

RESOLUTION NO. 3080

A RESOLUTION OF THE CITY OF SALISBURY SUPPORTING THE IMPLEMENTATION OF THE HORIZON PROGRAM TO ENCOURAGE HOTEL AND LARGE SCALE RESIDENTIAL DEVELOPMENT AND REVITALIZATION IN THE DOWNTOWN AREA OF SALISBURY.

WHEREAS, the City seeks to incentivize the construction and expansion of business interests in and near the Downtown area, specifically the Central Business Zoning District and Riverfront Redevelopment Zoning Districts as adopted in the via Resolution No. 2600 in the Envision Salisbury Master Plan in order to increase the amount of economic activity in those areas; and

WHEREAS, implementing the HORIZON (hotel or residential incentive zone) Program will support financially responsible businesses in their efforts to construct or expand hotel and multifamily residential development 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 has developed a proposed ordinance and HORIZON Program Application, submitted with this resolution and attached as Exhibits A and B, with specific requirements that shall be monitored, administered and modified by the Department of Infrastructure and Development in order to ensure that all information and submissions are correct and properly considered; and

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

WHEREAS, Upon the approval and adoption by the Maryland State General Assembly to permit this type of tax credit program, the City will support and pursue legislation to implement the HORIZON program.

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND supports the HORIZON program and the proposed application submitted with this resolution and attached as Exhibit A as the initial proposed application.

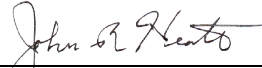
BE IT FURTHER RESOLVED THAT, copies of this Resolution be sent to the Maryland State General Assembly in support of legislation to enable the passage of an ordinance by the City to authorize the implementation of the HORIZON program.

The above resolution was introduced, read and duly passed at the regular meeting of the Council of the City of Salisbury held on the 23rd day of November, 2020, and is to become effective immediately.

ATTEST:

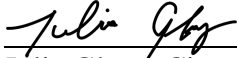


Diane K. Carter, Assistant City Clerk



John R. Heath, President
Salisbury City Council

Approved by me this 30 day of November, 2020



Julia Glanz, City Administrator, for and
at the direction of Jacob R. Day, Mayor



MEMORANDUM

To: City Council
From: Andy Kitzrow, Deputy City Administrator
Subject: HORIZON program (Local real property tax credit)
Date: November 23, 2020

Here is summary of the HORIZON program.

Program Goals

The primary goal of the program is to accelerate the construction or expansion of hotel or multifamily residential development in the Central Business Zoning District and Riverfront Redevelopment Zoning Districts (Exhibit 1) spurring economic activity in Downtown Salisbury. Also, 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 Central Business District and Riverfront Redevelopment Districts by funding large scale development projects that increase the assessed value of real property in Downtown by millions of dollars.

Tax Abatement Program Comparison

Specific Program requirements by the City of Salisbury	HORIZON	PILOT	TIF (District)	Enterprise Zone	RISE Zone
Eligible to be combined with other local, state, and federal incentive programs.	X	X	X	X	X
Applies to Target Areas: Central Business District & Riverfront Redevelopment Districts	X	X	X	X	
Includes tax abatement for the development of market rate residential property and/or hotels	X*	X*	X		
Abatement "schedule" is capable of being greater than 10 years – (A request of several local developers.)	X	X	X		
The program has <u>no</u> restrictions on use of <u>new</u> tax revenues collected from the development.	X	X		X	
All identified development projects** are eligible for the program (i.e. the program is universal).	X	X		X	
The "tax credit schedule" is uniform and all qualified projects must receive identical terms streamlining the approval process.	X			X	

**Requires state enabling legislation*

***The City has identified 6 development projects/sites - The Ross, Salisbury Town Center, SBY Market Center, Marina Landing, "500 Riverside", Downtown Lofts*

Program Eligibility Highlights

MEMORANDUM

- The project location is within one or more of the following Zoning Districts: Central Business District and/or Riverfront Redevelopment Districts and constitutes new development, rehab or revitalization of an existing building or property (Map attached)
- The project must serve primarily as a multifamily residential development or a hotel as defined in the City’s annotated code.
- Upon completion, the project will increase the assessed value of the real property base value by at least \$10,000,000.00.

Tax Credit Schedule Twenty (20) year term as follows:

Tax Billing Year	Real Property Tax Credit
Years 1 to 5	100%
Years 6 to 10	80%
Years 11 to 15	60%
Years 16 to 20	40%

Exhibit 1

