

ORDINANCE
OF THE MAYOR AND COUNCIL OF THE CITY OF COLLEGE PARK, AMENDING
CHAPTER 175 “TAXATION”, ARTICLE IV, “REVITALIZATION TAX CREDIT”,
SECTIONS §175-7, “REVITALIZATION TAX DISTRICTS ESTABLISHED; §175-10
“ELIGIBILITY CRITERIA”; §175-11 “TAX CREDIT – AMOUNT AND TERM”; §175-12
“APPLICATION PROCESS”; AND §175-13 “WAIVER”, TO ESTABLISH AN
ADDITIONAL REVITALIZATION TAX CREDIT, SET THE CRITERIA FOR THE
TAX CREDIT, PROHIBIT A WAIVER OF ELIGIBILITY REQUIREMENTS FOR THE
TAX CREDIT, CORRECT AN ERROR, AND MAKE CONFORMING CHANGES.

WHEREAS, the State of Maryland, pursuant to 9-318(g) of the Tax-Property Article, Annotated Code of Maryland, has authorized the establishment of revitalization districts by resolution for the purpose of encouraging redevelopment and the granting of a property tax credit against the City’s real property tax for a property located within the revitalization district that is constructed or substantially redeveloped in conformance with adopted eligibility criteria and reassessed as a result of the construction or redevelopment at a higher value than that assessed prior to the construction or redevelopment; and

WHEREAS, the Mayor and Council determined that it is in the public interest to provide for the establishment of revitalization tax districts and to set the criteria for designation of such districts, and adopted Article IV, Revitalization Tax Credit, of Chapter 175, “Taxation” for this purpose; and

WHEREAS, the Mayor and City Council have determined that it is in the public interest to amend certain provisions of the Revitalization Tax Credit Article to allow for greater flexibility with respect to the duration and amount of the tax credit in certain circumstances.

Section 1. NOW THEREFORE, BE IT ORDAINED AND ENACTED, by the Mayor and Council of the City of College Park, Maryland that Chapter 175 “Taxation”, Article IV

CAPS
[Brackets]
Asterisks * * *

: Indicate matter added to existing law.

: Indicate matter deleted from law.

: Indicate matter remaining unchanged in existing law but not set forth in Ordinance

“Revitalization Tax Credit” §175-7, “Revitalization tax districts established” be and it is hereby repealed, re-enacted and amended to read as follows:

§ 175-7 Revitalization tax districts established.

The following districts are established:

A. District One: to include the areas encompassed by the US 1 Corridor Development District Overlay Zone and the College Park-Riverdale Transit District OverlAy Zone.

B. * * * *

Section 2. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 “Taxation”, Article IV “Revitalization Tax Credit” §175-8, “Authority to grant tax credit for real property located in a revitalization tax credit district” be and it is hereby repealed, re-enacted and amended to read as follows:

§ 175-8 Authority to grant tax credit for real property located in revitalization tax credit district.

A LEVEL ONE OR LEVEL TWO property tax credit may be granted by resolution against the City's property tax imposed on real property located within a revitalization district that is constructed or substantially redeveloped in conformance with the eligibility criteria established in this article and reassessed as a result of the construction or redevelopment at a higher value than that assessed prior to the construction or redevelopment.

Section 3. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 “Taxation”, Article IV “Revitalization Tax Credit” §175-10, “Eligibility criteria” be and it is hereby repealed, re-enacted and amended to read as follows:

§175-10 Eligibility criteria

When evaluating whether a project will receive EITHER a LEVEL ONE tax credit OR A LEVEL TWO TAX CREDIT under this article, the City Council will use the following criteria.

A. LEVEL ONE TAX CREDIT: For projects located within the boundaries of Tax Credit District One, at least four of the criteria must be met, and for projects located within the boundaries of Tax Credit District Two at least two of the criteria must be met:

~~[A.]~~(1) The majority of the land area of the property upon which the project is located is within a one-half-mile radius of an existing or under-construction rail station for the Washington Metropolitan Area Transit Authority, Maryland Area Regional Commuter, Maryland Transit Administration, or similar agency.

~~[B.]~~ (2)The project involves the assemblage of lots or parcels owned by different parties.

~~[C.]~~ (3)The project involves the significant investment of funds in the buyout of leases, such as long-term leases, to facilitate redevelopment.

~~[D.]~~ (4)The project will complete, or commit funds for, substantial infrastructure improvements such as a new or relocated traffic signal, a public street, a public park, a public parking garage, undergrounding of utilities, or support for a bikeshare system.

~~[E.]~~(5)The project exceeds the required Prince George's County minimum green building guidelines as established by the United States Green Building Council's LEED Certification for the project's appropriate rating system and in any event meets the minimum standards for a LEED Silver certification. A LEED scorecard must be submitted with the detailed site plan application and evidence of certification must be submitted at the time of final application for the tax credit.

~~[F.]~~(6)The majority of the land area of the property on which the project is located is within one of the walkable development nodes designated in the approved Central US 1 Corridor Sector Plan.

~~[G.]~~(7)The project involves the demolition of an existing nonhistoric structure, which has been vacant at least one year, or the demolition of a hotel or motel with direct exterior room access.

~~[H.]~~(8)The project is a Brownfield development, which means real property where expansion or redevelopment is complicated by the presence or potential presence of environmental contamination, and requires an environmental cleanup prior to redevelopment.

~~[I.]~~(9)The project has secured at least one locally owned, nonfranchise business totaling at least 1,000 square feet of space as evidenced by executed lease agreements of at least five years' duration at the time of final application for the tax credit.

~~[J.]~~ (10)The project provides at least 1,000 square feet of space for a business incubator, community center, art gallery, or similar public-benefit use.

B. LEVEL TWO TAX CREDIT: TO BE ELIGIBLE FOR A LEVEL TWO TAX CREDIT, A PROJECT LOCATED WITHIN THE BOUNDARIES OF TAX CREDIT DISTRICT ONE OR TAX CREDIT DISTRICT TWO MUST:

- (1) MEET THE ELIGIBILITY REQUIREMENTS FOR A LEVEL ONE TAX CREDIT;
AND
- (2) HAVE BEEN GRANTED A PILOT AGREEMENT WITH PRINCE GEORGE'S
COUNTY PURSUANT TO §7-516 OF THE TAX-PROPERTY ARTICLE,
ANNOTATED CODE OF MARYLAND, AS AMENDED.

Section 4. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 "Taxation", Article IV "Revitalization Tax Credit" §175-11, "Tax credit - amount and term" be and it is hereby repealed, re-enacted and amended to read as follows:

§175-11 Tax Credit: amount and term

- A. LEVEL ONE TAX CREDIT. An eligible property may receive a five-year tax credit on City real property taxes based on the increased assessment attributed to the taxable improvements upon project completion as determined by the Supervisor of Assessments. The tax credit shall be in an amount equal to 75% of the increased assessment of City tax imposed in the first year; 60% in the second year; 45% in the third year; 30% in the fourth year; and 15% in the fifth year.
- B. LEVEL TWO TAX CREDIT. AN ELIGIBLE PROPERTY MAY RECEIVE AN UP TO 60% TAX CREDIT ON CITY REAL PROPERTY TAXES BASED ON THE INCREASED ASSESSMENT ATTRIBUTED TO THE TAXABLE IMPROVEMENTS UPON PROJECT COMPLETION AS DETERMINED BY THE SUPERVISOR OF ASSESSMENTS, FOR UP TO FIFTEEN YEARS.
- C. [~~Provided however, that if such~~] IF a tax credit APPROVED UNDER THIS ARTICLE is not financially feasible based on city budget constraints, the council may reduce or eliminate the amount and/or duration, and/or alter the sequence, of the tax credit. The

tax credit is transferable to subsequent property owners within the term of the original agreement.

Section 5. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 “Taxation”, Article IV “Revitalization Tax Credit”, §175-12, “Application process” be and it is hereby repealed, re-enacted and amended to read as follows:

§ 175-12_Application process.

The application process FOR A LEVEL ONE OR LEVEL TWO TAX CREDIT is as follows:

A. – D. * * * *

Section 6. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park Maryland that Chapter 175 “Taxation”, Article IV “Revitalization Tax Credit” §175-13, “Waiver” be and it is hereby repealed, re-enacted and amended to read as follows:

§175-13 WAIVER

A. If it finds that the purposes of this article will be equally well served by doing so, the Council may waive the requirement in § 175-12 that an application must be filed no later than the date of acceptance for a detailed site plan, if applicable, or a building permit application, and consider whether to grant a tax credit under the following circumstances for projects for which no appeal was filed by the City:

- (1) When the application is filed prior to the approval of the detailed site plan or issuance of the building permit; or

(2) If a detailed site plan has been approved, but construction has not occurred, for the purpose of encouraging the construction; or

(3) For an application that is timely filed, when the minimum requirements of § 175-10 FOR A LEVEL ONE TAX CREDIT are not met. LEVEL TWO TAX CREDIT ELIGIBILITY CRITERIA MAY NOT BE WAIVED.

B. – C. * * * *

Section 7. BE IT FURTHER ORDAINED AND ENACTED by the Mayor and Council of the City of College Park that, upon formal introduction of this proposed Ordinance, which shall be by way of a motion duly seconded and without any further vote, the City Clerk shall distribute a copy to each Council member and shall maintain a reasonable number of copies in the office of the City Clerk and shall post at City Hall, to the official City website, to the City-maintained e-mail LISTSERV, and on the City cable channel, and if time permits, in any City newsletter, the proposed ordinance or a fair summary thereof together with a notice setting out the time and place for a public hearing thereon and for its consideration by the Council.

The public hearing, hereby set for 7:30 P.M. on the 25th day of September, 2018, shall follow the publication by at least seven (7) days, may be held separately or in connection with a regular or special Council meeting and may be adjourned from time to time. All persons interested shall have an opportunity to be heard.

After the hearing, the Council may adopt the proposed ordinance with or without amendments or reject it. This Ordinance shall become effective on _____, 2018 provided that, as soon as practicable after adoption, the City Clerk shall post a fair summary of the Ordinance and notice of its adoption at City Hall, to the official City website, to the City-maintained e-mail LISTSERV, on the City cable channel, and in any City newsletter.

INTRODUCED by the Mayor and Council of the City of College Park, Maryland at a regular meeting on the 11th day of September 2018.

ADOPTED by the Mayor and Council of the City of College Park, Maryland at a regular meeting on the _____ day of _____ 2018.

EFFECTIVE the _____ day of _____, 2018.

ATTEST:

CITY OF COLLEGE PARK

By: _____
Janeen S. Miller, CMC, City Clerk

By: _____
Patrick L. Wojahn, Mayor

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Suellen M. Ferguson, City Attorney