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## REVITALIZATION TAX CREDIT PROGRAM GUIDELINES

*June 2018*

### PROGRAM OVERVIEW

#### *Program Description*

As part of the City of College Park's effort to attract high-quality redevelopment, the Revitalization Tax Credit Program provides financial incentives by creating revitalization districts in the City and setting criteria for granting property tax credits against the municipal corporation property tax imposed on city real property.

Qualifying projects are eligible to receive a 5-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.

The program is administered by the City of College Park and requires a City Council resolution to authorize the award.

#### *Program Area*

The Revitalization Tax Credit Program establishes two revitalization districts, which encompass all of the City's commercial, mixed-use, and industrial districts. To be considered for a tax credit, projects must be located within one of the following revitalization districts (see Attachment 1 for maps):

1. Tax Credit District 1, which includes properties within the following commercial and mixed-use districts:
  - Central US 1 Corridor Development District Overlay Zone (Route 1 properties only)
  - College Park-Riverdale Transit District Overlay Zone (College Park portion only)
2. Tax Credit District 2, which includes all properties within the following commercial and industrial districts:
  - Central US 1 Corridor Development District Overlay Zone (Hollywood Commercial District only)

- Berwyn Commercial and Industrial Districts
- Branchville Industrial District
- Greenbelt Road-University Boulevard Commercial Corridor

## **ELIGIBILITY**

To be eligible to apply for or to continue in the program:

1. Projects must be located within one of the above revitalization districts.
2. Eligible improvements include new construction, reconstruction, or rehabilitation of residential, commercial, hospitality, or mixed-use properties excluding single family detached housing, multi-family housing intended to house undergraduate students, and direct, exterior room access hotels and motels.
3. The applicant must be in good standing with the City. In order to be in good standing, applicants may not have any outstanding code violations or be delinquent on any payments including, but not limited to, trash bills, permit fees, and city tax payments.
4. Projects are ineligible for this program if they are located within a tax increment financing district at the time of application or in a Regional Institution Strategic Enterprise (“RISE”) Zone on a property receiving or applying for tax credits under that designation.
5. Eligibility is contingent upon City Council approval of the project’s detailed site plan, if applicable, or building permit if no detailed site plan is required. In the event the City Council approves the detailed site plan with conditions or any agreement between the applicant and the City, all recommended conditions or terms of agreement must be complied with before any tax credit will take effect.
6. Projects that are under construction, completed, or have an approved detailed site plan or building permit prior to the adoption of this program are not eligible for the tax credit.

## **ELIGIBILITY CRITERIA**

When evaluating whether a project will receive a tax credit under this program, the City Council will use the following criteria. For projects located within the boundaries of Tax Credit District 1 at least 4 of the criteria must be met and for projects located within the boundaries of Tax Credit District 2 at least 2 of the criteria must be met.

1. The majority of the land area of the project is located within a ½-mile radius of an existing or under construction rail station for Washington Metropolitan Area Transit Authority, Maryland Area Regional Commuter, Maryland Transit Administration, or similar agency.
2. The project involves the assemblage of lots or parcels owned by different parties.

3. The project involves the significant investment of funds in the buyout of leases, such as long term leases, to facilitate redevelopment.
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.
5. The project exceeds the required Prince George's County minimum green building guidelines as established by the US 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.
6. The majority of the land area of the project is located within one of the walkable development nodes designated in the approved Central US 1 Corridor Sector Plan.
7. The project involves the demolition of an existing non-historic structure, which has been vacant at least one year, or the demolition of a hotel or motel with direct, exterior room access.
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.
9. The project has secured at least one locally-owned, non-franchise 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.
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.

### **TAX CREDIT AMOUNT AND TERM**

An eligible property may receive a 5-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. The tax credit is transferable to subsequent property owners within the term of the original agreement.

### **APPLICATION PROCESS**

#### **1. *Submit Preliminary Application***

An application for a city tax credit shall be submitted to the City's Planning, Community, and Economic Development Department no later than the date of acceptance for a detailed site plan by the Maryland-National Capital Park and Planning Commission (M-NCPPC), if applicable, or the submission of a building permit application to Prince George's County if no detailed site plan is required. The application shall specify which evaluation criteria are being addressed by the applicant, the estimated value of the completed improvements, and any additional information requested by the city. All

plans associated with the detailed site plan or building permit shall be submitted with the application.

2. *City Staff Review*

Upon receipt and acceptance of a completed application, the City's Planning, Community, and Economic Development Department will refer a copy of the application to the City's Finance Department. City staff will provide an eligibility report to the City Council for a tax credit subsequent to the detailed site plan review by the City Council. For projects that do not require a detailed site plan, staff will review building permit plans and schedule the application for review by the City Council at a City Council worksession.

3. *City Council Resolution*

A City Council resolution must be approved to authorize the award of a tax credit. The approval will be contingent on all required terms of the revitalization tax credit program being met at the time of final application. If the Prince George's County Planning Board, the District Council, or any other government agency with authority changes the City approved conditions for the detailed site plan after the resolution has been adopted, staff will review the changes and provide a supplemental report for the tax credit authorization that the City Council will rely upon with respect to determining whether it should re-consider the authorization.

4. *Final Application Approval*

Prior to final approval of the application for a City tax credit, documentation must be submitted to the City's Director of Finance including a legal description of the property, proof of a properly issued use and occupancy permit applicable to eligible improvements, evidence of compliance with any City agreement or required certifications, copies of all leases to locally-owned, non-franchise businesses used as a basis for eligibility, certification of LEED status, and such other information or documentation as the Director may require. Upon final acceptance the City will issue a certificate to the property owner that confirms the parcel's tax credit status. A copy of the certificate will be sent to the Prince George's County Supervisor of Assessments who will determine the value of improvement.

## **ELIGIBILITY WAIVER**

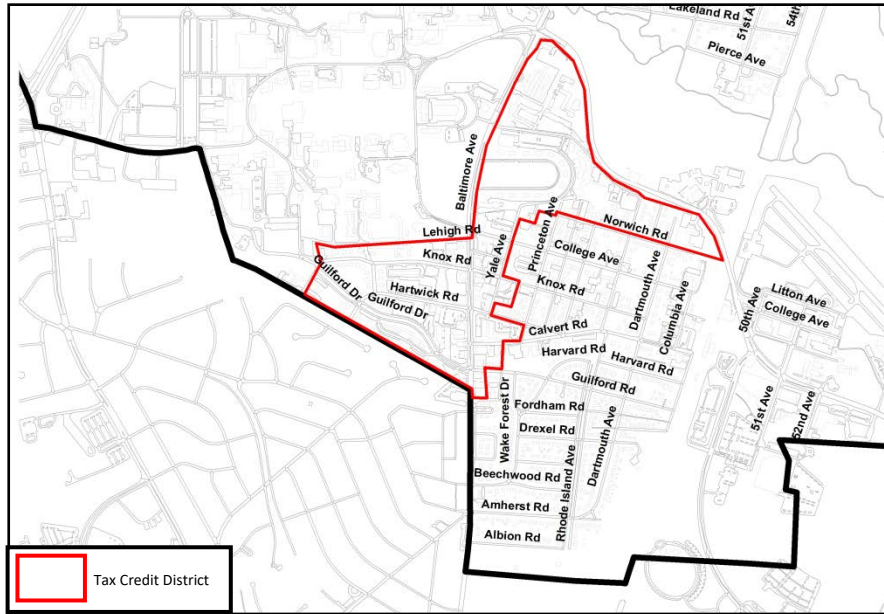
The City Council may waive the requirement in that an application must be filed no later than the date of acceptance for a detailed site plan, if applicable, or a building permit application, and consider whether to grant a tax credit under the following circumstances for projects for which no appeal 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 eligibility criteria are not met.

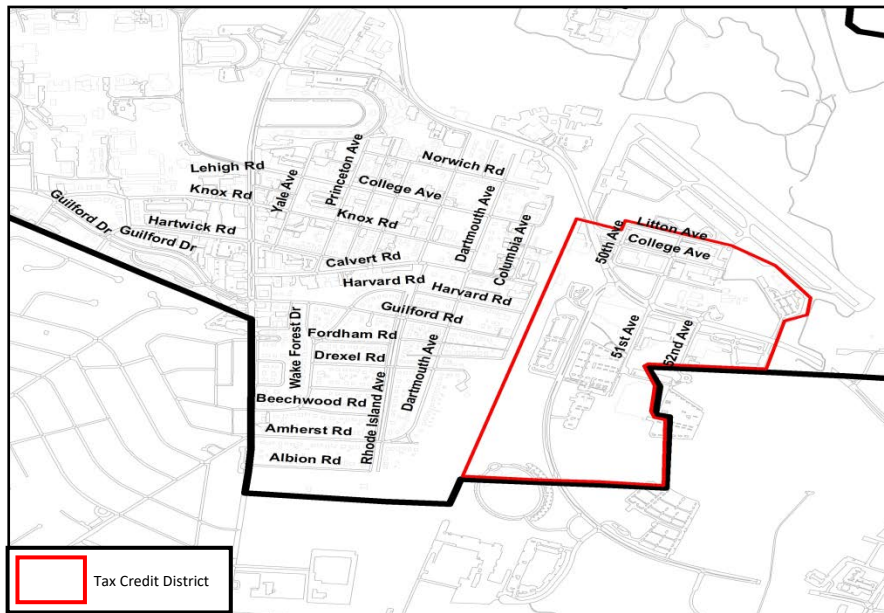
In granting a tax credit under this section, the City Council may reduce the amount or duration of the credit set out in these guidelines.

In making application for a waiver, the applicant shall provide for consideration the information requested by the City's Planning, Community, and Economic Development staff.



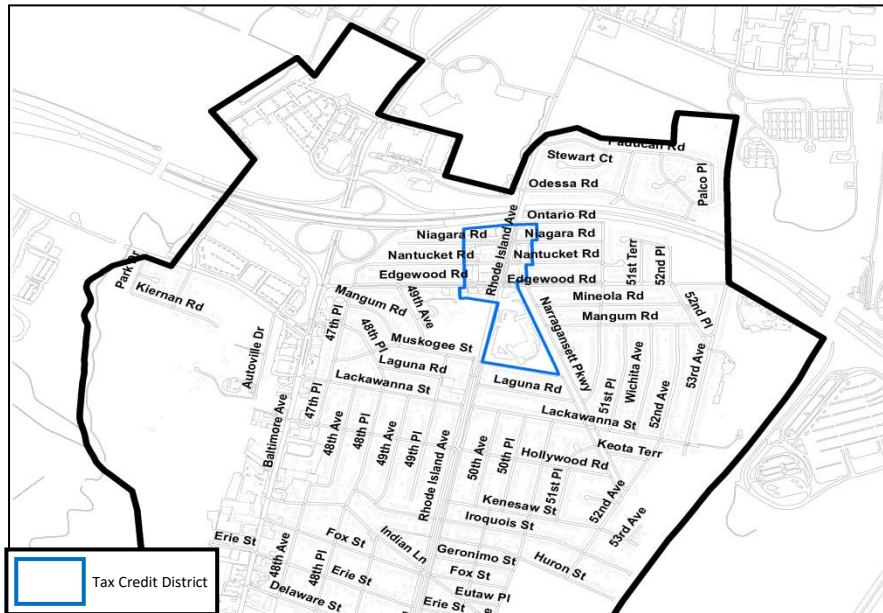


*Central US 1 Corridor Development District Overlay Zone: Downtown*

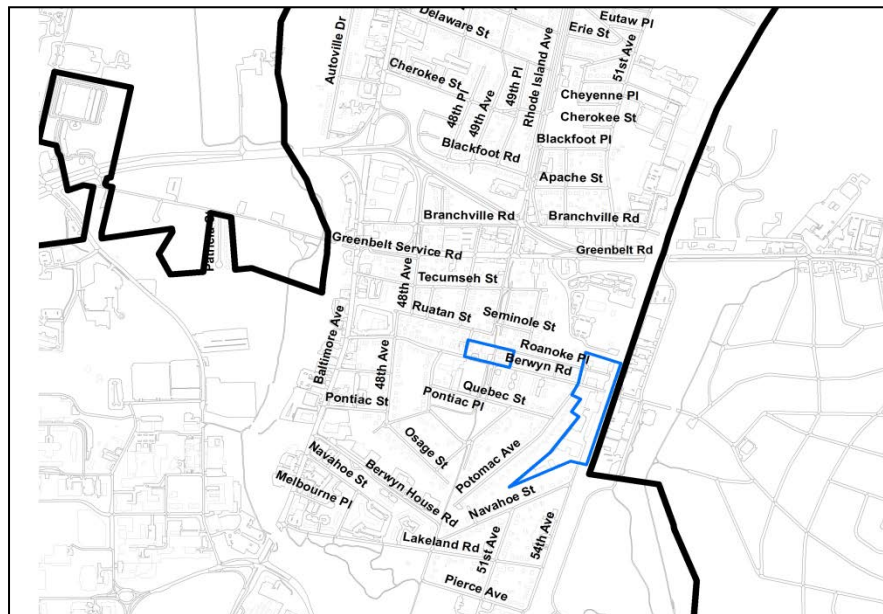


*College Park Portion of the College Park-Riverdale Transit District Overlay Zone*

Tax Credit District 2

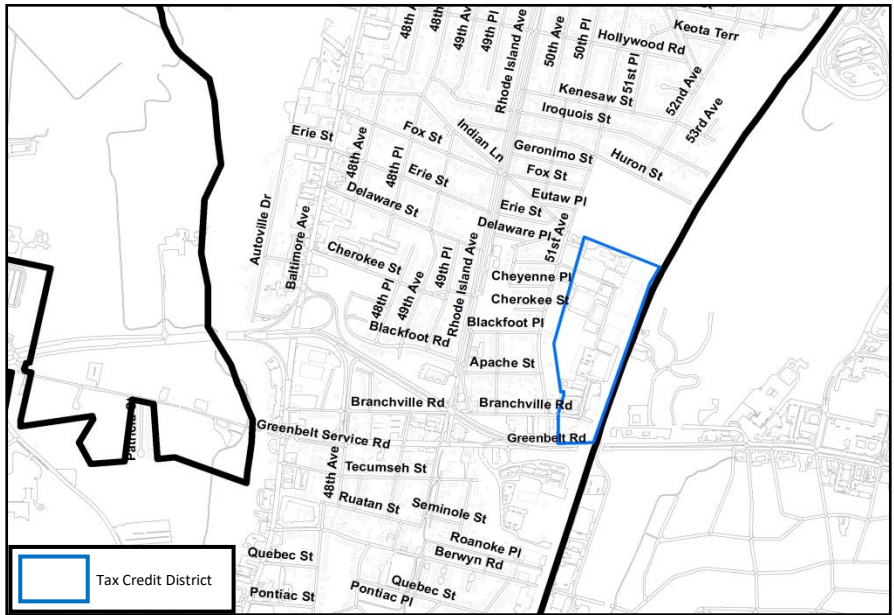


Central US 1 Corridor Development District Overlay Zone: Hollywood

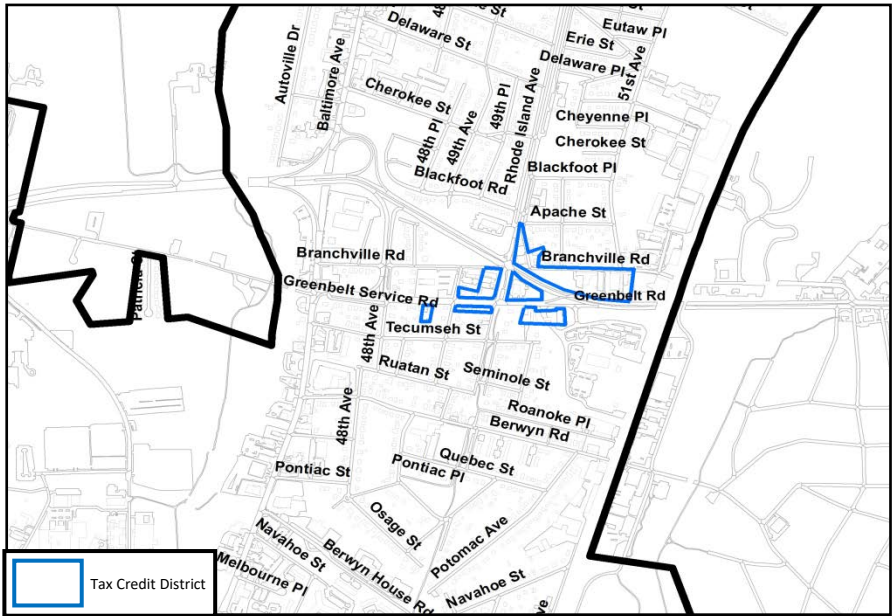


Berwyn Commercial and Industrial Districts





*Branchville Industrial District*



*Greenbelt Road-University Boulevard Commercial Corridor*