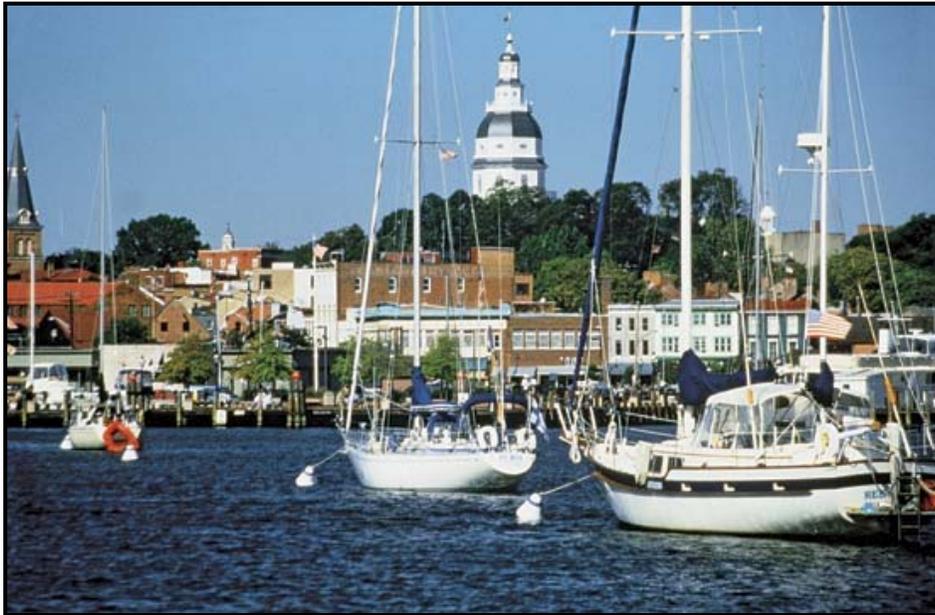


# Maritime Industry Preservation Analysis



Prepared for:

**City of Annapolis – Department of Economic Affairs**

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## 1.0 Introduction

### 1.1 Study Purpose

Basile Baumann Prost Cole & Associates, Inc. (BBPC) was retained by the City of Annapolis, Maryland – Department of Economic Affairs to determine what mechanisms are available to aid in the retention and preservation of the City's historic maritime industry. As the Annapolis maritime industry is critically important to the local economy and the city's bond rating, the purpose of this analysis is to identify key preservation mechanisms, including financial and non-financial, that the City can implement to aid in the preservation of the local maritime industry.



### 1.2 Report Organization

This final report is organized into five sections. These sections include:

Section 1	Introduction
Section 2	Maritime Industry in Annapolis
Section 3	Maritime Industry Preservation: Financial Mechanisms
Section 4	Maritime Industry Preservation: Non-Financial Mechanisms
Section 5	Case Studies

## 2.0 Maritime Industry in Annapolis

### 2.1 Background & History

Established by Native Americans and English settlers, the maritime industry of Annapolis has thrived for centuries due to its unique location and proximity to the waters of the Chesapeake Bay. Once known as a main port for shipping, increased competition from the nearby Port of Baltimore resulted in the Annapolis harbor becoming a prime location for watermen, boat builders and craftsmen. As Annapolis became home to several boat manufactures, the harbor was an important location as the boatyards served as major military contractors constructing watercraft for the British and Russian navies.

As the need for boatyards diminished, prime waterfront properties were either sold or subdivided and non-maritime uses began impinging these sites. In order to protect and preserve the unique character of the waterfront and encourage maritime-related businesses to locate on the waterfront properties, the City of Annapolis adopted a comprehensive maritime zoning ordinance in the 1980's.

Majority of the existing Annapolis maritime industry can be found on the Eastport peninsula, where the following type of maritime businesses are located: custom and production boat builders, new boat dealers, yacht brokerages, naval architects, engine mechanics, yacht carpenters and cabinet makers, fiberglass fabricators and marine welders, riggers and sail makers, painters and finishers and navigation instrument technicians.<sup>1</sup> Today, the City of Annapolis maritime industry is valued at approximately \$1 billion and consists of roughly 3,000 boat / yacht slips.<sup>2</sup>

Over the past decade, the Annapolis maritime industry has shown signs of decline due to a number of pressing issues.<sup>3</sup> The lack of affordable space, high property taxes, high cost-of-living, strict environmental regulations and increased competition from other maritime communities along the east coast present a difficulty to maritime businesses and employees in the City of Annapolis. Another contributing factor to the industry decline is due to the fact that many maritime-related businesses have moved their business manufacturing and operations to low-cost employment areas overseas including locations such as South Africa, Malaysia, and Spain.<sup>4</sup> Maritime employment, the number of new maritime businesses and the number of boat registrations has seen significant drops over the past several years within the City of Annapolis.

<sup>1</sup> The Annapolis Maritime Museum – [www.amaritime.org](http://www.amaritime.org)

<sup>2</sup> City of Annapolis – Department of Economic Affairs

<sup>3</sup> HometownAnnapolis.com – “Report shows signs maritime industry is in decline” – 1/25/09

<sup>4</sup> HometownAnnapolis.com – “City’s sailmaking industry now a dying art” – 5/24/09

2.2 Past Maritime Industry Assessments

Over the years, the City of Annapolis and selected consultants jointly surveyed maritime industry businesses in the City of Annapolis in 1993, 2002 and 2008 to gauge the general health of the Annapolis maritime industry. Surveys were sent via mail to approximately 200 to 300 businesses. Below are results and key findings of each survey.

Exhibit 1: Summary of Annapolis Maritime Business Surveys	
Year	Results / Key Findings
1993	<ul style="list-style-type: none"> <li>➤ Maritime industry is smaller than it was in the mid 1980's, in terms of employment, space usage and gross business income</li> <li>➤ Has endured the worst of the recession and is showing signs of improvement</li> </ul>
2002 <sup>5</sup>	<ul style="list-style-type: none"> <li>➤ Maritime industry is, in general, stable and healthy</li> <li>➤ Has experienced considerable growth in certain subsectors of the industry since 1993, both in the numbers of businesses, the number of employees in the industry and income and impact generated by the industry</li> <li>➤ Yacht brokerage has experienced a retrenchment over the past several years</li> <li>➤ Majority of the businesses indicated business was better than previous years</li> <li>➤ Many respondents indicated they would be expanding their businesses</li> </ul>
2008 <sup>6</sup>	<ul style="list-style-type: none"> <li>➤ Identified Annapolis as a major center for the selling and buying of recreational boats on the east coast</li> <li>➤ The maritime businesses are under constraints for affordable space due to growth of the businesses paired with risings rents and land costs</li> <li>➤ Maritime industry employment decline of 12 percent between 2002 and 2008</li> <li>➤ Recent slowing in the number of new businesses relocated to Annapolis</li> </ul>

Of the most recent survey conducted in the fall of 2008, responses from maritime businesses suggest that the Annapolis maritime industry is rapidly shrinking as it loses boat-related jobs and businesses.

2.2 Waterfront Maritime Districts

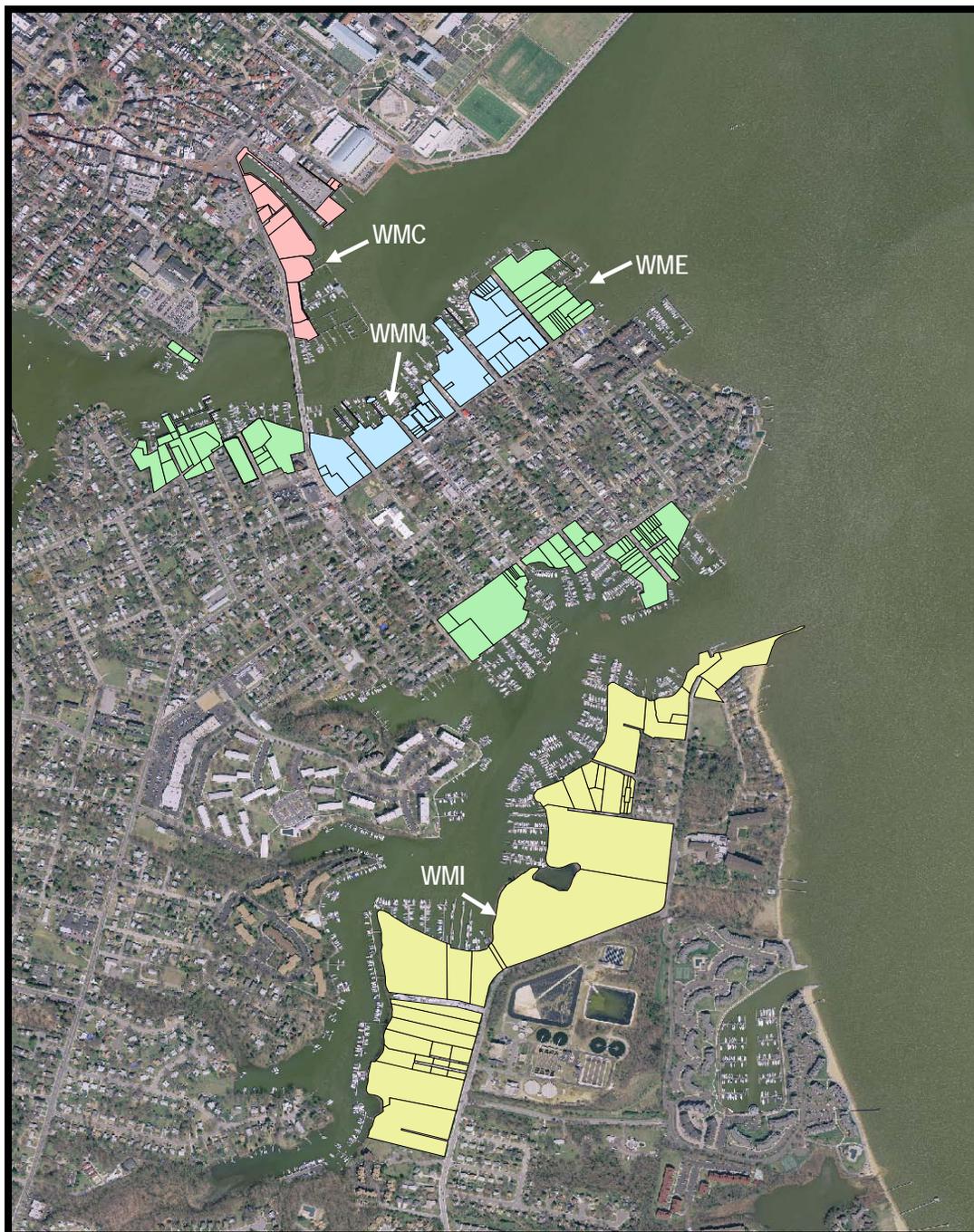
In 1987, the City of Annapolis implemented maritime zoning regulations in efforts to retain and grow maritime businesses within the city limits. As a result, four maritime districts, as specified under Title 21 Planning & Zoning of the Annapolis City Code, were established. Each waterfront maritime district has a unique purpose pertaining to the maritime industry and geographical location within the City of Annapolis.

<sup>5</sup> ZHA Maritime Industry Survey Report (2002)

<sup>6</sup> Market Economics Maritime Industry Economic Survey (2008)

To understand the characteristics of the waterfront maritime districts in the City of Annapolis, BBPC provided a map and detailed descriptions of each of the districts which contain majority of the local maritime businesses. (Note, all data pertaining to number of parcels, acreage and assessed value were provided by the City of Annapolis Department of Planning & Zoning – GIS.)

Exhibit 2: Map of City of Annapolis Maritime Districts



Source: City of Annapolis GIS & BBPC

### Waterfront Maritime Conservation District (WMC)

- **Purpose:** Intended to provide a location for maritime-related activities, public access and recreational uses of the waterfront in an attractive environment which supports and is harmonious with the interrelationship of the historic urban core, the waterfront and adjacent commercial and residential uses<sup>7</sup>
- **Geographic Location:** WMC Parcels are roughly bound by the following streets and / or body of water: Market Space to the north, Dock Street to the north and east, Annapolis Harbor / Spa Creek to the east and south and Compromise Street / 6<sup>th</sup> Street Bridge to the east.
- **Significant Maritime-Related Businesses:** National Sailing Hall of Fame, Annapolis Yacht Club, Fleet Reserve Club, Fawcett Boat Supply, Pusser's Caribbean Grille, Annapolis Yacht Basin, and Annapolis Marriott Waterfront Hotel
- **Number of Parcels:** 16
- **Acreage:** 8.43 acres
- **Assessed Value of WMC Parcels:** \$54,063,400



<sup>7</sup> Annapolis City Code Chapter 21.46.020 WMC Waterfront Maritime Conservation District

### Waterfront Mixed Maritime District (WMM)

- **Purpose:** Intended to reserve areas along the water's edge for maritime uses, provide an environment for supporting maritime merchandising efforts and to encourage the preservation of existing buildings and uses. In support of specified maritime uses, the district also provides for some non-maritime uses. The visual image of this area as an active maritime center is to be encouraged and maintained.<sup>8</sup>
- **Geographic Location:** WMM Parcels are roughly bound by the following streets and / or body of water: Annapolis Harbor / Spa Creek to the north, 1<sup>st</sup> Street to the east, Severn Avenue to the south and 6<sup>th</sup> Street to the west.
- **Significant Maritime-Related Businesses:** Includes Annapolis Yacht Club, Annapolis City Marina, Pier 4 Marina, Hinckley Yachts, Yacht Haven, Maritime Solutions, Passport Yachts, Intrinsic Yacht & Ship, Trident Funding Corporation, and Chart House Restaurant
- **Number of Parcels:** 141 (includes 116 condominium units as parcels)
- **Acreage:** 17.50 acres
- **Assessed Value of WMM Parcels:** \$104,521,300



<sup>8</sup> Annapolis City Code Chapter 21.46.030 WMM Waterfront Mixed Maritime District

### Waterfront Maritime Eastport District (WME)

- **Purpose:** Intended to provide a location for maritime and accessory uses in conjunction with single-family residences in areas where the existing lot configuration limits the effective functioning of maritime industrial operations<sup>9</sup>
- **Geographic Location:** The WME is comprised of three separate locations, all of which are on the Eastport peninsula. WME (1) is roughly bound by the following streets and / or body of water: Annapolis Harbor / Spa Creek to the north and east, Severn Avenue to the east and south, and 1<sup>st</sup> Street to the south and west. WME (2) is roughly bound by the following streets and / or body of water: Eastern Avenue and Chester Avenue to the north, Back Creek to the south, 1<sup>st</sup> Avenue and Eastern Avenue to the east, and 6<sup>th</sup> Street to the west. WME (3) is roughly bound by the following streets and / or body of water: Spa Creek to the north, Severn and Boucher Avenues to the south, 6<sup>th</sup> Street to the east and Lockwood Court to the west.
- **Significant Maritime-Related Businesses:** Annapolis Yacht Club, Eastport Yacht Club, Severn Sailing Association, Seafarers Yacht Club, Turner Marina, Sarles Boatyard & Marina and Petrini Ship Yard
- **Number of Parcels:** 146 (includes 71 condominium units as parcels)
- **Acreage:** 27.29 acres
- **Assessed Value of WME Parcels:** \$104,780,520



<sup>9</sup> Annapolis City Code Chapter 21.46.050 WME Waterfront Maritime Eastport District

### Waterfront Maritime Industrial District (WMI)

- **Purpose:** Intended to provide a location for land intensive maritime and accessory uses which require or clearly benefit from a waterfront location; It is the further intent of this district to support the City's maritime industry by limiting competing land uses and buffering adjacent uses from the adverse effects of permitted uses<sup>10</sup>
- **Geographic Location:** WMI Parcels are roughly bound by the following streets and / or body of water: Back Creek to the north and west, Bluffs Lane to the south, and Edgewood Road / Carr's Beach Road / Bembe Beach Road to the east.
- **Significant Maritime-Related Businesses:** Bert Jabin Yacht Yard, Port Annapolis, Annapolis Sailing School, and Performance Cruising
- **Number of Parcels:** 40
- **Acreage:** 59.87 acres
- **Assessed Value of WMI Parcels:** \$34,971,090



<sup>10</sup> Annapolis City Code Chapter 21.46.040 WMI Waterfront Maritime Industrial District

These four maritime districts within the City of Annapolis contain majority of the City's maritime industry businesses and will serve as the geographic focus of our financial and non-financial analysis in determining ideal mechanisms to aid in the preservation of the maritime industry. Of these four waterfront maritime districts, BBPC intends to focus more on one district – WMI – given the availability of possible land areas under single private or public ownership for redevelopment that could aid in city-wide maritime industry preservation efforts.

## 3.0 Maritime Industry Preservation: Financial Mechanisms

### 3.1 Overview

To provide a source of funding to aid in the preservation of the Annapolis maritime industry, BBPC analyzed two financial mechanisms available to the City of Annapolis: Maryland's Tax-Increment Financing statute and the United States Department of Housing and Urban Development's Section 108 Loan Guarantee Program.

### 3.2 Tax-Increment Financing

Available through the State of Maryland's Tax Increment Financing Act, tax-increment financing is an applicable tool the City of Annapolis could utilize as a source of financing to aid in the preservation of the local maritime industry.

#### History of Tax-Increment Financing (TIF)

Tax increment financing was originally developed over 30 years ago as a method to meet the local match requirements of federal grant programs. With the reduction in federal funds available for local projects, however, tax increment financing is standing on its own as a method to finance local redevelopment. State law controls tax increment financing. Because of this control, tax increment financing takes a number of techniques and appearances throughout the country.

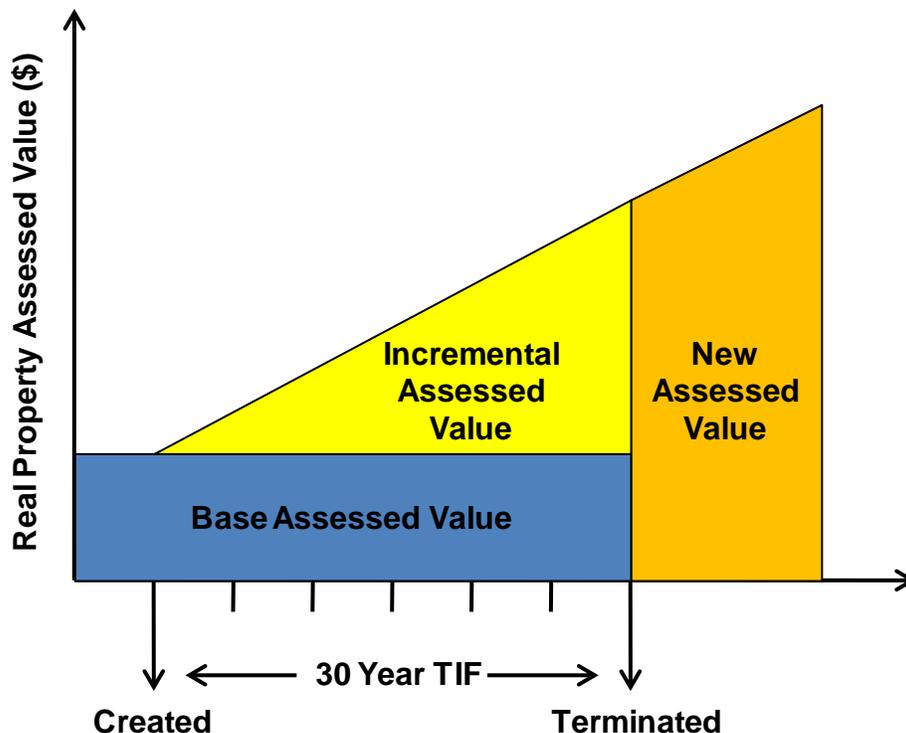
#### Tax-Increment Financing in the State of Maryland

Under the State of Maryland Statute, Sections 14-201 through 214 of Article 41 of the Annotated Code of Maryland (the "Tax Increment Financing Act") authorizes all counties and municipalities in the State of Maryland, other than Baltimore City, to utilize tax increment financing for the purposes of financing the development of industrial, commercial or residential areas. In Annapolis, TIF financing has been extended to the Park Place project. The City secured the approval of Anne Arundel County to add their tax receipts to further support this TIF financing.

The Tax Increment Financing Act authorizes the issuance of bonds to be payable from a special fund created in connection with the district which will hold the incremental tax payments. The municipality must designate by resolution a contiguous area within its jurisdiction as the "development district" from which the incremental tax payments are to be pledged. The portion of the annual property taxes on property located within the development district which exceeds the taxes on the "original assessable base" for such properties is thereafter to be paid into this special fund for purposes of repaying special obligation bonds issued by the county or municipality. The

graphic below depicts the TIF model focusing on assessed value of parcels located within the “development district” over the life of the project.

Exhibit 3: Assessed Value over the Life of TIF



Source: BBPC

Under the Tax Increment Financing Act, proceeds from bonds issued can be applied to the following purposes:<sup>11</sup>

- The cost of purchasing, leasing, condemning, or otherwise acquiring land or other property within the designated development district area or as necessary for a right-of-way or other easement to or from the designated development district area
- Site removal
- Surveys and studies
- Relocation of businesses or residences
- Installation of utilities, construction of parks and playgrounds, and other necessary improvements, including streets and roads to, from, or within the development district, parking, lighting and other facilities
- Construction or rehabilitation of buildings, provided that such buildings are to be devoted to a governmental use or purpose

<sup>11</sup> State of Maryland – Tax Increment Financing Act – Article 41 – Section 14-205 Application of Bond Proceeds

- Reserves or capitalized interest
- Necessary cost of issuance of the bonds
- Payment of principal and interest on loans, money advanced, or indebtedness incurred by a county or municipality for any of the purposes set out in the Tax Increment Financing Act

One critical application of bond proceeds that should be considered and does not currently exist under Maryland's TIF statute is the allowance of low-interest loans to businesses or private party developers. As TIF legislation stands today, funds generated from the incremental tax revenues are limited to publicly-owned portions of a development / project area. Examples of jurisdictions that allow low-interest TIF loans include Tuscola, IL, Portland, OR and Jacksonville, IL. With the allowance of repayable funds to be directly applied to private party developers of community-desired investments, this financial mechanism would enhance the overall goal of providing financing support for maritime development activities.

### Steps to Implementation of Tax-Increment Financing

In order to implement tax-increment financing, legislative action must be taken by the City of Annapolis. Typically in the State of Maryland, the following ordinances are to be considered by the City Council in order for a TIF transaction to occur:<sup>12</sup>

- A TIF District Ordinance - to create the TIF district and establish its boundaries
- A Special Taxing District Ordinance - to create a special taxing district and establish its boundaries
- A Bond Authorization Ordinance - to authorize the Mayor and the Director of Finance to issue the bonds and specify the terms of the bonds
- Supplemental Appropriation - to authorize the City to receive and disburse the bond proceeds for the eligible application / uses

### Tax-Increment Financing Assumptions

To calculate the potential funding tax-increment financing could generate for the maritime districts in the City of Annapolis, the following factors must be identified:

- City of Annapolis Property Tax Rate to determine tax revenues

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<sup>12</sup> Tax Increment Financing & Special Taxing Districts in Maryland: A Public/Private Development Tool for the New Millennium – John R. Orrick, Jr.

- Assessed Value of property located within the maritime districts (also known as the TIF development district) to determine the taxable base
- Estimated Assessed / Taxable Value Annual Growth Rate of parcels located within the maritime districts (also known as the TIF development district)

Exhibit 4: Tax-Increment Financing Assumptions			
City of Annapolis Property Tax Rate (per \$100 of Assessed Valuation) <sup>1</sup>		\$0.530	
	Assessed Value <sup>2</sup>	Number of Parcels <sup>2</sup>	Assessed Value Annual Growth Rate <sup>3</sup>
Waterfront Maritime District			
Waterfront Maritime Conservation District (WMC)	\$54,063,400	16	2.0%
Waterfront Mixed Maritime District (WMM)	\$104,521,300	141	1.5%
Waterfront Maritime Eastport District (WME)	\$104,780,520	146	1.0%
Waterfront Maritime Industrial District (WMI)	\$34,971,090	40	0.5%
<b>Total</b>	<b>\$298,336,310</b>		<b>-</b>
1: Anne Arundel County – Office of Finance – FY2009 Property Tax Rates			
2: City of Annapolis Department of Planning & Zoning – GIS Department (Assumed government-owned properties generate no tax revenue & have an assessed value of \$0)			
3: BBPC Assumption based on existing land uses & geographic location			

With the above assumptions identified, BBPC forecasted the future assessed / taxable value of properties located in the maritime districts over the next 30 years by assuming conservative growth rates. In this particular tax-increment model, BBPC assumed year 2009 as the 'original assessable base' year and projected future assessed / taxable value of parcels located in each of the maritime districts by applying the identified annual growth rates associated with each of the maritime districts, respectively. (Note: For this assessment, BBPC assumed existing land uses while ignoring any future changes.)

To gauge how much of the City's property tax base is located in the waterfront maritime districts, BBPC compared the City's total property tax base / assessed value (2009) of \$7.218 billion to each of the districts.<sup>13</sup> It can be concluded that only approximately 4.13 percent of the City's total property tax base is located within the waterfront maritime districts (0.75 percent is located in the WMC, 1.45 percent is located in the WMM, 1.45 percent is located in the WME, and 0.48 percent is located in the WMI). Hence, diversion of those property tax revenues, especially only in the WMI district, would involve only less than one-half of one percent of City property tax-generated revenues.

<sup>13</sup> City of Annapolis Department of Planning & Zoning – GIS Department : City of Annapolis Total Tax Base (2009) = \$7,218,624,930

**Tax-Increment Financing Projections**

For the purpose of this analysis, BBPC identified four tax-increment “development districts” which represent four separate areas and correlate directly to the four waterfront maritime districts, the WMC, the WMM, the WME and the WMI.

With the total assessed / taxable value of parcels located in the maritime districts identified over the 30 year period between ‘base’ year 2009 and 2038, the annual incremental change in assessed / taxable value from the ‘original assessable base’ year can be determined.

By applying the City of Annapolis property tax rate to the annual incremental assessed / taxable value, total annual gross incremental tax revenues can be determined.<sup>14</sup> These incremental property tax revenues can be used by the City to issue special obligations bonds to fund initiatives / activities allowed by the State of Maryland under the Tax Increment Financing Act.<sup>15</sup>

BBPC assumed the following financing assumptions if special obligation bonds were to be floated based on the cumulative gross incremental property tax revenue generated from each individual waterfront maritime tax increment finance “development district”.

<b>Exhibit 5: TIF Bond Financing Assumptions</b>	
<b>Interest Rate<sup>16</sup></b>	3.80%
<b>Duration</b>	30 Years
<b>Debt Service Coverage Ratio</b>	1.2

**WMC Tax-Increment Financing District**

The total assessed / taxable value of parcels located in the WMC district are projected to appreciate approximately \$42 million over the next 30 years or 2.0 percent per year, from \$54 million to \$96 million. Over the 30 year period, annual gross incremental property tax revenue generated from the WMC district ranges from \$5,731 to \$222,307 per year, which results in a total accumulation of \$3.028 million in cumulative incremental property tax revenue.

<sup>14</sup> Anne Arundel County – Office of Finance – FY2009 Property Tax Rates

<sup>15</sup> State of Maryland – Tax Increment Financing Act – Article 41 – Section 14-205 Application of Bond Proceeds

<sup>16</sup> City of Annapolis – Office of the Mayor - 2009 Bond Sale Interest Rate

Exhibit 6: WMC Maritime Districts Tax Increment Projections

Year	Assessed / Taxable Value	Annual Incremental Change in Assessed / Taxable Value	Annual Gross Incremental Tax Revenue	Cumulative Gross Incremental Tax Revenue
2009	\$54,063,400	-	-	
2010	\$55,144,668	\$1,081,268	\$5,731	\$5,731
2011	\$56,247,561	\$2,184,161	\$11,576	\$17,307
2012	\$57,372,513	\$3,309,113	\$17,538	\$34,845
2013	\$58,519,963	\$4,456,563	\$23,620	\$58,465
2014	\$59,690,362	\$5,626,962	\$29,823	\$88,288
2015	\$60,884,169	\$6,820,769	\$36,150	\$124,438
2016	\$62,101,853	\$8,038,453	\$42,604	\$167,042
2017	\$63,343,890	\$9,280,490	\$49,187	\$216,228
2018	\$64,610,768	\$10,547,368	\$55,901	\$272,129
2019	\$65,902,983	\$11,839,583	\$62,750	\$334,879
2020	\$67,221,043	\$13,157,643	\$69,736	\$404,615
2021	\$68,565,463	\$14,502,063	\$76,861	\$481,476
2022	\$69,936,773	\$15,873,373	\$84,129	\$565,604
2023	\$71,335,508	\$17,272,108	\$91,542	\$657,147
2024	\$72,762,218	\$18,698,818	\$99,104	\$756,250
2025	\$74,217,463	\$20,154,063	\$106,817	\$863,067
2026	\$75,701,812	\$21,638,412	\$114,684	\$977,750
2027	\$77,215,848	\$23,152,448	\$122,708	\$1,100,458
2028	\$78,760,165	\$24,696,765	\$130,893	\$1,231,351
2029	\$80,335,368	\$26,271,968	\$139,241	\$1,370,593
2030	\$81,942,076	\$27,878,676	\$147,757	\$1,518,350
2031	\$83,580,917	\$29,517,517	\$156,443	\$1,674,792
2032	\$85,252,536	\$31,189,136	\$165,302	\$1,840,095
2033	\$86,957,586	\$32,894,186	\$174,339	\$2,014,434
2034	\$88,696,738	\$34,633,338	\$183,557	\$2,197,991
2035	\$90,470,673	\$36,407,273	\$192,959	\$2,390,949
2036	\$92,280,086	\$38,216,686	\$202,548	\$2,593,498
2037	\$94,125,688	\$40,062,288	\$212,330	\$2,805,828
2038	\$96,008,202	\$41,944,802	\$222,307	\$3,028,135

Source: BBPC

Assuming the City of Annapolis would create a TIF “development district” congruent to that of the WMC boundaries, it is estimated that the City would be able to float the following three bond

amounts to support maritime industry preservation activities at the selected years (given the financing assumptions).

Exhibit 7: WMC Projected TIF Bond Amounts	
Year	Bond Amount
2015	\$1,739,954
2022	\$6,458,610
2029	\$12,332,195

### WMM Tax-Increment Financing District

The total assessed / taxable value of parcels located in the WMM district are projected to appreciate approximately \$56 million over the next 30 years or 1.5 percent per year, from \$104 million to \$160 million. Over the 30 year period, annual gross incremental property tax revenue generated from the WMC district ranges from \$8,309 to \$299,129 per year, which results in a total accumulation of \$4.176 million in cumulative incremental property tax revenue.

Exhibit 8: WMM Maritime Districts Tax Increment Projections				
Year	Assessed / Taxable Value	Annual Incremental Change in Assessed / Taxable Value	Annual Gross Incremental Tax Revenue	Cumulative Gross Incremental Tax Revenue
2009	\$104,521,300	-	-	
2010	\$106,089,120	\$1,567,819	\$8,309	\$8,309
2011	\$107,680,456	\$3,159,156	\$16,744	\$25,053
2012	\$109,295,663	\$4,774,363	\$25,304	\$50,357
2013	\$110,935,098	\$6,413,798	\$33,993	\$84,350
2014	\$112,599,125	\$8,077,825	\$42,812	\$127,163
2015	\$114,288,111	\$9,766,811	\$51,764	\$178,927
2016	\$116,002,433	\$11,481,133	\$60,850	\$239,777
2017	\$117,742,470	\$13,221,170	\$70,072	\$309,849
2018	\$119,508,607	\$14,987,307	\$79,433	\$389,282
2019	\$121,301,236	\$16,779,936	\$88,934	\$478,215
2020	\$123,120,754	\$18,599,454	\$98,577	\$576,792
2021	\$124,967,566	\$20,446,266	\$108,365	\$685,158
2022	\$126,842,079	\$22,320,779	\$118,300	\$803,458
2023	\$128,744,710	\$24,223,410	\$128,384	\$931,842
2024	\$130,675,881	\$26,154,581	\$138,619	\$1,070,461
2025	\$132,636,019	\$28,114,719	\$149,008	\$1,219,469

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2026	\$134,625,559	\$30,104,259	\$159,553	\$1,379,022
2027	\$136,644,943	\$32,123,643	\$170,255	\$1,549,277
2028	\$138,694,617	\$34,173,317	\$181,119	\$1,730,396
2029	\$140,775,036	\$36,253,736	\$192,145	\$1,922,540
2030	\$142,886,662	\$38,365,362	\$203,336	\$2,125,877
2031	\$145,029,962	\$40,508,662	\$214,696	\$2,340,573
2032	\$147,205,411	\$42,684,111	\$226,226	\$2,566,799
2033	\$149,413,492	\$44,892,192	\$237,929	\$2,804,727
2034	\$151,654,695	\$47,133,395	\$249,807	\$3,054,534
2035	\$153,929,515	\$49,408,215	\$261,864	\$3,316,398
2036	\$156,238,458	\$51,717,158	\$274,101	\$3,590,499
2037	\$158,582,035	\$54,060,735	\$286,522	\$3,877,021
2038	\$160,960,765	\$56,439,465	\$299,129	\$4,176,150

Source: BBPC

Assuming the City of Annapolis would create a TIF “development district” congruent to that of the WMM boundaries, it is estimated that the City would be able to float the following three bond amounts to support maritime industry preservation activities at the selected years (given the financing assumptions).

Exhibit 9: WMM Projected TIF Bond Amounts	
Year	Bond Amount
2015	\$2,501,846
2022	\$9,149,489
2029	\$17,172,504

### WME Tax-Increment Financing District

The total assessed / taxable value of parcels located in the WME district are projected to appreciate approximately \$35 million over the next 30 years or 1.0 percent per year, from \$104 million to \$139 million. Over the 30 year period, annual gross incremental property tax revenue generated from the WMI district ranges from \$5,553 to \$185,762 per year, which results in a total accumulation of \$2,657,226 in cumulative incremental property tax revenue.

Exhibit 10: WME Maritime Districts Tax Increment Projections

Year	Assessed / Taxable Value	Annual Incremental Change in Assessed / Taxable Value	Annual Gross Incremental Tax Revenue	Cumulative Gross Incremental Tax Revenue
2009	\$104,780,520	-	-	
2010	\$105,828,325	\$1,047,805	\$5,553	\$5,553
2011	\$106,886,608	\$2,106,088	\$11,162	\$16,716
2012	\$107,955,475	\$3,174,955	\$16,827	\$33,543
2013	\$109,035,029	\$4,254,509	\$22,549	\$56,092
2014	\$110,125,380	\$5,344,860	\$28,328	\$84,420
2015	\$111,226,633	\$6,446,113	\$34,164	\$118,584
2016	\$112,338,900	\$7,558,380	\$40,059	\$158,643
2017	\$113,462,289	\$8,681,769	\$46,013	\$204,657
2018	\$114,596,912	\$9,816,392	\$52,027	\$256,684
2019	\$115,742,881	\$10,962,361	\$58,101	\$314,784
2020	\$116,900,310	\$12,119,790	\$64,235	\$379,019
2021	\$118,069,313	\$13,288,793	\$70,431	\$449,450
2022	\$119,250,006	\$14,469,486	\$76,688	\$526,138
2023	\$120,442,506	\$15,661,986	\$83,009	\$609,146
2024	\$121,646,931	\$16,866,411	\$89,392	\$698,538
2025	\$122,863,400	\$18,082,880	\$95,839	\$794,378
2026	\$124,092,034	\$19,311,514	\$102,351	\$896,729
2027	\$125,332,954	\$20,552,434	\$108,928	\$1,005,657
2028	\$126,586,284	\$21,805,764	\$115,571	\$1,121,227
2029	\$127,852,147	\$23,071,627	\$122,280	\$1,243,507
2030	\$129,130,668	\$24,350,148	\$129,056	\$1,372,563
2031	\$130,421,975	\$25,641,455	\$135,900	\$1,508,462
2032	\$131,726,195	\$26,945,675	\$142,812	\$1,651,274
2033	\$133,043,457	\$28,262,937	\$149,794	\$1,801,068
2034	\$134,373,891	\$29,593,371	\$156,845	\$1,957,913
2035	\$135,717,630	\$30,937,110	\$163,967	\$2,121,879
2036	\$137,074,807	\$32,294,287	\$171,160	\$2,293,039
2037	\$138,445,555	\$33,665,035	\$178,425	\$2,471,464
2038	\$139,830,010	\$35,049,490	\$185,762	\$2,657,226

Source: BBPC

Assuming the City of Annapolis would create a TIF "development district" congruent to that of the WME boundaries, it is estimated that the City would be able to float the following three bond

amounts to support maritime industry preservation activities at the selected years (given the financing assumptions).

Exhibit 11: WME Projected TIF Bond Amounts	
Year	Bond Amount
2015	\$1,658,102
2022	\$5,974,979
2029	\$11,026,450

WMI Tax-Increment Financing District

The total assessed / taxable value of parcels located in the WMI district are projected to appreciate approximately \$5.5 million over the next 30 years or 0.5 percent per year, from \$34.9 million to \$40.4 million. Over the 30 year period, annual gross incremental property tax revenue generated from the WMI district ranges from \$927 to \$28,844 per year, which results in a total accumulation of \$422,594 in cumulative incremental property tax revenue.

Exhibit 12: WMI Maritime Districts Tax Increment Projections				
Year	Assessed / Taxable Value	Annual Incremental Change in Assessed / Taxable Value	Annual Gross Incremental Tax Revenue	Cumulative Gross Incremental Tax Revenue
2009	\$34,971,090	-	-	
2010	\$35,145,945	\$174,855	\$927	\$927
2011	\$35,321,675	\$350,585	\$1,858	\$2,785
2012	\$35,498,284	\$527,194	\$2,794	\$5,579
2013	\$35,675,775	\$704,685	\$3,735	\$9,314
2014	\$35,854,154	\$883,064	\$4,680	\$13,994
2015	\$36,033,425	\$1,062,335	\$5,630	\$19,624
2016	\$36,213,592	\$1,242,502	\$6,585	\$26,210
2017	\$36,394,660	\$1,423,570	\$7,545	\$33,755
2018	\$36,576,633	\$1,605,543	\$8,509	\$42,264
2019	\$36,759,516	\$1,788,426	\$9,479	\$51,743
2020	\$36,943,314	\$1,972,224	\$10,453	\$62,195
2021	\$37,128,030	\$2,156,940	\$11,432	\$73,627
2022	\$37,313,670	\$2,342,580	\$12,416	\$86,043
2023	\$37,500,239	\$2,529,149	\$13,404	\$99,447
2024	\$37,687,740	\$2,716,650	\$14,398	\$113,846
2025	\$37,876,179	\$2,905,089	\$15,397	\$129,243

2026	\$38,065,560	\$3,094,470	\$16,401	\$145,643
2027	\$38,255,887	\$3,284,797	\$17,409	\$163,053
2028	\$38,447,167	\$3,476,077	\$18,423	\$181,476
2029	\$38,639,403	\$3,668,313	\$19,442	\$200,918
2030	\$38,832,600	\$3,861,510	\$20,466	\$221,384
2031	\$39,026,763	\$4,055,673	\$21,495	\$242,879
2032	\$39,221,896	\$4,250,806	\$22,529	\$265,408
2033	\$39,418,006	\$4,446,916	\$23,569	\$288,977
2034	\$39,615,096	\$4,644,006	\$24,613	\$313,590
2035	\$39,813,171	\$4,842,081	\$25,663	\$339,253
2036	\$40,012,237	\$5,041,147	\$26,718	\$365,971
2037	\$40,212,299	\$5,241,209	\$27,778	\$393,750
2038	\$40,413,360	\$5,442,270	\$28,844	\$422,594

Assuming the City of Annapolis would create a TIF “development district” congruent to that of the WMI boundaries, it is estimated that the City would be able to float the following three bond amounts to support maritime industry preservation activities at the selected years (given the financing assumptions).

Exhibit 13: WMI Projected TIF Bond Amounts	
Year	Bond Amount
2015	\$274,399
2022	\$974,430
2029	\$1,768,648

**Tax Increment Financing Conclusion**

As apparent in all four waterfront maritime “development districts”, tax increment financing is a mechanism that can provide great source of public funding to aid in maritime industry preservation activities. Although the uses of such funds are limited, many uses are applicable to the City of Annapolis and to the goal of preserving the local waterfront maritime industry.

To generate a larger tax base, in addition to the City of Annapolis pledging incremental property tax revenues, the City should approach Anne Arundel County about pledging property tax revenues, which would add a real property tax rate of \$0.888 per \$100 of assessed value<sup>17</sup>. The table below includes estimated real property tax revenues generated in 2009 on both the City of Annapolis and Anne Arundel County level. The significant increase of tax base made available, if Anne Arundel

<sup>17</sup> Anne Arundel County – Office of Finance – FY2009 Property Tax Rates

County pledges its property tax revenues, will have a beneficial impact on the tax-increment financing “development districts” and will create an increase in the amount of incremental property tax revenues generated. As a result, a larger bond amount can be floated which will fund maritime industry preservation activities.

Exhibit 14: City of Annapolis & Anne Arundel County Real Property Tax Revenues (2009)					
	WMC	WMM	WME	WMI	City of Annapolis
City of Annapolis Property Tax Revenue (2009)	\$286,536	\$553,963	\$555,337	\$185,347	\$38,258,712
Anne Arundel County Property Tax Revenue (2009)	\$480,083	\$928,149	\$930,451	\$310,543	\$64,101,389
<b>Total - City of Annapolis &amp; Anne Arundel County Property Tax Revenue (2009)</b>	<b>\$766,619</b>	<b>\$1,482,112</b>	<b>\$1,485,788</b>	<b>\$495,890</b>	<b>\$102,360,102</b>

For example, if Anne Arundel County pledges the incremental tax revenues generated between the base year (2009) and up to the first year a bond is issued (2015), a greater amount of cumulative tax revenues for each district can be generated and larger bond amounts can be issued to help “jump-start” maritime industry preservation. The table below shows the difference in bond amounts the City of Annapolis can issue by taking into consideration incremental tax revenues generated from both the City of Annapolis and Anne Arundel County.

Exhibit X: Projected 2015 TIF Bond Amounts with City of Annapolis & Anne Arundel County Participation			
	City of Annapolis	Anne Arundel County	City of Annapolis & Anne Arundel County
WMC	\$1,739,954	\$3,244,521	\$4,984,475
WMM	\$2,501,846	\$4,665,236	\$7,167,082
WME	\$1,658,102	\$3,091,891	\$4,749,992
WMI	\$274,399	\$511,676	\$786,074

BBPC recommends that the City of Annapolis should pursue and implement tax increment financing while taking into consideration several legislative changes in order to capitalize on and make the most of the mechanism. If the City can approach and convince State legislature, the City of Annapolis should pursue changing enabling legislation to take into consideration Annapolis’ unique maritime industry and waterfront maritime districts by redefining and / or making exceptions to the technical aspects of “Development District” to include non-contiguous land parcels.

- Legislation states: “Development districts” means a contiguous area

- Issue: (1) Under current legislation, the boundaries of the WME cannot be used as a “development district” due to the fact that the parcels of the district are non-contiguous to one another. (2) Also, four TIF districts must be created instead of one, due to the fact that a “development district” must be a contiguous area. As a result, funds generated in one waterfront maritime zone cannot be transferred to another.

### 3.3 Section 108 Loan Guarantee Program

Through the U.S. Department of Housing and Urban Development (HUD), the Community Development Block Grant Program (CDBG), the Section 108 Loan Guarantee Program is available to the City of Annapolis, since it is an ‘entitlement community’. These federal funds can be used as a source of funding to aid in the preservation of the local maritime industry. In fact, the City has used CDBG funds for economic development activities in the past when it funded micro-enterprise training.

Unless CDBG funds are used to “benefit low and moderate income persons” or “aid in the prevention or elimination of slum and blight”, they cannot be expended. Regarding the income standard, it is clear that many of the jobs that could be pursued could be jobs meeting the HUD income guidelines. Small businesses would be expected to retain workers employed in maritime trades paying these wage levels. The Code of Federal Regulations, Title 24, Section 570.204, permits funding of “Special Economic Development Activities”, including use of CDBG funds to train workers in CDBG-eligible economic development activities. Funding infrastructure improvements to assist qualifying non-housing projects is also an eligible activity. Section 570.208(a)(4) defines the “51%” rule whereby at least 51% of the jobs created or retained must be held by low / moderate income persons.

Further, it is also possible that the slum and / or blight standards could be met at locations in the WMI development district. The first step is to create a district to establish eligibility. The definition of an area deemed eligible for redevelopment typically does not only include slums and blighted areas, but also underutilized areas, places with poor drainage, areas with faulty lot lines, blurred ownership situations, and the like. In the State of Maryland, the Maryland Constitution, Article 3, “Urban Renewal Amendment”, Section 61 defines a “slum area” as “any area where dwellings predominate which, by reason of depreciation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitary facilities...” The same statute describes a “blighted area” as “an area in which the majority of buildings have declined in productivity by reason or obsolescence, depreciation or other causes to the extent they no longer justify fundamental repairs and adequate maintenance.” No restriction exists that a slum or blighted area be only a residential area; certainly, commercial and industrial areas can be eligible. Future specific studies establishing a “finding of necessity” for redevelopment at selected locations would, of course, have to first be conducted.

### Section 108 Loan Guarantee Program

As a provision of the Community Development Block Grant Program (CDBG), this source of funding provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.<sup>18</sup> As an entitlement recipient of CDBG funding, the City of Annapolis is an eligible applicant to submit an application for the Section 108 Loan Guarantee Program.

### Section 108 Loan Eligible Activities

With many eligible uses to help preserve and strengthen the local maritime industry, Section 108 loan guarantee financing can be applied to the following activities, including:<sup>19</sup>

- Economic development activities eligible under CDBG
- Acquisition of real property
- Rehabilitation of publicly owned real property
- Housing rehabilitation eligible under CDBG
- Construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements)
- Related relocation, clearance, and site improvements
- Payment of interest on the guaranteed loan and issuance costs of public offerings
- Debt service reserves
- Public works and site improvements in colonies
- In limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs

### Section 108 Loan Commitment Amount

Contingent upon the municipality and whether or not the applicant is entitlement public entity, a state assisted public entity or a non-entitlement public entity, the maximum commitment amount of funding made available varies. According to the Section 108 Loan provisions, since the City of Annapolis is an entitlement public entity, the City may apply for up to five times the City's latest

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<sup>18</sup>US Department of Housing & Community Development – Community Planning & Development – Section 108 Loan Guarantee Program - <http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/>

<sup>19</sup> US Department of Housing & Community Development – Community Planning & Development – Section 108 Loan Guarantee Program - <http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/>

approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.

Historically, the City of Annapolis typically receives approximately \$350,000 of CDBG funding annually.<sup>20</sup> Therefore, the City has the ability to apply for up to \$1.75 million in funding assuming the City has no existing Section 108 debt.

### Steps to Implement Section 108 Loan Guarantee Program

As an “entitlement” recipient of CDBG funding, the City of Annapolis has significant experience following and completing the U.S. Department of Housing and Urban Development application process. To apply for the Section 108 Loan Guarantee Program, the City of Annapolis’ community planning and development representative should contact the City’s local HUD office for help and assistance in preparing the application which will be submitted to HUD Headquarters for review and a final recommendation. Depending upon the application, the length of the approval process varies.

### **3.4 Conclusion**

BBPC has identified two financial mechanisms in which the City of Annapolis should pursue to assist and aid in the preservation of the local maritime industry. Tax-increment financing and the Section 108 loan guarantee program both provide a significant amount of funding and opportunity to finance specific projects. Although the uses of funds may be limited for both mechanisms, many eligible uses / activities are applicable toward activities and projects that would aid in the preservation of the local maritime industry.

Use of these public funds can lower development costs in private projects desired by the City that would aid in maritime industry preservation efforts. For example, site acquisition, demolition, roads, parking, utilities and other infrastructure components of a private development project can be funded, so long as the public owns these improvements, and, full use of these funds is possible in any public sector project. Illustrative concept applications are provided in the next section of this report.

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<sup>20</sup> City of Annapolis – Planning & Zoning Department

## 4.0 Maritime Industry Preservation: Non-Financial Mechanisms

### 4.1 Overview

In addition to implementing financial mechanisms to aid in the preservation of the local maritime industry, the implementation of non-financial mechanisms can also provide an equal or greater amount of benefit. Funding provided by the financial preservation mechanisms mentioned may also play a crucial role and assist in the implementation of non-financial preservation mechanisms. Below are several non-financial mechanisms in which the City of Annapolis should consider to assist in the preservation of the maritime industry.

### 4.2 Non-Financial Mechanisms

#### Reanalyze Allowable Uses of Waterfront Maritime Zoning Districts

According to the Annapolis City Code<sup>21</sup>, within each of the waterfront maritime zoning districts, specific uses are either permitted or not permitted in each respective district. These uses include:

- In-water boat storage
- On-land boat storage
- Boat repair and maintenance
- Marine fabrication
- Marine services
- Marine retail
- General maritime
- Maritime institutions
- Seafood industrial
- Other

In order to preserve the local maritime industry, the City of Annapolis should consider updating and restructuring the table of uses for the waterfront maritime zoning districts. By reanalyzing and permitting the allowance of more maritime uses in each of the waterfront maritime zones, such legislation will help attract, retain and expand a more diverse range of maritime businesses in the City of Annapolis. Also, by allowing other industry related / supportive non-maritime commercial uses in the waterfront maritime zones may strengthen the overall health of the Annapolis maritime businesses.

For example, under existing City Code, the WMI waterfront maritime zoning district does not permit the use of general maritime (general office and research functions contributing to maritime activities) and maritime institutions (marine educational facilities, marine museums and aquariums, and maritime service organizations). Under new legislation, these non-permitted uses could be allowed, by expanding the types of permissible uses, resulting in growth of the local maritime industry.

<sup>21</sup> Annapolis City Code Chapter 21.48.040 Table of Uses – Waterfront Maritime Zoning Districts

Recommendation: Update and amend Chapter 21.48.040 Table of Uses – Waterfront Maritime Zoning Districts of the Annapolis City Code to permit the allowance of more maritime and non-maritime uses in each of the waterfront maritime zoning districts.

### Reanalyze Bulk Regulations of Waterfront Maritime Districts

Within each of the maritime zoning districts, specific zoning bulk regulations including specific lot dimensions, setbacks, coverage, height, floor area ratio (FAR), and location where a street right-of-way terminates at a waterway are characterized in the Chapter's 21.50.280 through 21.50.310 of the Annapolis City Code<sup>22</sup>. In order to preserve the local maritime industry and encourage maritime-related development, the City of Annapolis should consider updating and the zoning bulk regulations for the waterfront maritime zoning districts by creating more favorable and appealing regulations.

For example, contingent upon the waterfront maritime district and the specific permitted maritime use, coverage, floor area ratio's (FAR) vary. Among other bulk regulations, by updating and increasing the maximum FAR for specific uses, development programming options and redevelopment of existing structures becomes more appealing. For example, by increasing the coverage height within the WMI, existing boat yards such as Bert Jabin and Port Annapolis can make more efficient use of the airspace above their businesses which will allow an opportunity for consolidation of operations and expansion of developable space.

Recommendation: Update and amend Chapter's 21.50.280 through 21.50.310 of the Annapolis City Code to permit the allowance of more favorable bulk regulations in each of the waterfront maritime zoning districts by increasing bulk regulations (lot dimensions, coverage height, setbacks, etc.)

### Streamline Approval Process in Maritime Zones

In order to attract and promote development within these maritime zones, the City should consider reviewing and altering the existing permitting approval process applicable to these zones. A task force of maritime industry property owners and businesspersons, as well as private developers active in the area, could be convened to draw up specific, detailed recommendations. If a less rigorous / more efficient project review and permitting approval process results, the City would gain increased interest from existing land owners and potential developers as a result of more developer-friendly / fast-track approval process.

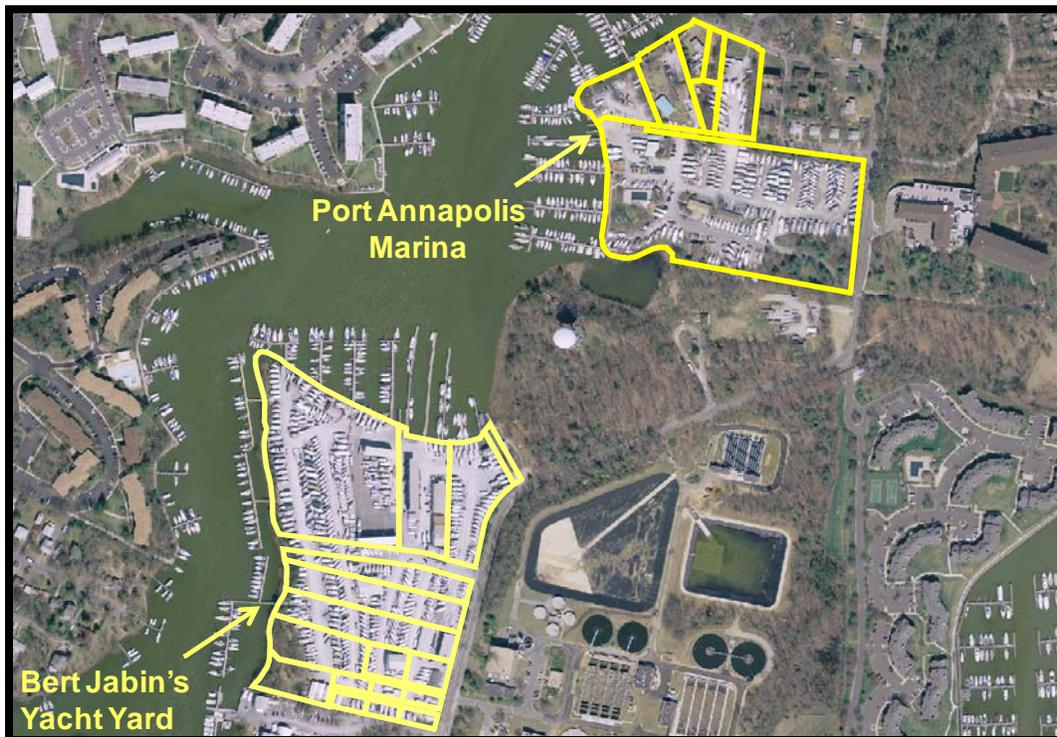
Recommendation: Create a task force to review and create a measurable plan to improve the City's permitting approval process which could result in a more fast-track process.

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<sup>22</sup> Annapolis City Code Chapter 21.50.280 through 21.50.310 Bulk Regulations

Provide Incentives to Consolidate Business Operations for New Development

Within the WMI waterfront maritime district, two large privately-owned land owners / maritime businesses, Bert Jabin's Yacht Yard and Port Annapolis Marina, occupy a vast amount of land along the Back Creek. In an effort to provide affordable / low rent waterfront space for the local maritime industry, these major land owners / maritime businesses should consider consolidating their existing business operations in goal of creating open (rentable) space for other maritime businesses. Given a negotiable amount of space, the private owners could rehabilitate existing facilities or develop new facilities to provide affordable / low rent space to other waterfront maritime businesses.



To support, subsidize and incentivize such rehabilitation or development on the privately-owned land, funds generated from tax-increment financing as well as funds provided by the Section 108 loan guarantee program can be applied to many applicable development uses (see chart below).

<u>TIF</u>	<u>Section 108 Loan Guarantee</u>
Cost of purchasing, leasing, condemning or acquiring land or other property within the designated development district area; site removal; surveys and studies; relocation of businesses or residents; installation of utilities, construction of parks and playgrounds, and other necessary improvements; construction or rehabilitation of buildings	Economic development activities eligible under CDBG; acquisition of real property; construction, reconstruction, or installation of public facilities; related relocation, clearance, and site improvements; public works and site improvements

Recommendation: Encourage existing business / land owners to consolidate business operations to create available waterfront land to rehab and / or build affordable / low-rent facilities with the use of TIF funding.

**Develop Underutilized City-Owned Parcel**

Located in the WMI waterfront maritime district exists a large parcel of underutilized waterfront property which is owned and operated by the City of Annapolis. Formerly housing the City of Annapolis Wastewater Treatment Plant, this site is the current location of the Back Creek Nature Park (BCNP) which occupies approximately 65 percent of the land, while the 20 percent is a general storage lot for equipment pertinent to the Annapolis Boat Show and the remaining 15 percent is a paved parking lot.<sup>23</sup> Overall, the city-owned parcel consists of 15.2 acres and is located along Edgewood Road and Back Creek between two of the City's largest boat yards, Bert Jabin and Port Annapolis.

<sup>23</sup> BBPC estimates based on aerial graphic & site visit of parcel



Assuming approximately 20 percent of the parcel, or 3 acres, can be made available for development, in an effort to aid in the preservation of the local maritime industry, the City should conduct a highest and best use analysis to determine optimal maritime uses for the site. An ideal opportunity for development includes a maritime industry incubator which could provide low rent facilities to small maritime-related businesses in the development and growth phases of operations.

To support and subsidize such development on the city-owned land, funds generated from TIF as well as funds provided by the Section 108 loan guarantee program can be applied to many applicable development uses.

Recommendation: As the site is a key waterfront location within the WMI, consider development of the non-park portion of the city-owned parcel with the use of TIF funding.

## 5.0 Case Studies

### 5.1 Overview

BBPC examined other similar maritime coastal communities around the nation who have utilized similar financial and non-financial techniques to help preserve waterfront maritime businesses in their respective community.

### 5.2 Case Studies

#### Seattle, Washington<sup>24</sup>

Issue: Preservation of maritime heritage in the Puget Sound region is one of the most challenging situations ever to confront the heritage community of Seattle and King County. In goal of establishing a unified vision to identify critical issues and opportunities affecting the maritime heritage, a structured focus group needed to be organized.

Preservation Technique: The Washington Trust for Historic Preservation and cultural services agency 4Culture structured a focus group to identify critical issues and opportunities affecting maritime heritage. Seventeen members were recruited from business and industry, government, preservation, and education all sharing the common interest in creating a vision and charting a course for a sustainable maritime heritage presence. The focus group proposed a revitalized future based on five components: governance, physical site, funding, visibility and education.

#### Portland, Maine<sup>25</sup>

Issue: The City of Portland served as a major northern New England center for shipping, shipbuilding, fishing and other maritime uses. As technology advanced, a massive decline in shipping occurred due to ground and air transportation and much of Portland's historic downtown, especially the Old Port area, was redeveloped for residential, retail and office use. Much of the city's water-dependent uses became non-existent.

Preservation Technique: Throughout the 1980's, the City promoted maritime industries by establishing a new fish auction and landing facility with the use of public funds. In 1992, the City also passed a new plan and created three specialized waterfront zoning districts that reserve most of the waterfront for water dependent uses and protect existing water dependent uses from

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<sup>24</sup> Washington Trust for Historic Preservation - [www.wa-trust.org/issues.htm](http://www.wa-trust.org/issues.htm)

<sup>25</sup> NOAA – Societal Responses – Preserving Waterfronts for Water Dependent Uses - [oceanservice.noaa.gov/websites/retiredsites/sotc\\_pdf/WDU.PDF](http://oceanservice.noaa.gov/websites/retiredsites/sotc_pdf/WDU.PDF)

competing, but incompatible uses. The balance of maritime industry protection with limited mixed uses has proved to be feasible.

### Warrenton, Oregon<sup>26</sup>

Issue: Bordered by major water bodies on all three sides, the City of Warrenton experienced substantial growth in the 1970's and experienced considerable employment losses in the early 1980's. As job growth slowed and the City transitioned and became more of a tourism-oriented location, local officials opt to reexamine the waterfront economy.

Preservation Technique: Local citizens and organizations with a stake in the future of Warrenton, along with the University of Washington and Oregon State University, created a Warrenton Waterfront Revitalization Plan. The plan focused on local values and aspirations and diversification of the local economy toward maritime industries.

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<sup>26</sup> NOAA – Societal Responses – Preserving Waterfronts for Water Dependent Uses - [oceanservice.noaa.gov/websites/retiredsites/sotc\\_pdf/WDU.PDF](https://oceanservice.noaa.gov/websites/retiredsites/sotc_pdf/WDU.PDF)