



# Mayor and City Council of Cumberland

*Mayor* Raymond M. Morriss  
*Councilman* Richard J. "Rock" Cioni  
*Councilman* Eugene T. Frazier  
*Councilman* Joseph P. George  
*Councilwoman* Laurie P. Marchini

City Administrator Jeffrey F. Silka  
City Solicitor Michael S. Cohen  
City Clerk Marjorie A. Woodring

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## AGENDA

M&CC Special Public Meeting  
City Hall

DATE: March 29, 2022

### CLOSED SESSION

1. **5:45 p.m.** - Convene in open session for the purpose of closing the meeting pursuant to Section 3-305(b)(3) of the General Provisions article of the Annotated Code of Maryland to discuss the Cumberland Economic Development Corporation's acquisition of a certain parcel of City-owned land
2. Closed Session

### OPEN SESSION

1. **6:15 p.m.** - Reconvene into Open Session

### Pledge of Allegiance

### Roll Call

### Statement of Closed Meeting

1. Summary statements of the closed meetings held March 22 and March 29, 2022

### Public Hearings

1. Public Hearing - to discuss the proposed plan and application to the Maryland Department of Business and Economic Development to redesignate the existing Arts and Entertainment District in Historic Downtown Cumberland, and to allow for public comment

### New Business

#### (A) Resolutions

1. Resolution No. R2022-03 - endorsing an application to the Maryland Department of Business and Economic Development (DBED) for the re-designation of the existing Arts and Entertainment District in Historic Downtown Cumberland

**(B) Orders (Consent Agenda)**

- [1.](#) Order 26,983 - authorizing execution of a FY 2023 Arts & Entertainment District Operating Support Letter of Agreement to define the City's role as the local government with regard to the Cumberland Arts & Entertainment District, and to approve estimated in-kind support of \$500

**Public Comments**

All public comments are limited to 5 minutes per person

**Adjournment**

**File Attachments for Item:**

. Resolution No. R2022-03 - endorsing an application to the Maryland Department of Business and Economic Development (DBED) for the re-designation of the existing Arts and Entertainment District in Historic Downtown Cumberland

# City of Cumberland

- Maryland -

## RESOLUTION

No. R2022-03

**A RESOLUTION ENDORSING AN APPLICATION TO THE MARYLAND DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT FOR THE RE-DESIGNATION OF THE EXISTING ARTS AND ENTERTAINMENT DISTRICT IN HISTORIC DOWNTOWN CUMBERLAND.**

**WHEREAS,** during the 2001 Regular Session of the Maryland General Assembly, the Secretary of the Department of Business and Economic Development (DBED) was given authority to designate Arts and Entertainment Districts within county and municipal corporations in the State of Maryland; and

**WHEREAS,** Cumberland's original Arts and Entertainment District was designated in 2002 and lies wholly within a Smart Growth Priority Funding Area; and

**WHEREAS,** the Mayor and City Council of Cumberland acknowledges the economic benefit and cultural value of maintaining a strong and vibrant arts district within the Downtown area; and

**WHEREAS,** the Mayor and City Council of Cumberland acknowledges the economic benefit and cultural value of attracting artists and art-related businesses to relocate to the downtown area; and

**WHEREAS,** the Mayor and City Council of Cumberland acknowledges the ongoing partnership with the Allegany Arts Council to manage and program cultural activities within the Arts and Entertainment District for the benefit of the local citizenry and area visitors; and

**WHEREAS,** the continuation of an Arts and Entertainment District that coincides approximately with the City's existing Historic District and Certified State Heritage Area will continue to provide an additional marketing tool in the community.

**Now, therefore, be it resolved by the Mayor and City Council of Cumberland, that:**

1. the Mayor and City Council agrees to provide all necessary local property tax credits as required by State legislation and adopted locally through Ordinance No. 3894 (*Attachment A*) and Ordinance No. 3895 (*Attachment B*); and
2. the Mayor and City Council acknowledges that approval of the Arts and Entertainment District will require that commercial operations within the boundaries of the Arts and Entertainment District be exempt from the local Admissions and Amusement Tax; and

3. the Mayor and City Council acknowledges that the “income tax subtraction modification” provided by the legislation would result in a loss of revenue from an eligible entity being able to reduce their State income tax liability; and
4. the attached map (*Attachment C*) is hereby declared to be the designated Arts and Entertainment District for the purposes of the City’s application; and
5. the Mayor and City Council of Cumberland does hereby resolve to support the re-designation of the existing Cumberland Arts and Entertainment District for an additional ten-year period.

GIVEN UNDER OUR HANDS AND SEALS THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2022,  
WITH THE CORPORATE SEAL OF THE CITY OF CUMBERLAND HERETO ATTACHED,  
DULY ATTESTED BY THE CITY CLERK.

Attest:

Mayor and City Council  
Of Cumberland

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Marjorie A. Woodring  
City Clerk

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Raymond M. Morriss  
Mayor

**ORDINANCE NO. 3894**

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND, MARYLAND, ENTITLED "AN ORDINANCE TO REPEAL AND REENACT WITH AMENDMENTS SECTION 10-30 OF THE CUMBERLAND CITY CODE PERTAINING TO CERTAIN TAX CREDITS IN CONNECTION WITH THE MAKING OF ELIGIBLE IMPROVEMENTS TO OR RESTORATION AND REHABILITATION OF PROPERTIES LOCATED WITHIN: THE CANAL PLACE PRESERVATION DISTRICT; DISTRICTS, SITES, OR STRUCTURES LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES; AND THOSE WHICH ARE LOCATED WITHIN A STATE OF MARYLAND-DESIGNATED CERTIFIED HERITAGE ZONING DISTRICT, SITE OR STRUCTURE AND FOR THE PURPOSE OF CLARIFYING WHICH PROPERTIES ARE ELIGIBLE FOR THE TAX CREDIT."

**WHEREAS**, the Canal Place Preservation District is a historic area zoning district which is located within the City;

**WHEREAS**, several districts, sites, and structures in the City are listed on the National Register of Historic Places;

**WHEREAS**, there may be additional such heritage zoning districts, expansions to the Certified Heritage Area, and additional districts, sites, and structures may be included within the National Register of Historic Places in the future;

**WHEREAS**, the Mayor and City Council have determined that it is in the general public interest to foster and encourage historic preservation, economic development and heritage tourism activities through improvement, restoration, and rehabilitation of historic or heritage property so as to:

1. Preserve and protect the heritage of the City of Cumberland as represented by its remaining historic buildings and structures.
2. Stimulate the positive aspects of historic or heritage preservation, such as economic development and employment opportunities; and
3. Implement and effect planning activities aimed at preserving historic structures, sites, districts, and heritage areas;

**WHEREAS**, it is the intent of the Mayor and City Council of Cumberland that the taxation of significant improvements to, and restoration and rehabilitation of, historic or heritage properties be maintained, for a period of up to ten (10) years, at taxation levels not greater than those in place before the eligible improvements if approved as part of a local government plan for historic or heritage preservation as authorized by Section 9-204.1 of the Tax Property Article of the Annotated Code of Maryland; and further, it is the purpose of this Ordinance to clarify which properties are eligible for the benefits provided herein.

**NOW, THEREFORE:**

**SECTION 1: BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF CUMBERLAND, MARYLAND, that Section 10-30 of the Cumberland City Code be repealed and reenacted, with amendments, to read as follows:**

**Sec. 10-30. - Tax credit on properties in the Canal Place Preservation District.**

(a) As allowed for by section 9-204 of the Tax Property Article of the Annotated Code of Maryland, a tax credit shall be allowed on City real property taxes for properties located in the Canal Place Preservation District, a State of Maryland Designated Certified Heritage Area and/or a National Register of Historic Places district, site, or structure, or other heritage zoning districts, sites, or structures which credit shall be the difference between the property tax that, but for the tax credit, would be payable after the completion of eligible improvements, and the property tax that would be payable if the eligible improvements were not made.

(b) The terms of the property tax credit provided for herein are set forth below.

(1) The tax credit shall be subject to eligibility requirements no less stringent than those applicable to credits authorized under the said Section 9-204. If there is a conflict between the terms of this section of the City Code and the said Section 9-204, the more stringent provision shall apply.

(2) That tax credit for each property shall apply for a period that does not exceed ten (10) years. The length of time the credit is available shall depend upon the cost of eligible improvements as compared to the value of the property if the eligible improvement had not been made as set forth in the table below.

<b>Improvement cost as percentage of market</b>	<b>Available tax-exempt status of improvement</b>
10 percent	1 year
20 percent	2 years
30 percent	2 years
40 percent	3 years
50 percent	3 years
60 percent	4 years
70 percent	4 years
80 percent	5 years
90 percent	6 years
100 percent	7 years
200 percent	8 years
300 percent	9 years
400 percent	9 years
500 percent	10 ears

- (3) The tax credit shall apply to eligible improvements which are located within the boundaries of:
    - a. A property listed individually in the National Register of Historic Places, or a National Register of Historic Places district or landmark district;
    - b. A property or district designated as a historic property or district under local law; or
    - c. A property included within the boundaries of a certified heritage area under Section 13-111 of the Financial Institutions Article of the Annotated Code of Maryland.
  - (4) Eligible expenses are capital expenses that take place within two (2) years from the date of the commencement of construction.
- (c) In order to qualify for the tax credit provided for herein, a property owner must personally invest a minimum of Five Thousand Dollars (\$5,000.00) in improvement costs, must submit construction plans for the improvements or renovations to the Historic Preservation Commission and/or its staff, and must obtain the following documentation prior to the commencement of any work:
- (1) For properties located within the locally-zoned historic districts, sites or structures, a property owner must obtain a Certificate of Appropriateness from the Historic Preservation Commission. If interior work is included in the application for tax incentives (i.e., the Commission's Pre-Construction Work Scope Application Form), the Commission's approval shall be required as well.
  - (2) For properties individually listed or located within districts listed on the National Register of Historic Places or located within the Certified Heritage Area, the Commission's approval of a Pre- Construction Work Scope Application shall be required.
- (d) The Historic Preservation Commission shall only take action upon tax credit applications for preservation or restoration work submitted prior to the start of the preservation or restoration work proposed for tax credits. The Historic Preservation Commission shall take preliminary action on the application for tax credits within the time required for no greater than two (2) consecutive regular meetings of the Commission after all pertinent information has been received. Determination of eligibility shall be made within the meaning of Section 9-204.1 of the Tax Property Article of the Annotated Code of Maryland. It is the intent of this section that the Historic Preservation Commission be liberal in such determination. Additionally, preservation or restoration work submitted for tax credits may include eligible interior and exterior improvements.



- (e) The tax credit provided for herein shall not be allowed unless the receipts required by this subsection have been filed with the Historic Preservation Commission, accompanied by the oath or affirmation of the owner/taxpayer, on such form(s) prescribed by the Historic Preservation Commission and approved by the Historic Preservation Commission. The receipts must be those for actual capital expenses in connection with the restoration and preservation work previously approved by the Historic Preservation Commission. Any changes from the original approval may result in the denial of the tax credit. The Historic Preservation Commission shall take final action on the application for tax credits within the time required for no greater than two (2) consecutive regular meetings of the Historic Preservation Commission.
- (f) In cases where more than one local tax incentive program could apply to a project, the property owner/applicant must select the one (1) program that he/she determines provides the best benefit for the project. Multiple programs cannot be layered or applied separately for any project.

**SECTION 2: AND BE IT FURTHER ORDAINED**, that this Ordinance shall take effect from the date of its passage.

Passed this 17 day of August, 2021.

  
Raymond M. Morriss, Mayor

ATTEST:

\_\_\_\_\_  
Marjorie A. Woodring, City Clerk

**1st reading - August 3, 2021**  
**2nd reading - August 17, 2021**  
**3rd reaing - August 17, 2021**  
**Passed 5-0**

**ORDINANCE NO. 3895**

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND, MARYLAND, ENTITLED "AN ORDINANCE TO REPEAL AND REENACT WITH AMENDMENTS SECTION 10-29 OF THE CUMBERLAND CITY CODE PROVIDING FOR CERTAIN TAX CREDITS IN CONNECTION WITH THE RESTORATION AND PRESERVATION OF STRUCTURES HAVING HISTORIC OR ARCHITECTURAL VALUE WITHIN THE HISTORIC DISTRICT AREAS OF THE CITY OF CUMBERLAND, MARYLAND AND IN CONNECTION WITH THE CONSTRUCTION OF ARCHITECTURALLY COMPATIBLE NEW STRUCTURES."

**WHEREAS**, certain historic area zoning districts have been created in the City of Cumberland;

**WHEREAS** several districts, sites, and structures in the City are listed on the National Register of Historic Places;

**WHEREAS**, a Certified Heritage Area which was previously known as the Canal Place Heritage Area and is currently known as the Passages of the Western Potomac Heritage Area, the boundaries of which have been designated by the State of Maryland, is also located within the municipal boundaries of the City;

**WHEREAS**, there may be additional such heritage zoning districts, expansions to the Certified Heritage Area, and additional districts, sites and structures included within the National Register of Historic Places in the future; and

**WHEREAS**, it is the desire of the Mayor and City Council of Cumberland to encourage the restoration, preservation and construction of structures having historic or architectural value located in those areas and to provide certain real property tax credits in connection with such improvements and reconstruction as authorized by Section 9-204 of the Tax Property Article of the Annotated Code of Maryland.

**NOW, THEREFORE**

**SECTION 1: BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF CUMBERLAND, MARYLAND**, that Section 10-29 of the Cumberland City Code be repealed and reenacted with amendments to read as follows:

**Sec. 10-29. - Tax credit in connection with the restoration and preservation of structures within historic districts and new construction of architecturally compatible new structures.**

- (a) As allowed for by section 9-204 of the Tax Property Article of the Annotated Code of Maryland, there shall be allowed a tax credit on city real property taxes based upon the funds expended by a private owner/taxpayer (referred to hereinafter as a "property owner") for restoration and preservation of any

structure having historical or architectural value which is located within any designated historic district, site or structure, either locally zoned, listed on the National Register of Historic Places, or located within the boundaries of a Certified Heritage Area. Said tax credit shall be the amount equal to ten percent (10%) of the property owners' expenses indicated by properly documented receipts for such restoration or preservation work. A property tax credit of five percent (5%) will be granted to the property owner for the construction of an architecturally compatible new structure (i.e., a new structure in a historic district which is designated as an architecturally compatible new structure under Title 8 of the Land Use Article of the Annotated Code of Maryland). In order to qualify for the tax credit provided for in this section, the property owner must (i) personally invest a minimum of five thousand dollars (\$5,000.00) in improvement costs for the property, (ii) submit construction plans for the improvements, restoration or new construction to the Historic Preservation Commission and (iii) obtain the following prior to the commencement of any work:

1. For properties, sites or structures located within locally-zoned historic districts, a certificate of appropriateness must be obtained from the Historic Preservation Commission. If interior work is included in the application for tax incentives (i.e., the Commission's Pre-Construction Work Scope Application Form), the Commission's approval shall be required as well.
  2. For properties individually listed or located within districts listed on the National Register of Historic Places or located within a Certified Heritage Area, the Commission's approval of a Pre-Construction Work Scope Application shall be required.
- (b) The Historic Preservation Commission shall only take action upon tax credit applications for preservation, restoration or new construction work submitted prior to the start of such work that is proposed for tax credits. After all pertinent information has been received, the Historic Preservation Commission shall take make a determination as to whether a property is eligible for the tax credit. This determination must be made within the time required for no greater than two (2) consecutive regular meetings of the Historic Preservation Commission. It is the intent of this section that the Historic Preservation Commission be liberal in such determination. Additionally, preservation, restoration and new construction work submitted for tax credits may include eligible interior and exterior improvements.
- (c) The tax credit provided for herein shall not be allowed until the receipts required by this Ordinance have been filed with the Historic Preservation Commission, accompanied by the oath or affirmation of the property owner, on such form(s) prescribed by the Historic Preservation Commission. The receipts must be those for actual capital expenses incurred in the performance of the restoration, preservation or new construction previously approved by the Historic Preservation Commission. Any changes from the original approval may result in the denial or withdrawal of the tax credit. The Historic

Preservation Commission shall take final action on the application for tax credit within the time required for no greater than two (2) consecutive regular meetings.

The tax credit provided for herein shall be allowed for the tax year immediately subsequent to the year in which the restoration, preservation or new construction work is completed, and any unused portion of this tax credit may be carried forward for no more than four (4) subsequent tax years.

- (d) If for any reason, a property granted a tax credit under this section ceases to be located within a historic district, the property owner may be required to refund such credit. The property owner shall not be required to refund the tax credit if the property ceases to be located within a Certified Heritage Area or loses its National Register of Historic Places designation through no action of the part of the property owner; however, the property owner shall refund all tax credits if that individual initiates the said action.
- (e) In cases where more than one (1) local tax incentive program could apply to a project, the property owner must select the one program that he/she determines provides the best benefit for the project. Multiple programs cannot be layered or applied separately for any project.
- (f) Capital expenses incurred within two (2) years from the date of the commencement of construction are eligible for the tax credit provided for herein.

SECTION 2: AND BE IT FURTHER ORDAINED, that this Ordinance shall take effect from the date of its passage.

Passed this 17th day of August, 2021.

  
Raymond M. Morriss, Mayor

ATTEST:

  
Marjorie A. Woodring, City Clerk

**1st reading - August 3, 2021**  
**2nd reading - August 17, 2021**  
**3rd reading - August 17, 2021**  
**Passed 5-0**

# Cumberland A&E District Boundaries

Designated in 2002

Expanded in 2007



**File Attachments for Item:**

. Order 26,983 - authorizing execution of a FY 2023 Arts & Entertainment District Operating Support Letter of Agreement to define the City's local government role with regard to the Cumberland Arts & Entertainment District, and to approve estimated in-kind support of \$500

**- Order -**  
*of the*  
**Mayor and City Council of Cumberland**  
MARYLAND

ORDER NO. 26,983

DATE: March 15, 2022

**ORDERED, By the Mayor and City Council of Cumberland, Maryland,**

**THAT,** the Mayor be and is hereby authorized to execute a FY23 Arts and Entertainment Districts Operating Support Letter of Agreement for the period July 1, 2022 - June 30, 2023, to define the City's role as the Local Government Entity with regard to the Cumberland Arts & Entertainment District, and to approve estimated in-kind support of \$500 (Five Hundred Dollars).

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**Raymond M. Morriss, Mayor**



**Arts & Entertainment Districts Operating Support  
Letter of Agreement FY2023**

District Name: CUMBERLAND Support Period: July 1, 2022-June 30, 2023

This agreement clarifies the role and expectations of an Arts & Entertainment (A&E) District and agreements between the county or municipality(ies) holding A&E District designation and the agency, office, position, or organization(s) designated as the district "management entity" overseeing district activities. A signed copy is required in order for the management entity to apply to MSAC for A&E District General Operating Support.

**Local Government and A&E District Management Entity**

- The A&E District's designation is the responsibility of the local government that was approved by the Secretary of Commerce for designation. The local government must designate a local government agency, office, position, or 501(c)(3) non-profit(s) to carry out the district's activities and plans, as submitted to MSAC.
  - Local Government(s): CITY OF CUMBERLAND
  - Management Entity(ies): ALLEGANY ARTS COUNCIL

**Supporting A&E Districts Program Goals**

- The A&E District's management entity will work to meet the goals of the A&E Districts Program: to develop, promote, and support diverse artistic and cultural centers in communities throughout Maryland that preserve a sense of place, provide unique local experiences, attract tourism, and spur economic revitalization and neighborhood pride.

**A&E District Goals**

- The A&E District's management entity will work to meet the goals submitted in the district's application for designation, redesignation, or general operating support, whichever is most recent.

**Local Government Financial and In-Kind Commitment**

- During the effective period, the local government will provide support for the A&E District as outlined below (*complete all that apply*):
  - Funding for Operations and Administration: \$ 0
  - Funding for Programs or Projects: \$ 0
  - Estimated Value of In-Kind Support : \$ 500
    - Description of In-Kind Support (administration, services, etc.):  
ADMINISTRATIVE SERVICES

*If a management entity is a 501(c)(3) non-profit, MSAC requires a Memorandum of Understanding or Contract between the county or municipality(ies) holding the designation and the non-profit outlining specific responsibilities and any financial arrangements. Please attach any MOU or Contract to this agreement as Attachment B.*



**A&E Board or Advisory Board**

- The local government or management entity(ies) will maintain a Board of Directors or Advisory Board of at least five (5) individuals to oversee and/or advise on A&E District activities. A Board or Advisory Board should be composed of community members who represent the diversity of the populations in the district and its surrounding communities as well as the various constituencies (artists, arts organizations, businesses, etc.) that the district serves.

**Paid Employee**

- The local government or management entity will employ at least one person at a minimum of 15 hours per week whose job responsibilities include coordinating A&E District activities.

Employee Name: JULIE B. WESTENDORFF

Title: EXECUTIVE DIRECTOR

Employer: ALLEGANY ARTS COUNCIL

**Expectations**

- Attachment A outlines the expectations of A&E Districts and MSAC. These expectations are meant to guide the relationship between districts and MSAC.

**Signatures**

Local Government CEO(s)

(PRINT) Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Management Entity(ies) Leader(s)

(PRINT) Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

A&E District Board/Advisory Board President/Chair

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_