



Downtown Development District Tax Credit & Impact Fee Waiver

The City of Cambridge has instituted incentives for significant property improvements within the municipality's designated Downtown/Waterfront Development District.

The **Tax Credit Program** stipulates that any property owner, who completes the qualifying improvements within the stated time period, shall be entitled to a municipal real property tax credit for a period of four years. The **Impact Fee Abatement Program** offers the property owner, within an area of the City designated as the Downtown/Waterfront Development District, a waiver for a period of five years.

TAX CREDIT FOR INVESTMENTS

Beginning September 1, 2010 any property owner who completes at least \$50,000 of improvements to their real property, which is located within the Downtown/Waterfront Development District, shall receive a tax credit on their municipal real property tax bill generated by the increase in assessed value. This tax credit is applicable to qualifying properties over a 4 year period.

The credit shall be in the following amount for the stated year:

Year 1: The Tax Credit shall be 80% of the increase in taxes; the owner will pay 20%.

Year 2: The Tax Credit shall be 60% of the increase in taxes; the owner will pay 40%.

Year 3: The Tax Credit shall be 40% of the increase in taxes; the owner will pay 60%.

Year 4: The Tax Credit shall be 20% of the increase in taxes; the owner will pay 80%.

Year 5: The Tax Credit expires; the owner will pay 100% of the taxes.

No applications will be accepted for this Tax Credit Program after December 31, 2015.

TEMPORARY ABATEMENT OF MUNICIPAL IMPACT FEES

The impact fees are abated beginning September 1, 2010 until June 30, 2015, for any and all development projects located within the Downtown/Waterfront Development District. To qualify for the abatement, owners/developers must obtain a building permit and must commence construction of a development project prior to June 30, 2015.

DOWNTOWN/WATERFRONT DEVELOPMENT DISTRICT

The Downtown/Waterfront Development District is hereby defined as the area within the following boundaries: That area which is bounded on the West by High Street, bounded on the South by Washington Street, bounded on the East as follows: binding upon the westerly boundary line of Parcel Nos. 4985 and 4976 of Tax Map No. 303, (thereby excluding Parcel Nos. 4985 and 4976), and running in a northerly direction to Cedar Street, then binding upon the northerly side of Cedar Street in a westerly direction to the waters of Cambridge Creek, then running in a northerly direction along the mean high water line of Cambridge Creek along the westerly boundary line of Parcel No. 5046, Tax Map No. 301, Parcel No. 8013, Tax Map No. 301, Parcel No. 5068, Tax Map No. 303, Parcel Nos. 5089, 5090, 5091, 5092, 5093 and 5094, Tax Map No. 301 (thereby excluding said Parcel Nos. 5046, 8013, 5068, 5089, 5090, 5091, 5092, 5093, and 5094), until it intersects with Maryland Avenue, then binding upon Maryland Avenue in an easterly direction to Hayward Street, then binding upon Hayward Street in a northerly direction to Burn Street, then binding upon Burn Street in an easterly direction to Franklin Street, and then binding upon Franklin Street in a northerly direction to the Choptank River, and bounded on the North by the Choptank River.

To be eligible for the tax credit a completed City of Cambridge Tax Credit Application must be filed at the Cambridge Department of Public Works when obtaining necessary permits. Proof of final expenditures must be submitted to the City Administration Building Main Office at 410 Academy Street, Cambridge 21613 by May 1st, to be eligible to receive a credit for the next tax year. Questions: 410-228-4020.