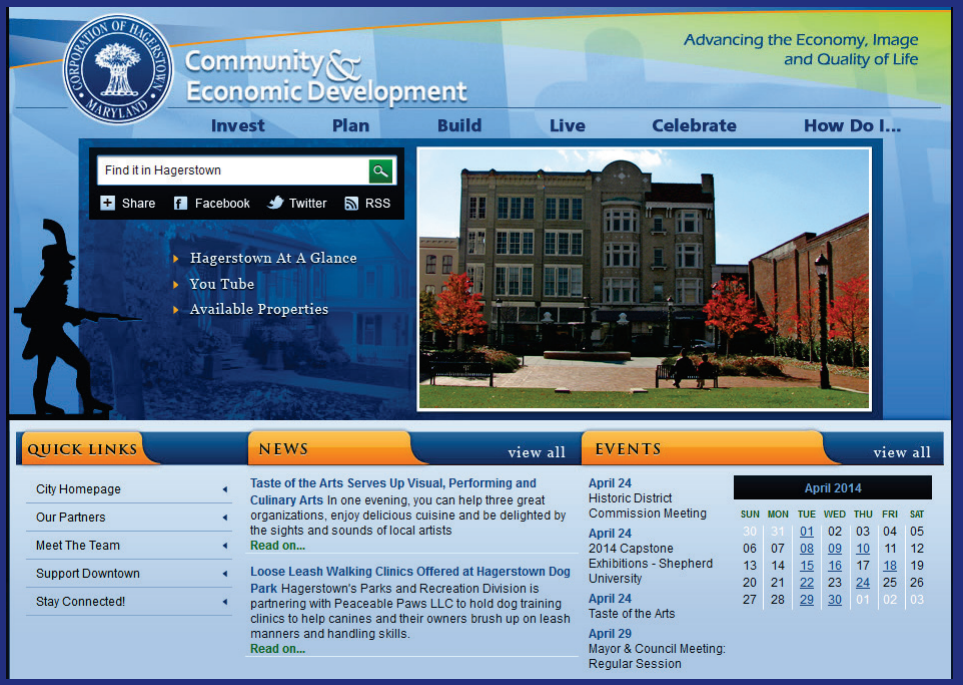
City of Hagerstown

Initiatives to Support Revitalization of the City Center

June 5, 2014



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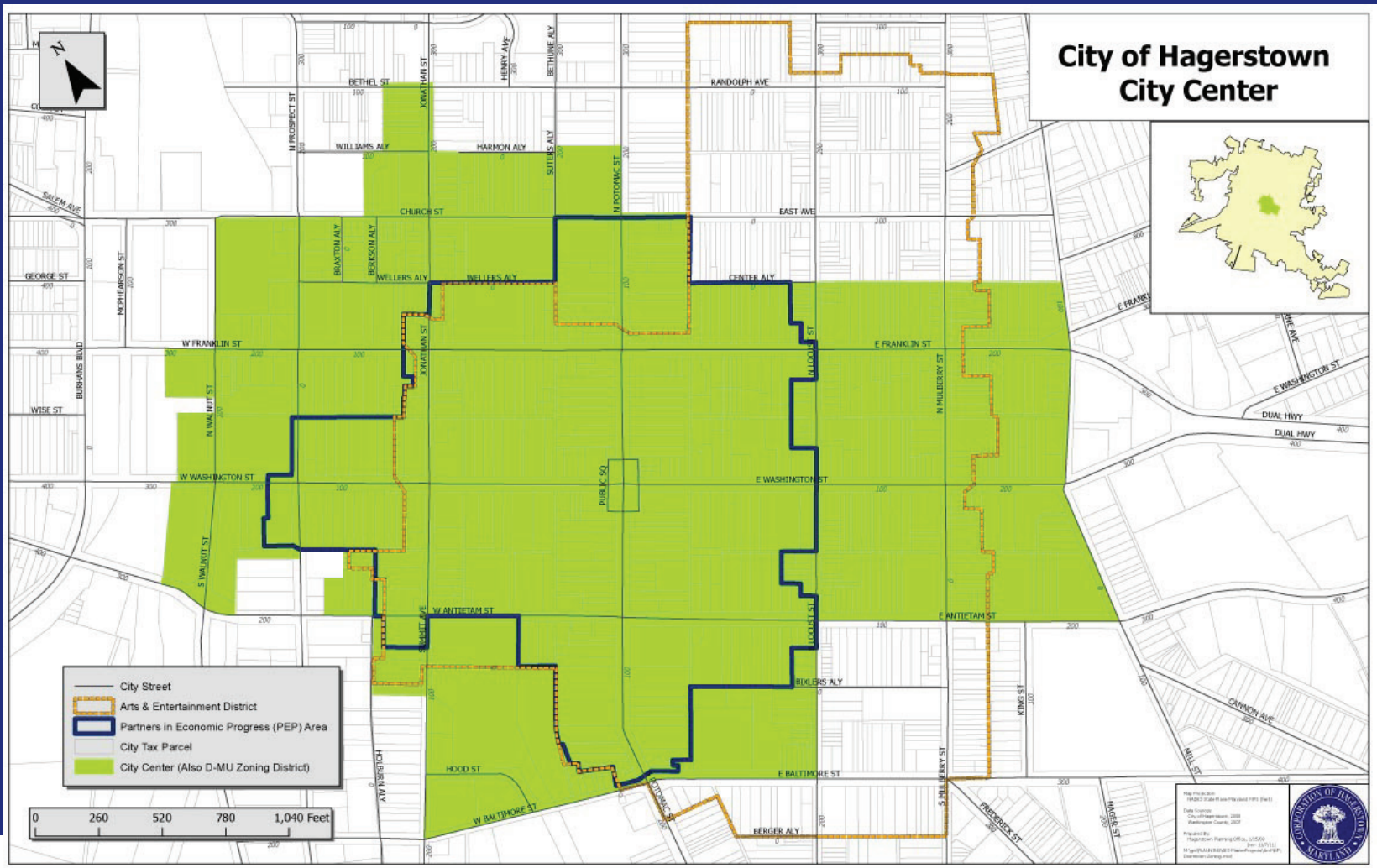
Hagerstown's City Center



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Urban Partners Project:

Economic Analysis and Implementation Plan for Hagerstown's Sustainable Community Plan

Grant from DBED

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8 Catalyst Projects

New Development Initiatives

1. New Office Development and Recruitment
2. Maryland Theatre Expansion
3. Student Housing
4. Hotel/Conference Center
5. Link City Park & A&E District with Trail and New Housing

Expansion of Projects Currently Underway

1. Expand Arts/Events Programming
2. Expand Operations of the City Farmers Market
3. Expanded & Targeted Home Ownership Support Strategies

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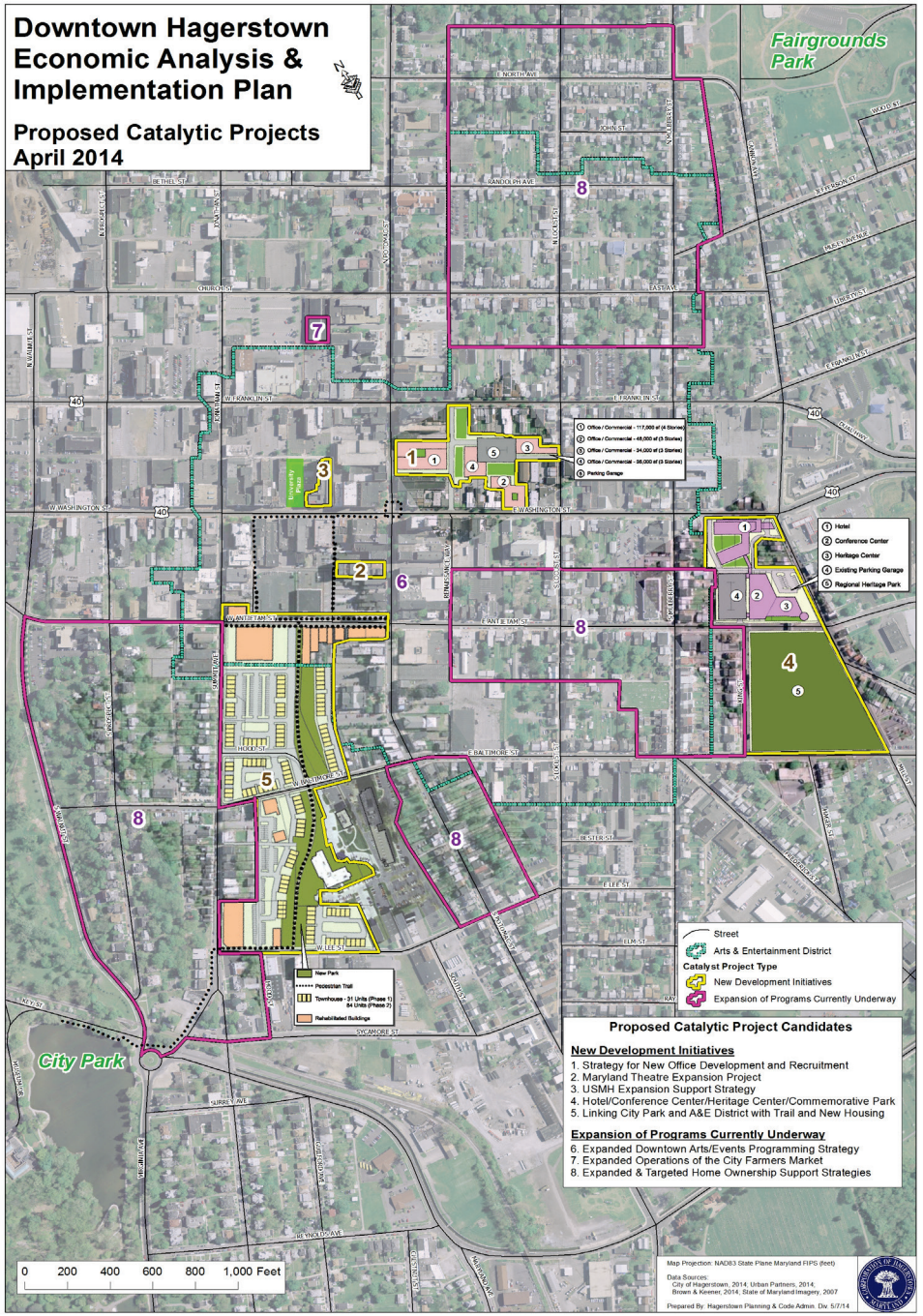

Neighborhood Development Incentive Programs

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Neighborhood Façade and Exterior Enhancement Program

- Funding in the form of a loan for up to $20,000 for select façade and exterior repairs
- After 50% of the principal balance is repaid, the remaining principal balance converts to a grant and is forgiven
- Eligible areas:
  - East Franklin Street
  - South Prospect Street
  - South Potomac Street
  - East Antietam Street
  - Summit Avenue

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City Center Residency Initiative

- Two Components: Down payment/rehab assistance for new homebuyers and rental subsidy for new renters
- Eligible Applicants:
  - Government Employees
  - Recent College Graduates
  - Staff/Students USMH
  - Degree-holding Professionals
  - Active Military
  - Households with income over 80% of area median

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City Center Residency Initiative

- New homebuyers can receive up to $10,000 towards down payment, rehab in conjunction with acquisition, or a combination of both
- New renters receive a subsidy of $150.00 a month for one year
- Properties must be located in City Center Residency Initiative Area

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City-Wide Down Payment & Rehabilitation Program

- Up to $7,500 towards down payment, rehab in conjunction with acquisition, or a combination of both
- In the form of a no-interest, no-payment loan which is forgiven if the property is kept as primary residence/not sold or transferred for 5 years
- Property must be built prior to 1960 and vacant for a period of at least 12 months prior to purchase

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Franklin Street Coach & Carriage Light Grant Program

- No Matching Funds Required
- $1,000 Maximum Grant
- Residential & Commercial Properties
- For eligible properties located in the 000, 100 and 200 blocks of East Franklin Street.

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Business Incentive Programs

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Business Revolving Loan Fund

- Provides low-interest loans to small businesses or developers
- Minimum loan amount of $10,000 ($5,000 for micro-enterprise applicants)
- Maximum loan amount of $200,000

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Business Revolving Loan Fund

Loan proceeds may be used for:

- Land improvements
- Building renovation or construction
- Machinery or equipment
- Working capital

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First Third Grant Program

City Center

City Center		Required Match (at least)	Project Total (at least)
Grant Minimum	$150,000	$300,000	$450,000
Grant Maximum	$250,000	$500,000	$750,000

City Wide (including City Center)

City-Wide		Required Match (at least)	Project Total (at least)
Grant Minimum	$25,000	$50,000	$75,000
Grant Maximum	$50,000	$100,000	$150,000

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First Third Grant Program

Goal: Redevelopment of vacant and under-utilized properties

- Commercial, professional office, retail & mixed-use projects
- Renovation or new construction projects

Not eligible: Acquisition costs, entirely residential projects and non-profit developments

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Sign & Facade Grant Program

City Center; Review by HDC

50% Match for Costs

$300 Sign Maximum

$5,000 Facade Maximum

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Partners in Economic Progress (PEP) Program

- Targeted Area – PEP Zone
- Minimum Building Improvements
  - $250,000 – Commercial
  - $200,000 – Mixed-Use
  - $100,000 – Residential
- Properties to Code & Minimum Amenities for Residential

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Partners in Economic Progress (PEP) Program

1. Annual Grant - equal to City Property Tax, less Enterprise Zone benefit, for 5 Years
2. Utility Benefit - 2 free EDUs valued at $13,800
3. Parking Benefits – 1 year free and 50% discount for 4 years
4. Upper Floor Rent Relief – 50% rent paid by City for 2 years or split over 3 years 50/35/15%.

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Partners in Economic Progress (PEP) Program

5. Waiver of Development Fees
6. Fast Track Permit Processing
7. Code Flexibility using Maryland Building Rehabilitation Code
8. Consultation on Historic Tax Credit Program

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Promotion of State Incentive Programs:

Arts & Entertainment District Tax Incentives

Enterprise Zone Tax Incentives

Sustainable Community Tax Incentives

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Targeted Acquisitions of Blighted Properties

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Targeted Acquisitions of Blighted Properties

- Identification of opportunities for priority blight removal and acquisition deals

- Remove barriers to investment by private sector; and/or
- Implement City goals through model projects

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Targeted Acquisitions of Blighted Properties

140 S. Potomac Street: City acquired vacant building and sold with incentive package to private developer for rehab for new owner occupant office tenants.

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Targeted Acquisitions of Blighted Properties

Old CVS Building: City acquired vacant CVS and rehabbed front for retail tenant and rear for USMH classroom/office space. Rehab of the balance for a business incubator will be completed this year. (CL Grant)

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Targeted Acquisitions of Blighted Properties

36-40 N. Potomac Street:
City acquired predominantly vacant building and rehabbed upper floors for four artist lofts. Rehab of storefront for cooperative art gallery will be completed this year. The other storefront tenant is Thai Zap. (CL Grant)

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Targeted Acquisitions of Blighted Properties

170 W. Washington Street: City acquired vacant motel in March 2013 to prepare the building for re-sale to private developer and/or tenant. Demo of rear motel wing complete. Repairs this year to ready for re-sale (CL Grant).

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Targeted Acquisitions of Blighted Properties

43-53 W. Washington Street:
City acquired predominantly vacant buildings in 2013 and is prepping for re-sale to the private sector for adaptive reuse.
(CL Grant)

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Competitive Negotiated Sale Process

Selling City-Owned Property

- Designed to be layered with other Incentive Programs.
- Applications available online.
- Applications accepted on a rolling basis and reviewed at the end of the month.
- Offer price and intended use equally important.

19-21-23 W. Antietam St.
17-25 E. Franklin St.
43-53 West Washington St.
170 W. Washington St.

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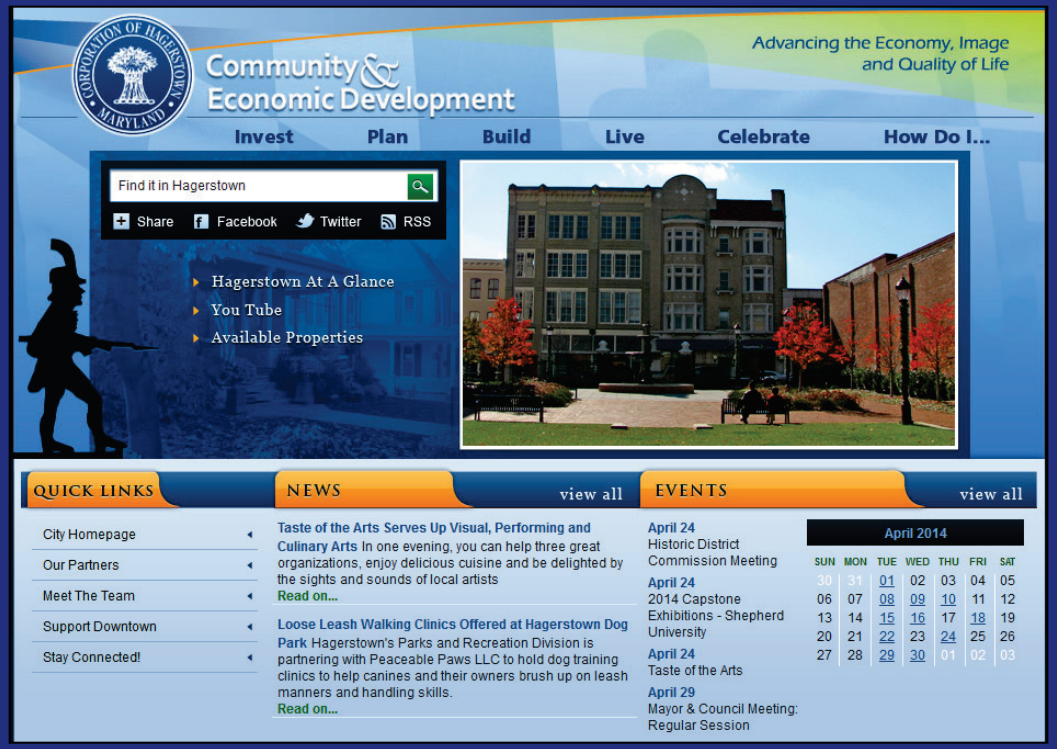
Questions?



For Information Visit:

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