


Economic Development

Enterprise Zones

Edgewood/Joppa
Greater Aberdeen/Havre de Grace

Retain and expand businesses, create new jobs and revitalize the Route 40 Corridor.



Economic Development
220 South Main Street
Bel Air, Maryland 21014

410.638.3059
1.888.I95.SITE

oed@harfordcountymd.gov
www.harfordbusiness.org

HARFORD COUNTY ENTERPRISE ZONES

Zone Objectives

Harford County's focus on its two Enterprise Zones designated by the Maryland Department of Business & Economic Development is to:

- Insure retention and spur expansion of resident businesses
- Encourage the creation of well-paying new jobs
- Promote development and occupancy of vacant, underutilized land and buildings
- Support the County's commitment to revitalizing older industrial areas of Harford County

Edgewood/Joppa

- Designated December, 2004
- 3,900+ acre zone
- Properties situated along U.S. 40, MD 24 and MD 755
- Business parks located within the zone
 - Lakeside Business Park
 - Fashion Park
 - Emmorton Business Park
 - William Paca Business Park
 - Clayton Station
 - Magnolia Business Park
 - Joppa Commerce Center

Greater Aberdeen/Havre de Grace

- Designated June, 2006
- 8,900 + acre zone
- Properties situated along U.S. 40 and within municipalities of Aberdeen and Havre de Grace
 - South to Belcamp and Perryman
 - West to HEAT Center
 - East to include portions of Aberdeen Proving Ground
- Business parks located within the zone

Water's Edge Corporate Campus
The HEAT Center
Chesapeake Industrial Park
Cranberry Run Business Park
Hardee's Industrial Park
Hickory Ridge Industrial Park
Rock Glenn Business Park

Harford Gateway
Advantage Business Center
Perryman Industrial Park
Enterprise Business Park
40 East Industrial Park
Aberdeen Industrial Center

Eligibility

Business must be located within the zone and meet minimum requirements for job creation or for capital investment, including, but not limited to, specified design standards.

MINIMUM CAPITAL INVESTMENT CONSTRUCTION/ REHABILITATION OF REAL PROPERTY

Edgewood/Joppa

- \$50,000

Greater Aberdeen/Havre de Grace

- \$75,000 (if business has 10 or less employees)
- \$125,000 (if business has 11 or more employees)

and/or

MINIMUM FULL-TIME JOB CREATION

Edgewood/Joppa

- 5 new

Greater Aberdeen/Havre de Grace

- 2 new (if business has 10 or less employees)
- 5 new (if business has 11 or more employees)

*NOTE: By submission of and signature on the Qualification Application, the business creating new jobs agrees (through its owner, principal, employee or authorized agent) to provide a written report to the Harford County Office of Economic Development (specifically, to the Enterprise Zone Administrator) on the number of new full-time and new part-time jobs created for each calendar year until the year following the end of the Enterprise Zone designation (2017). Such information regarding new jobs created must be submitted no later than March 30 of each calendar year for the prior calendar year. This information is required for compilation of an annual report to the Maryland Department of Business and Economic Development.

Benefits

LOCAL REAL PROPERTY TAX CREDITS*

Credits are available for up to ten years on capital investments. Credit of 80% on increases in assessed value of real property for first five years, decreasing by 10% annually for the remaining five years. Any real property tax credits are granted for full taxable years only.

STATE INCOME TAX CREDITS

Requires creating a minimum number of new full-time jobs. Salaries must be 150% of minimum wage for 35 or more per hours per week. Credits for hiring "economically disadvantaged" employees (vouchered by the State) are:

- first year \$3,000
- second year \$2,000
- third year \$1,000

One-time credit of \$1,000 for all other eligible new jobs.

*NOTE: Businesses seeking local real property tax credits must apply to the Office of Economic Development and applicable municipal departments prior to completing the construction or rehabilitation project. Real property tax credits may not be granted retroactively.

BGE "RIDER 7" ELECTRICITY PRICE REDUCTION PROGRAM

Price rate reductions are available through BGE (division of Constellation Energy Group) on new or incremental electrical load increases of 200kw or more per month, for companies that increase employment by at least 10 full-time equivalent persons.

Sample Property Tax Calculation

SAMPLE OF PROPERTY TAX CREDIT ON \$500,000 INVESTMENT MARKET VALUE OF IMPROVEMENT FOR PROPERTY OUTSIDE A MUNICIPALITY

Year	Increased Tax Without EZ Credit	Credit Rate	Credit Amount	Tax Paid
1	5,460	80%	4,368	1,092
2	5,460	80%	4,368	1,092
3	5,460	80%	4,368	1,092
4	5,460	80%	4,368	1,092
5	5,460	80%	4,368	1,092
6	5,460	70%	3,822	1,638
7	5,460	60%	3,276	2,184
8	5,460	50%	2,730	2,730
9	5,460	40%	2,184	3,276
10	5,460	30%	1,638	3,822
Total Savings Due to the Credit			\$35,490	

Program Objectives

Harford County and the Cities of Aberdeen and Havre de Grace use the Enterprise Zone Program as a strategic economic development tool with these objectives:

- Promote private capital investment
- Create private employment opportunities
- Increase employment opportunities for low and moderate income families
- Broaden the industrial and commercial base of the County
- Support the retention and encourage the expansion of resident business and industry
- Provide incentives and initiatives to attract new business and industry

HOW TO APPLY FOR BENEFITS

Enterprise Zone

Complete the Enterprise Zone Qualification Application and return to Harford County Office of Economic Development with the required site and landscape plans. The application will be reviewed and a letter confirming eligibility of benefits will be sent.

Note: Application must be submitted no later than October 1 for real property tax credit on the next July 1 tax bill.

- For **REAL PROPERTY TAX CREDITS**, no additional paperwork needs to be completed by applicant. The Office of Economic Development will notify the Maryland Department of Assessments and Taxation and the property owner.
- For **STATE INCOME TAX CREDITS**, submit Maryland Tax Form 500CR along with annual return filed with the Comptroller of the Treasury. Form 500CR is used to claim a credit against the income tax for certain wages paid to qualifying employees in the Enterprise Zone.

Other Programs

- **STATE INCOME TAX CREDITS FOR HIRING "ECONOMICALLY DISADVANTAGED" EMPLOYEES**, requires the company to have such employee or potential employee certified through Maryland Department of Labor, Licensing & Regulation. For more details, contact Job Service Supervisor at the Bel Air Office, 410.836.4631.

BGE Rider 7

- To determine eligibility, contact John Sundergill, BGE Director of Economic Development, at 410.265.4004.

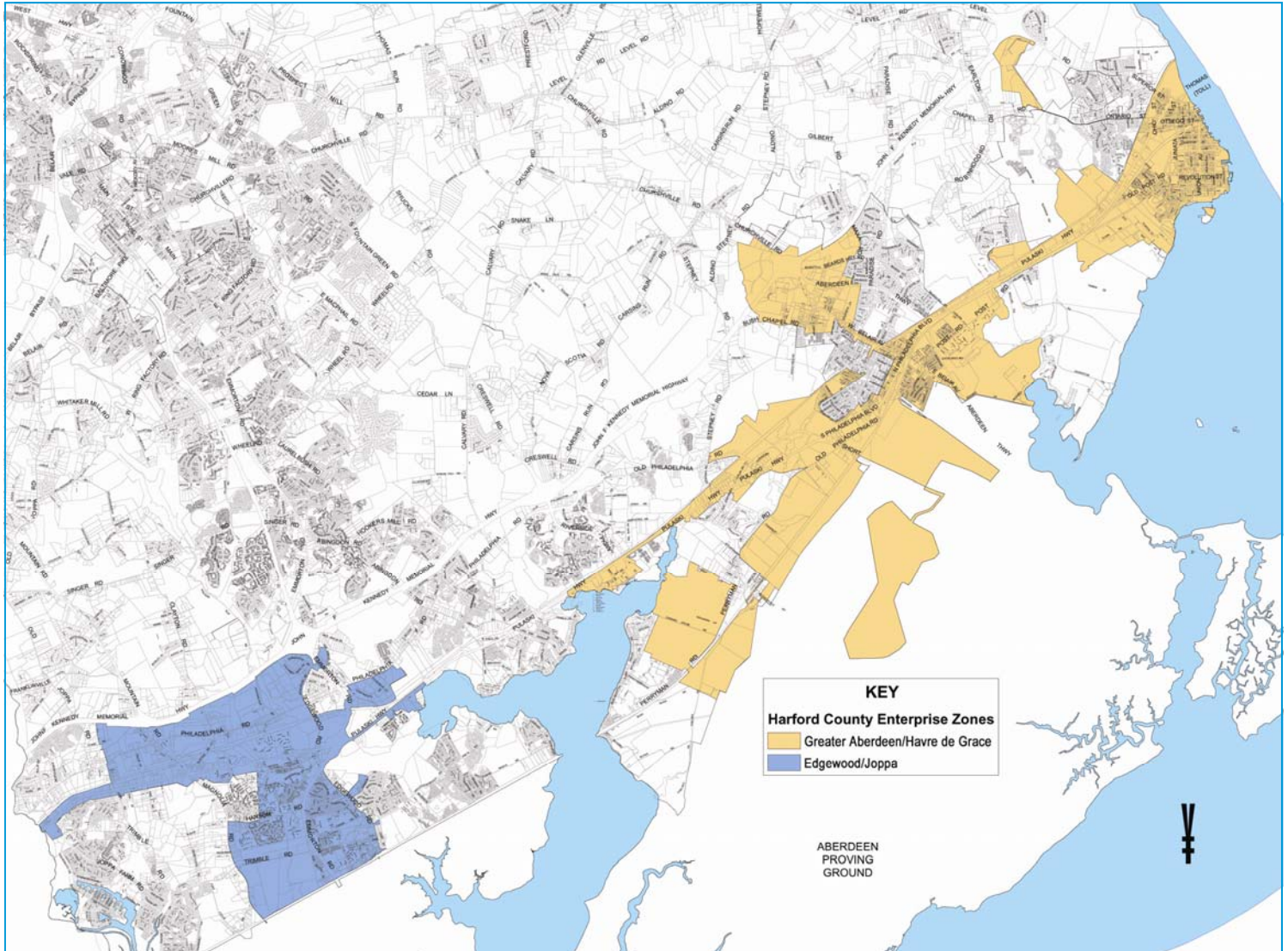
Financing

For assistance in identifying and applying for appropriate financing through various Maryland authorities and organizations, contact Harford County Office of Economic Development Financial Officer, at 410.638.3059.

Workforce Training

Coordinate with local and state training and educational agencies to make available education courses, vocational and technical training, and job counseling and placement opportunities.

Harford County Enterprise Zone Map



CONTACT FOR FURTHER INFORMATION/APPLICATION

Harford County
Office of Economic Development
Business Retention Manager
220 South Main Street
Bel Air, Maryland 21014
1.888.195.SITE / 410.638.3059
Fax: 410.879.8043
www.harfordbusiness.org

City of Aberdeen
Department of Planning
60 N. Parke Street
P.O. Box 70
Aberdeen, Maryland 21001
410.272.1600
Fax: 410.273.7402
www.aberdeen-md.org

City of Havre de Grace
Department of Planning
711 Pennington Avenue
Havre de Grace, Maryland 21078
410.939.1800
Fax: 410.939.3692
www.havredegracemd.com

GREATER ABERDEEN/HAVRE DE GRACE ENTERPRISE ZONE BENEFITS

I. STATE INCENTIVES

A. Property Tax Credit

The following minimum standards must be met by business entities located within the Greater Aberdeen/Havre de Grace Enterprise Zone (Zone) in order to apply for the real property tax credit:

Seventy-five thousand dollars (\$75,000) in capital investment above the base level for those sites capable of supporting ten (10) or fewer full-time employees OR one hundred twenty-five thousand dollars (\$125,000) in capital investment above the base level for those sites capable of supporting eleven (11) or more full-time employees.

The credit for the first through fifth years is for 80% of the property taxes on the "eligible" assessment. The "eligible" assessment is defined as the difference between the base year assessment (i.e., the taxable assessment on the property in the tax year immediately preceding the first year in which the special tax credit will be applied) and the assessment for the first year in which the credit will be applied. Property must be certified to the Department of Assessments and Taxation by the Office of Economic Development during the calendar year (prior to January 1) in order to receive the tax credit for the following year. Credits will be applied to tax bills issued on July 1 for the tax year indicated in the qualification letter to the Maryland Department of Assessments and Taxation, a copy of which is sent to the property owner.

Property tax credits for the sixth through the tenth year are: 6th year - 70%; 7th year - 60%; 8th year - 50%; 9th year - 40%; and 10th year -30%.

A property is qualified by the Office of Economic Development via the use of a letter indicating the name and address of the property owner and property tax account number. This letter, after certification of qualification by the appropriate local government(s) is sent to the State Department of Assessments and Taxation, with a copy to the local assessor and the appropriate local government.

The State of Maryland representative for this tax credit program is Robert Young, State Department of Assessments and Taxation, 301 Preston Street, 8th Floor, Baltimore, MD 21201-2305; telephone (410) 767-1191.

B. Income Tax Credit

Qualifying businesses are eligible for State of Maryland income tax credits based on new jobs created following the zone designation date of June 15, 1996. The minimum qualifications for Income Tax Credits for businesses are: (1) two (2) new jobs created (effective 7/1/01, minimum of 35 hours per week per new job created at an hourly wage of 150% of minimum wage) above the base employment level for those businesses employing ten (10) or fewer full-time equivalent employees, OR (2) five (5) new jobs created (effective 7/1/01, minimum of 35 hours per week per new job created at an hourly wage of 150% of minimum wage) above the base employment level for those businesses employing eleven

(11) or more full-time equivalent employees. These credits vary according to the type of employee used to fill the newly-created jobs.

For "economically disadvantaged" employees who have been certified by the Department of Labor, Licensing and Regulations (local job service or employment office), the maximum credits are:

- (a) Effective 7/1/01, the maximum credits are \$3,000 the first year, \$2,000 the second year, and \$1,000 the third year based on a minimum 35 hours per week per new job created, at an hourly salary of 150% of minimum wage.**
- (b) For a non-economically disadvantaged employee, effective 7/01/01, the credit is a one-time maximum of \$1,000 based on a minimum 35 hours per week per new job created, at an hourly salary of 150% of minimum wage.**

If the business hires a disadvantaged employee to replace a disadvantaged employee in the second year, the maximum credit is \$2,000 (based on a minimum 35 hours per week at an hourly salary of 150% of minimum wage). If the business hires a disadvantaged employee to replace a disadvantaged employee in the third year, the maximum credit is \$1,000 (based on a minimum 35 hours per week at an hourly salary of 150% of minimum wage. Replacement of a non-economically disadvantaged employee by another such employee earns no credit.

Income tax credits are available on tax returns for the taxable years immediately following the designation of the Zone or the location of the business in the Zone, whichever is later. The credit is available on wages paid in the taxable year only, and the employee must have worked at least six months before a tax credit can be received. The six-month qualification period begins when the employee is hired, even though the credit is not taken until the following year. Eligible employees must work at least 35 hours per week at an hourly wage of 150% of minimum wage and spend at least 50% of his or her working time in the Zone or in activities related to the business located within the Zone.

A business entity is qualified by receipt of a letter from the Office of Economic Development stating that the business has fulfilled the requirements of the local political subdivision to receive the credits.

By submission of and signature on the Qualification Application, the business creating new jobs agrees (through its owner, principal, employee or authorized agent) to provide a written report to the Harford County Office of Economic Development (specifically, to the Enterprise Zone Administrator) on the number of new full-time and new part-time jobs created for each calendar year until the end of the Enterprise Zone designation on June 14, 2016. Such information regarding new jobs created must be submitted no later than March 30 of each calendar year for the prior calendar year. This information is required for compilation of an annual report to the Maryland Department of Business and Economic Development.

Procedures for recruiting qualified Enterprise Zone applicants include:

- 1. Businesses submit a job order to the Maryland Department of Labor, Licensing & Regulation (DLLR), Division of Workforce Development, requesting Enterprise Zone**

vouchered applicants.

2. The Maryland DLLR, Division of Workforce Development vouchers applicants on a regular basis and many "walk-in" applicants may already be vouchered.
3. Businesses must send job applicants to the Maryland DLLR, Division of Workforce Development Office for vouchering prior to being hired.

In the case of businesses that can retroactively be certified, the Maryland DLLR, Division of Workforce Development will also do this. In such cases, a copy of the letter of certification from the Office of Economic Development is sent to the Maryland DLLR, Division of Workforce Development requesting this service. Retroactive vouchering can be done on employees hired on or after the zone designation date of June 15, 2006.

In all cases, the business is responsible for sending the voucher to the State by date of hire (or when vouchered for retroactive cases) and certification papers will be sent within a short period of time.

The qualifying business follows the instructions printed on Maryland Tax Form 500CR, "Enterprise Zone Tax Credit," which is available from the Income Tax Division or at www.comp.state.md.us and submits the form with its annual filing.

The income tax credit is treated as an addback modification to taxable income on the Maryland return, whereby the amount of credit is added back to taxable income. This procedure is similar to the "Targeted Jobs Tax Credit" at a federal level. The tax credit is not a refundable credit and all excess credits are carried forward five (5) years from the date the qualified employee was hired.

Employees who are re-hired after having been laid off for more than one year may be eligible for the tax credit plan. Consult the Maryland DLLR, Division of Workforce Development.

In the event of an audit, the following documents must be supplied to the auditing agency:

1. The letter of qualification received from the Harford County Office of Economic Development;
2. The certifying form from the Maryland DLLR, Division of Workforce Development indicating the class of employee for whom the tax credit is sought (i.e., economically disadvantaged or not);
3. Payroll records for all employees of the business.

The State of Maryland Representative for the Jobs Credit Program is: James W. Fowler, Assistant Manager, Revenue Administration Division, 110 Carroll Street, P.O. Box 1829, Annapolis, MD 21411-0000; telephone: (410) 260-7022.

II. LOCAL INCENTIVES

The following represents the local initiatives and incentives that may be targeted to businesses within the proposed Greater Aberdeen/Havre de Grace Enterprise Zone:

1. **The Cities of Aberdeen and Havre de Grace have Revolving Loan Program funds for projects qualifying by the criteria of those programs.**
2. **Harford County has established and administers the Economic Development Revolving Loan Fund (RLF) and the Economic Development Opportunity Fund (EDOF). The RLF provides funds to credit-worthy businesses unable to obtain financing through traditional sources due to limited equity, collateral or cash flow. The RLF is an alternative incentive provided by Harford County together with a consortium of eight financial institutions and is designed to attract, expand and retain small businesses. Loan amounts can range from \$10,000 to \$100,000 and are available to for-profit businesses including manufacturers, wholesalers, retailers, service and agricultural companies.**

The EDOF is designed to stimulate increased financing for new equipment and operations by complementing traditional lenders, state or federal funding programs. State and County funds are used to encourage investment, retention and job creation for working capital, equipment purchases, land or building improvements and purchases. The maximum loan amount is \$100,000.

3. **Assist eligible, creditworthy property owners and businesses in pursuing financing for development projects through the Maryland Economic Development Assistance Authority Funds (MEDAAF/MEDAF), the Maryland Industrial Development Financing Authority (MIDFA), the Maryland Small Business Development Financing Authority (MSBDFA), Neighborhood Business Development Program of DHCD, Community Development Block Grants (CDBG) funds, and other federal, state, or local funding sources which exist or may emerge.**
4. **Focus on and promote the services available through Harford County's Small Business Resource Center (SBRC). The SBRC will provide counseling and training to small businesses, particularly in the areas of business planning, marketing, technical and regulatory assistance. Additionally, financing assistance will be made available to eligible borrowers through commercial lenders and the SBA 504 and Farmer's Home Loan Programs.**
5. **In addition to Harford County's "Fast Track" permitting for major industrial projects or expansions, Harford County will consider a modified permit process for the County Sites within the Greater Aberdeen/Havre de Grace Enterprise Zone which would result in an expedited review of applications in order to accelerate private-sector investment, reinvestment and job creation, and will work with both the City of Aberdeen and the City of Havre de Grace as requested to expedite any permit reviews and inspections.**
6. **Coordination of activities between businesses and Harford Community College, Harford Technical High School, HEAT entities, Maryland DLLR (Division of Workforce Development), Susquehanna Workforce Network, and the Open Doors Career Center to enhance the delivery of relevant educational courses, technical training, job counseling, and job placement opportunities.**
7. **Utilize, wherever possible, the services of the Army Alliance and the Northeastern Maryland Technology Council.**

- 8. Prepare collateral marketing materials (i.e., computerized listings) for the Greater Aberdeen/Havre de Grace Enterprise Zone, including available industrial and commercial sites and buildings; size or square-footage; zoning; utilities; purchase price or least rates; owner or listing agent, etc., and integration of the marketing effort for the expanded Enterprise Zone into the ongoing Countywide marketing program of the Harford County Office of Economic Development.**
- 9. Harford County has a Work Force Technical Training Grants program whereby businesses can become eligible for matching training funds up to \$1,000 per fiscal year per employee. Training must be for intermediate or advanced technical or technological training, subject annually to the availability of funds.**
- 10. Harford County's public transportation system (Harford Transit) operates primarily along the U.S. 40 corridor Monday through Friday from 6:00 a.m. to 6:39 p.m. In addition, the transportation system also travels from Aberdeen and Havre de Grace to Bel Air via MD 22 and/or MD 24. This transportation system enables reduced income workers or those without personal transportation to reach employers and secure quality jobs.**

7/18/06

**GREATER ABERDEEN/HAVRE DE GRACE ENTERPRISE ZONE
QUALIFICATION CHECKLIST**

(This form is for your reference only. For assistance, please call HCOED at (410) 638-3059.

BEFORE SUBMITTING APPLICATIONS:

- _____ Determine that the business property is in the Greater Aberdeen/Havre de Grace Enterprise Zone.
- _____ Meet minimum eligibility criteria for Jobs OR Capital Investment:
 - _____ New job(s) created "or"
 - _____ New construction "or"
 - _____ Rehabilitation of property "or"
 - _____ Applied for Use and Occupancy Permit after June 30, 1996

APPLICATION(S):

- _____ Submit a "Qualification Application" to the Office of Economic Development if site is located outside the boundaries of the City of Aberdeen and the City of Havre de Grace. If site is located within the City of Aberdeen, submit duplicate signed "Qualification Application" simultaneously to the Harford County Office of Economic Development and the City of Aberdeen. If site is located within the City of Havre de Grace, submit duplicate signed "Qualification Application" simultaneously to the Harford County Office of Economic Development and the City of Havre de Grace.

- _____ Property Tax Credits: submit form when building permit is received
- _____ Income Tax Credits: submit form when hiring new employee(s)

- _____ **Income Tax Credits (ITC) ONLY:** In addition to the "Qualification Form," submit the "New Jobs Created" form to the Harford County Office of Economic Development. The list should include employees meeting one of these requirements:

- _____ Newly created jobs to the State of Maryland (not replacement hires) since locating/expanding in the Zone.
- _____ Full-time employment (effective 7/1/01, full-time employment is 35 hours or more per week for each new job created at an hourly wage of 150% of minimum wage).
- _____ Employed with the business at least six (6) months.
- _____ Work in the Zone 50% of the work week or doing activities directly related to the Zone.

- _____ **Property Tax Credits (PTC) ONLY:** Any property owner, business, or other entity seeking Enterprise Zone incentives through the Greater Aberdeen/Havre de Grace Enterprise Zone must be in full compliance with all federal, state and local laws, codes, ordinances and standards governing the use and occupancy of its premises, including historic preservation regulations in Harford County and the municipalities. If such is not the case, then, prior to consideration of any incentives, or as a condition of local approval of the planned expansion or significant improvement, all items not in compliance shall be brought into compliance prior to receipt of any incentives.

Moreover, any applicant seeking incentives with respect to property tax credits shall comply with the City of Aberdeen, the City of Havre de Grace, Aberdeen Proving Ground or Harford County development and design standards, whichever is appropriate based on the property's

(CONTINUED)

location, that would be in effect at the time such incentives are sought. The above incentives are subject to review by appropriate planning and zoning entities associated with Harford County, the City of Aberdeen, the City of Havre de Grace or Aberdeen Proving Ground.

For areas within the following boundaries, please contact the appropriate agency to obtain the development and design standards required:

1. Within the City of Aberdeen - Planning Dept., P.O. Box 70, Aberdeen, MD 21001, phone 410.272.1600;
2. Within the City of Havre de Grace - Planning Dept., 711 Pennington Avenue, Havre de Grace, MD 21078, phone 410.939.1800; and
3. Within Aberdeen Proving Ground, contact Sandy Kormak, Planning, U.S.Army Garrison, Aberdeen Proving Ground, MD 21001, phone 410.278.8869.

For areas within Harford County, the City of Aberdeen and the City of Havre de Grace and not on Aberdeen Proving Ground (federal property), please submit one (1) copy of both a site and landscape plan, which illustrates that the following prequalification standards have been met:

- _____ Curb and gutter are installed at all entrances to property to insure proper drainage within the public access road.
- _____ All on-site areas used for parking, loading and vehicular circulation are paved with an impervious, dust-free surface.
- _____ All dumpster, refuse collection areas, and outdoor storage are effectively screened.
- _____ A minimum area of 5% of the total site is landscaped, including the planting of area theme-specific street trees at no less than 30-feet on center along the property fronting the public access road.
- _____ A minimum sidewalk width of 5 feet has been provided along all public road frontage.
- _____ Has complied with other development and design standards that have been developed in conjunction with local business associations and planning councils, and which are in effect at the time such incentives are sought.

NOTE: Further information on sites outside of the incorporated boundaries can be obtained from Harford County Planning & Zoning (410.638.3103). For information pertaining to sites within the City of Aberdeen (410.272.1600) or the City of Havre de Grace (410.939.1800), contact the planning department of each municipality.

AFTER SUBMITTING APPLICATION(S):

- _____ **Income Tax Credits (ITC) ONLY:** The Business applicant should contact the Maryland Department of Labor, Licensing & Regulation, Division of Workforce Development, to review list of potential employees and determine individual eligibility, if the business has applicants, as "disadvantaged" or "non-disadvantaged."
- _____ Office of Economic Development sends an approval letter or an explanation for disapproval. (Copies of the approval letter are submitted by OED to appropriate local and state agencies.)
- _____ **Property Tax Credits (PTC) ONLY:** Property tax credits will automatically appear on Harford County tax bills in July. Municipal property tax credits for locations within the City of

Aberdeen or the City of Havre de Grace will be processed by the respective municipalities. (Credits will not appear on half-year tax bills in January. Please pay any half-year taxes owed.)

Income Tax Credits (ITC) ONLY: Credits should be claimed using Maryland Tax Form 500CR and a copy of the approval letter from OED.

Effective 7/1/01, the income tax credit per "**non-disadvantaged**" employee first year after being hired is \$1,000 for each full-time job (minimum 35 hours per week per new job created, at an hourly salary of 150% of minimum wage).

Effective 7/1/01, \$3,000 per "**disadvantaged**" employee (as identified by Maryland DLLR, Division of Workforce Development) for the first year after being hired. Each job must be a minimum 35 hours per week and at an hourly salary of 150% of minimum wage.

Subsequently, \$2,000 per "**disadvantaged**" employee second year after remaining employed or being replaced **ONLY** by another approved "**disadvantaged**" employee (per Maryland DLLR, Division of Workforce Development). Each job must be a minimum 35 hours per week per new job created, at an hourly salary of 150% of minimum wage.

For year three, \$1,000 per "**disadvantaged**" employee the third year after remaining employed or being replaced **ONLY** by another approved "**disadvantaged**" employee (per Maryland DLLR, Division of Workforce Development). Each job must be a minimum 35 hours per week per new job created, at an hourly salary of 150% of minimum wage).

7/18/06

ENTERPRISE ZONE INCOME TAX CREDITS

There are two categories of income tax credits available to Enterprise Zone employers for the creation of new jobs to the State of Maryland. These are direct credits available against the tax developed on the Maryland Corporation Income Tax return (Form 500) or the Maryland Individual Tax Return Form 502 or 505). For each new job created to the State of Maryland, wherein a business employs a non-disadvantaged employee, the company can earn \$1,000 in the first year of employment. In addition, a business can earn up to \$6,000 in the first three years of employment for each economically disadvantaged employee hired (\$3,000 for year one, \$2,000 for year two, and \$1,000 for year three). To be eligible for such income tax credit, each job created must be 35 hours or more per week per new job at an hourly wage of 150% of minimum wage and the newly created job must be filled for six (6) months and the business certified prior to the taking of such income tax credit.

After the business has obtained the Notice of Eligibility from the Office of Economic Development, tax credits may be taken on each new position created.

In order for a business to receive the economically disadvantaged credit, the Maryland Department of Labor, Licensing & Regulation, Division of Workforce Development, must certify employees who are economically disadvantaged and issue the Certification of Eligibility. Currently, the income tax credit for the business is up to \$3,000 for the first year, \$2,000 for the second year, and \$1,000 for the third year based on a 35-hour work week at an hourly wage of 150% of minimum wage.

HOW TO OBTAIN THE DISADVANTAGED ENTERPRISE ZONE CREDIT

- STEP 1** **Before you hire**, contact the Maryland Department of Labor, Licensing & Regulation, Division of Workforce Development, at 410.836.4603, with your job order indicating that the business wants Enterprise Zone eligible persons be referred. If your company has walk-ins, send them to 2 South Bond Street, Bel Air, Maryland for screening. The Maryland DLLR, Division of Workforce Development, will send your company qualified applicants for interviews either at your place of business or at the Maryland DLLR, Division of Workforce Development. Those eligible for the disadvantaged credit will have a voucher issued by the Maryland DLLR, Division of Workforce Development. Please ask the applicant for the voucher.
- STEP 2** Once your business hires an individual, complete the voucher and return it to the: Targeted Jobs Tax Credit, 1100 North Eutaw Street, Room 205, Baltimore, MD 21201.
- STEP 3** Your business will receive a Certification of Eligibility from Baltimore for its tax records.

NON-DISADVANTAGED CREDIT

This is a one-time credit. Currently, the credit is \$1,000 based on a 35-hour work week at an hourly wage of 150% of minimum wage. No paper work is required except for submitting the Qualification Application; however, as with the disadvantaged credit, the following conditions of employment must be met in order to claim the credit.

The employee:

- 1. Must have been hired by the business subsequent to the date on which the Enterprise Zone was designated (6/15/06) OR the date on which the business located in the Enterprise Zone, whichever is later;**
- 2. Was not hired to replace an individual who was employed by the business in that or any previous taxable year except in the case where a qualifying employee was replaced;**
- 3. Is a new employee or an employee rehired after being laid off for more than one year;**
- 4. Must work at least 35 hours per week at an hourly wage of 150% of minimum wage for at least six consecutive months during the taxable year.**
- 5. Spends at least 50% of work time in the Enterprise Zone or in activities directly related to the Zone. Positions that normally require an employee to be away from the Enterprise Zone, such as driving a truck delivering goods manufactured in the Zone, can be eligible so long as their activities are directly related to the Zone.**

If you have any questions, contact the Maryland Department of Labor, Licensing & Regulation, Division of Workforce Development Office at 410.836.4603.

7/18/06

ADDITIONAL ELIGIBILITY CRITERIA FOR GREATER ABERDEEN/HAVRE DE GRACE
ENTERPRISE ZONE

Property owners and businesses located within the Greater Aberdeen/Havre de Grace Enterprise Zone may be certified for incentives if the primary business activity conducted on the properties is in the general public interest and consistent with any of the following categories: (1) research and development; (2) offices; (3) manufacturing, fabrication and assembly; (4) warehousing and distribution (outside the City of Aberdeen and the City of Havre de Grace); (5) services excluding mini-storage and self-storage facilities; (6) retail (employing 5 or more persons, but excluding convenience stores, gasoline stations, and fast food establishments. Note for clarification, fast food establishments are those eateries that do not have both a sit-down area AND a wait staff); (7) tourism activities; (8) hospitality services; and (9) professional or personal commercial services.

Additionally, resident and new businesses within the Greater Aberdeen/Havre de Grace Enterprise Zone must create a minimum of two (2) new full-time jobs above the base employment level, and which must be at least 35 hours per week at an hourly wage of 150% of minimum wage) above the base employment level for those businesses employing ten (10) or fewer full-time equivalent employees. For those businesses employing eleven (11) or more full-time equivalent employees, resident or new businesses within the Greater Aberdeen/Havre de Grace Enterprise Zone must create a minimum of five (5) new full-time jobs above the base employment level, and which must be at least 35 hours per week at an hourly wage of 150% of minimum wage.

- OR -

make a capital investment of at least \$75,000 above the base level for those properties capable of sustaining businesses cumulatively employing ten (10) or fewer full-time employees (full-time jobs must be at least 35 hours per week at an hourly wage of 150% of minimum wage) level - **AND** - execute a Jobs Agreement committing best efforts to increase meaningful employment opportunities for low-to-moderate income persons residing within the Greater Aberdeen/Havre de Grace area to be eligible for any real property and income tax incentives. For those properties capable of leasing to businesses employing eleven (11) or more full-time employees, property owners or resident or new businesses within the Greater Aberdeen/Havre de Grace Enterprise Zone must make a capital investment of at least \$125,000 above the base level - **AND** - execute a Jobs Agreement committing best efforts to increase meaningful employment opportunities for low-to-moderate income persons residing within the Greater Aberdeen/Havre de Grace area to be eligible for any real property and/or income tax incentives.

Any property owner or resident business seeking incentives through the Greater Aberdeen/Havre de Grace Enterprise Zone must be in full compliance with all state and local laws, codes and ordinances governing the use and occupancy of its premises. If such is not the case, then, prior to consideration of any incentives, or as a condition of local approval of the planned expansion or major improvements, all items not in compliance shall be brought into compliance prior to receipt of any incentives.

Moreover, any property owner or resident business seeking Enterprise Zone incentives

through the Greater Aberdeen/Havre de Grace Enterprise Zone must be in full compliance with all federal, state and local laws, codes, ordinances and standards governing the use and occupancy of its premises, including historic preservation regulations in Harford County and the municipalities. If such is not the case, then, prior to consideration of any incentives, or as a condition of local approval of the planned expansion or significant improvement, all items not in compliance shall be brought into compliance prior to receipt of any incentives.

Moreover, any applicant seeking incentives with respect to real property tax credits shall comply with Aberdeen, Havre de Grace, Aberdeen Proving Ground or Harford County development and design standards, whichever is appropriate based on the property's location, that would be in effect at the time such incentives are sought. The above incentives are subject to review by appropriate planning and zoning entities associated with Harford County, the City of Aberdeen, or the City of Havre de Grace.

For areas outside of Aberdeen Proving Ground, any property owner or resident business seeking incentives with respect to real property tax credits shall (1) install curb and gutter at all entrances to its property to insure proper drainage within the public access road; (2) pave all on-site areas used for parking, loading and vehicular circulation with an impervious, dust-free surface; (3) effectively screen all dumpster and refuse collection areas, and outdoor storage; (4) landscape a minimum area of 5% of the total site, including the planting of area theme-specific street trees at no less than 30-feet on center along the property fronting the public access road; (5) provide a minimum sidewalk width of 5 feet along all public road frontage; (6) comply with other development and design standards that may be in existence or developed in conjunction with the Route 40 Business Association, the Aberdeen Economic Development Commission as part of the Aberdeen Revolving Loan Fund, Inc., Havre de Grace Main Street, Inc., the City of Aberdeen, the City of Havre de Grace or Harford County Government as determined by the location of the property, and which would be in effect at the time such incentives are sought; and (7) by submission of a Qualification Application, agree to replace any plantings, on the subject property, that die or are destroyed within 8 months of such loss or occurrence during the entire term the real property tax credits are issued. With respect to item (4) herein, the approved trees to be placed on the property include Willow Oaks, Crabapples, American Holly, Red Sunset Maple, October Glory Maple, Pin Oak, Sugar Tyme Crabapple and Kwanzan Cherry. In addition, the placement of such trees in the utility right-of-way must comply with the BGE (a division of Constellation Energy) program entitled "Right Tree, Right Place." Additional information from BGE is available through their Forestry Unit.

Property owners and businesses must complete a Qualification Application for Enterprise Zone eligibility prior to any consideration being given to real property and/or income tax incentives. The application shall require relevant information, including but not limited to, name and address of the business/property owner, verification of increases in employment, certification of costs for new construction or major renovations, etc. Applications for real property tax credits on parcels within the City of Aberdeen and the City of Havre de Grace must be jointly submitted to the City within which the property is situated and the Harford County Office of Economic Development. For any property owner seeking incentives within the City of Aberdeen or the City of Havre de Grace, such applicants must comply with all development and design standards established and required by the said municipality in addition to the design and landscape standards set forth herein.

7/18/06

MUST BE RECEIVED NO LATER THAN OCTOBER 1 FOR ANY REAL PROPERTY CREDITS TO BEGIN THE FOLLOWING JULY 1.

PROPERTY OWNERS: SUBMIT IMMEDIATELY UPON RECEIPT OF BUILDING PERMIT

TENANTS: SUBMIT IMMEDIATELY UPON START-UP OR EXPANSION OF BUSINESS.

**GREATER ABERDEEN/HAVRE DE GRACE ENTERPRISE ZONE
QUALIFICATION APPLICATION**

Name of Firm: _____ NAICS Code: (Required) _____

Contact Person: _____

Mailing Address: _____

Telephone Number: _____ Fax Number: _____

Cell Phone Number: _____ E-mail Address: _____

Parent Corporation (if applicable): _____

Address of Corporate Headquarters: _____

Name of Corporate Contact Person: _____ Phone Number: _____

Name of Property Owner (if different): _____

Address of Property Owner (if different): _____

Property Address in the Enterprise Zone (if different): _____

Is Property within the City of Aberdeen or City of Havre de Grace? _____ If yes, which city? _____

When did business locate to or expand in Zone: _____

Type of Business in Zone: _____

Property Tax District Number:(two digits) _____ Property Tax Account Number:(six digits) _____

Business Tax Year: From _____ To: _____
(month/day) (month/day)

Is the Company: New: _____ Expanding: _____ Relocating: _____

Prior Location (if applicable): _____

Date of Relocation (if applicable): _____

Is this Project: New Construction: _____ Rehabilitation: _____

Project Starting Date: _____ Expected Completion Date: _____

*Cost of Project - **MINIMUM COST OF PROJECT FOR ELIGIBILITY IS \$75,000 (for sites that can accommodate ten or fewer employees or \$125,000 (for sites that can accommodate eleven or more employees).**

AND/OR

****2 NEW FULL-TIME JOBS TO BE CREATED (for businesses with ten or fewer employees) or 5 NEW FULL-TIME JOBS TO BE CREATED (for businesses with eleven or more employees). NOTE: A minimum of 35 hours per week per new job created at 150% of minimum wage is considered full-time.**

(Land) \$ _____
(Building) \$ _____
(Machinery & Equipment) \$ _____

Current No. of Employees: Full Time: _____ Part Time: _____

**Number of New Full-Time Jobs To Be Created : _____

**Number of New Part-Time Jobs To Be Created: _____

*NOTE: **The Enterprise Zone Program has requirements for business eligibility based upon a minimum cost of project or the number of new full-time jobs created. SEE "COST OF PROJECT" CATEGORY ABOVE TO IDENTIFY THIS REQUIRED MINIMUM COST OF PROJECT FOR ELIGIBILITY OR REQUIRED NUMBER OF NEW FULL-**

(CONTINUED)

TIME JOBS TO BE CREATED (Note: A minimum of 35 hours per week per job at 150% of minimum wage is considered full-time.) Proof of expenditures on construction/rehabilitation may be required.

Projected Annual Payroll for these New Jobs: \$ _____

Hourly Wage for New Jobs (without benefits): \$ _____

Cost of Benefits Provided (per new employee): \$ _____

Signature of Person Completing this Form: _____

Typed Name: _____

Position/Title: _____

Date: _____

NOTE: By submission of and signature on the Qualification Application, the business creating new jobs agrees (through its owner, principal, employee or authorized agent) to provide a written report to the Harford County Office of Economic Development (specifically, to the Enterprise Zone Administrator) on the number of new full-time and new part-time jobs created for each calendar year until the end of the Enterprise Zone designation on June 14, 2016. Such information regarding new jobs created must be submitted no later than March 30 of each calendar year for the prior calendar year. This information is required for compilation of an annual report to the Maryland Department of Business and Economic Development.

Please submit application as follows:

1. For projects located within the City of Aberdeen:
Send one signed original to the Department of Planning, City of Aberdeen, P.O. Box 70, Aberdeen, MD 21001 **AND** a second signed original to Harford County Office of Economic Development, ATTN: Enterprise Zone Coordinator, 220 South Main Street, Bel Air, MD 21014.
2. For projects located within the City of Havre de Grace:
Send one signed original to the Department of Planning, City of Havre de Grace, 711 Pennington Avenue, Havre de Grace, MD 21078 **AND** a second signed original to Harford County Office of Economic Development, ATTN: Enterprise Zone Coordinator, 220 South Main Street, Bel Air, MD 21014.
3. For projects located at Aberdeen Proving Ground:
Send one signed original to the Director of Plans, Training & Mobilization, Commander, U.S. Army Garrison Activity, ATTN: STEAP-PF, APG, MD 21005-5001, **AND** a second signed original to Harford County Office of Economic Development, ATTN: Enterprise Zone Coordinator, 220 South Main Street, Bel Air, MD 21014.
4. For all other projects located in Harford County:
Send one signed original to Harford County Office of Economic Development, ATTN: Enterprise Zone Coordinator, 220 South Main Street, Bel Air, MD 21014.

8/4/06

EXAMPLE OF CALCULATION OF 80% TAX CREDIT

The property at 22 East XYZ Street, becoming qualified in Calendar Year 2008, will first receive the assessment credit on the July 1, 2009 tax bill (Fiscal Year 2009-10).

<u>Year 1</u>	2009-10 assessment	=	\$150,000
	2008-09 base assessment (excluding any new property first assessed in 2007-08)	=	\$100,000
	Increase in assessment	=	\$ 50,000
	Credit allowed on assessment (\$50,000 increased assessment x 80% = \$40,000)	=	\$ 40,000
	<u>FIRST YEAR CREDIT AMOUNT:</u>		<u>\$40,000 / 100 x local tax rate</u>

<u>Year 2</u>	2010-11 assessment	=	\$180,000
	2008-09 base assessment (excluding any new property first assessed in 2008-09)	=	\$100,000
	Increase in assessment	=	\$ 80,000
	Credit allowed on assessment (\$80,000 x 80%)	=	\$ 64,000
	<u>SECOND YEAR CREDIT AMOUNT:</u>		<u>\$64,000 / 100 x local tax rate</u>

Years 3, 4 & 5 To be calculated for each year over the next three (3) years.

(The 80% credit may be granted for a total of five (5) years.)

THE STATE OF MARYLAND ALLOWS A PROPERTY TAX CREDIT PROGRAM FOR AN ADDITIONAL FIVE (5) YEARS AS FOLLOWS:

6 th YEAR	- Credit is 70%
7 th YEAR	- Credit is 60%
8 th YEAR	- Credit is 50%
9 th YEAR	- Credit is 40%
10 th YEAR	- Credit is 30%

Revised 8/2/06

