

RESOLUTION NO. 2831

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND  
AUTHORIZING AN APPLICATION TO THE MARYLAND DEPARTMENT  
OF COMMERCE FOR THE DESIGNATION OF A REGIONAL  
INSTITUTION STRATEGIC ENTERPRISE ZONE

WHEREAS, the City Council is interested in promoting the re-development and economic growth of the Route 13 corridor from Salisbury University to Downtown Salisbury; and

WHEREAS, the Maryland Department of Commerce can assist the City in this endeavor by allowing Salisbury to designate a Regional Institution Strategic Enterprise Zone, thereby providing a real property tax credit for qualified property located within the boundaries of the Zone as shown on the attached map; and

WHEREAS, the Maryland General Assembly has established a Regional Institution Strategic Enterprise Zone ("RISE Zone") Program to (i) access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located and (ii) provide certain benefits to eligible projects developed in those areas; and

WHEREAS, Tax-Property Article, § 9-103.1, of the Annotated Code of Maryland, mandates that local governments grant a real property tax credit to qualified properties within a RISE Zone and that, if a qualified property is also within a "focus area" designated under Economic Development Article § 5-706, of the Annotated Code of Maryland, the tax credit must be equal to 80% of the amount of property tax imposed on the eligible assessment of the qualified property for each of the 5 taxable years following the calendar year in which the property initially qualifies; and

WHEREAS, applications for designation of a RISE Zone must be submitted jointly by a qualified institution and a county or municipal corporation; and

WHEREAS, Salisbury University submitted and received its Qualified Institution designation in April 2017; and

WHEREAS, the City of Salisbury desires to join with Salisbury University to execute and submit an application to the State of Maryland Department of Commerce for the area specified on the attached map (Exhibit A) to be designated as a RISE Zone.

NOW, THEREFORE, BE IT RESOLVED, that the City of Salisbury:

(1) approves the designation of Salisbury University as a "qualified institution" under the Regional Institution Strategic Enterprise Zone ("RISE Zone") Program; and

(2) approves the submission of an application to designate the attached map area as a RISE Zone, and authorizes and directs the appropriate City officials to join with Salisbury University in executing and submitting the application to the Maryland Department of Commerce; and


(3) acknowledges and approves that, on designation of the RISE Zone, properties located in the designated area as shown on the attached map area will be entitled to a local property tax credit in the amount and for the tax years mandated by Tax-Property Article, § 9-103.1; and


(4) acknowledges and approves that, on designation of the RISE Zone, properties located in the designated area as shown on the attached map area may be entitled to a State income tax credit under § 10-702 of the Tax – General Article; and

(5) acknowledges and approves that, on designation of the RISE Zone, properties located in the designated area as shown on the attached map area will be entitled to priority consideration for financial assistance from programs in Subtitle 1 of this title.

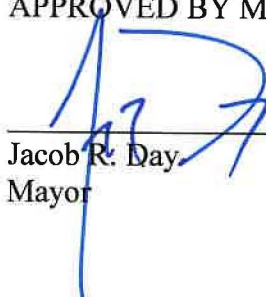
THE ABOVE RESOLUTION, was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on the 9<sup>th</sup> day of April, 2018 and is to become effective immediately.

ATTEST:

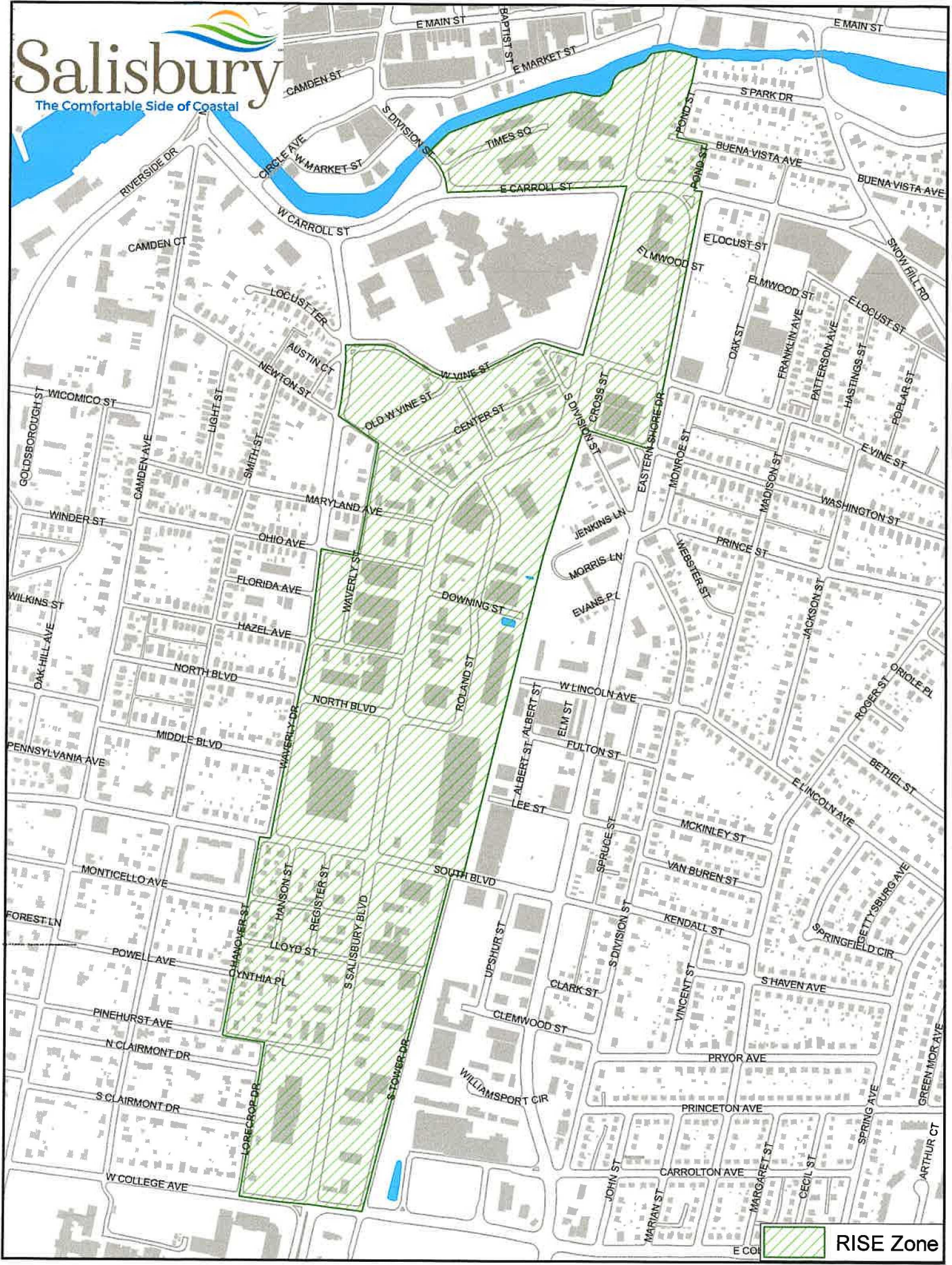
  
Kimberly R. Nichols,  
City Clerk

  
Jack R. Heath,  
Council President

APPROVED BY ME this 11<sup>th</sup> day of APRIL, 2018

  
Jacob R. Day  
Mayor





 RISE Zone





## MEMORANDUM

**To:** Julia Glanz, City Administrator  
**From:** Laura Soper, Director of Business Development  
**Subject:** RISE Zone  
**Date:** March 5, 2018

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In partnership with Salisbury University, the Mayor is interested in pursuing a RISE Zone designation for the corridor stretching from the University to Downtown Salisbury. The aim of the RISE Zone program is to spur economic development and community revitalization in the specified area. It requires partnership with an institution of higher learning, an application to the Maryland Department of Commerce for said institution to become a "Qualified Institution" and finally, an application for the RISE Zone to be designated. Salisbury University submitted and received their Qualified Institution designation in April 2017.

To the extent provided, a business entity that locates in a RISE Zone is entitled to

1. The Property Tax Credit under § 9-103.1 of the Tax – Property Article;
2. The income tax credit under § 10-702 of the Tax – General Article; and
3. Priority consideration for financial assistance from programs in Subtitle 1 of this title

The Property Credit is a 5 year credit proposed as 80% in the first taxable year following the calendar year in which the property initially becomes a qualified property and 80% in the second through fifth taxable years. This credit is allocated by the Department on the nonresidential part of the qualified property.

For purposes of the income tax, the business entity is treated as being located in an Enterprise Zone and can apply to receive the same income tax as provided by that designation.

While the RISE Zone has these tax credits, it also creates the ability to grant a TIF (tax-increment financing) to developers making capital improvements in the proposed Zone. Unlike other TIF Zones, the proceeds can be used to fund public infrastructure, as well as Tenant Improvements.

The proposed RISE Zone that Salisbury University applied for encompasses nearly 129.9 acres between Downtown Salisbury and the Northern border of Salisbury University

Once the application is submitted, the Department of Commerce has 90 days to review it and either accept or reject it. The RISE Zone designation is effective for 5 years.