

RESOLUTION # 2005-05

BERLIN ARTS AND ENTERTAINMENT DISTRICT

WHEREAS, Berlin has applied to the Secretary of Business and Economic Development of the State of Maryland for designation of the Berlin Arts and Entertainment District (the “District”) within certain boundaries shown on the map attached to this Resolution, and

WHEREAS, under State law, the designation of an arts and entertainment district: (i) provides an income tax subtraction modification for qualifying residing artists under § 10-207(v) of the Tax - General Article; (ii) a property tax credit under § 9-240 of the Tax - Property Article; and (iii) an exemption from the admissions and amusement tax under § 4-104 of the Tax - General Article.

NOW, THEREFORE BE IT RESOLVED THAT the Town of Berlin agrees to the following:

1. The geographic boundaries of the Berlin Arts and Entertainment District shall be as depicted on the attached map titled “Berlin Arts and Entertainment District” and including the parcels listed on the attached sheet; and
2. The Town of Berlin fully approves and supports the designation of the District; and
3. The Town of Berlin understands that the income tax subtraction modification under 10-207(v) of the Tax-General Article for qualifying residing artists in the District might affect its income tax receipts; and
4. If the Secretary approves the District designation, the Town of Berlin shall provide the following incentives to eligible persons in the District:
 - (a) During the entire designation period approved by the Secretary, exemption from the Admission and Amusement Tax gross receipts from any admissions or amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in the District; and
 - (b) During the entire designation period approved by the Secretary, a real property tax credit further described in §9-240 of the Tax-Property Article against the Town of Berlin property tax imposed on the eligible assessment of an eligible building. The real property tax credit amount shall be the following percentage of the amount of property tax

imposed on the eligible assessment of the property entitled to the credit:

- (i) 100 % in each of the first 3 taxable years after the calendar year when the property initially is entitled to the credit;
- (ii) 75% in the 4th and 5th taxable year;
- (iii) 50% in the 6th and 7th taxable year;
- (iv) 25% in the 8th and 9th taxable year;
- (v) 10% in the 10th taxable year; and
- (vi) 0% after the 10th taxable year

Adopted by the Mayor and Council of Berlin by a vote of ___ to ___ with ___ abstaining this ___ day of _____, 2005

Thomas Cardinale, Mayor

William G. Williams, III
Vice President, Council

Attest:

Linda Bambarly
Administrative Director