

**CITY OF HARRINGTON
ORDINANCE NO. 16-07**

**AN ORDINANCE ADDING CHAPTER 157, ECONOMIC DEVELOPMENT AND
REDEVELOPMENT, TO THE CODE OF THE CITY OF HARRINGTON**

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HARRINGTON
IN COUNCIL MET:

Section 1. That the Code of the City of Harrington shall be amended by adding
a new chapter to read as follows:

Chapter 157, Economic Development and Redevelopment

Article I. General Provisions

§ 157-1. Purpose.

The City Council has deemed it to be in the best interest of the residents of the City and
in furtherance of their health, safety, and welfare to promote economic development and
redevelopment within the City of Harrington. In order to promote development and
redevelopment, the City Council has determined that incentives should be made available
to qualifying persons and businesses.

§ 157-2. Definitions.

As used in this Chapter, the following terms shall have the meanings indicated:

DIRECT JOB

A Full-Time Equivalent Job that is created by the Incentive Beneficiary that did not
exist prior to the receipt of notice of eligibility for a Specific Economic Development
Incentive Program available under this Chapter. To be considered a Direct Job, there
must be an increase in the total number of Full-Time Equivalent Jobs employed by the
Incentive Beneficiary.

FULL-TIME EQUIVALENT JOB

Calculated as total hours worked in jobs created divided by the number of hours in a
Full-Time Schedule.

FULL-TIME SCHEDULE

An average of thirty (30) or more hours per week, or at least one hundred thirty (130)
hours in a month.

INCENTIVE BENEFICIARY

The person or entity that has applied for and been approved to receive economic
incentives made available under this Chapter. Any individual who owns 50% or more

of an entity that has been approved for economic incentives under this Chapter shall also be identified as an Incentive Beneficiary.

SPECIFIC ECONOMIC DEVELOPMENT INCENTIVE PROGRAM (SEDIP)

Any incentive program that the City Council has ordained to be made available to qualifying applicants. Each program may incorporate any of the economic incentives identified in this Chapter, subject to any unique terms and conditions as City Council may deem appropriate.

§ 157-3. Administration.

The City Manager, and/or his/her designee, shall develop the administrative procedures necessary to implement any SEDIP available under this Chapter. The City Manager, and/or his/her designee, shall promulgate reasonable standards to be used in determining whether an applicant is eligible for economic incentives under the particular SEDIP being applied for in accordance with this Chapter and the specific terms and conditions of the SEDIP. The City Manager, and/or his/her designee, shall be responsible for auditing the Incentive Beneficiary as required. Revocation of eligibility shall be determined by the City Manager.

§ 157-4. Eligibility.

- A. Eligibility for participation in any SEDIP shall be determined by the City Manager according to the specific provisions and requirements of the SEDIP being applied for.
- B. An otherwise eligible applicant shall be ineligible for any SEDIP if:
 - (1) An application for a building permit for the project was filed prior to the effective date of this Chapter; or
 - (2) The Incentive Beneficiary is delinquent on any taxes, assessments, sewer, water, trash charges, or any other fees due to the City of Harrington for any property owned or leased by the Incentive Beneficiary; or
 - (3) The Incentive Beneficiary has previously had its eligibility revoked for any SEDIP offered under this Chapter.
- C. Revocation of Eligibility. If the Incentive Beneficiary is in default of any of the terms and conditions required under this Chapter, including any requirements specific to the SEDIP, the City Manager shall provide a written notice of default to the Incentive Beneficiary. In the event the default is not substantially cured within fifteen (15) days, the City Manager shall immediately revoke the Incentive Beneficiary's eligibility and assess the Incentive Beneficiary the full cost of all fees that were reduced or waived.

§ 157-5. Appeals.

Any applicant denied eligibility or who is subject to revocation of eligibility may appeal the decision to the City Council within thirty (30) days from the receipt of notice of denial or revocation of eligibility. The appeal shall be made by filing a written request with the Clerk of Council.

§ 157-4 to 157-10 Reserved.

Article II. Citywide Incentives.

§ 157-11. Transfer tax waiver for First-Time Home Buyers.

See § 378-2 D in Chapter 378, Taxation, for information on the transfer tax waiver for first-time home buyers.

§ 157-12. Sewer Impact Fee Reduction.

The sewer impact fee will be reduced beginning in Fiscal Year 2017 and will have annual step increases based on the schedule in Chapter 180, Municipal Fees.

§ 157-13 to 157- 20 Reserved.

Article III. Incentives for Central Commercial (C-2), Service Commercial (C-3), Traditional Neighborhood Development (TND), Manufacturing (M), and Industrial Park (IMP) Zones.

§ 157-21. Application of Citywide Incentives.

In addition to incentives described in this article, the Incentive Beneficiary may qualify for Citywide Incentives as outlined in Article II of this Chapter.

§ 157-22. Impact fee waiver based on Direct Job creation.

A. The Incentive Beneficiary may qualify for a waiver from any City assessed water and sewer impact fees if Direct Jobs are created based on the chart below:

Tier	Full-Time Equivalent Jobs Created	Impact Fee Waivers*
1	5-9	1
2	10-14	2
3	15-19	3
4	20-24	4
5	25-29	5
6	30+	All

* Number of impact fees waived is for both water and sewer
(1 = 1 water impact fee and 1 sewer impact fee)

- B. Fees that cannot be waived or reduced. Any fees or taxes assessed by the State, County, or School District or special fees payable for fire or public safety protection cannot be waived or reduced and must be paid by the Incentive Beneficiary to maintain eligibility under this Chapter. These fees include, but are not limited to, community impact fees and Kent County sewer impact fees collected by the City.
- C. The City will audit the Incentive Beneficiary three (3) years after the issuance of the first certificate of occupancy to verify the job creation levels are achieved. If the required Full-Time Equivalent Job levels are not met or maintained, the Incentive Beneficiary is responsible for payment of all fees and costs not otherwise waived or reduced under this program.

§ 157-23. Permit and other fees reduced based on Direct Job creation for Harrington residents.

- A. If ten percent (10%) of the employees of a business in the City of Harrington reside in the corporate limits of the City of Harrington, the Incentive Beneficiary may qualify for a one-time reimbursement of five percent (5%) of the following permits and fees:
 - (1) Building permit fee
 - (2) Water service connection/inspection fee
 - (3) Sewer service connection/inspection fee
 - (4) Other fees associated with professional services provided by the City as it pertains to planning, engineering, and legal review
- B. The Incentive Beneficiary must apply for the permit and other fees reimbursement within eighteen months (18) months of receiving the Certificate of Occupancy.
- C. Fees that cannot be waived or reduced. Any fees or taxes assessed by the State, County, or School District or special fees payable for fire or public safety protection cannot be waived or reduced and must be paid by the Incentive Beneficiary to maintain eligibility under this Chapter. These fees include, but are not limited to, community impact fees and Kent County sewer impact fees collected by the City.
- D. The Incentive Beneficiary shall be responsible for obtaining all required local, State, County, and Federal permits and approvals as may be required to complete the project.

§157-24 to 157-30 Reserved.

Article IV. Incentives for the Downtown Development District.

§ 157-31. Application of Citywide and Central Commercial (C-2), Service Commercial (C-3), Traditional Neighborhood Development (TND), Manufacturing (M), and Industrial Park (IMP) Zones Incentives.

In addition to incentives described in this Article, the Incentive Beneficiary may qualify for Citywide Incentives as outlined in Article II of this Chapter and/or Central Commercial (C-2), Service Commercial (C-3), Traditional Neighborhood Development (TND), Manufacturing (M), and Industrial Park (IMP) Zones Incentives as outlined in Article III of this Chapter.

§ 157-32. Definition of Downtown Development District area.

As used in this article, the "Downtown Development District" shall be defined as the area shown on the Downtown Development District "Map 1 Downtown Boundary" as stated in the Harrington Downtown Development District Plan.

§ 157-33. First-time home buyer tax abatement.

The Incentive Beneficiary may be eligible for a one-time abatement of the first full tax assessment billing for an owner-occupied single-family dwelling.

§ 157-34. Business license fee waiver for new businesses.

- A. The Incentive Beneficiary may qualify for a waiver of the business license fee for the first three (3) years. The Incentive Beneficiary must apply for and obtain a business license from the City of Harrington.
- B. The Incentive Beneficiary shall be responsible for obtaining all required local, State, County, and Federal licenses, permits, and approvals as may be required.

§ 157-35. Category A or B plan review fee reduction and priority review status.

- A. The Incentive Beneficiary may qualify for a one-time reduction of two hundred dollars (\$200) for one of the following fees:
 - (1) Category A preliminary site plan review; or
 - (2) Category A final site plan review; or
 - (3) Category B administrative plan review.
- B. The Incentive Beneficiary may qualify for priority review status and receive a response to applications for site plan review within ten (10) working days.

§ 157-36. Downtown revitalization property tax reduction program.

- A. All improvements to the exterior of existing commercial structures located in the Downtown Development District and facing the street shall be eligible to apply for a partial exemption from the City of Harrington property taxes and shall be assessed as follows:
- (1) Where the total cost of the improvements is \$2,500 or less, the property shall be exempt from real estate taxation to the extent of 20% for the first year only. Thereafter, the property shall not be entitled to any exemption.
 - (2) Where the total cost of the improvements is more than \$2,500 but less than \$5,000; the property shall be exempt from real estate taxation to the extent of 40% for the first year and 20% for the second year. Thereafter, the property shall not be entitled to any exemption.
 - (3) Where the total cost of the improvements is more than \$5,000 but less than \$7,500, the property shall be exempt from real estate taxation to the extent of 60% for the first year, 40% for the second year, and 20% for the third year. Thereafter, the property shall not be entitled to any exemption.
 - (4) Where the total cost of the improvements is more than \$7,500 but less than \$10,000, the property shall be exempt from real estate taxation to the extent of 80% for the first year, 60% for the second year, 40% for the third year, and 20% for the fourth year. Thereafter, the property shall not be entitled to any exemption.
 - (5) Where the total cost of the improvements is more than \$10,000, the property shall be exempt from real estate taxation to the extent of 100% for the first year, 80% for the second year, 60% for the third year, 40% for the fourth year, and 20% for the fifth year. Thereafter, the property shall not be entitled to any exemption.
- B. In no case shall the cumulative exemption from property taxation exceed the total cost of the improvements.
- C. The Incentive Beneficiary must provide copies of building permits, copies of zoning compliance certificates, and copies of paid invoices or receipts for purchases relating to the improvements. The Incentive Beneficiary must apply for the downtown revitalization property tax reduction within one year from the completion of the project, as determined by the most recently dated certificate of occupancy, invoice, or receipt. No invoice or receipt greater than two years old will be considered in determining the property tax reduction amount as outlined in § 157-36 A.

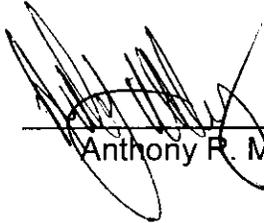
§ 157-37 to 157-45 Reserved.

Section 2. That the Code of the City of Harrington shall be amended by deleting Article III, Downtown Revitalization Area Tax Incentive Program, from Chapter 378, Taxation.

Repealer. All ordinances and parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed.

Effective Date. The Clerk of Council shall certify to the adoption of this Ordinance and cause the same to be published as required by law; and this Ordinance shall take effect and be in force from and after its approval by Council.

SO ORDAINED by the majority of Council Members present at a regular session of Harrington City Council, to be effective upon signing.



Anthony R. Moyer, Mayor

Attest: 

Kelly Blanchies, Clerk of Council

Date of Adoption: May 16, 2016

SYNOPSIS

This Ordinance adds Chapter 157, Economic Development and Redevelopment, to add economic incentives to encourage development and moves the Downtown Revitalization Area Tax Incentive Program from Chapter 378, Taxation, to the new Chapter 157.

First Reading: May 2, 2016

Public Hearing: May 16, 2016

Second Reading: May 16, 2016