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# Hagerstown A&E Benefits

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July 2008

## Why Hagerstown?

- established theaters, galleries, events
- affordable housing
- close proximity to major markets of Washington and Baltimore
- support businesses
- ambience
- existing networks among local artists
- community's manageable size
- "wild west" mindset
- variety of buildings (size, configuration, permitted uses)

Welcome to the Hagerstown Arts & Entertainment District. Below is a list of the many incentives offered to our local artists, whether new to the City or long a part of our Arts community.

## LOCAL INCENTIVES

**Sign & Façade Grant Program:** Created in 1998 to encourage new signage and façade enhancements in the Downtown, this matching grant program provides \$300 grants for signs and \$5000 grants for façade work.

**Hagerstown Business Development Loan Program:** The City created this \$500,000 revolving loan fund in 2000 to provide gap financing for commercial start-ups and expansions within the City.

**Downtown Residency Initiative:** New residents who are recent college grads, recent military discharges, government employees, USM students and employees, professionals in a targeted downtown area are eligible for \$150 per month rental subsidy for one year or \$2,500-\$5,000 down payment and closing cost assistance. NOTE: The A&E District includes this smaller targeted area; not all properties within the A&E District qualify.

**Residential Tax Credit Programs:** The A&E District is located within the Community Legacy Area which is the targeted area for a City and County property tax credit program for residential rehabs and conversions of multi-family buildings to single-family dwellings.

**Homebuyer Assistance** (Community Partner Incentive Program): Downpayment and closing cost assistance for homebuyers, offering up to \$7000 as a 0% deferred loan. Available through the Hagerstown Home Store/Hagerstown Neighborhood Development Partnership.





## STATE OF MARYLAND INCENTIVES

**Real Property Tax Credit** for the renovation of existing buildings or the construction of new buildings that are capable for use by "qualifying residing artists".

**Income Tax Subtraction Modification** for income derived from artistic work sold by "qualifying resident artists". Artists who qualify do not pay state or local income tax on income derived from artistic work created and sold within the district.

**Exemption from the Admission and Amusement Tax** levied on gross receipts from an admissions or amusement charge levied by an "arts and entertainment enterprise" or "qualifying residing artist" in a district.

## FOR DEVELOPERS OF ARTIST HOUSING

**Excise Tax exemption:** The A&E District is within the City's C3 zoning district which is a "revitalization area" for exemption from the County excise tax for new construction activities.

**APFO Exemption clause:** The A&E District is within an area which would be a priority for the exemption clause in the City and County Adequate Public Facilities Ordinance for schools.

## HOW TO QUALIFY:

To receive local incentives associated with the District, the individual or business entity must comply with the some or all of following:

- Meet a definition found in the relevant article of the Annotated Code of Maryland
- Be employed in an occupation classified as "Arts, Design, Entertainment, Sports and Media" by the US Department of Labor, Bureau of Labor Statistics (27-0000)
- Report earned income from a qualified occupation on the Federal income tax return
- Register with the managing entity of the A&E District
- For business entities, be defined by the NAICS as either *Code 71: Arts, Entertainment & Recreation* or *Code 72: Accommodations & Food Service*

To be eligible for City tax credits and financing, improvements to real property must comply with relevant codes and ordinances, including Preservation Design District Commission requirements. Property owners must be current with all real property tax payments.



### Contact:

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# Smart Growth Arts & Entertainment District

City of Hagerstown

