

MARYLAND STATE ARTS COUNCIL

ARTS & ENTERTAINMENT DISTRICTS

2019 DESIGNATION GUIDELINES

DEADLINES:

APRIL 1, 2019 & OCTOBER 1, 2019



Individuals who do not use conventional print may contact the Maryland State Arts Council to obtain this publication in an alternate format. 410-767-6555 or msac.commerce@maryland.gov.



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This publication is available as a PDF file at msac.org.

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*** Prospective applicants for A&E District designation are strongly encouraged to be in touch with the MSAC Program Director well in advance of any deadlines to receive technical assistance preparing Intent to Apply and application materials. ***

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Those receiving State designation as an Arts and Entertainment District must comply with Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, which states that no otherwise qualified person shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination related to the Arts and Entertainment District.

NOTE: THE PURPOSE OF THESE ARTS AND ENTERTAINMENT DISTRICTS (A&E) GUIDELINES IS TO PROVIDE JURISDICTIONS THAT ARE APPLYING FOR ARTS AND ENTERTAINMENT DISTRICT DESIGNATION WITH SPECIFIC INFORMATION ABOUT THE APPLICATION PROCEDURE IN ORDER TO FACILITATE THE APPLICATION PROCESS. THE A&E GUIDELINES SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR THE ARTS AND ENTERTAINMENT DISTRICTS [STATUTE](#) AND [REGULATIONS](#).

MARYLAND STATE ARTS COUNCIL

THE MARYLAND STATE ARTS COUNCIL (MSAC) encourages and invests in the advancement of the arts for all Marylanders.

MSAC

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The Maryland State Arts Council is an agency of the Maryland Department of Commerce, Division of Tourism, Film and the Arts.

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INTRODUCTION

What is an Arts and Entertainment District?

Cultural districts, like Maryland’s Arts and Entertainment Districts, are defined by Americans for the Arts as “well-recognized, labeled areas of a city in which a high concentration of arts and cultural facilities and programs serve as the main anchor of attraction.” Nationally they can be found in cities and towns of all sizes – each one uniquely reflecting a local mission, history, and cultural development. Some districts succeed with thoughtful landscaping, public art projects, and signage, while others are involved in arts programming or event production and others work toward the renovation of existing buildings and attracting complimentary businesses. Many are found in downtown areas, but they can thrive in suburban, rural, and neighborhood locations as well. In Maryland, these areas are called Arts and Entertainment Districts.

Arts and Entertainment Districts in Maryland

Maryland was one of the first states in the country to develop a statewide designation program for these types of districts by establishing Maryland’s Arts & Entertainment (A&E) Districts program. Since the creation of the A&E program through legislation enacted in 2001, 26 districts have been established, spurring arts-based economic development in communities throughout the state. The designation makes available incentives to promote arts activity and investment within specified geographic areas. The benefits currently offered to designated districts include:

- property tax credits for new construction or renovation of certain buildings that create live-work space for artists and/or space for arts and entertainment enterprises;
- an income tax subtraction modification for income derived from artistic work executed and sold within the districts by “qualifying residing artists”; and
- an exemption from the Admissions and Amusement tax levied by an “arts and entertainment enterprise” or “qualifying residing artist” in a district.

The State’s goal for the A&E Districts program is to develop, promote, and support diverse artistic and cultural centers in communities throughout Maryland that preserve a sense of place, provide unique local experiences, attract tourism, and spur economic revitalization and neighborhood pride.

Strategies supported by the program include:

- creating accessible and unique arts destinations;
- leveraging the State’s regional identities, natural resources, and heritage;
- supplying opportunities for dynamic and participatory arts experiences;
- giving artists – visual, literary, performing, and folk – the opportunity to live, work, and create an economically prosperous future; and
- investing in the power of place.

In addition, A&E Districts further Maryland’s goals of reinvesting in existing communities and creating places that help people, businesses, the economy, and the environment thrive as articulated in the Maryland Department of Planning’s [Reinvest Maryland](#) strategy. To this end, districts must be located within Priority Funding Areas and are expected to carefully coordinate with local plans and policies for economic development, including by thoughtfully engaging with other state designation programs.

ARTS & ENTERTAINMENT DISTRICTS DESIGNATION GUIDELINES

A. Who Can Apply?

Maryland counties and municipal corporations.

County Applicants: A county may apply for A&E District designation of an area within its corporate or political boundaries. If all or any portion of the area is within a municipal corporation, the governing body of the municipal corporation must consent. The county must state in its application that, if the district is designated, it will offer a property tax credit and exemption from the admissions and amusements tax. Written consent from the municipal corporation must be obtained before submitting the application, and the consent document should be included as part of the application. (See application Section 10 below.)

Municipal Applicants: A municipal corporation may apply for designation of an area if, before it applies, the municipal corporation:

- Obtains acknowledgement in the form of a letter or resolution from the county in which it is located that the income tax subtraction modification to be offered in the district may affect the county's income. The county's acknowledgement must be included in the application.
- Obtains a statement from the county as to whether, if the district is designated, the county will offer a property tax credit and the exemption from the admissions and amusement tax.
- The municipal corporation shall state in its consent, if the district is designated, what property tax credits it will offer and acknowledge the exemption from the admissions and amusement tax and the income tax subtraction modification.
- Written consent shall be in the form required by local law or the governing body of the municipal corporation, or both. This is generally a resolution.

Note: Two or more political subdivisions may apply jointly if the proposed area is within each of their common boundaries.

B. Pre-Application Requirements

Meet with Program Staff: Prospective applicants are strongly encouraged to meet with Maryland State Arts Council (MSAC) program staff prior to beginning work on an intent to apply or application. Staff are able to provide technical assistance in all phases of application preparation and can make connections with existing districts and provide resources to help strengthen applications.

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Intent to Apply: Prospective applicants **must** submit an online Intent to Apply form. Once this form is received, program staff will work with the prospective applicant to arrange a tour of the proposed A&E District and a meeting with key personnel.* The tour and meeting allow program staff and A&E District Advisory Committee members to provide appropriate guidance and assistance prior to the application deadline.

The information collected in the online Intent to Apply form includes:

- Name of Applicant
- Type of Applicant (county or municipality)
- Proposed District Name
- Applicant Contact Name, Phone Number, Email, and Physical Address
- List of Proposed District Assets, including:
 - Artistic, Cultural, and Entertainment Enterprises Within the Proposed District
 - Anchor Arts Attraction(s) Within the Proposed District
 - Signature Events or Festivals in the Proposed District
 - Seasonal Events or Entertainment in the Proposed District
 - Other Designations Overlapping the Proposed District's Boundaries
 - Potential for Affordable Housing and/or Studio, Performance, or Exhibition Space
 - Existing or Planned Transportation and Accessibility in the Proposed District
 - Local Government and Private Redevelopment Resources Available in the Proposed District
 - Other Incentives Available in the Proposed District
- Applicant's Goals for the Proposed A&E District
- Overview of Proposed Management Structure
- Map of Proposed District's Boundaries and Approximate Acreage

The Intent to Apply form is available at: <https://goo.gl/forms/dJ2ZQHZsZlu0WWQp2>

Intent to Apply Deadline: Rolling - Applicants may submit an intent to apply at any time, up to 90 days before an application deadline.

****A tour and meeting in no way implies or guarantees that the application for designation as an A&E District will be considered complete or eligible or that the designation as an A&E District will be granted.***

C. Eligibility/Criteria

To be eligible, the applicant should be able to document a threshold level of existing arts and cultural assets. To be designated, the applicant must present a compelling, arts-based case for designation. Elements considered when reviewing applicant eligibility and applications include:

- A high concentration of artistic, cultural, or entertainment enterprises
- Well-established anchor attraction(s)
- A number of signature events and/or festivals, including seasonal events and festivals
- Boundary overlap with other revitalization designations (e.g. Maryland Main Street, Heritage Area)
- Potential for affordable housing (rental or purchase) and studio, exhibition, or performance space
- Transportation and accessibility plans for the proposed district
- Availability of local government and private redevelopment resources
- Incentives capable of increasing the number of residents and business
- Measurable goals and objectives specifically for arts and entertainment
- Viable strategies for reaching stated goals and objectives
- Strong leadership and a well-articulated management plan
- Defined management budget with realistic associated income and expense projections with identified income sources
- Professional paid personnel dedicated in total or in part to the A&E District operations and programming

D. Application Deadlines: April 1, 2019 and October 1, 2019

E. Application Requirements: Applications must be prepared as outlined in this document and submitted as specified via email or file share (e.g. Google Drive, Dropbox, etc.) to program staff by 5:00 pm on the application deadline. In addition, original hard copies of cover sheets and resolutions must be mailed to MSAC and received prior to 5:00 pm on the deadline date. Hard copy materials will be retained by MSAC. The application must be complete, meet all stated requirements, and be properly signed by the chief elected official (or officials in the case of a joint application) or by the governing body of each of the political subdivisions if no elected official or officials exist. An application signed by the chief elected official must include a written expression of sentiment of the local elected governing body or bodies regarding the filing of an application for designation. This may be in the form of a letter or a resolution at the discretion of the local jurisdiction.

SUBMISSION OF AN APPLICATION IN NO WAY IMPLIES OR GUARANTEES THAT DESIGNATION AS AN A&E DISTRICT WILL BE GRANTED.

F. Review Process

Staff Review: Staff will review applications for completeness and adherence to regulations. Only complete and compliant applications will move forward in the review process.

Committee Review: An internal A&E Districts Advisory Committee consisting of staff members from the Department of Commerce, Department of Housing and Community Development, Rural Maryland Council, Department of Transportation, and Department of Planning as well as current A&E District managers will review the applications and forward recommendations to the Secretary of Commerce.

Secretary Review and Approval: Following his or her review, the Secretary may designate one or more A&E districts for a designation period of up to ten (10) years from among the applications submitted. The Secretary will notify all applicants of their status in writing within sixty (60) days of submission. No more than one designation may be approved per county per calendar year. No more than six (6) designations per calendar year may be made.

ALL DECISIONS MADE BY THE SECRETARY OF COMMERCE ARE FINAL.

Incentive Effective Dates: The Secretary will give the Comptroller of Maryland notice of the designation of an A&E district on or before July 1, the effective date of the district’s establishment. The income tax subtraction modification is applicable to the taxable years beginning January 1 after the July 1 effective date.

2019 Summary of Important Dates		
	1st Deadline	2nd Deadline
Intent to Apply Deadline	At least 90 Days Prior to Application Deadline	
Full Application Deadline	April 1, 2019	October 1, 2019
Notification of Decision	June 1, 2019	December 1, 2019
Property and A&A Incentive Effective Date*	July 1, 2019	July 1, 2020
Income Tax Incentive Effective Date	January 1, 2020	January 1, 2020

** per local consent*

ARTS & ENTERTAINMENT DISTRICTS APPLICATION

Instructions

Completed applications should be submitted via file share (e.g. Google Drive, Dropbox) to the Arts & Entertainment (A&E) Districts program staff by 5:00 pm on the application deadline. Materials should be shared in organized and clearly labeled files. Materials in Section 14 and the additional mapping files detailed below should be organized in clearly labeled folders. Mapping files must be included in the application submission. In addition, the original hard copy Cover Sheet (Section 1) and evidence of local consent (Section 10) must be sent to the A&E Districts Program Director and received by 5:00 pm on the application deadline. Hard copy materials will be retained by MSAC.

1. Cover Sheet – Provide an application cover sheet that includes the following information:

- Name of Proposed A&E District
- Name of Local Jurisdiction Applying (city/county)
- Legislative District(s)
- County
- Approximate Area of Proposed A&E District (in acres)
- Contact Person's Information:
 - Name (please include Dr., Mr., Mrs., or Ms.)
 - Title
 - Mailing Address, including city and zip code
 - Telephone Number, including area code and extension
 - Email
 - Applicant's website URL
- Signature of Chief Elected Official in Jurisdiction and date signed (please also print the official's name and give her/his title and contact information – address, telephone number, and email)

2. Endorsement by Chief Elected Official (CEO) – Include a signed letter on the CEO's letterhead.

For Sections 4 and 5, legible color PDF files of maps sized to 8 1/2 x 11 paper must be included within the application PDF, and high-resolution PDF or JPG files of each map must be included as separate files with the submission. In addition, a digital version of the map layers is required in Esri shapefile format. Esri shapefiles must include FGDC-compliant metadata (www.fgdc.gov/metadata), preferably using the ISO 19115:2014 Geographic information – Metadata standards. Map legends must be included on all maps.

Note: Maryland county governments should have the ability to create Esri Shapefiles. Contact the A&E program staff for additional information.

3. Vicinity Map(s) – In a series of maps of the proposed district, indicate:

- the borders of the proposed district [*If any borders of the proposed district do not align with parcel boundaries, give a detailed narrative description of the non-aligning border(s)*];
- overlap with Priority Funding Area and relationship to any existing designations;
- existing real property improvements and, if known, their historic significance (details about historical significance may be included in the narrative);
- existing transportation facilities;
- existing arts, entertainment, and tourist facilities;
- any proposed State or local capital improvements projects that affect the proposed district; and
- existing and proposed handicap accessibility features.

4. Tax Map or Block Plat – Include a tax map or block plat that identifies:

- properties in the proposed district and their property valuations by class;
- whether properties are publicly or privately held;
- current building use or uses including their zoning;
- zoning designations of the area;
- the availability of affordable housing, studio, exhibition, and performance space (further details about affordable real estate may be included in the narrative); and
- any other pertinent information.

5. Building Inventory – Provide a list of all buildings in the proposed district by address, noting:

- whether the building is publicly or privately owned;
- the assessed value of the property;
- whether the building is occupied or vacant;
- current zoning of the property;
- any known plans for modification of the building; and
- the building’s current use for arts and/or entertainment purposes, or immediate plans for said use, if applicable.

6. Narrative – Download the narrative template from msac.org and enter responses below each question. There is no page limit. Share a PDF version of the completed narrative with the application submission. Images may be inserted in the narrative file or submitted as a separate file (see section 7).

7. Images – (optional) If not included in the narrative, share a PDF file of labeled images to support the application.

8. Listing of Artists, Arts and Entertainment Enterprises, and Assets – List the artists, arts assets, and businesses located in the proposed district. Include restaurants, lodging, significant housing or artist housing projects, and signature festivals and events on this listing. (The list may include assets from the area surrounding the proposed district as long as they are identified as being outside of the proposed district’s boundaries.)

9. Local Standards and Benefits – Discuss any standards that will be imposed by the local jurisdiction on A&E enterprises or qualifying residing artists, whether initially or continuously, as a precondition to receiving any additional local benefits from the A&E District (such as special signage, publicity, local grants, etc.) not described above. Examples could be local annual reporting requirements of artists or enterprises to the district administrator or a review process that might be required for permits by an historic commission or planning and zoning department, etc.

10. Evidence of Incentives - Provide evidence that the county, municipal corporation, or both (in the case of a joint application) will offer the incentives listed below to arts and entertainment enterprises and qualifying residing artists if the request for designation is approved. Please be as specific as possible with the incentives offered. If local law requires a resolution, the resolution must be passed prior to submission of the application. The resolution may include a statement that it is rescinded if the proposed district does not receive the A&E District designation.

- a property tax credit, including the percentage and applicable years;
- exemption from the Admission and Amusement Tax;
- acknowledgement of the potential effect of the income tax subtraction modification;

- any additional incentives and initiatives the political subdivision may provide or establish to encourage arts and entertainment enterprises and qualifying residing artists to locate within the proposed district

Include a statement from the attorney representing the jurisdiction(s) certifying that the resolutions, ordinances, public hearings, etc. submitted as part of the application meet local requirements.

11. Evidence of Hearing – Give evidence and certification that the political subdivision, before submission of the application, held a public hearing about the application with adequate notice and publicity. Please include a copy of the public notice, an attendance list, and either minutes from the hearing, or a resolution that has passed.

12. Size Justification – If the size of the proposed district exceeds one hundred (100) acres, provide a written justification of the proposed size.

13. Priority Funding Certification – Provide a certification from the county or municipality applying that the entire proposed district is a priority funding area as defined under State Finance and Procurement Article 5-7B-03, Annotated Code of Maryland.

14. Additional Reports - Attach any reports, feasibility studies, visioning results, news articles, etc., that may have been generated regarding the proposed A&E District or support the application materials.