

Virginia Avenue Neighborhood Revitalization Zone (VANRZ)

City of Cumberland

February 22, 2005

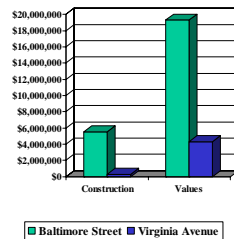
<http://www.AdventureGovernment.com>

Construction Permits Issued 1998-2004



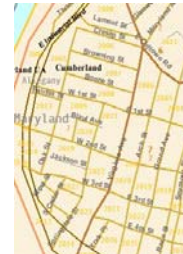
Cumberland's Two Downtowns: Virginia Avenue versus Baltimore Street

- Baltimore Street:
 - Approximately \$5.5 million in new construction permits in past five years
 - 5-10 projects currently under construction or in design/development stage
- Virginia Avenue:
 - Approximately \$250k



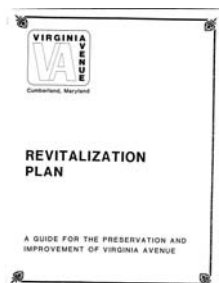
Virginia Avenue Revitalization

- Planning:
 - Revitalization Plan (1984)
 - Comprehensive Plan (2004)
- Current Projects/Incentives:
 - Community Betterment
 - Others:
 - HUB Zone
 - Enterprise Zone
 - Maryland Neighborhood Business Development Program
- Planned Projects/Incentives:
 - Community Legacy (FY 06)
 - Design and Development Plan (FY 06)
 - Historic Preservation incentives (FY 06)
 - Rolling Mill Improvements (FY 08)
- Proposed new Incentive/Investment Options:
 - STAR type incentives
 - Infill development tax incentives
 - Lenders loan pool



Virginia Avenue Revitalization Plan, 1984

- Recommendations:
 - Firm targeting
 - Conducting space inventory
 - Historical preservation incentives (*)
 - Assessing parking needs
 - Streetscape/landscape (*)
 - Signage
 - Lighting/safety (*)
 - Staffing
 - Marketing/brochure/networking
- There was no follow-through on this plan



Comprehensive Plan 2004

- Objective 8.4 (Economic Development) Develop and implement a revitalization strategy for the Virginia Avenue corridor from First Street to the intersection with River Avenue in South Cumberland:
 - Conduct a study to define 1) the proper niche for the development of Virginia Avenue corridor in the Cumberland market and 2) a strategy to maximize the corridor's long-term economic potential.
 - Work with local property owners to implement the revitalization strategy for the Virginia Avenue corridor, including encouraging startups of new businesses and use of available programs and incentives for business improvements.

Community Betterment

- Block grant funded program based on plans submitted by Neighborhood Associations
- **FY 2001 (\$22,000)**
 - Street Lighting (\$22,000)
- **FY 2002 (\$22,098)**
 - Street Lighting (\$22,098)
- **FY 2003 (\$50,050)**
 - Lighting Project (\$11,050)
 - Commercial Facades (\$8,000)
 - Homestead project (\$16,000)
 - Sidewalk improvements (\$15,000)
- **FY 2004 (\$46,000)**
 - Virginia Avenue Plan (\$15,000)
 - Homestead project (\$10,000)
 - Sidewalk improvements (\$15,000)
 - Commercial Facades (\$6,000)
- **2001-2004 Total (\$140,148)**



Other Incentives Available

- HUB (Historically Underutilized Business) Zone
 - Bid preferences on federal contracts (set-asides and 10% preference) for small businesses located in HUB Zone who have at least 35% of employees reside in HUB Zone (3 certified businesses in Cumberland compared to 7 in Garrett County)
- Maryland Enterprise Zone
- Maryland Neighborhood Business Development Program



Community Legacy

- State “Smart Growth” program aimed at revitalizing older neighborhoods
 - *Homestead Project FY 2005 application pending (\$38,000)*
 - *Commercial Improvement Funding program suggested in FY 2004 application (\$100k) for commercial facades, commercial business loans, and commercial version of the Rehabilitation/Code Enforcement program.*



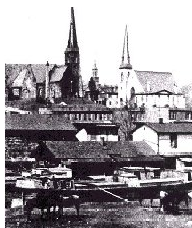
Design and Development Plan

- Similar to Downtown Design and Development Plan. The plan will include:
 - A thorough analysis of needs
 - Development of design guidelines
 - Projects
 - Cost estimates for improvements to
 - Housing
 - Parking
 - Economic Conditions
 - Infrastructure Conditions
 - RFP posted with proposals due by March 16



Historical Preservation Incentives

- Three types of Historical Preservation incentives (local, state, and federal)
- Tax credits available for historically significant properties in historical district
- Restrictions on materials and design for some types of improvements
- Pending



Rolling Mill Improvements

- Goal is to improve accessibility to Rolling Mill site for commercial development
- Improvements to Virginia Avenue from Oldtown Road to southbound Industrial Boulevard .
- Improvements include milling, patching, and resurfacing of the street; along with drainage improvements. Also included, if funding is available, will be the replacement of curbs and sidewalks.
- Summer 2008? for phase V.



Property Improvement Tax Freeze Proposal

- Modeled partly on STAR program
- Guiding Principles
 - Compact area
 - Combined with other incentives (low interest loans, infrastructure improvements)²
 - Address new construction as well as renovation
 - Obtain County participation in program (double the impact)
 - Limited Duration
 - Baseline is zero—we want to provide incentives for development that would not otherwise occur



STAR Experience

- Strategic Area for Revitalization
 - \$1,415,176.00 total value in tax freeze (compared to \$12,847,011 in construction permits issued in STAR district--11%).
 - Commercial 11, Residential 7 (mainly commercial program)
 - Centre/Mec-9; Decatur St.-5; North End - 4 (mainly gateways)



#1 Adopt Property Improvement Tax Freeze

- Tax Freeze for improvements for a period up to 10 years.
- Length of freeze directly related to the amount invested in the property.
- In order to qualify for the tax credit, the property owner must invest a minimum of five thousand dollars (\$5,000.00) in improvement costs.
- Modeled on STAR program

Improvement costs as % of market	Available tax exempt status of commercial/residential development
10 percent	7 years
20 percent	8 years
30 percent	9 years
40% or more	10 years

#2 Adopt Infill Development Incentive

- Could be structured similarly to property improvement tax freeze.
- State of Maryland granted City ability to use this incentive but the exact parameters have not yet been designated.



#3 Obtain County Participation in #1 and #2

- County would offer similar program for County portion of real property taxes
- Precedents for participation
 - Historical District
 - Tax Increment financing district



VANRZ District Map

- Covers 100 40 blocks on Virginia Avenue
- Incorporates York Plaza
- Bounded by alleys between Arch Street and Springdale Street.

