyed by developers; and

WHEREAS, the City has developed a Riverwalk Construction Reimbursement Program Application with specific requirements that shall be monitored and administered by the Department of Infrastructure and Development in order to ensure that all information and submissions are correct and properly considered; and

WHEREAS, the Mayor joins with the City Council in recommending the implementation of the program and application process.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that the Municipal Code of the City of Salisbury, Title 12- STREETS, SIDEWALKS AND PUBLIC PLACES, be amended by adding Section 12.24.060 to read as follows:

**12.24.060 RIVERWALK CONSTRUCTION REIMBURSEMENT PROGRAM (RCRP)**

A. A Riverwalk Construction Reimbursement Program (RCRP) is hereby established for the purpose of accelerating the construction or expansion of new commercial buildings and development along the incomplete and planned Riverwalk areas in order to create positive economic effects in the Central Business Zoning District, Riverfront Redevelopment Zoning

District #1, Riverfront Redevelopment Zoning District #22 and areas designated as having future Riverwalk in the adopted 2015 Downtown Master Plan.

B. The RCRP application process shall be administered by the Director of the Department of Infrastructure & Development subject to appropriation of any necessary funds for the program from year to year and final approval of all applications and the expenditure of funds by a Resolution approved by the City Council.

C. The City hereby adopts the application submitted with this ordinance and attached as Exhibit A as the initial approved application and grants administrative powers to the Director of the Department of Infrastructure and Development to process and monitor submitted applications in conjunction with the Department of Finance and to make necessary changes to the application and its requirements as needed and deemed necessary to properly administer the program and monitor and disperse appropriated and approved funding for the program.

D. Upon approval of a Resolution by the City Council for funding of any RCRP project, the Department of Infrastructure & Development shall prepare a RCRP Agreement that, among other requirements as determined by the Department of Infrastructure & Development, shall require the owners of the subject property to convey title to the completed Riverwalk to the City of Salisbury.

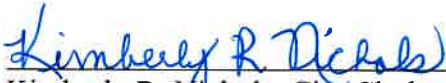
E. All reimbursable costs to be paid as a result of RCRP applications shall run with the land and be payable only to the then current owners of the land adjoining each Riverwalk Construction Project from which the Riverwalk was conveyed and for which an application was received and approved.


F. The City may suspend or terminate the continuance of the RCRP program by resolution or by not appropriating funds to continue the program.

BE IT FURTHER ORDAINED that this ordinance shall take effect from 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 the 25<sup>th</sup> day of March 2019, 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 8<sup>th</sup> day of April 2019.

ATTEST:

  
\_\_\_\_\_  
Kimberly R. Nichols, City Clerk

  
\_\_\_\_\_  
John R. Heath, President  
Salisbury City Council

Approved by me this 15<sup>th</sup> day of APRIL 2019

  
\_\_\_\_\_  
Jacob R. Day, Mayor



City of  
**Salisbury**  
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator  
From: Amanda H. Pollack, P.E., Director of Infrastructure and Development *AP*  
Date: February 12, 2019  
Re: Riverwalk Construction Reimbursement Program

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Attached is an application for the Riverwalk Construction Reimbursement Program and an Ordinance to adopt the program. The primary goal of the Riverwalk Construction Reimbursement Program is to accelerate the construction of new commercial buildings along the planned Riverwalk. The program aims to contribute towards the economic vitality of Downtown Salisbury by adding new jobs to the Downtown workforce and attracting private capital investments into the Riverwalk Redevelopment and Central Business Districts. The program will assist with the funding of critical public infrastructure through commercial construction cost reimbursement grants. Additionally, the program incentivizes the development of publicly accessible, resident-serving amenities such as healthy food options, fitness opportunities, pet amenities, and garden plots.

Eligibility criteria is noted in the application along with the map of the proposed Riverwalk limits. Eligible costs include the construction of the Riverwalk, bulkhead, bulkhead repairs or extensions, and associated work such as backfill. Lighting, landscaping and signage are NOT eligible expenses. Eligible, reimbursable costs are capped at an amount equal to or less than the sum total of 90% of the incremental increase in City property taxes due based on the assessed value of the property in a given year for a maximum of 20 years subsequent to the issuance of a Certificate of Occupancy.

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

**EXHIBIT A**



**Riverwalk Construction  
Reimbursement Program (RCRP)**

**Application – 2019**

**Department of Infrastructure & Development  
Room 202  
125 N. Division Street  
Salisbury, Maryland 21801**

**Phone: 833-SBY-CITY**

**September 2018**

## **Riverwalk Construction Reimbursement Program Application – 2019**

The primary goal of the Riverwalk Construction Reimbursement Program (RCRP) is to accelerate the construction or expansion of new commercial buildings along the planned Riverwalk that contribute towards the economic vitality of Downtown Salisbury. Additionally, the program aims to:

- Add new jobs to the Downtown workforce by providing spaces, culture and an environment that will be attractive to new companies and promote local growth.
- Attract private capital investments into the Riverwalk Redevelopment and Central Business Districts (see Exhibit 2 map) by funding the building of critical public infrastructure that creates economic activity Downtown through commercial construction cost reimbursement grants.
- Support and incentivize the development of publicly accessible, resident-serving amenities such as healthy food options, fitness opportunities, pet amenities, a pharmacy, and garden plots.

### **Eligibility for RCRP Funds**

A developer may submit written documentation to the Director of Infrastructure & Development to establish eligibility for a project 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, and/or is identified in the adopted 2015 Downtown Master Plan as having future Riverwalk.
2. The project within an above referenced Zoning District constitutes new development or revitalization of an existing building.
3. The project complies, or will comply, with all applicable Zoning and Building Code criteria.
4. The project is consistent with the adopted 2015 Downtown Master Plan and the adopted Comprehensive Plan of the City of Salisbury.
5. The project complies, or will comply, with all requirements of the Salisbury Historic District Commission (Exhibit 3).
6. The project does not have complete, consistent Riverwalk in place as of January 1, 2019.

### **How to Apply for RCRP Funds**

1. Meet with the Department of Infrastructure & Development staff to review the program and project specifications.
2. Applications are due after preliminary site plan approval submission to the Department of Infrastructure & Development and prior to issuance of grading/site permits.

3. One copy of the completed application should also be emailed to [apollack@salisbury.md](mailto:apollack@salisbury.md). Portions of the application may be kept confidential by completing a Nondisclosure Agreement upon request and providing specific reasons for the request. Applicants should be aware that any Maryland public information act requests may result in information marked “confidential” being released if the request is challenged and the confidentiality is found to be overly broad.
4. **IMPORTANT NOTE:** RCRP applications must be received, reviewed and confirmed as complete by the Department of Infrastructure & Development staff PRIOR to the start of any work reflected in the application in order for that work to be considered for reimbursement.
5. The Director of Infrastructure & Development will issue an official Notice of Pre-Approval in the form of a Letter of Intent to be signed by an applicant. Projects pre-approved for reimbursement funding will be issued a Letter of Intent and a Riverwalk Construction Reimbursement Program (RCRP) Funding Terms sheet. Applicants must agree to the negotiated terms within 30 days of receipt of these documents.
6. Once the Letter of Intent has been signed, the application and recommendation will be forwarded to the Mayor for his/her pre-approval.
7. Once the Mayor has pre-approved the project for RCRP funding, a Resolution supporting the expenditure of funds will be placed on the next available City Council Work Session and subsequently (if approved) sent to a City Council Legislative Session for approval.
8. Department of Infrastructure & Development staff will prepare a RCRP Agreement for the applicants, which must be executed within 15 days of receipt. Program Agreements are valid for one (1) calendar year from the signature date. If projects are delayed, applicants may request a 1-year extension which will be considered by the Mayor.
9. Applicants agree to provide quarterly updates on financing, construction costs, and other pertinent information as projected costs become actual costs.
10. **The total amount of the reimbursement will be limited to the original approved estimate.** Cost overruns on the project will not be reimbursed.
11. Applicants agree to provide before, during and after photographs documenting the progress of the project throughout its completion.
12. Non-Appropriations: Projected reimbursement amounts are not ~~guaranteed~~ permitted and are contingent upon appropriations of sufficient amounts for projected reimbursements and approval by the Mayor and Council.

### **Riverwalk Construction Reimbursement Program – General Conditions**

1. Applicants must thoroughly review all Riverwalk Construction Reimbursement Program guidelines, conditions, and forms prior to submission of an application.

2. Applicants must review the ‘Envision Salisbury Downtown Master Plan 2035’ document so that they will be familiar with the plan of development for the area in question.
3. Applicants must be the owner or partner of a development project located within the boundaries of the planned Riverwalk district (see Exhibit 1 map).
4. Properties must be current on all City, County and State property and income taxes and remain current throughout the period of reimbursement.
5. Project building permits must be received within one year of the date of the signed RCRP agreement.
6. All construction work must comply with Salisbury City Code Section 12.24.05 Riverwalk Construction standards and all applicable laws, ordinances, building codes and zoning ordinances.
7. The RCRP application must include drawings showing what the proposed project will look like when completed, and estimated costs of the project obtained from a qualified professional.
8. Eligible costs include the construction of the Riverwalk, bulkhead, bulkhead repairs or extensions, and associated work such as backfill. Lighting, landscaping and signage are **NOT** eligible expenses.
9. Eligible, reimbursable costs are capped at an amount equal to or less than the sum total of 90% of the incremental increase in City property taxes due based on the assessed value of the property in a given year for a maximum of 20 years subsequent to the issuance of a Certificate of Occupancy by the City of Salisbury and all other conditions of the RCRP being met, over the amount in City property taxes due based on the assessed value of the property as of January 1, 2019. Year 1 of the calculation will be the first July 1<sup>st</sup> subsequent to the agreed-upon deadline for the issuance of a Certificate of Occupancy.

This can be expressed by the following formula:

GC	Total gross amount of approved qualifying costs
EC	75% * QC
CTD <sup>B</sup>	City property taxes based on assessed value as of January 1, 2019
CTD <sup>#</sup>	City property taxes due in a given year based on that year's assessed value
TC	All applied City Property Tax Credits
RCRP <sup>#</sup>	$= 0.9[CTD^{\#} - CTD^B - \sum(TC)]$
RCRP <sup>E</sup>	$RCRP^1 + RCRP^2 + \dots RCRP^{19} + RCRP^{20}$
AG	Approved Grant Amount = lessor of EC and RCRP <sup>E</sup>

# - represents given year 1-20, with 1 being the first year of RCRP fund reimbursement

An example of this formula is included in Exhibit 4.

10. RCRP funds are not distributed in one lump sum. The total estimate is derived in order to support private financing needs of the property developer/owner. Funds are actually

committed based on the formula articulated above and distributed annually based on each year's assessment. If the original (RCRP<sup>E</sup>) committed funding amount has not been funded in the first 20 years due to lower than anticipated assessed values, the grant period may be extended by up to 5 years in order to achieve the total. At no point in time may the original RCRP<sup>E</sup> committed funding amount be exceeded.

11. To determine the RCRP<sup>E</sup> funding amount, a development schedule will show the completion date of phases, estimated value of construction and estimated subsequent assessed value. Deviation from the schedule, investment or phasing may result in lower assessments and thus a reduced cap for payments (at the sole discretion of the Mayor and City Council). The property developer/owner accepts all risk associated with assessments.
12. If RCRP funds are awarded for a specific construction project, the scope of that project may **NOT** be changed without first receiving written permission from the Director of the Department of Infrastructure & Development.
13. It is expressly understood and agreed that applicants shall be solely responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other applicable regulations.
14. It is expressly understood and agreed that applicants will not seek to hold the City of Salisbury, its agents, employees, officers and/or directors liable for any property damage, personal injury, or other loss related in any way to the RCRP.
15. Applicants shall be responsible for hiring and executing an agreement with a general contractor who is licensed to operate in the State of Maryland. Applicants shall ensure that said contractor provides insurance coverage for comprehensive public liability, property damage liability / builder's risk, and workers' compensation insurance.
16. Applicants must certify that there are no hazardous materials located on the property, that he/she will not cause or allow any hazardous materials to be placed on the property, and that the property is in compliance with all applicable Federal and State environmental laws and regulations.
17. Applicants shall maintain or cause to be maintained both property and commercial general liability coverage on the Project and the Property both during and after the construction / rehabilitation related to the RCRP.
18. If the project is located in the 100-year floodplain, as designated by FEMA and the United States Department of Housing and Urban Development (HUD), applicants shall be required to provide evidence of flood plain insurance coverage.
19. Following the completion of the rehabilitation work, applicants shall ensure that all necessary approvals for the commencement of the activities that will take place in the property have been obtained, including all applicable permits and licenses.



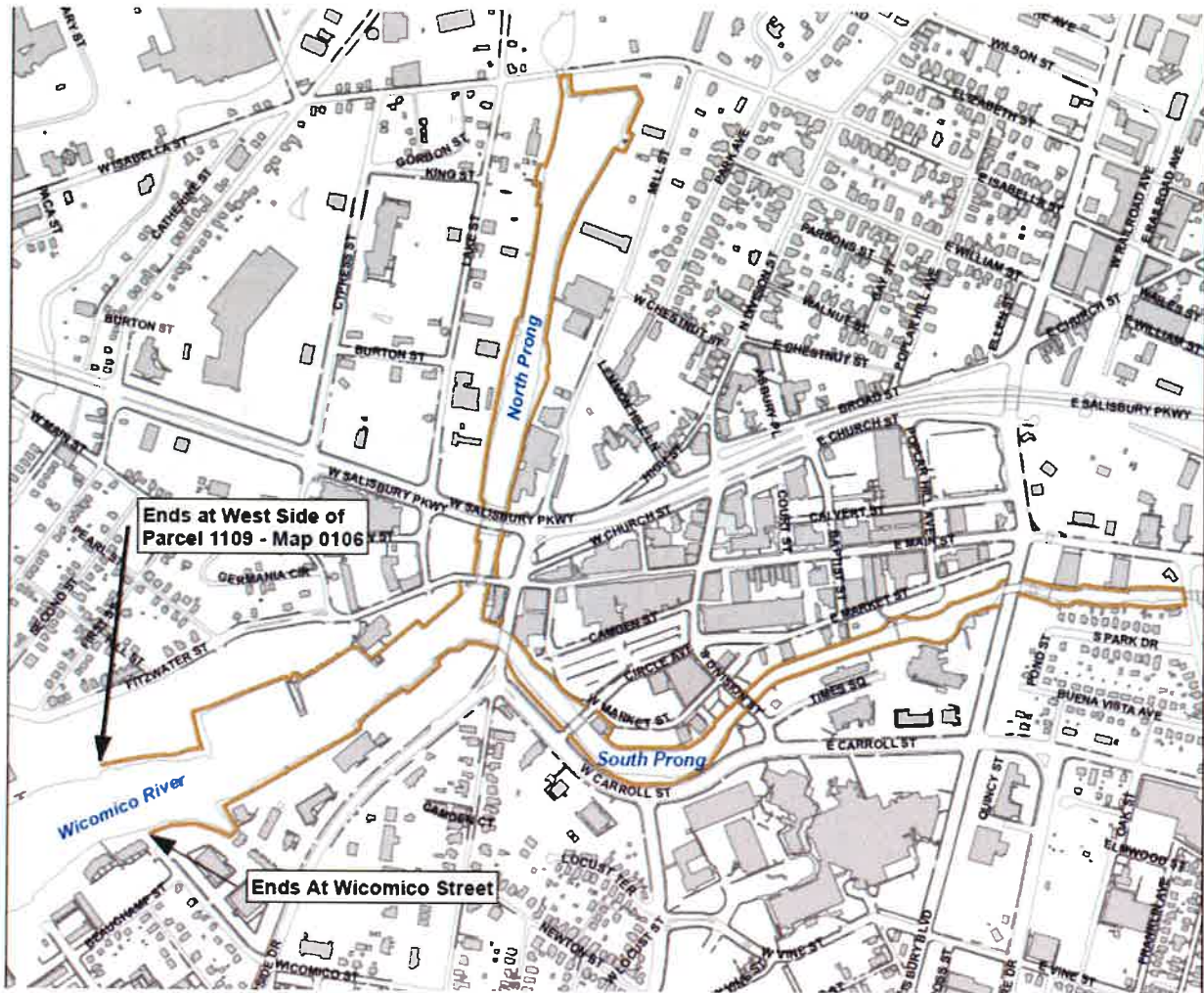
20. Applicants must agree to begin construction, having met all other requirements to receive a building permit, no later than 1 year after the date that the City Council formally adopts the Resolution consenting to the expenditure of the RCRP funds.
21. Applicants must agree to secure their Certificate of Occupancy, having met all other requirements to do so, no later than 2 years after the date that the building permit is issued.
22. Applicants agree to maintain the property and improvements and otherwise complying with the Municipal City Code of the City of Salisbury.
23. Applicants authorize the City of Salisbury to promote an approved RCRP project including, but not limited to displaying a sign at the site during and after construction, and using photographs and descriptions of the project in its materials and press releases.
24. The City of Salisbury shall have the right to refuse reimbursement to the owner / partner if the City believes the work is unsatisfactory or the construction project is not being completed according to the approved RCRP application.
25. The City of Salisbury will not reimburse applicants for more than the approved amount should the scope of work and/or costs increase due to unforeseen circumstances.
26. Applicants who have been awarded a RCRP grant in the past may apply for funds again for an additional eligible property, however applicants who have never been awarded RCRP funds before will be given preferential consideration.

### **Reimbursement Process**

- 1) Documentation for all eligible costs (paid invoices, cancelled checks, and any other requested documentation) must be submitted within 90 days following completion of construction.
- 2) Properties must be current on all City, County and State property and income taxes. All payments will be suspended unless and until the property's owners and tenants are current on all City, County and State property and income taxes.
- 3) **The total amount of the reimbursement will be limited to the original approved estimate.** Cost overruns on the project will not be reimbursed.
- 4) **All applicants must be aware that RCRP grant funds are awarded on a reimbursement basis only.** Grantees must have sufficient funds available to allow them to expend those funds on project expenses, provide the City with copies of paid invoices, cancelled checks, and any other requested documentation, and then wait to be reimbursed for those expenditures. This is a lengthy process, so applicants must be aware that this is a condition of the award.

**Exhibit 1**

**Proposed Extent of Riverwalk in Riverfront Redevelopment Districts and Central Business District**

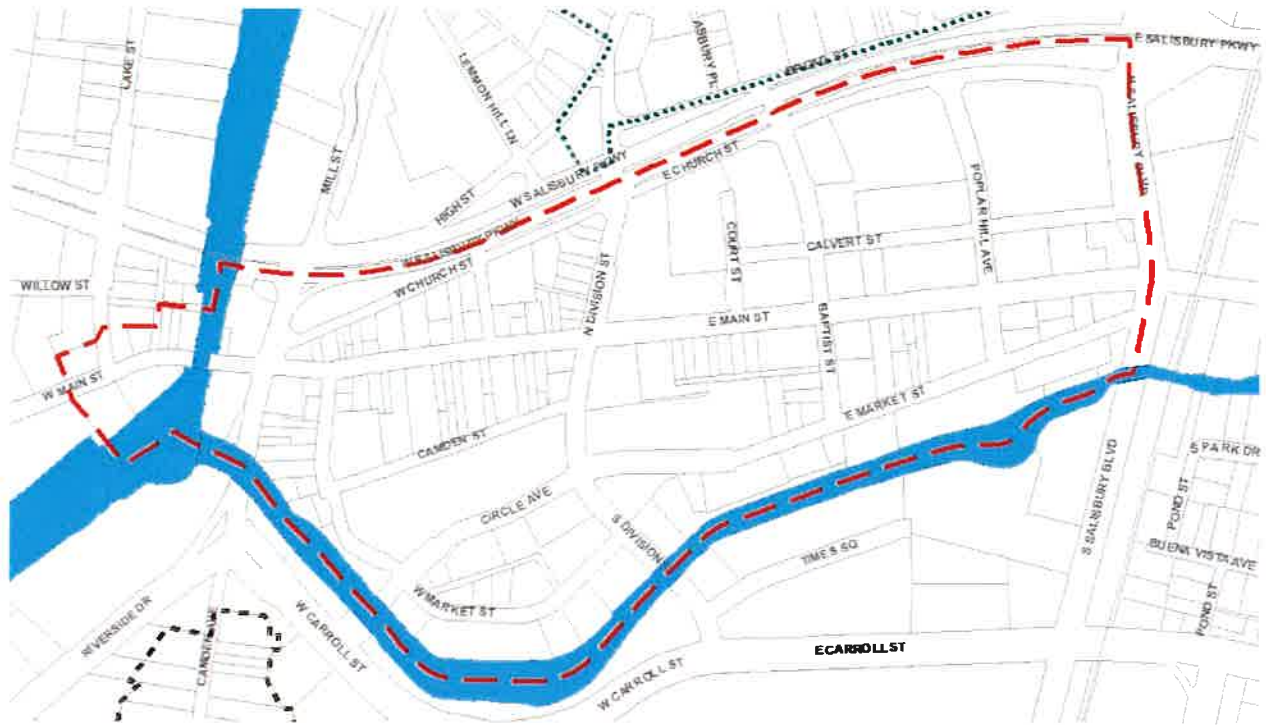


Brown line denotes the location of the proposed Riverwalk.





**Exhibit 3**  
Downtown Historic District



Salisbury's Downtown Historic District is denoted as the area within the red dashed-line boundaries.



**City of Salisbury**  
**Riverwalk Construction Reimbursement Program**  
**Application – 20\_\_\_\_\_**

General Information

Application Date: \_\_\_\_\_

Legal Name of Business:

\_\_\_\_\_

Address of Property:

\_\_\_\_\_

Legal Description of Property:

\_\_\_\_\_

Name of Business Owner:

\_\_\_\_\_

Home Address of Business Owner:

\_\_\_\_\_

Business Owner Telephone #: \_\_\_\_\_

Business Owner E-mail address: \_\_\_\_\_

Name of Property Owner:

\_\_\_\_\_

Home Address of Property Owner:

\_\_\_\_\_

Property Owner Telephone #: \_\_\_\_\_

Property Owner E-mail address: \_\_\_\_\_

Project Narrative

1) Brief history of the site / building:

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2) General description of the proposed project:

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3) Property ownership structure:

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4) Does this project conform to the City's adopted Downtown Master Plan and Urban Greenway Master Plan? How does this project meet the goals of the Downtown Master Plan?

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5) How does this project align with the RCRP priorities?

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6) Clear description of the eligible public benefits of the project.

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7) Clear description of expenditures / costs related to the requested reimbursement amount.

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8) Total Square Footage of the Building(s): \_\_\_\_\_

9) Use Mix: Type of Use / Percentages:

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10) Description of on- or off-site or associated additional projects, if applicable.

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11) Description of public or tenant accessible amenities, if applicable.

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12) Description of how the project demonstrates environmental stewardship.

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Check any other incentives / programs that have been applied for.

- Enterprise Zone
- Rise Zone
- Revolving Loan Program
- Community Legacy Grant
- SD/SGIF Grant
- Other City/County/State/Federal Grant
- Other Tax incentives
- Energy use incentives
- Other Public investment

I, the applicant, have read and understand the Riverwalk Construction Reimbursement Program (RCRP) guidelines, and I agree to abide by the general conditions as set forth in this application. I further understand that if I am awarded reimbursement grant funds I will be required to enter into a Program Agreement with the City of Salisbury.

Signature of Business Owner: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Property Owner (if different from Business Owner):

Signature of Property Owner: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_