



# HORIZON Program (Hotel Or Residential Incentive Zone)

## Guidelines and Application

Department of Infrastructure & Development  
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## **HORIZON Program Guidelines and Application**

The HORIZON Program (the “**Program**”) is a real property tax credit program. 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**), and to increase economic activity in 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 Central Business District and Riverfront Redevelopment Districts by supporting large scale development projects that increase the assessed value of real property in Downtown Salisbury.

### **Eligibility for HORIZON Program Real Property Tax Credit**

A developer (each an “**Applicant**” and collectively the “**Applicants**”) may submit written documentation to the Director of the Department of Infrastructure & Development (“**DID**”) to establish eligibility for a project (a/the “**Project**”) if the Project meets all of the following criteria:

1. The Project must be located within one or more of the following Zoning Districts: Central Business District and/or Riverfront Redevelopment Districts, and must constitute new development, rehabilitation or revitalization of an existing building or property.
2. The Project must serve primarily as a multifamily residential development or a hotel as defined in the City’s Municipal Code.
3. Upon completion, the Project must increase the assessed value of the real property by at least \$10,000,000.00. If the master plan of the Project is “phased”, each phase must meet the eligibility requirements independently.
4. The Project must comply with all applicable Zoning and Building Codes.
5. The Project must be consistent with the Envision Salisbury Master Plan adopted via Resolution No. 2600, dated March 17, 2016, and the adopted Comprehensive Plan of the City of Salisbury.
6. The Project must comply with all requirements of the Salisbury Historic District Commission (**Exhibit 2**).
7. The Project must not have received a certificate of occupancy before July 1, 2021.

### **General Conditions**

1. Applicants must comply with all Program guidelines and conditions.
2. Applicants must comply with the “Envision Salisbury Master Plan” proposal for the area in which the Project is located.
3. Applicants must be the owner of the Project to apply for the Program.

4. Properties and owners must be current on all City, County, State, and Federal property and income taxes and remain current throughout the tax credit term. Failure to comply will result in suspension of the tax credit during any period of non-compliance and, at the discretion of the City Council, may result in termination of the HORIZON Program Agreement (the “**HORIZON Agreement**”) and the forfeiture of tax credits for the remainder of the HORIZON Program Tax Credit Schedule (the “**Tax Credit Schedule**”). Reimbursement of tax credits received during any period of non-compliance will be required and, to the fullest extent permitted by law, shall be a lien on the property for which the HORIZON Program Tax Credit (the “**Tax Credit**”) was requested.
5. Building permits for a Project must be received within the schedule defined in the HORIZON Agreement.
6. All construction work for a Project must comply with applicable laws, ordinances, building codes and zoning ordinances.
7. The HORIZON Program Application (the “**Application**”) must include drawings of the proposed Project made to the specifications required by the Director of DID which demonstrate what the Project will look like when completed and show it will be in full compliance with the requirements of the Program. Upon completion of the Project, the Applicant will obtain an appraisal of the real property from a qualified professional appraiser approved by the City of Salisbury.
8. The Applicant shall not deviate from the Project described in the Application or change the intended use of the property (e.g. change the Project from development of residential units to development of retail space); doing so without the prior approval of the Director of DID and the Council will disqualify the Project for the Tax Credit.
9. It is expressly agreed that Applicants shall be solely responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other regulations applicable to any Project for which the Tax Credit is sought under the Program.
10. It is expressly understood and agreed by each Applicant, that Applicants waive and release the City of Salisbury, its agents, employees, officers and/or directors from any and all liability for or arising from any property damage, personal injury, or other loss related in any way to the Project, the development and/or construction thereof, the Program or any Tax Credit(s) granted to an Applicant thereunder.
11. Each Applicant shall be responsible for hiring and executing an agreement with a general contractor, licensed to operate in the State of Maryland, for the construction of the Project. Each Applicant shall ensure that, in connection with the construction of the Project, its general contractor provides insurance coverage for comprehensive public liability, property damage liability, builder’s risk, and workers’ compensation.
12. Each Applicant must certify that: there are no hazardous materials located on the property at which the Project is constructed; the Applicant will not cause or allow any hazardous materials to be placed on the property at which the Project is constructed; and, the property

at which the Project is constructed is in compliance with all applicable Federal, State, and local environmental laws and regulations.

13. Applicants shall maintain or cause to be maintained both property and commercial general liability coverage for the Project and the property at which the Project is constructed, both during and after the construction/rehabilitation related to the Program.
14. If a Project is located in the 100-year floodplain, as designated by Federal Emergency Management Agency (FEMA), the Applicant shall be required to provide evidence of flood insurance coverage.
15. Following the completion of the Project, the Applicant shall ensure that all necessary approvals for the commencement of the activities that will take place on the property, including all applicable permits and licenses, have been obtained.
16. Having met all other requirements to receive a building permit, the Applicant shall commence construction of the Project no later than one (1) year after the date that the City Council formally adopts the Resolution approving the Application for the Project or pursuant the schedule as set forth in the HORIZON Agreement.
17. An Applicant must secure the certificate of occupancy for the Project no later than two (2) years after the date the building permit is issued for construction of the Project or pursuant to the schedule as defined in the HORIZON Agreement.
18. An Applicant shall maintain the property and all improvements of the Project, and otherwise comply with the Municipal Code of the City of Salisbury.
19. An Applicant shall authorize the City of Salisbury to promote any Project approved for the Program. Such promotion by the City of Salisbury may include, but is not limited to displaying a sign at the Project site during and after construction, and using photographs and descriptions of the Project in City of Salisbury materials and press releases.
20. The City of Salisbury shall have the right to refuse and/or rescind the Tax Credits granted for the Project if the City believes the work is unsatisfactory, the construction of the Project is not being completed according to the approved Application or the executed HORIZON Agreement, or the increased assessed value of the real property following completion of Project construction does not meet the eligibility requirements.
21. If the property at which a Project approved for the Program is constructed (or planned for construction) changes ownership and becomes tax exempt during the term of the program, then 50% of the Tax Credits received prior to such change of ownership shall be reimbursed to the City of Salisbury within thirty (30) days from the date of settlement on the change of ownership. Reimbursement of Tax Credits received will be required, and, to the fullest extent permitted by law, shall be a lien on the property for which the Tax Credit was requested.

## **Tax Credit Schedule**

1. The Tax Credits will be calculated on the increased assessed value of the real property after completion of the Project. The full amount of taxes shall be collected on the assessed value of the property prior to beginning the Project (including demolition of pre-existing improvements), or the assessed value of the real property without improvements, whichever will result in the higher tax to be paid. Taxes shall also be collected on the increased assessed value, described above, minus any applicable credit throughout the duration of the twenty (20) year term.
2. The Tax Credit may be combined with other local, state, and federal incentive programs. The Tax Credit will not supersede state or federal incentive programs and will be applied after those incentive programs have been applied to the real property tax bill.
3. Once a certificate of occupancy for the Project has been issued and the real property, at which the Project is constructed, has been appraised and its increased assessed value established, the Tax Credit will take effect during the next fiscal year tax billing cycle.
4. Tax Credit in each year will be that percentage set forth in the table below of the excess taxes due over and above the assessed value of the subject real property prior to commencing construction of the Project (including demolition of pre-existing improvements), or the assessed value of the real property without improvements, whichever will result in the higher tax to be paid. The Tax Credit schedule is as follows:

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

## **Tax Credit Process**

- 1) Tax credits will be applied to City of Salisbury the annual real property tax bills issued for the property at which the Project is located. Remaining balances will be due as scheduled.
- 2) Properties must be current on all City, County, State, and Federal property and income taxes. All Tax Credits 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) Once initiated, the Tax Credit will run, in accordance with schedule set forth above, for the entire term of twenty (20) years unless the owner of the property becomes delinquent in paying the aforementioned taxes or fails to meet the eligibility requirements or general conditions of the Program.

## **Requirements for Application for HORIZON Tax Credit**

1. Interested Applicants must meet with DID staff to review the Program and specifications for the Applicant's Project.
2. Applications are due **(i)** after preliminary site plan approval for the Project by DID and **(ii)** prior to issuance of grading/site permits for the Project.
3. One copy of the completed Application shall be submitted in paper form to DID and an electronic copy shall also be emailed to [infdev@salisbury.md](mailto:infdev@salisbury.md).
4. Portions of an Applicant's Application may be kept confidential by completing a Nondisclosure Agreement upon request and providing specific reasons for the request. Notwithstanding any term to the contrary set forth herein, Applicants expressly acknowledge and agree that any Maryland public information act requests may result in information marked "confidential" by the Applicant being disclosed by the City unless such information is prohibited from disclosure (or is permitted for non-disclosure) under Maryland's Public Information Act.
5. **IMPORTANT NOTE:** Applications for the Program must be received, reviewed and confirmed as complete by DID **PRIOR** to the issuance of a certificate of occupancy for the Project.
6. The Director of DID will issue an official Notice of Pre-Approval in the form of a Letter of Intent to be signed by the Applicant. Included with the Letter of Intent will be a preliminary summary of the Tax Credit for the Project and a proposed draft HORIZON Agreement for the Project. Applicants must agree to the negotiated terms within thirty (30) days of receipt of these documents.
7. Once the Letter of Intent has been signed, the Application, and recommendation will be forwarded to the Mayor for the Mayor's pre-approval.
8. Once the Mayor has pre-approved the Project for Program Tax Credit, a Resolution supporting the Tax Credit and proposed HORIZON Agreement for the Project will be presented at a City Council Work Session and subsequently (if approved) the Resolution will be sent to a City Council Legislative Session for City Council approval.
9. DID staff will finalize the HORIZON Agreement for Project, which must be executed by the Applicant within fifteen (15) days of the Applicant's receipt thereof. A HORIZON Agreement shall be valid for one (1) calendar year from the date the HORIZON Agreement is fully executed by the Applicant and the City of Salisbury. If construction of the Project is delayed or the schedule set forth in the HORIZON Agreement is not met, then the Applicants may request a one (1) year extension, and approval of such request shall be considered by the Mayor.
10. Applicants shall agree to adhere to the development schedules included in their Application, in the HORIZON Agreement, and (if applicable) any Land Disposition Agreements/Contracts approved by the City.

**Exhibit 1**  
**City of Salisbury Zoning Map**

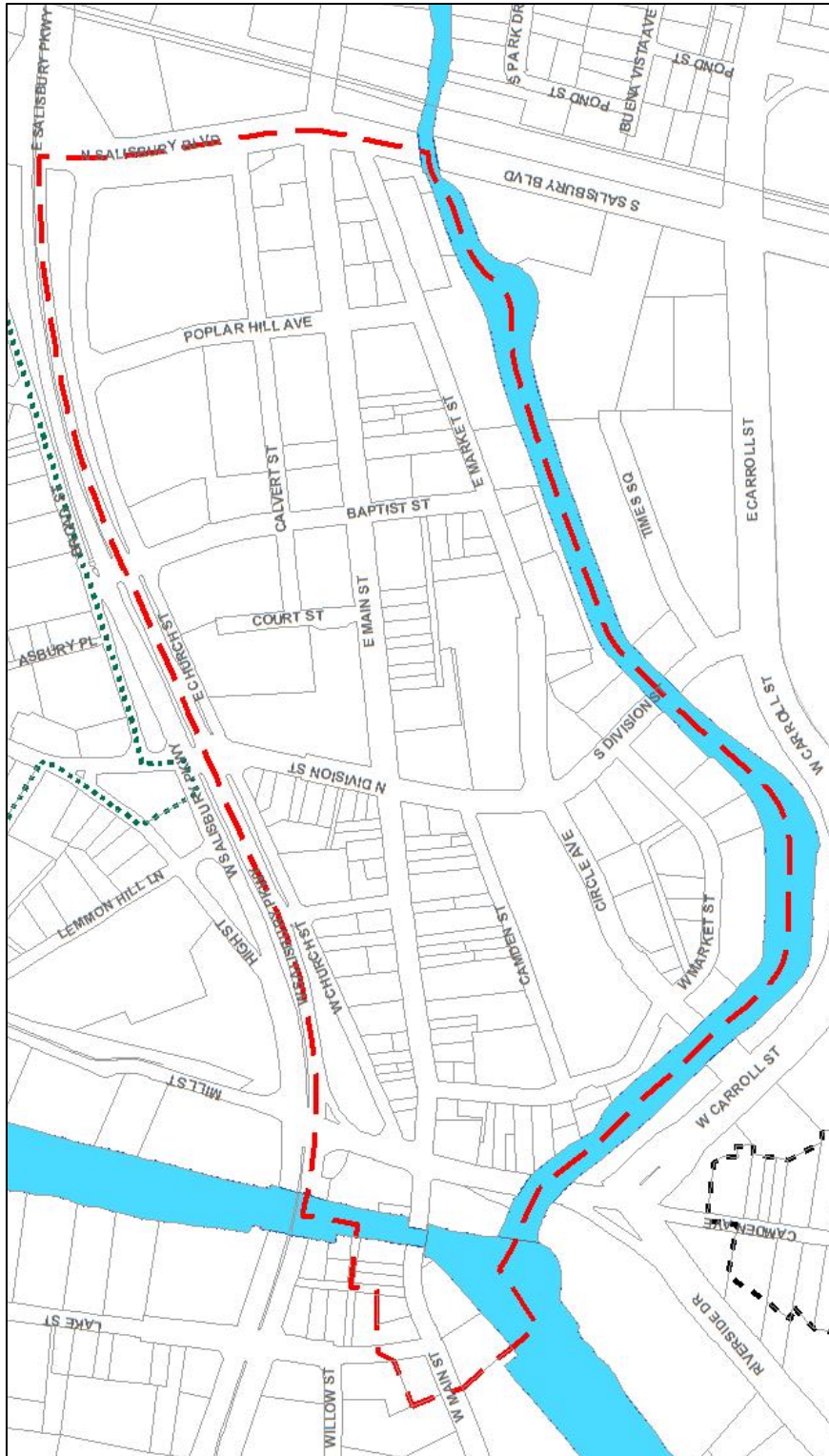
The legend includes the Central Business District and the Riverfront Redevelopment Districts.



## **Exhibit 2**

### Downtown Historic District

Salisbury's Downtown Historic District is denoted as the area within the red dashed-line boundaries. A complete copy of the City of Salisbury Historic District Guidelines are available online at <https://salisbury.md/boards-and-commissions/historic-district-commission> or by request.





**City of Salisbury**  
**HORIZON Program Application**

**General Information**

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

Legal Name of Business:

\_\_\_\_\_

Address of Property:

\_\_\_\_\_

Legal Description of Property:

\_\_\_\_\_

Name of Business Owner:

\_\_\_\_\_

Address of Business Owner:

\_\_\_\_\_

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

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

Name of Property Owner:

\_\_\_\_\_

Address of Property Owner:

\_\_\_\_\_

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

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

**Property Assessment Overview**

Current Assessed Value of the Real Property \$ \_\_\_\_\_

Current City of Salisbury Real Property Taxes \$ \_\_\_\_\_

Completed Project Appraised (Assessed) Value of the Property \$ \_\_\_\_\_

**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) How does this project align with the HORIZON program goals?

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

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5) Use Mix: Type of Use / Percentages:

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6) Property ownership structure:

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7) Do you intend to “Phase” the project? If so, please provide phasing details.

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

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

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

- Enterprise Zone
- Rise Zone
- Comprehensive Connection Charge Waivers
- 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 HORIZON Program guidelines, and I agree to abide by the general conditions as set forth in this application. I further understand that if I am awarded the real property tax credit, I will be required to enter into a HORIZON 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: \_\_\_\_\_