

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2010 Legislative Session

Resolution No. CR-98-2010

Proposed by Council Member Dean

Introduced by Council Members Dean and Exum

Co-Sponsors _____

Date of Introduction September 28, 2010

RESOLUTION

1 A RESOLUTION concerning

2 Economic Development

3 For the purpose of revising CR-89-2006 and the County’s policy for the use of Tax Increment
4 Financing and other financial tools and incentives to fund economic and community
5 development projects and initiatives in Prince George’s County.

6 WHEREAS, the Council adopted CR-89-2006 which established a policy for the County to
7 use specific criteria in determining the appropriateness and necessity of applying TIF and other
8 financial incentives to help fund economic and community development projects and initiatives
9 throughout the County; and

10 WHEREAS, Tax Increment Financing (“TIF”) is an economic and community
11 development tool that enables counties and municipalities to borrow money by issuing and
12 selling bonds for the purpose of financing the development of industrial, commercial, or
13 residential areas; and

14 WHEREAS, the County Council and the County Executive have met to discuss and
15 formulate economic development policies, strategies and guidelines relative to TIF and other
16 financial incentives that are available to and that can, when necessary, enable the County to
17 provide a range of incentives in support of major economic and community development
18 projects and proposals; and

19 WHEREAS, the economic and community development projects and initiatives that utilize
20 TIF and other financial tools and incentives shall be consistent with the County’s General and
21 Sector Plans and other economic and community development policies, strategies/ tools, and
22 guidelines, as well as generate and produce additional significant revenue that will benefit all

1 County citizens and residents; and

2 WHEREAS, the economic and community development policies, strategies and guidelines
3 shall take into consideration and maximize all public and private partnership opportunities,
4 employment opportunities, Minority Business Enterprise (“MBE”) equity participation
5 opportunities, opportunities to expand the County’s commercial base, and the uniqueness that a
6 new project or initiative can bring to the County; and

7 WHEREAS, the Council has determined that the policy criteria needs to be refined and to
8 add additional criteria.

9 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George’s
10 County, Maryland, that Prince George’s County shall use the following revised criteria in
11 determining the appropriateness and necessity of applying TIF and other financial incentives
12 funded by County taxes to help fund economic and community development projects and
13 initiatives throughout the County:

14 In order to demonstrate appropriateness and necessity, [P] proposed projects and initiatives
15 must:

16 1) Be consistent with the County’s General Plan and Sector Plans, as well as other
17 economic and community development policies, strategies, and tools;

18 2) Generate additional significant revenue for the County;

19 3) Meet both a short-term and long-term “But-For Test”, which demonstrates that the
20 proposed project or initiative is not feasible without the County’s participation and assistance;

21 4) Be subject to a “Trigger Mechanism/Look Back Provision”, which, on an ongoing
22 basis, examines a project’s proposed and projected cash flows, profits, and other financial
23 information to determine whether and when repayment of the County’s investment is or may be
24 necessary;

25 5) Where appropriate, be used to help fund the revitalization of an area or community in
26 the County;

27 6) Provide documentation, prior to any issuance of TIF bonds, showing not less than five
28 percent (5%) [for MBE equity participation] of the value of the TIF issued to the developer
29 through either (i) LMBE equity ownership in the entity receiving TIF funds or (ii) LMBE
30 ownership or participation equal to five percent (5%) of the TIF note issued and a Minority
31 Business Enterprise (MBE) Plan must be submitted to include a goal of thirty percent (30%) for

1 local business enterprise (LBE), minority business enterprise (MBE) and local minority business
2 enterprise (LMBE); however, at no time shall the LMBE participation be less than twenty
3 percent (20%) of the available project dollars;

4 7) Not have an adverse impact on the County's credit/bond rating;

5 8) Expand and strengthen employment opportunities with a minimum employment goal
6 of thirty percent (30%) for County residents;

7 9) Expand the County's commercial base;

8 10) Use best efforts to [A] afford opportunities for public and private partnerships; [and]

9 11) Use best efforts to [O] offer creative and unique opportunities for economic and
10 community development projects and initiatives;

11 12) Certification of all LMBEs shall be required. Any LMBE certified by the County, the
12 Maryland Department of Transportation (MDOT), the Washington Metropolitan Transit
13 Authority (WMTA), Maryland/District of Columbia Minority Supplier Development Council (or
14 any other organizations with similar certification authority), or any Federal agency shall be
15 deemed certified for purposes of receiving contract awards as a LMBE;

16 13) Prior to bonds being sold, the developer, County Executive and Bond Counsel shall
17 certify that the provisions of this resolution have been complied with and that the MBE Plan has
18 been approved by the Compliance Manager in conformance with the MBE Plan Guidelines
19 promulgated by the Compliance Manager; and

20 14) Prior to the sale of the bonds, the Council must review the TIF proposal and
21 certification and approve of the same by resolution.

22 BE IT FURTHER RESOLVED that the County Council periodically may refine these
23 criteria, as well as add additional criteria as experience and circumstances may require.

24 BE IT FURTHER RESOLVED that this resolution shall apply to TIF bonds issued
25 following the adoption of this resolution.

Adopted this 19th day of October, 2010.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Thomas E. Dernoga
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

KEY:
Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.