Arts & Entertainment Districts
Designation Application
Guidelines 2022

DEADLINES:
April 1, 2022 & October 1, 2022: Application*

*An intent to apply form must be completed at least 90 days before the deadline for which the applicant intends to submit. Prospective applicants are strongly encouraged to communicate with MSAC staff well in advance of deadlines to receive technical assistance preparing intent to apply and application materials. See pre-application requirements on page 5 for more information.

Individuals who do not use conventional print may contact the Maryland State Arts Council to obtain this publication in an alternate format. 410-767-6555 or msac.commerce@maryland.gov

For individuals who are deaf or hard-of-hearing.
TTY: Maryland Relay 1-800-735-2258 or 711

This publication is available as a PDF file on the MSAC website: www.msac.org.
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A&E DISTRICTS PROGRAM CONTACT:  
Steven Skerritt-Davis
MSAC Interim Executive Director
443-690-2353
steven.skerritt-davis@maryland.gov

Those receiving State designation as an Arts and Entertainment District must comply with Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, which states that no otherwise qualified person shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination related to the Arts and Entertainment District.

NOTE: THE PURPOSE OF THESE GUIDELINES IS TO PROVIDE JURISDICTIONS THAT ARE APPLYING FOR ARTS AND ENTERTAINMENT (A&E) DISTRICT DESIGNATION WITH SPECIFIC INFORMATION ABOUT THE APPLICATION PROCEDURE IN ORDER TO FACILITATE THE APPLICATION PROCESS. THE A&E GUIDELINES SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR THE ARTS AND ENTERTAINMENT DISTRICTS STATUTE AND REGULATIONS.

MSAC is committed to making sure all Marylanders can access our programs and services. Everyone is welcome, and all events and activities sponsored by or operated within MSAC are fully accessible both physically and programatically. MSAC complies with all applicable disability-related statutes and regulations and seeks to ensure meaningful participation by all Marylanders regardless of need or ability.
INTRODUCTION

What is an Arts and Entertainment District?
Cultural districts, like Maryland’s Arts and Entertainment Districts, are defined by Americans for the Arts as “well-recognized, labeled areas of a city in which a high concentration of arts and cultural facilities and programs serve as the main anchor of attraction.” Nationally they can be found in cities and towns of all sizes – each one uniquely reflecting a local mission, history, and cultural development. Some districts succeed with thoughtful landscaping, public art projects, and signage, while others are involved in arts programming or event production and still others work toward the renovation of existing buildings and attracting businesses that complement arts activity. Many are found in downtown areas, but they can thrive in suburban, rural, and neighborhood locations as well. In Maryland, these areas are called Arts and Entertainment Districts.

Arts and Entertainment Districts in Maryland
Maryland was one of the first states in the country to develop a statewide designation program for these types of districts by establishing Maryland’s Arts & Entertainment (A&E) Districts program. Since the creation of the A&E Districts program through legislation enacted in 2001, 29 districts have been established, spurring arts-based economic development in communities throughout the state. The designation makes available incentives to promote arts activity and investment within specified geographic areas. The benefits currently offered to designated districts include:

- locally determined property tax credits for new construction or renovation of certain buildings that create live-work space for artists and/or space for arts and entertainment enterprises;
- an income tax subtraction modification for income derived from artistic work executed and sold within the districts by “qualifying residing artists”; and
- an exemption from the Admissions and Amusement tax levied by an “arts and entertainment enterprise” or “qualifying residing artist” in a district.

The State’s goal for the A&E Districts program is 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.

Strategies supported by the program include but are not limited to:

- creating accessible and unique arts destinations;
- leveraging the State’s regional identities, natural resources, and heritage;
- facilitating opportunities for dynamic arts experiences that actively engage community members and attract visitors;
- enabling artists of all disciplines to live, work, and create an economically prosperous future; and
- investing in the power of place.

In addition, A&E Districts further Maryland’s goals of reinvesting in existing communities and creating places that help people, businesses, the economy, and the environment thrive as articulated in the Maryland Department of Planning’s Reinvest Maryland strategy. To this end,
districts must be located within Priority Funding Areas and are expected to carefully coordinate with local plans and policies for economic development, including by thoughtfully engaging with other state designation programs.
ARTS & ENTERTAINMENT DISTRICTS
DESIGNATION GUIDELINES

Who Can Apply?
Maryland counties and municipal corporations.

County Applicants: A county may apply for A&E District designation of an area within its corporate or political boundaries. If all or any portion of the area is within a municipal corporation, the governing body of the municipal corporation must consent. The county must state in its application that, if the district is designated, it will offer a property tax credit and exemption from the admissions and amusements tax. Written consent from the municipal corporation must be obtained before submitting the application, and the consent document should be included as part of the application. (See application Section 1 below.)

Municipal Applicants: A municipal corporation may apply for designation of an area if, before it applies, the municipal corporation:

- Obtains acknowledgement in the form of a letter or resolution from the county in which it is located that the income tax subtraction modification to be offered in the district may affect the county's income. The county's acknowledgement must be included in the application.
- Obtains a statement from the county as to whether, if the district is designated, the county will offer a property tax credit and the exemption from the admissions and amusement tax.
- The municipal corporation shall state in its consent, if the district is designated, what property tax credits it will offer and acknowledge the exemption from the admissions and amusement tax and the income tax subtraction modification.
- Written consent shall be in the form required by local law or the governing body of the municipal corporation, or both. This is generally a resolution.

Note: Two or more political subdivisions may apply jointly if the proposed area is within each of their common boundaries.

Pre-Application Requirements
Meet with Program Staff: Prospective applicants are strongly encouraged to meet with Maryland State Arts Council (MSAC) program staff prior to beginning work on an intent to apply or application. Staff are able to provide technical assistance in all phases of application preparation and can make connections with existing districts and provide resources to help strengthen applications.

A&E DISTRICTS PROGRAM CONTACT: Steven Skerritt-Davis, MSAC Interim Executive Director
443-690-2353
steven.skerritt-davis@maryland.gov
Submit an Intent to Apply Form: Prospective applicants must submit an Intent to Apply form via Smart Simple. Once this form is received, program staff will work with the prospective applicant to arrange a tour of the proposed A&E District and a meeting with key personnel.* The tour and meeting allow program staff and A&E District Advisory Committee members to provide appropriate guidance and assistance prior to the application deadline.

The information collected in the online Intent to Apply form includes:

- Name of County or Municipality Applying
- Type of Applicant (county or municipality)
- Proposed District Name
- Contact Name, Title, Email, and Phone Number
- A brief description of the applicant's goals for the proposed A&E district
- Lists of Proposed District Assets, including:
  - Anchor Attraction(s) in the proposed district
  - Other arts, cultural, and entertainment enterprises within the proposed district
  - Signature events or festivals held within the proposed district
  - Other designations that overlap the proposed district's boundaries
- A statement about the potential that exists in the proposed district for affordable housing and/or studio, performance, or exhibition space
- A description of the agency, office, or entity that will manage the district once designated and who (or what position) will be tasked with overseeing district activities
- A map of the proposed district's boundaries and its approximate acreage

The Intent to Apply form is available on SmartSimple at marylandarts.smartsimple.com.

- Create an account as a government entity or organization and contact program staff
- Once staff creates a form, login and from the Grantee Home page, click In Progress
- Next to Arts & Entertainment - Designation, click Open
- Complete the form and click Submit LOI
- MSAC staff will be in touch within ten business days with further instructions.

Intent to Apply Deadline: Rolling - Applicants may submit an intent to apply at any time, up to 90 days before the application deadline.

*A tour and meeting in no way implies or guarantees that the application for designation as an A&E District will be considered complete or eligible or that the designation as an A&E District will be granted.

Eligibility/Criteria
To be eligible, the applicant should be able to document a threshold level of existing arts and cultural assets. To be designated, the applicant must present a compelling, arts-based case for designation. Elements considered when reviewing applicant eligibility and applications include:

- A high concentration of artistic, cultural, or entertainment enterprises
- Well-established anchor attraction(s)
- A number of signature events and/or festivals, including seasonal events and festivals
- Boundary overlap and coordination plans with other revitalization designations (e.g. Maryland Main Street, Heritage Area, etc.)
- Inclusion of arts and entertainment in the area's current and/or future revitalization strategy(ies)
- Potential for affordable housing (rental or purchase) and studio, exhibition, or performance space
- Transportation and accessibility plans for the proposed district
- Availability of local government and private redevelopment resources
- Incentives capable of increasing the number of residents and businesses
- Measurable goals and objectives specifically for arts and entertainment
- Viable strategies for reaching stated goals and objectives
- Strong leadership and a well-articulated management plan
- Defined management budget with realistic associated income and expense projections with identified income sources
- Professional paid personnel dedicated in total or in part to the A&E District operations and programming

Application Deadlines:
April 1, 2022 and October 1, 2022

Application Requirements
Applications must be submitted via SmartSimple by 5:00 pm on the application deadline. The application must be complete, meet all stated requirements, and include a letter of support signed by the chief elected official (or officials in the case of a joint application) or by the governing body of each of the political subdivisions if no elected official or officials exist. An application with the chief elected official's endorsement must include a written expression of sentiment of the local elected governing body or bodies regarding the filing of an application for designation. This may be in the form of a letter or a resolution at the discretion of the local jurisdiction as verified by the jurisdiction’s attorney. (See application Section 3 below.)

SUBMISSION OF AN APPLICATION IN NO WAY IMPLIES OR GUARANTEES A&E DESIGNATION WILL BE GRANTED.

Review Process

Staff Review: Staff will review applications for completeness and adherence to regulations. Only complete and compliant applications will move forward in the review process.

Committee Review: An internal A&E Districts Advisory Committee consisting of staff members from the Department of Commerce, Department of Housing and Community Development, Rural Maryland Council, Department of Transportation, and Department of Planning as well as current A&E District managers will review the applications and MSAC staff will forward the committee’s recommendations to the Secretary of Commerce.

Secretary Review and Approval: Following his or her review, the Secretary may designate one or more A&E districts for a designation period of up to ten years from among the applications submitted. The Secretary will notify all applicants of their status in writing within sixty days of submission. Per statute, no more than one designation may be approved per county per calendar year. No more than six designations per calendar year may be made.

ALL DECISIONS MADE BY THE SECRETARY OF COMMERCE ARE FINAL.
Incentive Effective Dates: The Secretary will give the Comptroller of Maryland notice of the designation of an A&E district on or before July 1, the effective date of the district's establishment. The income tax subtraction modification is applicable to taxable years beginning January 1 after the July 1 effective date.

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<th>2022 Summary of Important Dates</th>
<th>1st Deadline</th>
<th>2nd Deadline</th>
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<tr>
<td>Intent to Apply Deadline</td>
<td>At least 90 Days Prior to Application Deadline</td>
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<td>Application Deadline</td>
<td>April 1, 2022</td>
<td>October 1, 2022</td>
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<tr>
<td>Notification of Decision</td>
<td>June 1, 2022</td>
<td>December 1, 2022</td>
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<td>Property and A&amp;A Incentive Effective Date*</td>
<td>July 1, 2022</td>
<td>July 1, 2023</td>
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<tr>
<td>Income Tax Incentive Effective Date</td>
<td>January 1, 2023</td>
<td>January 1, 2023</td>
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* per local consent
Instructions
Completed applications must be submitted in SmartSimple by 5:00 pm on the application deadline, including all required attachments.

1. District Information
   ● County or Municipality Applying
   ● Proposed District Name
   ● Endorsement by Chief Elected Official – Upload a letter endorsing the application for designation signed by the Chief Elected Official (or officials, in the case of a joint application) or by the governing body of each of the political subdivisions if no elected official or officials exist.
   ● List of Artists - List the artists currently working and selling in the district. (5,000 words max)
   ● Arts and Entertainment Enterprises - List all organizations located in the district that are dedicated to visual or performing arts. Give a brief description of each. (5,000 words max)
   ● Events and Festivals - List events and festivals that occur within the district. (5,000 words max)
   ● Public Art - List public art pieces located within the district. (5,000 words max)
   ● Businesses - List businesses located in the district. Include restaurants, lodging, and significant housing or artist housing projects. (5,000 words max)

2. Map Information
   ● Size - Enter the approximate area of the district (in acres).
   ● Size Justification - If the size of the district exceeds one hundred (100) acres, provide a written justification of the size.
   ● Maps - Upload PDF maps** of the proposed district that indicate:
     ○ the borders of the proposed district;
     ○ overlap with Priority Funding Area and relationship to any existing designations;
     ○ existing real property improvements and, if known, their historic significance (details about historical significance may be included in the narrative);
     ○ existing transportation facilities;
     ○ existing arts, entertainment, and tourist facilities;
     ○ any proposed State or local capital improvements projects that affect the proposed district; and
     ○ existing and proposed handicap accessibility features.

   **All maps must be legible, color PDF files sized to 8.5 x 11. Map legends must be included on all maps.
   ● Tax Map or Block Plat – Upload a tax map or block plat that identifies:
     ○ properties in the proposed district and their property valuations by class;
     ○ whether properties are publicly or privately held;
     ○ current building use or uses including their zoning;
     ○ zoning designations of the area;
     ○ the availability of affordable housing, studio, exhibition, and performance space (further details about affordable real estate may be included in the narrative); and
o any other pertinent information.

- **Non-aligning Borders** - If any borders of the district do not align with parcel boundaries, give a detailed narrative description of the non-aligning border(s). (1,000 words max)

- **Building Inventory** – Upload a list of all buildings in the proposed district, including:
  o the building’s address
  o whether the building is publicly or privately owned;
  o the assessed value of the property;
  o whether the building is occupied or vacant;
  o current zoning of the property;
  o any known plans for modification of the building; and
  o the building’s current use for arts and/or entertainment purposes, or immediate plans for said use, if applicable.

- **Digital Mapping Files** - Upload a digital version of the proposed district map layers in Esri shapefile format.
  o Esri shapefiles must include FGDC-compliant metadata ([www.fgdc.gov/metadata](http://www.fgdc.gov/metadata)), preferably using the ISO 19115:2014 Geographic information – Metadata standards. Map legends must be included on all maps. *Note: Maryland county governments should have the ability to create Esri Shapefiles. Contact the A&E program staff for additional information.*

3. Evidence of Incentives

- **Evidence of Incentives** - Upload evidence that the county, municipal corporation, or both (in the case of a joint application) will offer the incentives listed below to arts and entertainment enterprises and qualifying residing artists if the request for designation is approved. Please be as specific as possible with the incentives offered. If local law requires a resolution, the resolution must be passed prior to submission of the application. The resolution may include a statement that it is rescinded if the proposed district does not receive the A&E District designation.
  o a property tax credit, including the percentage and applicable years;
  o exemption from the Admission and Amusement Tax;
  o acknowledgement of the potential effect of the income tax subtraction modification;
  o any additional incentives and initiatives the political subdivision may provide or establish to encourage arts and entertainment enterprises and qualifying residing artists to locate within the proposed district

- **Local Standards and Benefits** – Discuss any standards that will be imposed by the local jurisdiction on A&E enterprises or qualifying residing artists, whether initially or continuously, as a precondition to receiving any additional local benefits from the A&E District (such as special signage, publicity, local grants, etc.) not described above. Examples could be local annual reporting requirements of artists or enterprises to the district administrator or a review process that might be required for permits by a historic commission or planning and zoning department, etc. (1,000 words max)

- **Evidence of Hearing** – Upload evidence and certification that the political subdivision, before submission of the application, held a public hearing about the application with adequate notice and publicity. Please include a copy of the public notice, an attendance list, and minutes from the hearing.
- **Attorney’s Letter** - Upload a letter from the attorney representing the jurisdiction(s) certifying that the resolutions, ordinances, public hearings, etc. submitted as part of the application meet local requirements.

- **Priority Funding Certification** – Upload a certification from the county or municipality applying that the entire proposed district is a priority funding area as defined under State Finance and Procurement Article 5-7B-03, Annotated Code of Maryland.

4. Narrative

- **The Proposed District**
  - What governmental units (i.e. town, county, etc.) will be affected by the proposed district? What is their commitment to this application and to ensuring the success of the district? (Include a brief overview of the property tax incentives approved by each governmental unit.) (1,000 words max)
  - What is the historical significance of the area and, if applicable, the buildings within the proposed district? (500 words max)
  - What is the current state of arts, residential, and business activity within the district? (500 words max)
  - What is the potential for affordable housing (rental or purchase), studio, performance, and exhibition space in the district? (500 words max)
  - How do people move through the district currently and are there any plans for transportation or walkability enhancements? (Include information about existing or planned signage, parking, mass transportation, shuttle buses, walking maps, etc.) (500 words max)
  - What are the ADA accessibility features of the district? (This response may include notable features of individual enterprises as well as accessible transportation and common area features.) (500 words max)

- **Reasoning and Coordination**
  - Why is the applicant seeking A&E District designation for this particular geographic area, and why is it seeking designation at this time? (1,000 words max)
  - How would an A&E designation complement or build upon any ongoing or currently planned county or municipal economic development efforts? (1,000 words max)
  - How will the proposed district coordinate with other economic development activities and or plans in the area? (Refer to existing plans or ones in development and how this designation fits into an economic development strategy for the area.) (500 words max)
  - How will the proposed district leverage other state designations (e.g. Main Street, Heritage Areas, Enterprise Zone, etc.) to meet its goals? (500 words max)
  - What additional incentives are or will be offered by the applicant county or municipality to encourage investment and arts activity in the proposed district? (500 words max)
  - How will the proposed district’s economic development efforts advance the Department of Planning’s Reinvest Maryland strategies? (500 words max)

- **Anticipated Benefits**
  - How will the arts and entertainment designation benefit the proposed district and, if applicable, the surrounding area? What are the potential impacts on tourism, livability, and the economy. (1,000 words max)
5. Five-Year Plan

- **Five-Year Plan**
  - What are the district’s goals and objectives over the next five years? (500 words max)
  - Describe the process for developing the district’s application and five-year plan. Who was involved in its creation, and how was community input solicited and incorporated? (500 words max)
  - What strategies will the management entity employ to meet the goals and objectives above? Complete the chart provided, listing strategies the district’s management entity will employ to meet the district’s goals, the activities, projects, or programs that align with each strategy and the ways that each strategy aligns with the district’s goals and helps meet the designation program’s goals. Outline the expected timeline for the strategy and anticipated outcomes?
  - How will the success of the proposed activities be determined? What are the indicators and how will they be evaluated? (500 words max)
  - What entity(ies) (i.e. county/municipality office, nonprofit, and/or community development corporation, etc.) will be responsible for the district’s management? What is the entity’s experience in managing the types of activities described in the five-year plan? (500 words max)
  - What management structure will support the activities outlined in the five-year plan? Include information about paid employees, volunteers, collaborators, board, partners, etc. (500 words max)

- **Marketing Plan**
  - How will the management entity and the municipality(ies)/county market the proposed district to artists, businesses, and tourists? How will the state designation be recognized and marketed in broader marketing efforts? (500 words max)

6. Budget

- Complete the budget form, entering the anticipated income and expenses for all A&E District activities in the first fiscal year. Include only real income and expenses (in-kind income and expenses are collected in a separate question). If the district's activities are a program in a larger organization or department, include only A&E District budget items (i.e. do not include all organizational income and expenses if the organization's activities are not entirely A&E District-related).

7. Additional Information

- **Images** – (optional) Upload images to support the application.
- **Additional Reports** - Upload any reports, feasibility studies, visioning results, news articles, etc. that may have been generated regarding the proposed A&E District or support the application materials.