

**MAYOR AND COUNCIL PUBLIC HEARING
TUESDAY, March 8, 2016, 7:00 P.M.**

AGENDA

1. Call to Order
2. Public Hearing:
 - a. Resolution 2016-01 – Application for the Establishment of the Brunswick, Maryland Enterprise Zone
 - b. Resolution 2016-02 – Purchase of 40-42 West Potomac Street
3. Adjournment

3/3/2016 1:22 PM

PUBLIC HEARING SCRIPT

March 8, 2016

MAYOR: I NOW CONVENE THIS HEARING CONCERNING RESOLUTIONS 2016-01 – APPLICATION FOR THE ESTABLISHMENT OF THE BRUNSWICK, MARYLAND ENTERPRISE ZONE, AND RESOLUTION 2016-02 – PURCHASE OF 40-42 WEST POTOMAC STREET.

WILL THE OFFICE MANAGER PLEASE SUMMARIZE THE ADVERTISEMENT FOR THE PUBLIC HEARING AND ATTEST TO THEIR PUBLICATION?

(OFFICE MANAGER summarizes ad and attests Publication with dates of ads)

MAYOR: ARE THERE ANY LEGAL MATTERS RELATING TO THE JURISDICTION OF THE MAYOR AND COUNCIL OF THE CITY OF BRUNSWICK OR ANY OBJECTIONS WITH REGARD TO THE NOTICE OF PUBLIC HEARING.

(Pause)

LET THE RECORD SHOW THERE WERE NONE.

I WILL NOW TURN THE HEARING OVER TO THE CITY ADMINISTRATOR TO DESCRIBE THE RESOLUTIONS AND THEIR PURPOSES.

(ADMINISTRATOR'S PRESENTATION) – **RESOLUTION 2016-01**

MAYOR: AT THIS TIME, THE MAYOR AND COUNCIL WILL HEAR FROM THE PUBLIC, REGARDING RESOLUTION 2016-01. IF YOU WISH TO COMMENT ON THIS RESOLUTION PLEASE COME TO THE MICROPHONE, STATE YOUR NAME AND ADDRESS, AND MAKE YOUR PRESENTATION OF NOT MORE THAN FIVE MINUTES.

DO ANY OF THE COUNCIL MEMBERS WISH TO COMMENT?

(Pause)

THE ENTERPRIZE ZONE APPLICATION WAS DISCUSSED AT THE FEBRURY 9, 2016 MAYOR AND COUNCIL MEETING, AND THE READING OF RESOLUTION 2016-01 WILL TAKE PLACE ON MARCH 8, 2016.

CONSIDERATION OF THE RESOLTUION IS SCHEDULED FOR THE MAYOR AND COUNCIL MEETING LATER TONIGHT.

FOR THE SECOND PART OF THIS HEARING, I WILL NOW TURN THE HEARING OVER TO THE CITY ADMINISTRATOR TO DESCRIBE RESOLUTION 2016-02.

(ADMINISTRATOR'S PRESENTATION) – **RESOLUTION 2016-02**

MAYOR: AT THIS TIME, THE MAYOR AND COUNCIL WILL HEAR FROM THE PUBLIC, REGARDING RESOLUTION 2016-02. IF YOU WISH TO COMMENT ON THIS RESOLUTION PLEASE COME TO THE MICROPHONE, STATE YOUR NAME AND ADDRESS, AND MAKE YOUR PRESENTATION OF NOT MORE THAN FIVE MINUTES.

DO ANY OF THE COUNCIL MEMBERS WISH TO COMMENT?

(Pause)

THE PURCHASE OF 40-42 WEST POTOMAC STREET WAS DISCUSSED AT THE FEBRURY 9, 2016 MAYOR AND COUNCIL MEETING, AND THE READING OF RESOLUTION 2016-02 WILL TAKE PLACE ON MARCH 8, 2016.

CONSIDERATION OF THE RESOLTUION IS SCHEDULED FOR THE MAYOR AND COUNCIL MEETING LATER TONIGHT.

DO I HEAR A MOTION TO ADJOURN THIS HEARING? SECOND?

ALL IN FAVOR?

I NOW DECLARE THIS HEARING TO BE ADJOURNED

RESOLUTION NO. 2016-01

**RE: APPLICATION FOR ESTABLISHMENT OF THE
BRUNSWICK, MARYLAND ENTERPRISE ZONE**

WHEREAS, Maryland's Enterprise Zone Program is a "joint effort between the State and local governments to provide tax incentives to businesses and property owners located in some of the State's most economically distressed communities"; and

WHEREAS, the City of Brunswick and Frederick County wish to establish the Enterprise Zone within the city limits in order to improve the economic development potential within the boundaries of said zone.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF BRUNSWICK, MARYLAND, that the application for the establishment of the Brunswick Enterprise Zone is hereby approved as shown on Exhibit A.

The undersigned hereby certifies that this Resolution was approved and adopted on the _____ day of _____, 2016.

ATTEST:

CITY OF BRUNSWICK, MARYLAND

Robert C. McGrory
City Administrator

By: _____
Karin B. Tome, Mayor

CITY OF BRUNSWICK ENTERPRISE ZONE APPLICATION **-SPRING 2016**

BACKGROUND

The Maryland Enterprise Zone is a local economic development program established by the Maryland General Assembly in 1982 that gives local governments the legal authority to offer economic incentives, including real property and income tax credits. The Maryland Department of Commerce is the designated State agency responsible for coordinating the program; however, each zone is the creation and responsibility of local and county governments.

The State reimburses the local jurisdiction 50 percent of the revenue lost as a result of offering businesses located in its zone the property tax credit, subject to approval in the State's annual budget.

The City of Brunswick is undergoing a comprehensive revitalization strategy for their commercial district. During 2015, Brunswick Main Street employed the services of MacKenzie Commercial to develop an economic development strategy to transform the commercial district. The final report recommends the establishment of an identified Redevelopment Zone, employment tax credits and appropriate property tax credits.

In the Spring of 2015, the City of Brunswick met with the Frederick County Office of Economic Development (OED) to discuss possible programs that may benefit the City in their strategy. OED identified the Enterprise Zone as an economic development program available to the City because they meet one of the four eligibility requirements.

Using data from the U.S. Census, the Census Tract identified as 7753.02 meets the requirement for 'Population Decrease'. According to the Maryland Department of Commerce Tax Office, the adjoining census tract would also be eligible to be included as it contiguous to 7753.02. From 2000 to 2010, that Census Tract suffered a decrease in population of 35%, exceeding the 10% requirement of the program. The City has identified chronic vacancies/abandonment that exist within that area.

In September 2015, OED hosted a meeting with the Maryland Department of Commerce and their Tax Office along with the City of Brunswick to discuss the possibilities of applying for this designation. From this meeting, it was determined that the City would apply to meet the April 15, 2016 deadline.

Enterprise Zone Benefits

Real property tax credits – Ten-year credit against local real property taxes on the value of a portion of real property improvements. The credit is 80 percent for the first

five years and decreases 10 percent annually thereafter to 30 percent in the 10th and final year.

Income tax credits – One- or three-year credit for wages paid to eligible new employees. The general credit is a one-time \$1,000 credit per new worker. For economically disadvantaged employees, the credit increases to a total of \$6,000 per worker distributed over three years.

Who Can Apply to Become an Enterprise Zone

A municipality may apply for the designation of an area as an Enterprise Zone within its corporate or political boundaries but the State requires that the municipality include in its application an expression of consent from its overlying county that it, too, will offer the property tax credits. The consent document(s) shall be in the form required by local law and the governing body of the county.

Application Deadline

Applications must be received by 5PM on April 15 or October 15. The City of Brunswick desires to apply to meet the April 15, 2016 deadline.

ANALYSIS

There are 28 Enterprise Zones in the State but none in Frederick County. This gives Frederick County a competitive edge when competing with other Enterprise Zones in the State. Because the City of Brunswick is located less than a mile from the Virginia border, this gives Brunswick an additional edge from the neighboring state.

From FY 2010-FY2014, the State reports that investments in Enterprise Zones increased 22.14%. In FY2014, 802 businesses in Maryland received these Enterprise Zone property tax credits. Enterprise Zone administrators report that companies considering expansion often decide to expand within the zone rather than move to another location.

Because the income tax credit is applicable to one or more jobs, this encourages small business growth whereas many existing state job creation tax credits require at least 25 jobs.

Additionally, the State of Maryland reimburses the local jurisdictions 50 percent of property tax revenue lost as a result of investment in the Enterprise Zone.

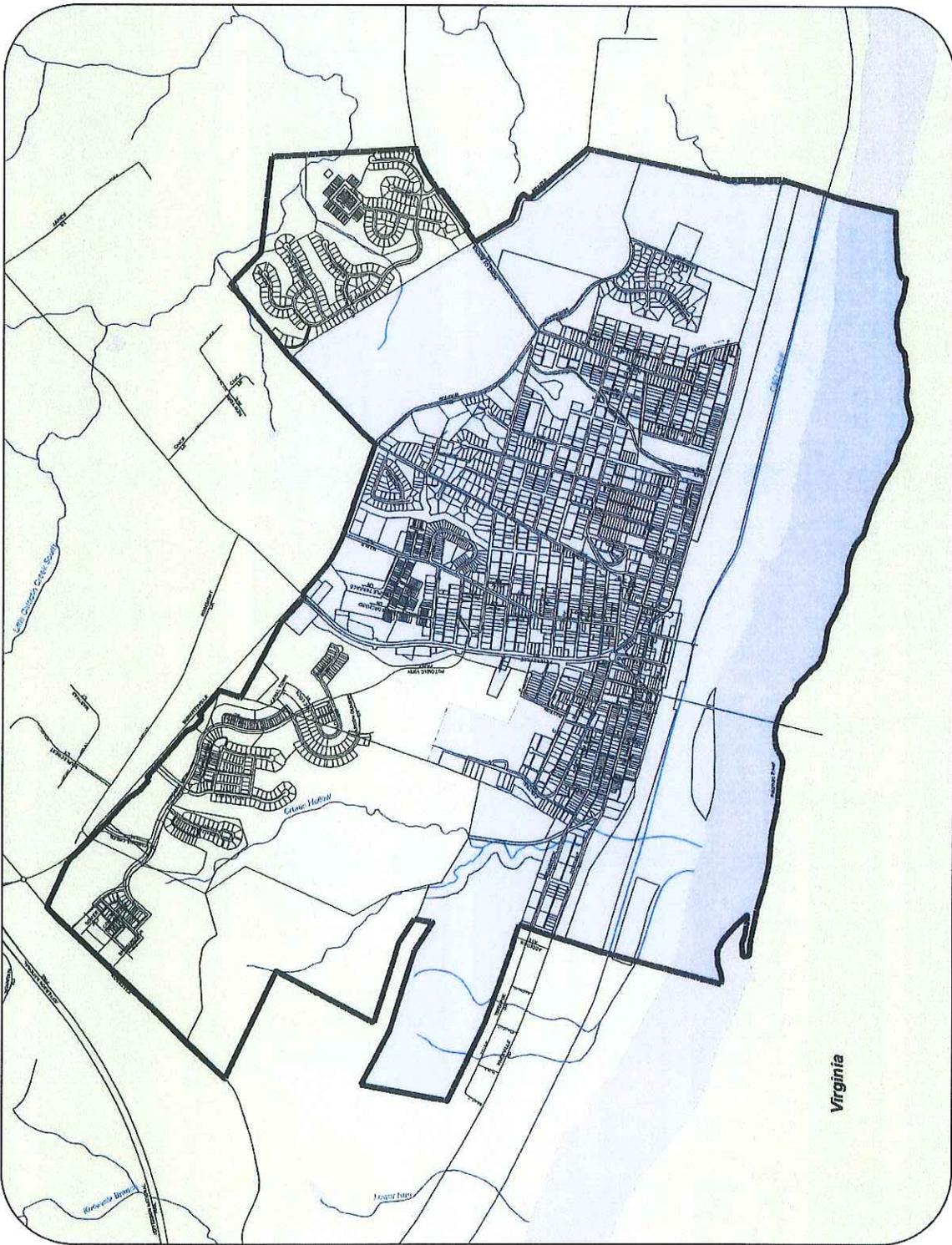
City of Brunswick Proposed Enterprise Zone Map

-  Enterprise Zone Boundary
-  City of Brunswick Boundary
-  Brunswick City Parcels
-  Roads
-  Alleys
-  Streams
-  Rivers



Data Source: City of Brunswick Planning
and Frederick County GIS

Map prepared by:
City of Brunswick
Planning Department
10000 Old Brunswick Road
Brunswick, VA 22716
Phone: 540-331-2200
Fax: 540-331-2201
www.brunswickva.gov



Virginia

RESOLUTION NO. 2016-02

A RESOLUTION AUTHORIZING THE PURCHASE OF 40-42 WEST POTOMAC STREET

WHEREAS, the building known as 40-42 West Potomac Street was built in 1904 and is a contributing structure to the National Register of Historic Places' Brunswick Historic District; and

WHEREAS, the building was purchased in 1974 by the Brunswick Potomac Foundation, Inc. and operated for many years as the Brunswick Railroad Museum, and more recently as the Brunswick Heritage Museum; and

WHEREAS, the building is also home to the National Park Service Chesapeake & Ohio National Historical Park Visitor Center and Brunswick Visitor Center; and

WHEREAS, the City of Brunswick wishes to purchase the building from the Brunswick Potomac Foundation, Inc., in the amount of \$265,000; and

WHEREAS, the Brunswick Potomac Foundation Board of Directors consented to the proposed purchase agreement in February, 2016,

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of Brunswick authorize the purchase of 40-42 West Potomac Street in the amount of \$265,000, contingent on the budgeting of funds sufficient to facilitate closing, and the receipt of a building inspection satisfactory to the Mayor.

The undersigned hereby certifies that this Resolution was approved and adopted on the _____ day of _____, 2016.

ATTEST:

CITY OF BRUNSWICK, MARYLAND

Robert C. McGrory
City Administrator

By: _____
Karin B. Tome, Mayor