

O-12-24: Maritime Industry Economic Development Fund

DOES NOT

- Change the Maritime Zoning
- Relate to Annual Reporting
- Set any fees

MARITIME TASK FORCE
JULY 09, 2021



STRENGTHENING THE INDUSTRY

THE MARITIME TASK FORCE STRATEGY

ANNAPOLIS, MARYLAND

<https://www.annapolis.gov/2154/Maritime-Task-Force>



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Maritime Task Force

TASK FORCE UPDATE

The recommendations of the Maritime Task Force were released on July 15 with The Maritime Task Force Strategy: Strengthening the Industry, a document which describes and illustrates the findings of the Task Force and its consensus approach. Following unanimous endorsements by both the Planning Commission and Maritime Advisory Board, the Strategy document was adopted unanimously by City Council on September 27, 2021 through [Resolution 26-21](#)

[Maritime Task Force Strategy -- Executive Summary](#)

[Final Maritime Task Force Strategy](#)

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Recommendation: The parking ratio for office uses in the maritime districts will be the same as the parking ratio for office use throughout the city, one space per 300 sq. ft.

6. Eliminate Impediments to Winter Maritime Services:

Currently the code requires permits every time a boatyard needs to work on a boat in the winter under a tent causing unnecessary delays and additional costs.

Recommendation: Streamline the permitting processes by offering an annual approval for all work to be performed under a winter tent.

7. Maritime Industry Support - Programs and Fund:

For the maritime industry to retain its standing as a major Mid-Atlantic hub for boating activities, services and repair, the Task Force has recommended that the City's Office of Economic Development and the maritime industry form a partnership to create an Annapolis Maritime Industry Fund (AMIF) which can deploy its resources to:

- Promote the maritime districts while recruiting new businesses;
- Retain and support expansion of existing maritime services; and,
- Diversify and expand workforce training to offer all Annapolitans an opportunity to enter the marine trades.

The recommendations to offer 15% flexibility to underwrite the rising costs associated with the maritime properties creates greater affordability and predictability for the maritime properties allowing them to invest in their properties and businesses within the maritime districts.

Recommendation: Establish the Annapolis Maritime Industry Fund (AMIF) by targeting the increased tax revenues tied to the 15% non-maritime uses. Under the direction of the Economic Development Manager, this fund, in conjunction with other grants and funding, will develop and implement programs to provide direct support to the maritime industry and its businesses.

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1 purchasing the development rights of non-maritime use in the maritime districts;
2 and

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4 WHEREAS, The Maritime Advisory Board was implemented in the City Code, and one of the
5 board's duties includes providing "advice to the City concerning the administration
6 of the maritime industry economic development fund as created by Ordinance O-
7 51-88 Revised, adopted March 13, 1989"; and

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9 WHEREAS, The Maritime Industry Economic Development Fund was never established; and

10
11 WHEREAS, The City Council has adopted legislation creating new fees that are to go into the
12 fund that was authorized by O-5-88, including:

- O-25-21 authorizing a new fee based on the square footage of non-maritime uses to be assessed on property owner in maritime zones for the purposes of supporting the "Annapolis Maritime Industry Fund and associated programs administered by the City of Annapolis."; and
- R-54-22 setting the fee that was authorized in O-25-21, at \$1 per square foot per year; and

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19 WHEREAS, The current City Council seeks to implement the Maritime Industry Economic
20 Development Fund and override the outdated fund criteria adopted in 1989.

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22 SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY
23 COUNCIL that the Code of the City of Annapolis shall be amended to read as follows:

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25 Title 2 - ADMINISTRATION
26 Chapter 2.48 - Boards, Commissions and Committees
27 Article VIII - Maritime Advisory Board
28 Section 2.48.250 - Duties

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30 The Maritime Advisory Board shall:

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- A. Provide expert and informed analysis, based upon marine industry and trade positions and viewpoints, of the facts relating to the marine industry and pleasure boating in the City on relevant matters pending before the City Council, or any City agency, board or commission, including the advantages and disadvantages of any particular action;
 - B. Make such recommendations to any decision-making body, agency, board, commission or official of the City on matters relating to the marine industry and pleasure boating in the City as the council deems appropriate;

Explanation: Strikethrough indicates matter stricken from existing law.
Underlining indicates a change to the City Code.
Underlining & black - copyediting or reformatting of existing Code section
Underlining & red - new matter added to the code.

- O-25-21 authorizing a new fee based on the square footage of non-maritime uses to be assessed on property owner in maritime zones for the purposes of supporting the "Annapolis Maritime Industry Fund and associated programs administered by the City of Annapolis."; and
- R-54-22 setting the fee that was authorized in O-25-21, at \$1 per square foot per year; and

- 1 C. Administer the maritime industry economic development program as established by
2 Ordinance O-51-88 Revised, adopted March 13, 1989;
3 D. Provide advice to the City concerning the administration of the ~~Maritime In~~
4 ~~Economic Development~~ Fund as created by Ordinance O-51-88 Revised,
5 March 13, 1989.

6
7 Title 21 - PLANNING AND ZONING

8 Chapter 21.64 - Standards for Uses Subject to Standards

9 Section 21.46.010 - Regulations applicable to all waterfront districts

- 10 E. If there is an increase in non-maritime uses granted through the above incentives
11 established by resolution of the City Council and set forth in the fees schedule
12 assessed to the property owner for the purposes of supporting the Annapolis
13 Industry Economic Development Fund per § 6.30.010 Fund and associated programs.

14
15 Section 21.64.520 - Professional Offices

- 16 E. In the WMM, WMI, and WME districts, a fee based on the square footage of non-
17 uses, established by resolution of the City Council, and set forth in the fees schedule
18 be assessed to the property owner for the purposes of supporting the Annapolis Maritime
19 Industry Economic Development Fund per § 6.30.010 and associated programs
20 administered by the City of Annapolis.

21
22 Section 21.64.550 - Retail sales of non-maritime-related goods.

- 23 E. In the WMM, WMI, and WME districts, a fee based on the square footage of non-maritime
24 uses, established by resolution of the City Council, and set forth in the fees schedule, shall
25 be assessed to the property owner for the purposes of supporting the Annapolis Maritime
26 Industry Economic Development Fund per § 6.30.010 and associated programs
27 administered by the City of Annapolis.

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Title 21 - PLANNING AND ZONING

Chapter 21.64 - Standards for Uses Subject to Standards

Section 21.46.010 - Regulations applicable to all waterfront districts

- E. 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 Economic Development Fund per § 6.30.010 Fund and associated programs.

Greater Access to the Waterfront

Unlike the other foundational concerns of the Task Force, the issue of public water access was decidedly shaped by the resident perspective, which had the most potential to offer tangible public benefit. From a local perspective, Task Force members sought to leverage underutilized public access opportunities as a way for the maritime districts to better complement neighboring communities. These same water access opportunities were seen as a way of offsetting lingering inequities across the City. Both perspectives highlight the vexing issue of determining what adequate public water access should look like in a city whose cultural identity has long been defined by its waterfront. At the heart of the solution developed by the Task Force is the notion that public water access is not monolithic, it comes in many forms which offer differing benefits.

Hierarchy of Water Access Activities

The Task Force identified a hierarchy of water access activities to set priorities for public water access and clarify those few types of amenities that would truly be game changers for both adjacent residents and the broader city. Consensus was reached on three types of water access that would become game changers for the community:

- A substantial investment in a street-end park to amplify its use;
- A community paddle facility that could be operated as either a nonprofit or for-profit venture; and,
- The dedication of a substantial block of parking (50 spaces minimum) to be utilized by area patrons, general visitors, and employees from nearby businesses.

Consensus was also reached on a lower tier of water access amenities that were seen as having value but easier to achieve ranging from a public promenade to improvements for paddle access such as a floating dock.

Water Access Incentives

The concept of offering additional incentives for flexibility on non-maritime development was widely seen as the most likely avenue for property owners to partner on new public water access projects. Some Task Force members felt that the incentive would need to be 10% to elicit any water access improvements, while others were concerned about allowing properties in the WMM district to exceed a maximum of 50% non-maritime activity through the triggers and incentives. The Task Force concluded that a 5% incentive would be offered in all the maritime districts in exchange for public water access.

Ultimately, there was consensus that an expansion of public water access will be integral to the sustainability of the maritime districts, and with equitable access at the forefront on citywide concerns, this is any issue that the districts are well suited to help solve.

Recommendation: Offer an incentive for 5% flexibility to maritime properties providing the identified water access opportunities to the community.



WaterWalker Boat Tours, By Dove Watercraft

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Section 21.46.010 - Regulations applicable to all waterfront districts.

D. 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.

E. 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.

1 Title 6 - REVENUE AND FINANCE
2 Chapter 6.30 - Special Funds
3 Section 6.30.030 - Maritime Industry Economic Development Fund

4
5 A. Established.

6 A Maritime Industry Economic Development Fund is established.

- 7 a. Fees for non-maritime use of waterfront property shall be \$
8 21.46.010(E), \$ 21.64.520(E), and \$ 21.64.550(E).
9 b. Other monies provided to the City for maritime industry.

10 B. Purpose.

11 The City shall use the fund to promote the maritime industry.

- 12 a. Encouraging public-private partnerships in the development of maritime
13 industrial parks;
14 b. Promoting in general the maritime industry with programs for
15 education, career development, and sports programs;
16 c. Providing shared dollars for the receipt of state, federal, and private grants
17 for Bay access and waterfront improvement;

18 C. Administration.

- 19 1. All monies in the fund are subject to appropriation by the City Council.
20 2. The Finance Director shall hold and account for the fund.
21 3. The fund is a continuing, non-lapsing fund to be maintained and administered by
22 the Planning and Zoning Department director with the advice of the Maritime
23 Advisory Board.
24 4. If cash is received as consideration for the disposition of a capital asset purchased
25 with monies from this fund, that cash shall be applied to the fund.

26 SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE
27 ANNAPOLIS CITY COUNCIL that this ordinance shall take effect upon passage.

28 SECTION III: AND BE IT FURTHER ESTABLISHED that the Planning and Zoning
29 Department shall promulgate such regulations as are necessary and proper for the full
30 implementation of this Ordinance within 90 days of enactment.
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B. Purpose.

The City shall use the fund to promote the maritime industry through:

- a. Encouraging public-private partnerships in the development of maritime industrial parks;
b. Promoting in general the maritime industry within the City, including education, career development, and sports programs;
c. Providing shared dollars for the receipt of state, federal, and private grants for Bay access and waterfront improvement;

This section is from O-51-88 and should be amended to reflect the recommendations of the Maritime Task Force

Recommendation: The parking ratio for office uses in the maritime districts will be the same as the parking ratio for office use throughout the city, one space per 300 sq. ft.

6. Eliminate Impediments to Winter Maritime Services:

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