

# Regular Meeting

<b>Agenda Item #</b>	2
<b>Meeting Date</b>	March 11, 2013
<b>Prepared By</b>	Erkin Ozberk Planner
<b>Approved By</b>	Suzanne R. Ludlow Acting City Manager

<b>Discussion Item</b>	Resolution Supporting the Re-designation of a Portion of Takoma Park as a Maryland Enterprise Zone and Authorizing Submission of a Joint Application with Montgomery County for the Re-designation
<b>Background</b>	<p>The Long Branch/Takoma Park Enterprise Zone was first designated by the State of Maryland in 2003 in furtherance of the City's efforts to encourage new business investment, create jobs, improve the attractiveness of commercial areas, and diversify the mix of available goods and services in the community. The objectives and goals of the Enterprise Zone were seen by the Council as an effective tool for implementing the City's economic development initiatives, particularly along New Hampshire Avenue. Information on the available incentives is routinely provided to individuals exploring the possibility of establishing a new business or expanding an existing business within the current Enterprise Zone.</p> <p>The Enterprise Zone is an economic development tool providing both property and income tax credits to new and expanding businesses. The Enterprise Zone is <i>not</i> a new zoning designation for land use, nor does it provide for unregulated commercial development. In Takoma Park, the Zone includes properties primarily located along New Hampshire Avenue, University Boulevard, and on Flower Avenue at Piney Branch Road. Twenty-two businesses received tax credits under the current designation between 2003 and 2011. During this period, 35 new jobs were created and \$13.6 million in capital investments were made. The designation expires in 2013 and City and County staff are collaborating on the re-designation application.</p> <p>In accordance with State requirements, a public hearing was held on March 4 at the Takoma Park Community Center to gather comments on the proposed application for re-designating portions of Long Branch and Takoma Park as a State of Maryland Enterprise Zone. The public hearing draft included the addition of multiple properties to the current Enterprise Zone, including: 6501 Poplar Avenue (the Washington McLaughlin School), 7315 New Hampshire Avenue (Takoma Park Recreation Center), and 7333 and 7401 New Hampshire Avenue, and several properties on Flower Avenue between Domer Avenue and Piney Branch Road. Thirty four residents and business representatives attended the hearing, most of whom shared testimony opposing the addition of 6501 Poplar Avenue, though generally in favor of the Enterprise Zone itself. Several questions were posed during the hearing, which have been summarized with answers in the attached Response document.</p> <p>Based on oral testimony from the March 4 hearing and subsequent written testimony submitted to City staff, two changes were made to the draft Enterprise Zone maps and corresponding application narrative. The Washington McLaughlin School (6501 Poplar</p>

	<p>Avenue) has been removed from the parcel inventory and will not be included in the re-designation application. The southern parking lot portion of 7676 New Hampshire Avenue, recently rezoned for mixed use through the Takoma/Langley Crossroads Sector Plan, has been added to the application. The net addition to the Enterprise Zone re-designation application is 32.6 acres of mixed use land in Takoma Park. Section 9 (pp. 42-44) of the Enterprise Zone re-designation application provides more detail on the additional parcels added to the Zone, and is attached.</p> <p>The state requires a resolution of support for the re-designation of the Enterprise Zone by both the Takoma Park City Council and Montgomery County Council. The application deadline for re-designating the Enterprise Zone is April 15, 2013.</p>
<b>Policy</b>	<p>Coordinate with surrounding jurisdictions to foster and promote comprehensive, environmentally sound development and redevelopment in the community and throughout the region; support higher density retail, commercial, and residential development near transportation routes and hubs, that is environmentally sensitive and of a design and scale appropriate to surrounding neighborhoods and their historic nature.</p> <p style="text-align: right;"><i>City of Takoma Park Strategic Plan</i></p>
<b>Fiscal Impact</b>	None
<b>Attachments</b>	<ul style="list-style-type: none"> <li>• Resolution Endorsing the Long Branch/Takoma Park Enterprise Zone Application – Proposal for Re-designation</li> <li>• Long Branch/Takoma Park Enterprise Zone application - Maps</li> <li>• Long Branch/Takoma Park Enterprise Zone application - Section 9</li> <li>• Response to Enterprise Zone Re-designation Questions – March 5, 2013</li> </ul>
<b>Recommendation</b>	Review and vote on the Resolution.
<b>Special Consideration</b>	

Introduced by:

**CITY OF TAKOMA PARK, MARYLAND**

**RESOLUTION 2013-**

**ENDORISING THE LONG BRANCH/TAKOMA PARK ENTERPRISE ZONE  
APPLICATION – PROPOSAL FOR RE-DESIGNATION**

WHEREAS, the Long Branch/Takoma Park Enterprise Zone was designated in 2003 for a term of 10 years, expiring in 2013; and

WHEREAS, the Long Branch/Takoma Park Enterprise Zone is the City's sole economic development tool, providing both property and income tax credits to new and expanding businesses located within the zone; and

WHEREAS, under the current designation of the Long Branch /Takoma Park Enterprise Zone, 22 businesses received tax credits, 35 new jobs were created, and \$13.6 million in capital investments were made between 2003 and 2011; and

WHEREAS, the Long Branch/Takoma Park Enterprise Zone Application is a proposal developed by Montgomery County's Department of Housing and Community Affairs and the City of Takoma Park to re-designate portions of Takoma Park and Long Branch as a State Enterprise Zone; and

WHEREAS, the Long Branch/Takoma Park Enterprise Zone Application proposes re-designating the entire existing zone, and including additional parcels along New Hampshire Avenue and Flower Avenue in Takoma Park; and

WHEREAS, the application deadline is April 15, 2013 and the Montgomery County Council is also required to pass a resolution in support of the application before that date.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Takoma Park supports the Long Branch/Takoma Park Enterprise Zone Application and strongly recommends that the Montgomery County Council also pass a resolution in support the application before the April 15, 2013 deadline.

AND BE IT FURTHER RESOLVED that no changes to the parcels included in the Long Branch/Takoma Park Enterprise Zone Application located within the boundaries of the City of Takoma Park be added or removed through any subsequent edits to the proposal by Montgomery County Council and staff.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2013.

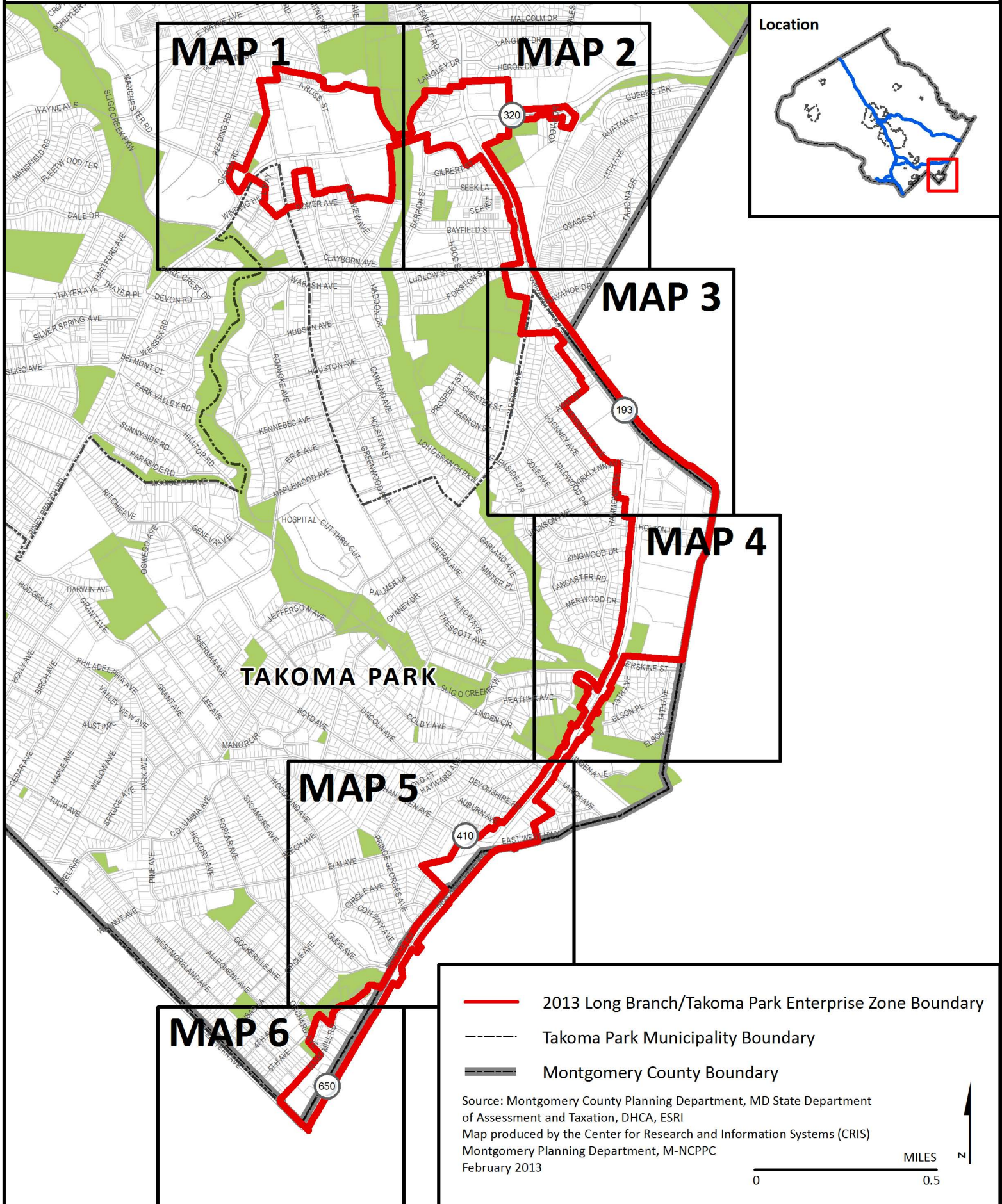
ATTEST:

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Jessie Carpenter, CMC  
City Clerk

# Long Branch/Takoma Park Enterprise Zone

## Property Boundaries

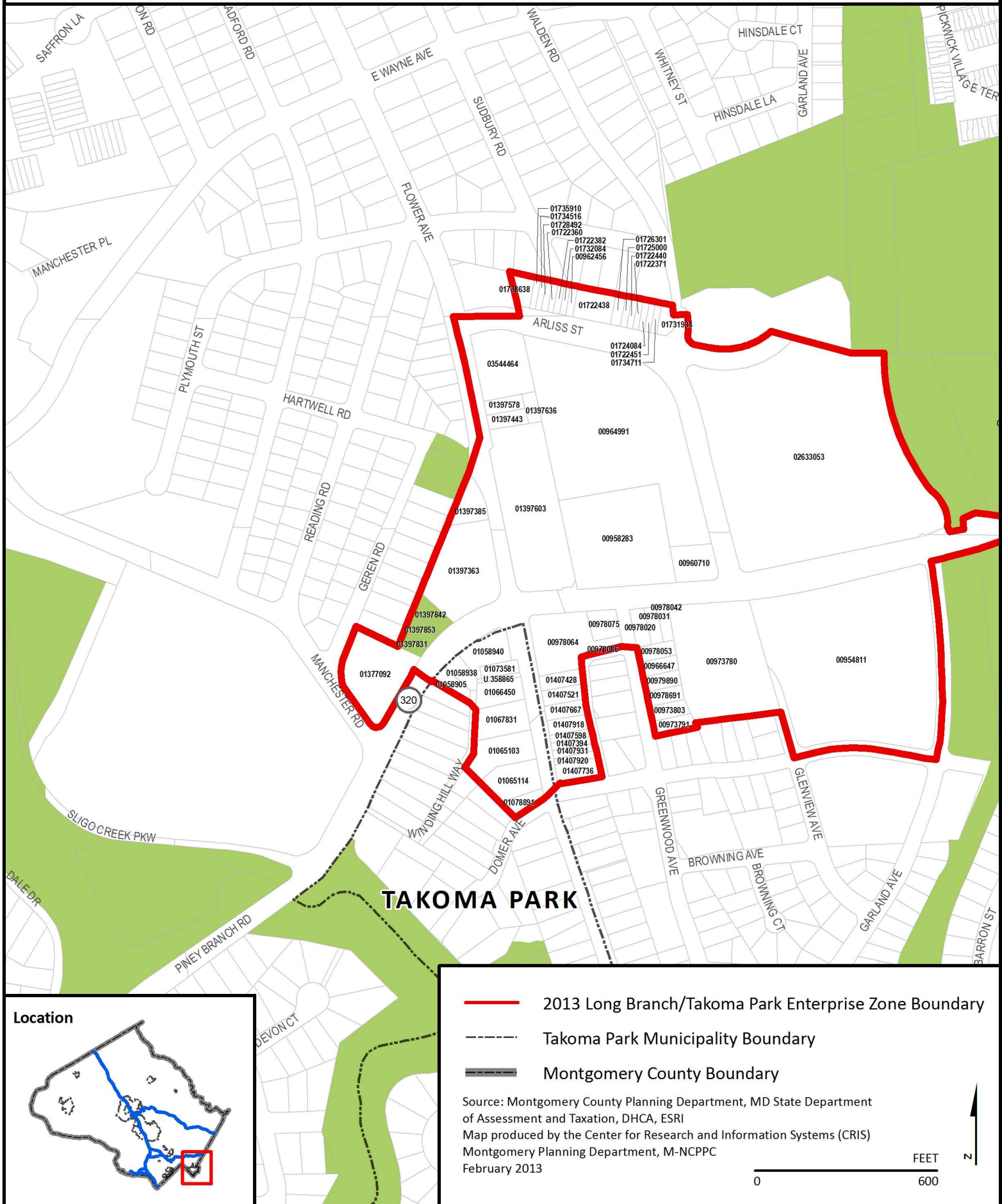




# Long Branch/Takoma Park Enterprise Zone

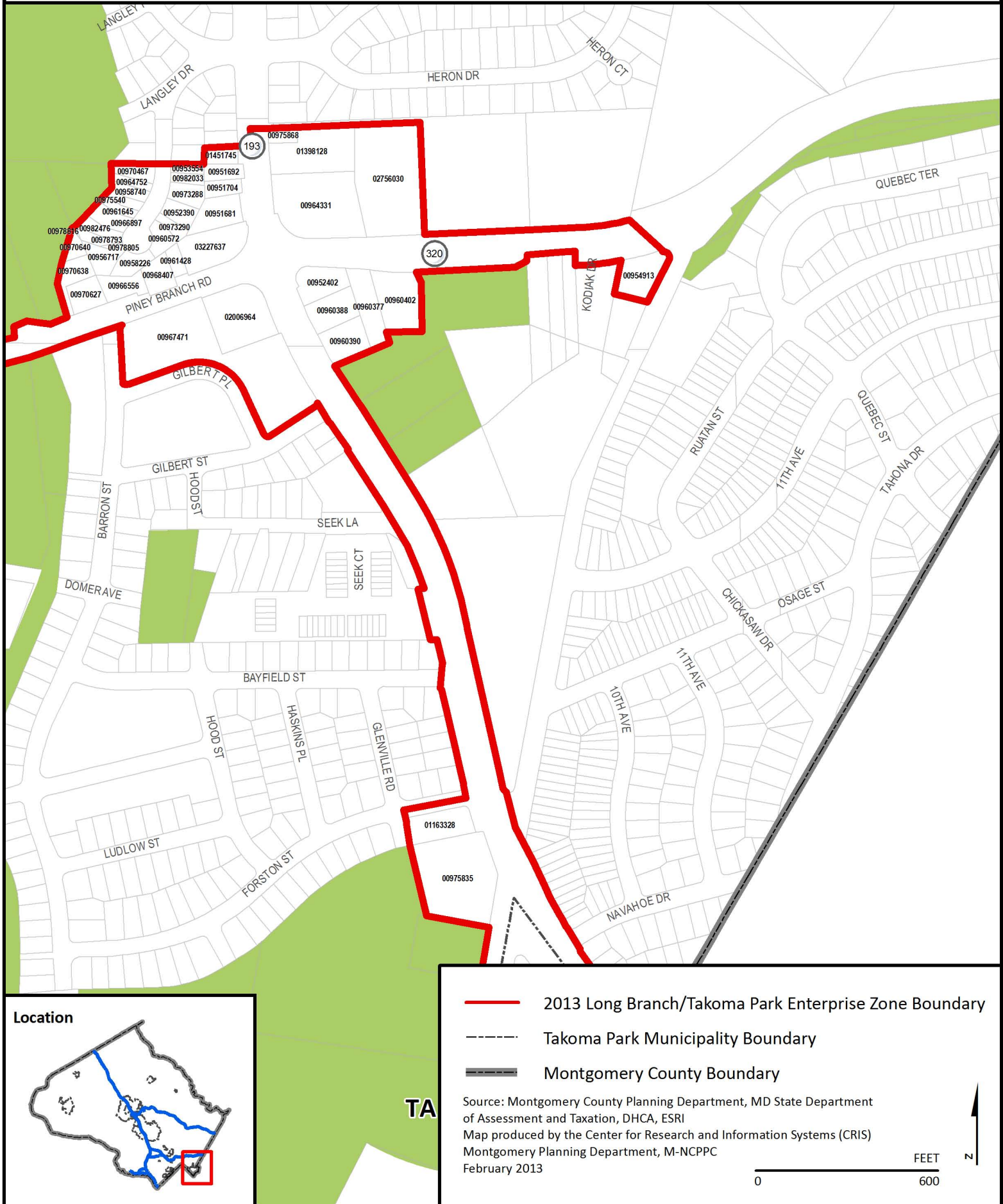
## Property Boundaries

MAP 1



## Long Branch/Takoma Park Enterprise Zone Property Boundaries

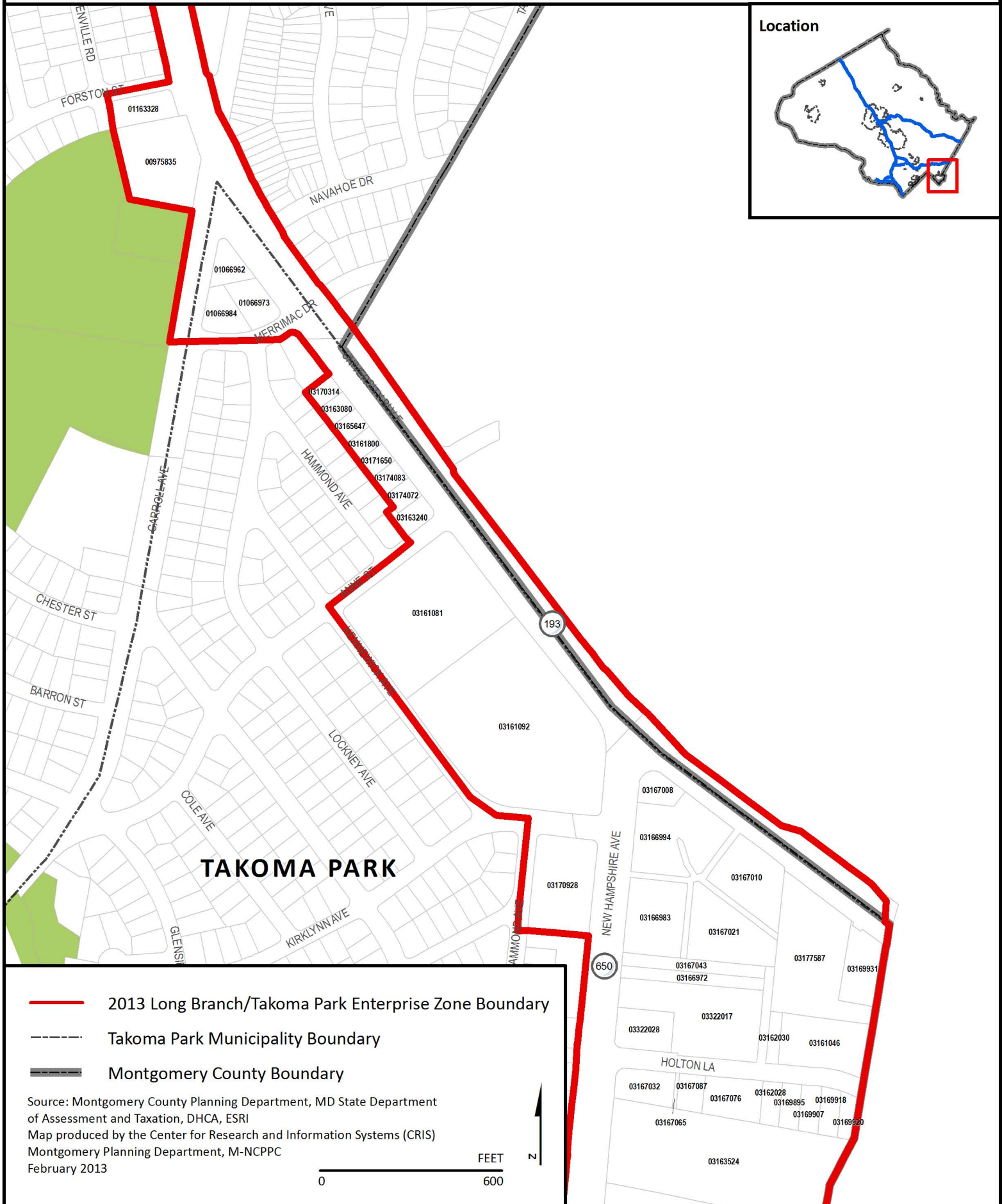
## MAP 2





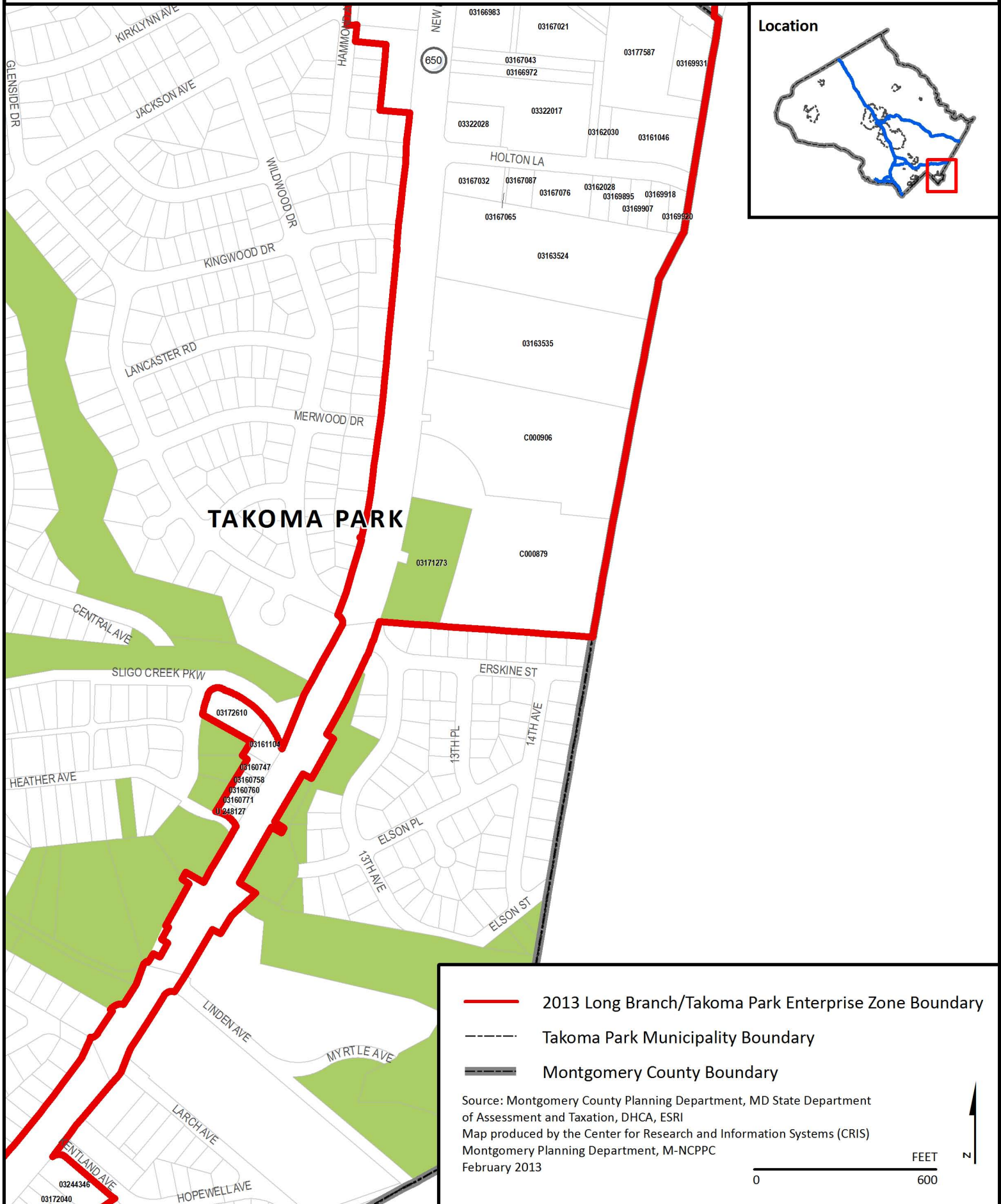
# Long Branch/Takoma Park Enterprise Zone Property Boundaries

MAP 3



## Long Branch/Takoma Park Enterprise Zone Property Boundaries

## MAP 4





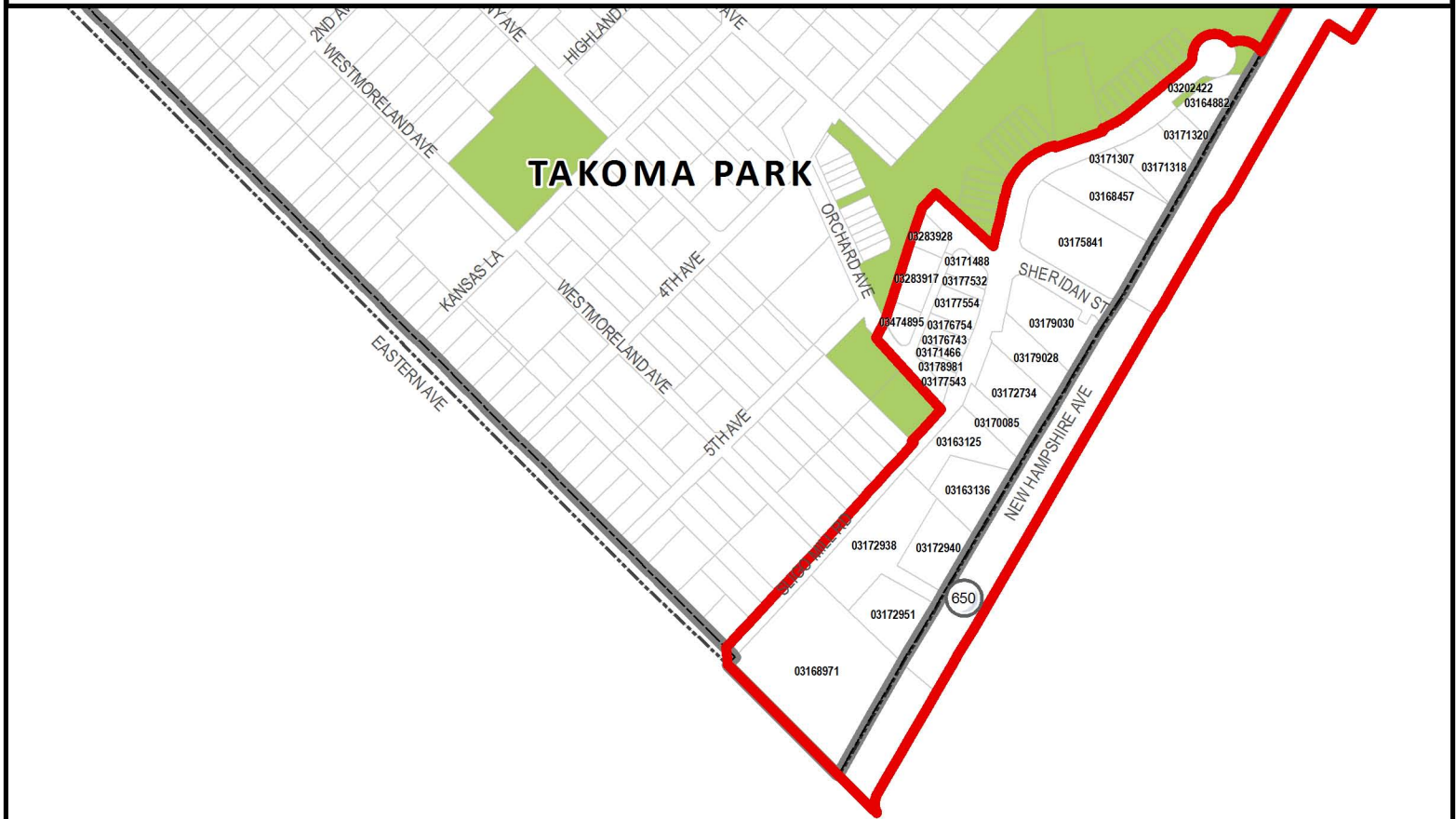
# Long Branch/Takoma Park Enterprise Zone Property Boundaries

MAP 5

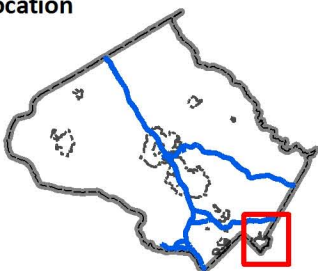


# Long Branch/Takoma Park Enterprise Zone Property Boundaries

MAP 6



Location



- 2013 Long Branch/Takoma Park Enterprise Zone Boundary
- - - - - Takoma Park Municipality Boundary
- Montgomery County Boundary

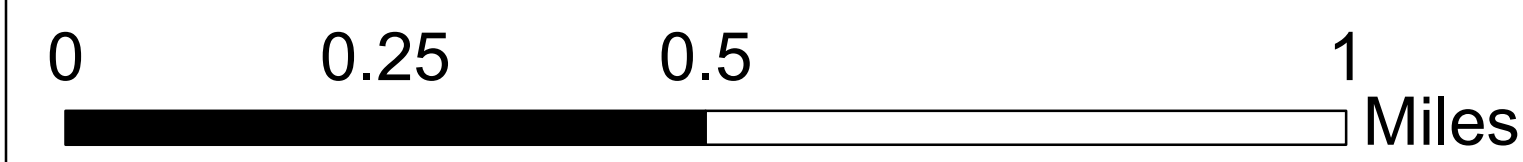
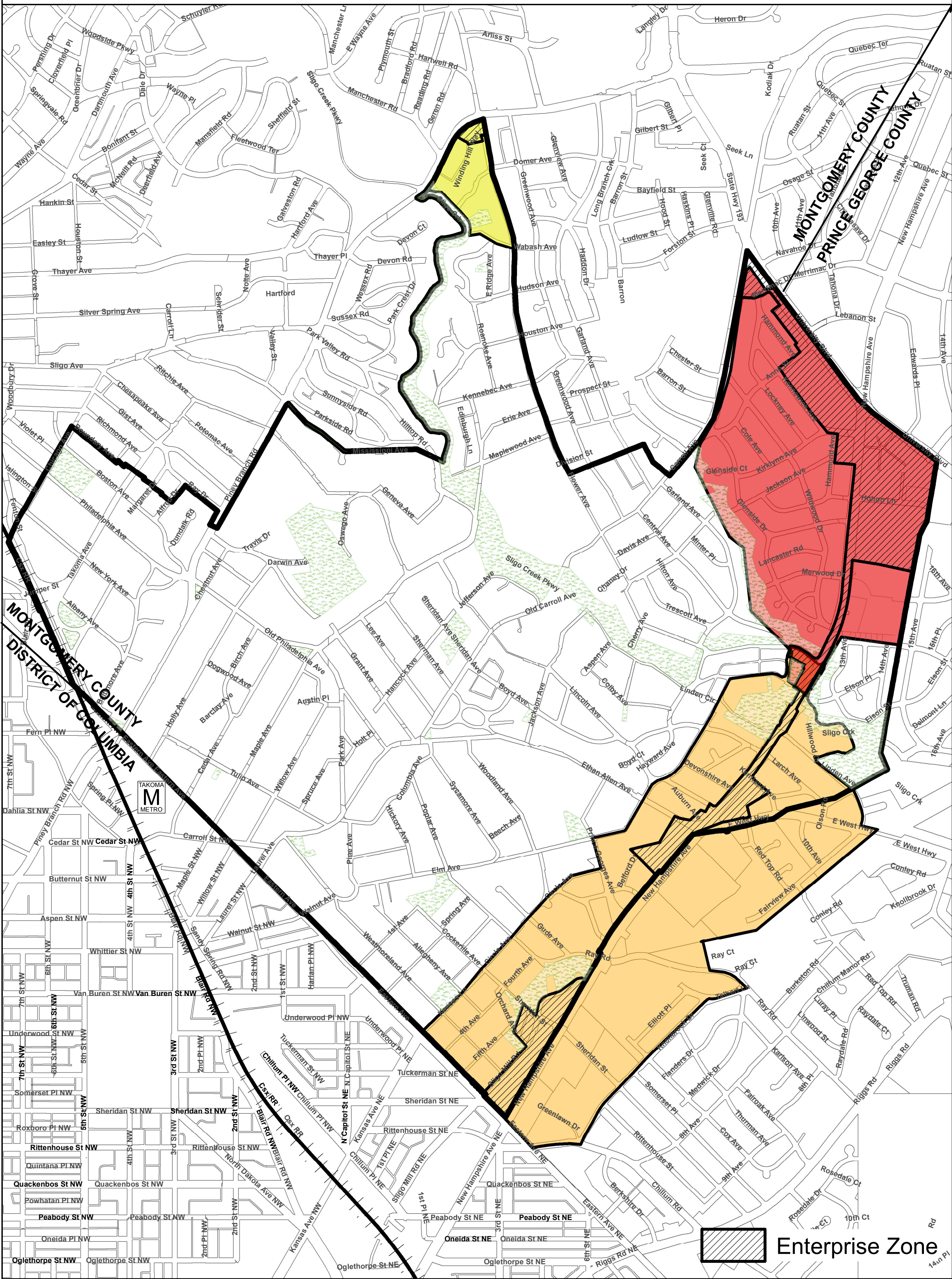
Source: Montgomery County Planning Department, MD State Department of Assessment and Taxation, DHCA, ESRI  
Map produced by the Center for Research and Information Systems (CRIS)  
Montgomery Planning Department, M-NCPPC  
February 2013

0 600 FEET

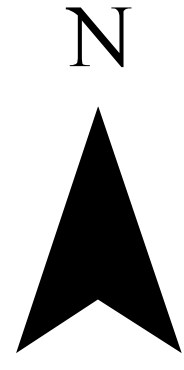




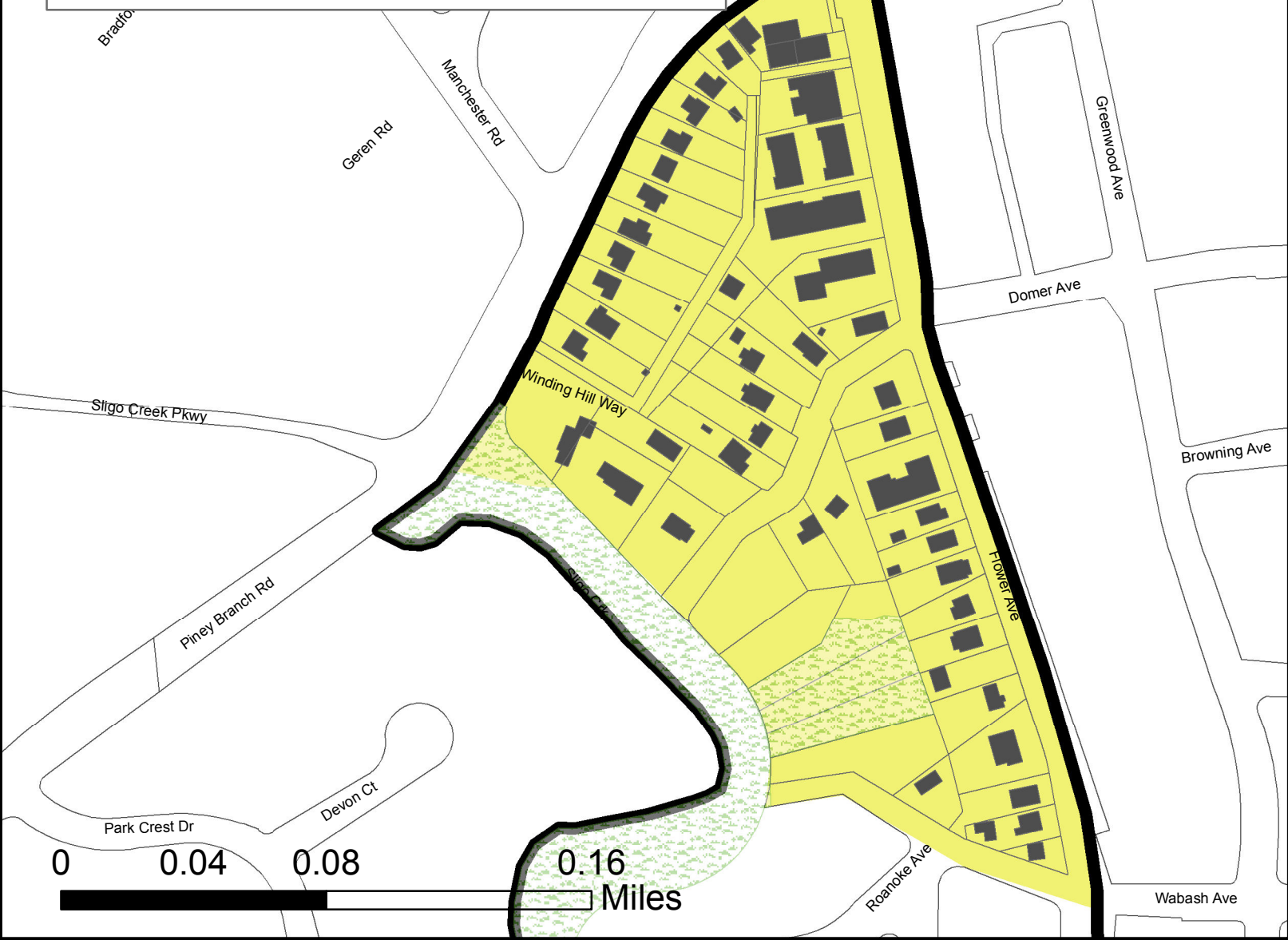
# CITY OF TAKOMA PARK PLANNING AREAS



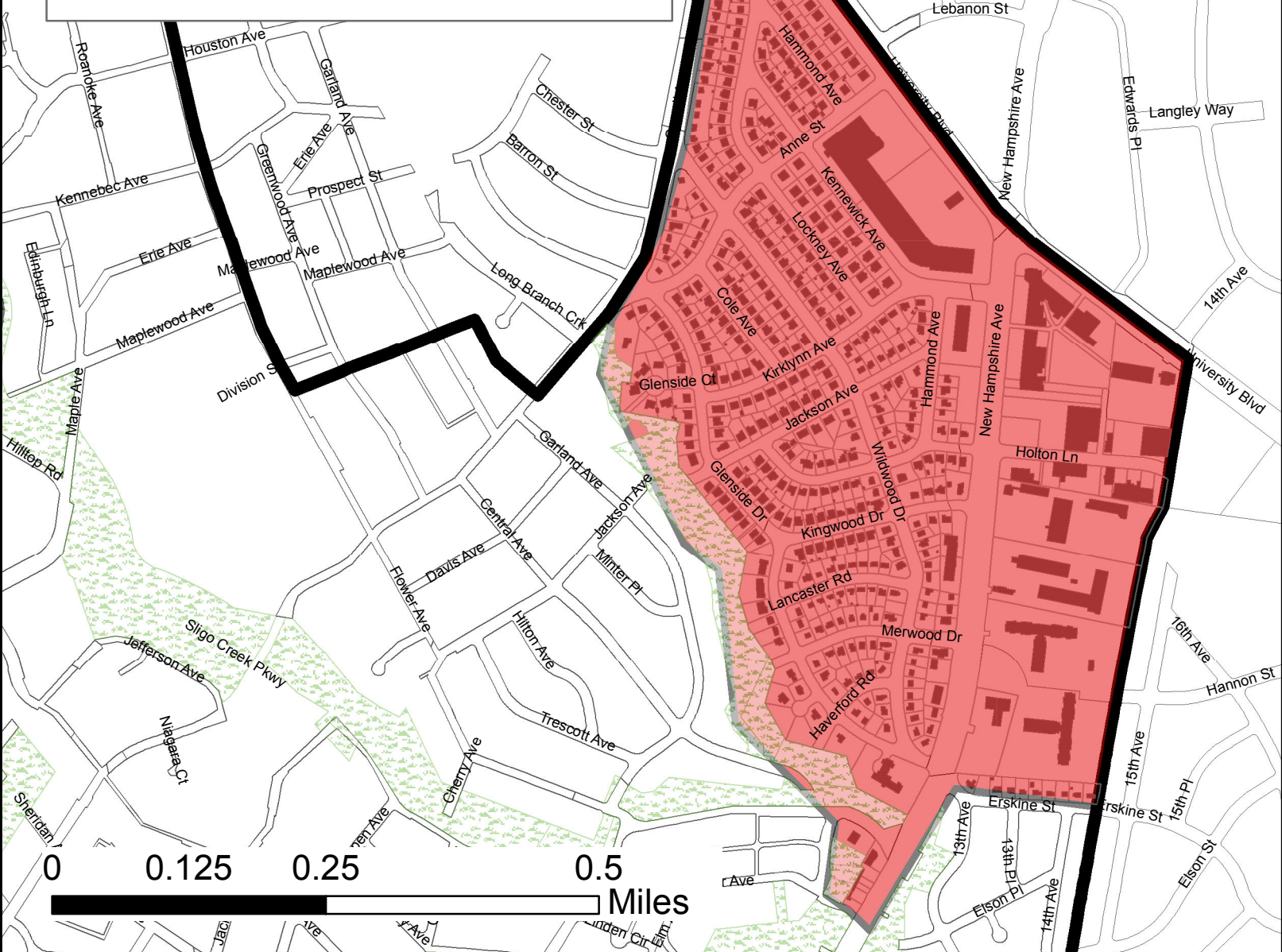
Co-Ordinate: NAD\_1983\_StatePlane\_Maryland\_FIPS\_1900\_Feet  
Date: 6-21-2012  
Prepared By: City of Takoma Park Housing and Community Development  
Data Source: Montgomery County GIS Department, DC GIS & Census 2010



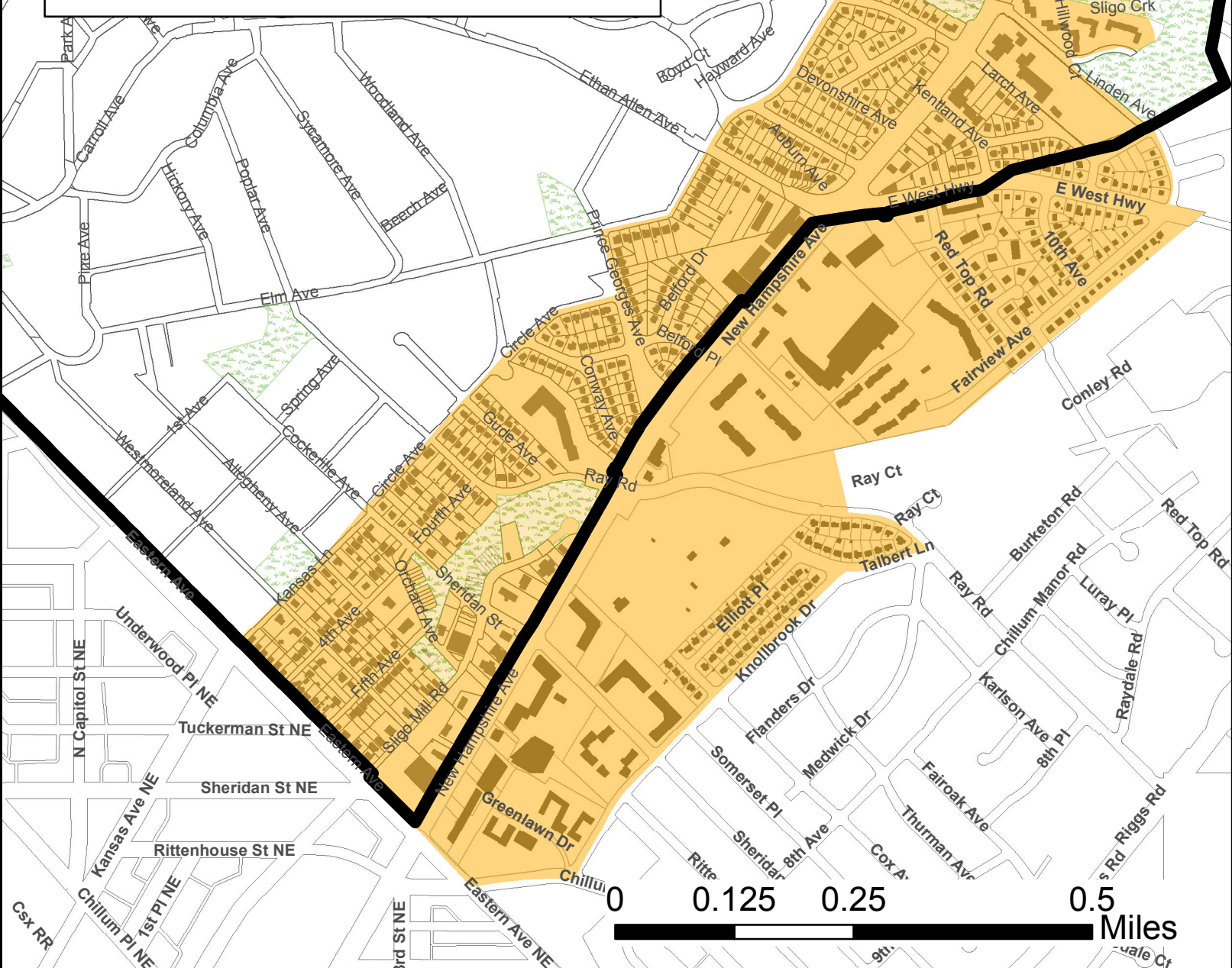
## Long Branch Sector Plan



## Takoma/Langley Crossroads Sector Plan



## New Hampshire Avenue Corridor Concept Plan





## LONG BRANCH/TAKOMA PARK ENTERPRISE ZONE

### 9. JUSTIFICATION FOR REDESIGNATION OF EXISTING ZONE

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#### **Analysis of History & Existing Benefits**

The existing Long Branch/Takoma Park Enterprise Zone was designated in 2003. The Zone is one of many tools, programs, and resources Montgomery County and the City of Takoma Park have utilized and marketed to improve conditions and vitality of the Long Branch and Takoma Park commercial corridors and the business districts/nodes encompassed by the Enterprise Zone.

Between 2003 and 2011, certification data shows that the Zone has had benefits for Long Branch and Takoma Park business owners and community. These benefits resulted in \$13,593,897 of total capital investment and 49 new jobs, 40 of which counted toward certification. Of the \$13.5 million in capital investments, roughly \$11.3 million were through construction resulting in property new development/expansions. An additional approximately \$943 thousand came through renovations, while the remaining approximately \$1.3 million resulted from equipment investments.

The history of the zone and certifications indicate that it had a strong start in 2003, with a continued growth pattern of new capital investments, job creation and certifications through 2007. However, from 2008 to 2010, no new certifications were issued. This trend was likely the result of a global economic downturn that began in late 2007. That factor, combined with increasing costs of construction materials, likely resulted in this downturn in certifications.

In 2011, however, the Zone certified approximately \$3.5 million in new construction as the Walgreen Company in Takoma Park did substantial new construction in a commercial strip center, which they partially owned on University Boulevard near the intersection with New Hampshire Avenue in the heart of the Takoma-Langley Crossroads area.

#### **An explanation of why portions of the existing enterprise zone are or are not included in the re-designation request as well as an explanation of why other areas are being added.**

The initial Enterprise Zone is entirely included in the proposed Enterprise Zone. The additional 32.6 acres correspond to parcels whose zoning was changed in the Long Branch Sector Plan and Takoma Langley Sector Plan to Mixed Use/Town Center.



**A comparison of the economic development strategy for re-designation or expansion with that of the existing zone.**

Going forward, Montgomery County and the City of Takoma Park plan to aggressively market and promote the Enterprise Zone, and build off current modest increases, but expected continued growth, in the both the Maryland and national economy.

Massive new investments are anticipated by the Maryland Transit Administration, SHA, and other local governmental are expected to result in 3 new Purple Line light rail stations within the Zone, as well as a new multi-modal transit station at the Takoma-Langley Crossroads in the proposed redesignation area. It's anticipated that these transit investments will help to spur further private and public investment in mixed use and Transit Oriented Development (TOD) within the Zone.

Building on this theme, the current draft Long Branch Sector Plan and the Takoma-Langley Crossroads Sector Plan (adopted in 2012), establish bold visions for capital improvement projects along area arterials and corridors, as well as expansion of private development entitlements in the form of expanded commercial zoning through the new CR-T commercial zoning category which permits and incentives mixed use development. The expansion of the existing Long Branch/Takoma Park Enterprise Zone to include these new additional CR-T zones is part of the new strategy for the Zone going forward.

Additionally, recent and anticipated future investments made by the City of Takoma Park in its "New Ave" initiative described earlier in this application, combined with the fresh new visions established by the Takoma Park's commissioned urban design studies for the redesign of New Hampshire Avenue, will coalesce with the redesignation strategy to further attract and incentivize new businesses and revitalize the existing and proposed future Zone area.

As part of the above strategy, this redesignation expansion adds 7315 New Hampshire, a Takoma Park parcel that is 1.9 acres and currently contains a public recreation center owned by the Maryland National Capital Park and Planning Commission (M-NCPPC). The parcel may be part of a land exchange in the future between M-NCPPC and the City of Takoma Park, thus opening new opportunities for land use at that site. The adjacent parcel, 7333 and 7401 New Hampshire Avenue are also zoned commercial, and are 5.6 acres and 5.14 acres respectively, currently with condominiums and apartments. Both sites are zoned for mixed use and may be combined in the future for a wholesale redevelopment. Additionally, the parking lot portion of 7676 New Hampshire Avenue was also recently rezoned from residential to mixed use, constituting 0.76 acres. Multiple parcels in Long Branch are also being included in the redesignation expansion. Some of these properties, such as those along the 8600 block of Flower Avenue, are zoned residential but are proposed for conversion to mixed use through the Long Branch Sector Plan, currently under review by the Montgomery County Planning Board. The addition of these new parcels to the Zone is part of the redesignation strategy.

All of the above are part of the concerted new strategy that builds of past and current strengths of the existing Long Branch/Takoma Park Enterprise Zone with anticipation of new private/public investments that will help transform the area and spur additional investments.

Please see Table 6 on the following page for Enterprise Zone activity during the present designation (2003-2013).

# City of Takoma Park

Housing and Community Development

Telephone: (301) 891-7119  
Fax: (301) 270-4568



7500 Maple Avenue  
Takoma Park, MD 20912

## **Long Branch / Takoma Park Enterprise Zone Application (Draft Proposal for Re-Designation - 2013) Public Hearing March 4, 2013**

The March 4, 2013 Public Hearing for the Long Branch / Takoma Park Enterprise Zone Proposal for Re-designation was the joint effort of Montgomery County and the City of Takoma Park. The purpose was to gather comments on a proposed application for the re-designation of portions of Long Branch and Takoma Park as a State of Maryland Enterprise Zone. 34 people attended the Public Hearing, most of whom shared testimony. Several questions were posed during the Public Hearing, these questions are summarized below, with response:

### **What is an Enterprise Zone (EZ)?**

A designated area that receives focused state and local resources to encourage economic growth and employment. These resources constitute property and income tax incentives to new and expanding businesses. Montgomery County has two other existing Enterprise Zones, located in the central business districts of Silver Spring and Wheaton.

### **What agency administers the zone?**

At the State level, the program is administered through the office of the State's Secretary of Business and Economic Development. Once the Enterprise Zone is approved, a local administrator is also designated (County employee in Wheaton) who oversees the individual business applications. For more information, see <http://www.choosemaryland.org/businessresources/Pages/EnterpriseZones.aspx>.

### **What notice and outreach advertised the March 4 Public Hearing?**

Outreach for the Public Hearing was coordinated by Montgomery County and the City of Takoma Park. County staff ran a notice in the Silver Spring Gazette for two weeks, notice was issued through the Long Branch Business League newsletter and the Takoma/Langley Crossroads Development Authority newsletter, property owners inside the zone were mailed notice of the Hearing with information on the Enterprise Zone, and a press release was issued on the Montgomery County website. The meeting was posted

in the City's March Newsletter, in the City's Status and Information updates (posted to the City Website), and on the City's Facebook page in the week prior to the meeting.

### **Why a Public Hearing on March 4 and also the opportunity to comment at the City Council meeting on March 11?**

For the Enterprise Zone application, the State requires a Public Hearing, as well as resolutions from both the City of Takoma Park and Montgomery County supporting the application. The purpose of the Public Hearing is to gather input from the community on the Enterprise Zone that can be incorporated into the draft application before it is considered by elected officials.

City Council will be considering a Resolution on the Enterprise Zone Re-designation on March 11, and Montgomery County Council will be discussing it later in March as well.

### **Why was 6501 Poplar Avenue in Takoma Park (the Washington McLaughlin School) included in the re-designation of the zone?**

In reviewing the properties along the New Hampshire Avenue corridor, City staff proposed including the Washington McLaughlin School property. As an existing institutional use (grandfathered from unification) the business entity operating at this location could be eligible for income and property tax credits for hiring new employees, and making improvements to the building façade or structure. The owner of the property has not contacted City or County staff about the Enterprise Zone, but was notified of the consideration of their property by mail, as with all other property owners included in the re-designation of the zone.

### **What will happen to the Washington McLaughlin School property?**

The parcel of the Washington McLaughlin School is zoned R-60, a residential zone that permits development of single-family homes on lots no smaller than 6,000 square feet. Including this parcel in the Enterprise Zone re-designation would not override or change the R-60 zoning. The current or future owner of this property wishing to redevelop could do so as residences that conform to the R-60 zoning requirements.

Any change in the use of the building or the development of the wooded area for any use beyond what is currently allowed in the R-60 Zone or grandfathered during unification, would require a special exception or a zoning amendment. No plans or discussions with or between City staff have proposed rezoning the Washington McLaughlin School property. Montgomery County is undergoing a Zoning Code rewrite ([www.montgomeryplanning.org/development/zoning/](http://www.montgomeryplanning.org/development/zoning/)), which aims to simplify and consolidate the County's cumbersome code. This process involves some minor conversions of commercial to new mixed-use zones in Takoma Park compatible with the intent of the Master Plan and other policy. All properties in the R-60 zone, including the



Washington McLaughlin School, will remain R-60. R-60 is the most common zone in Takoma Park.

### **How does Washington McLaughlin School relate to the vision of the New Hampshire Avenue Corridor Concept Plan?**

On page 56 of the Concept Plan, recommendations for the Takoma Branch Area of the corridor include: “Similarly redevelop the McLaughlin School property with a mix of affordable and market residences of varying types.”

An accompanying map (pp. 53, 56) demonstrates a conceptual redevelopment scheme that could implement this recommendation. The map shows the wooded section of the property as an undeveloped open space, and the Plan also recommends protection of the riparian assets in the Takoma Branch Area (p. 54). Nevertheless, there does not appear, based on a preliminary title search conducted by the City Attorney’s Office, to be any deed restrictions prohibiting or limiting the development of the wooded portion of the Washington McLaughlin School parcel.

### **What happens next?**

Based on input from the March 4 Public Hearing and consultation with the Mayor and City Council, two changes will be made to the draft Enterprise Zone maps and corresponding application narrative: 6501 Poplar Avenue (Washington McLaughlin School) will be removed from the parcel inventory, and the southern parking lot portion of 7676 New Hampshire Avenue will be included.

Takoma Park City Council will discuss the Enterprise Zone on March 11, 2013. The City Council draft will reflect the above two changes as described. City staff is coordinating with County staff on amending the maps to reflect these changes and will post them when they are made available.

Montgomery County Council will discuss the Enterprise Zone on a to-be-determined date after March 11. The application must be received by the State no later than April 15, 2013. The term of the Enterprise Zone is for another 10 years.

### **How do I keep informed of this issue moving forward?**

Updates will be made to [www.theNewAve.com/business/financing-your-business/ez](http://www.theNewAve.com/business/financing-your-business/ez) while the application for re-designating the Enterprise Zone is being edited and reviewed by City and County officials. Progress of the application will continue to be included in weekly Status and Information updates on the City website and posted on The New Ave and City of Takoma Park Facebook pages. An article will appear in the April City Newsletter on the Enterprise Zone, including an overview of the zone’s objectives and re-

designation process. Email addresses of attendees provided at the Public Hearing will be included in quarterly email updates from City staff highlighting ongoing projects and programs on The New Ave. Relevant links include:

[www.theNewAve.com/business/financing-your-business/ez](http://www.theNewAve.com/business/financing-your-business/ez)  
[www.takomaparkmd.gov](http://www.takomaparkmd.gov)

[www.facebook.com/TheNewAve](http://www.facebook.com/TheNewAve)  
[www.facebook.com/TakomaParkMD](http://www.facebook.com/TakomaParkMD)

Additional inquiries on the Long Branch / Takoma Park Enterprise Zone, or other development-related questions in Takoma Park can be directed to staff in the City's Planning Division:

Rosalind Grigsby, Community Development Coordinator  
[RosalindG@takomagov.org](mailto:RosalindG@takomagov.org)  
301-891-7205

Erkin Ozberk, Planner  
[ErkinO@takomagov.org](mailto:ErkinO@takomagov.org)  
301-891-7213