



STAFF REPORT ON PROPOSED LEGISLATION

To: Mayor Gavin Buckley and City Council

From: Eric Leshinsky, Chief of Comprehensive Planning

Date: September 9, 2022

Subject: R-54-22: Non-maritime Use Fee on Waterfront Property per City Zoning Code

This legislation establishes a new fee of \$1/square foot for additional non-maritime uses associated with “water access incentives” in the following maritime zoning districts: Waterfront Maritime Mixed (WMM), Waterfront Maritime Eastport (WME), and Waterfront Maritime Industrial (WMI). The fee is to be assessed annually and collected by the Department of Planning & Zoning. The intent of the fee was approved in the adopted ordinance O-25-21 which updated various aspects of the maritime zoning districts for the first time since their original creation in 1987. The zoning updates from O-25-21 are now reflected in Title 21 of the City’s Code of Ordinances. The zoning update allows for certain by-right percentages of non-maritime use based on gross floor area (GFA) of properties in the WMM, WME, and WMI zones. Section 21.48.040 of the Code of Ordinances includes use tables for the Waterfront Maritime Zoning Districts, which clarify both maritime and non-maritime uses allowed in these zones. Section 21.72.010 defines the uses.

A significant change reflected in the recent maritime zoning update was the establishment of “water access incentives” as a means for allowing properties in the WMM, WME, and WMI zones to exceed their by-right allowed percentage of non-maritime use. In essence, the code defines certain water access improvements, which a property owner can establish to benefit public water access, and in return the owner is allowed additional square footage to lease to non-maritime uses. In the WMM, property owners using the water access incentives are allowed to lease up to 10% of GFA additional space to non-maritime uses, and in the WME and WMI, an additional 5% of GFA.

Section 21.46.010 (D) defines the maximum percentages of non-maritime use allowed and defines the types of water access improvements that trigger the incentives. The wording of this code section is somewhat confusing as it includes in the “total percentage” the by-right percentages of non-maritime uses established in another section of the code without a proper reference.

Waterfront Access Incentives. The term "GFA" means the gross floor area of buildings existing on the lot as of October 25, 2021, not including residential structures. The total percentage of professional office and retail sales of non-maritime goods allowed in WMM, WMI, or WME Zoning Districts may be increased by the following percentages if the incentive is provided, but the percentage of professional office and retail sales of non-maritime goods shall not exceed in the WMM thirty percent of total GFA of the development on the lot in existence as of October 25, 2021, and an additional twenty-five percent of total GFA, twenty percent of GFA in the WMI District, or twenty percent of GFA in the WME District. The incentives are:\

Category I (maximum of five percent Total)

- a. Water taxi landing at 2.5 percent of GFA ("Waterfront Access Incentive").
- b. Public access for walking during daylight hours at 2.5 percent of GFA ("Waterfront Access Incentive").
- c. Renting to tenants that provide recreational water access at 2.5 percent of GFA.
- d. A location for the launch and recovery of paddlecraft during daylight hours for below market fee at 2.5 percent of GFA ("Waterfront Access Incentive").
- e. A location for crabbing and fishing during daylight hours at 2.5 percent of GFA ("Waterfront Access Incentive").

Category II (maximum of ten percent total)

- f. Provision of at least one hundred fifty on-site parking spaces at a reasonable fee on evenings and weekends at ten percent of GFA ("Parking Incentive").
- g. A one-time payment of two hundred fifty thousand dollars to the City for improving street end parks at five percent of GFA ("Park Donation Incentive").
- h. Community boating facility with small vessel storage and launch areas, lockers, restroom facilities and parking at ten percent of GFA ("Community Boating Facility Incentive").

A "Waterfront Access Incentive" does not require on-site parking but must be ADA-compliant as required by law, and must provide a clear pedestrian passage from the closest public roadway. The access may be subject to reasonable restrictions to address public safety concerns and shall include clear signage denoting the allowed public use and any such reasonable restrictions, as determined by the Director of Planning and Zoning.

Section 21.46.010 (E) states the intent of the fee: "If there is an increase in non-maritime uses granted through the above incentives, a fee established by resolution of the City Council and set forth in the fees schedule shall be assessed to the property owner for the purposes of supporting the Annapolis Maritime Industry Fund and associated programs."

The Community and Economic Development Division of the Department of Planning & Zoning will administer the Annapolis Maritime Industry Fund and determined the proposed fee of \$1/square foot, assessed annually, based on current average leasing rates in the maritime zoning districts. The core intent of the fee is to build the Annapolis Maritime Industry Fund as a tool for retaining, enhancing, and expanding maritime businesses in Annapolis while not discouraging property owners from using the water access incentives that trigger the fee.

Prepared by Eric Leshinsky, Chief of Comprehensive Planning