



## Takoma Park City Council Meeting – June 2, 2021 Agenda Item 3

### Work Session

Presentation of the Takoma Langley Crossroads Development Authority (CDA) recommendations to amend Takoma Park Code Chapter 8.36 Commercial Management Districts and reauthorize the Takoma Langley Crossroads Development Authority.

### Recommended Council Action

Hear the presentation and comment on the reauthorization of the Takoma Langley Crossroads Development Authority and amendments to the Takoma Park Code Chapter 8.36 to update license fees, expiration date and other operational matters.

### Context with Key Issues

The Takoma Langley Crossroads Development Authority has requested Council consideration of a proposal to amend *Takoma Park City Code Chapter 8.36 Commercial Management Districts*. The Ordinance, which is scheduled to sunset on June 30, 2021, serves as the enabling legislation for the organization.

The CDA has conducted a review of surrounding Business Improvement Districts and other commercial district fees in the area and have come to understand the fees for the Crossroads commercial district are greatly misaligned with the neighboring jurisdictions. After additional review of the findings with City staff, there is a concern that the much higher fees in the Crossroads will be a deterrent to future development in the Crossroads and current ability to attract small business owners making location decisions between Takoma Park and nearby Silver Spring. There is additional concern around retaining current local business owners recovering from the financial devastation of the COVID-19 Public Health Emergency. The CDA recommends changes to the existing license fee structure to remain competitive with neighboring jurisdictions and inviting for future development and current business activity.

The Council is asked to consider the following license fee changes and extension to the current Ordinance:

- Place a maximum fee of \$4,000 on all Retail and Professional Service Provider assessments. The current maximum is \$10,000.
- Re-designate hair and nail salons from "Retail" to "Professional Service Providers." Clarify in the definitions section that Professional Service Providers includes those offering services in hair/nail/eyebrow salons and barbershops.
- Adjust Retail assessment rate from .5 to .42
- Adjust Property Owner assessment from .13 to .10
- Set the new ordinance expiration date to June 30, 2026

A draft of the proposed amended Ordinance has been prepared by the City Attorney's Office and is included.

### **Council Priority**

The Reauthorization of the Takoma Langley Crossroads Development Authority (CDA) and license fee adjustments support the following Council Priorities:

- Engaged, Responsive, and Service-oriented Government
- Community Development for an Improved & Equitable Quality of Life

### **Environmental Considerations**

The reauthorization and recommended changes to the Takoma Park Code do not have any new adverse effects on the environment. We also believe that new development encouraged by these changes will provide a chance to upgrade the Crossroads commercial district with environmentally sustainable materials and buildings.

### **Fiscal Considerations**

The CDA is largely funded by the license fees mandated in the Takoma Park Code. Reduced fees will reduce the budget of the CDA, but will not have a direct impact on the City budget. The CDA plans to address their reduced budget by seeking grants funds through their pending 501 c(3) foundation designation and from sponsorships. It is also anticipated that City staff will continue to spend staff hours identifying, applying, and implementing grants (such as the MD DHCD New Hampshire Ave Facade Grant) that support the work of the CDA and its members.

### **Racial Equity Considerations**

We believe the suggested recommendations will positively impact local business owners of color and immigrant business owners. The recommended reduction in license fees will also relieve an additional financial burden on business owners of color in our largest, racially diverse commercial district with a total of 180 CDA members being positively impacted by the recommended changes.

### **Attachments and Links**

- Draft *Takoma Park City Code Chapter 8.36 Commercial Management Districts*