

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2019 Legislative Session

Resolution No. CR-21-2019

Proposed by Council Member Turner

Introduced by Council Members Turner, Davis, Ivey, Harrison, Anderson-Walker,
Streeter, Taveras, Glaros, and Hawkins

Date of Introduction March 12, 2019

RESOLUTION

1 A RESOLUTION concerning

2 Economic Development

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

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

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

14 WHEREAS, the Council adopted CR-98-2010 to revise the TIF policy by adding criteria to
15 strengthen LMBE equity participation; provide for a MBE Plan to be approved by the County’s
16 Compliance Manager; require best efforts to afford opportunities for public and private
17 partnerships and to offer creative and unique opportunities for economic and community
18 development projects and initiatives; require certification for all LMBEs; prior to bonds being
19 sold, require certifications from the developer, County Executive and Bond Counsel that all
20 provisions of CR-98-2010 have been complied with; and prior to the sale of the bonds, the
21 Council must review the TIF proposal and certification and approve the same by resolution; and

22 WHEREAS, the Council adopted CR-38-2011 to revise the TIF policy by adding a Class A

1 Apprenticeship Program requirement to any developer or other party receiving TIF assistance
2 estimated at One Million Dollars (\$1,000,000) or more from the County; and

3 WHEREAS, the economic and community development projects and initiatives that utilize
4 TIF and other financial tools and incentives shall be consistent with the County’s General and
5 Sector Plans and other economic and community development policies, strategies/ tools, and
6 guidelines, as well as generate and produce additional significant revenue that will benefit all
7 County citizens and residents; and

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

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

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

20 In order to demonstrate appropriateness and necessity, proposed projects and initiatives
21 must:

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

24 2) Generate additional significant revenue for the County;

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

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

31 5) Where appropriate, be used to help fund the revitalization of an area or community in

1 the County;

2 6) Provide documentation, as required by the County's Compliance Manager, prior to any
3 issuance of TIF bonds, showing not less than five percent (5%) of the value of the TIF bonds
4 issued to the developer through either (i) County-based Minority Business Enterprise (CMBE)
5 equity ownership in the entity receiving TIF bonds, (ii) CMBE ownership or participation equal
6 to five percent (5%) of the TIF bonds issued, or (iii) County minority resident equity ownership
7 or participation equal to five percent (5%), cumulative, of the TIF bonds issued;

8 7) Submit a written Minority Business Enterprise (MBE) Plan, acceptable to the County's
9 Compliance Manager, that shall include a goal of thirty-five percent (35%) for County-based
10 Businesses (CBBs), CMBEs, County-based Small Businesses (CBSBs), and MBEs; however, at
11 no time shall the CMBE participation be less than twenty percent (20%) of the available project
12 dollars and the cumulative CBB, CMBE, CBSB, and MBE participation be less than twenty-five
13 percent (25%);

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

15 9) Expand and strengthen employment opportunities with a minimum employment goal
16 of forty percent (40%) for County residents;

17 10) Expand the County's commercial base;

18 11) Use best efforts to afford opportunities for public and private partnerships;

19 12) Use best efforts to offer creative and unique opportunities for economic and
20 community development projects and initiatives;

21 13) Certification of all CMBEs shall be required. Any CMBE certified by the County, the
22 Maryland Department of Transportation (MDOT), the Washington Metropolitan Area Transit
23 Authority (WMATA), Capital Region Minority Supplier Development Council, National
24 Minority Supplier Development Council, Department of Veterans Affairs, Women Presidents'
25 Educational Organization, United States Pan Asian American Chamber of Commerce, any other
26 organizations with similar certification authority, or any Federal agency shall be deemed
27 certified for purposes of receiving contract awards as a CMBE;

28 14) Any developer or other party receiving TIF assistance estimated at One Million Dollars
29 (\$1,000,000) or more from Prince George's County shall submit a certification to the
30 Compliance Manager, as a condition of receiving such assistance, verifying that all construction
31 contractors and subcontractors, of whatever tier, performing work on the assisted project, shall

1 meet the apprenticeship requirements specified below. Failure to comply with this requirement
2 shall constitute a material breach on the part of the TIF recipient and result in the assessment of
3 One Thousand Dollars (\$1,000.00) liquidated damages per day for each day of non-compliance.

4 (A) The developer or other party receiving TIF assistance participates in a Class A
5 Apprenticeship Program for each separate trade or classification in which it employs craft
6 employees and shall continue to participate in such program or programs for the duration of the
7 project. For purposes of this section, a Class A Apprenticeship Program is an apprenticeship
8 program that is currently registered with and approved by the U.S. Department of Labor or a
9 state apprenticeship agency and has graduated apprentices to journey person status for at least
10 three of the past five years.

11 (B) To demonstrate compliance with this section, the developer or other party receiving
12 TIF assistance shall provide to the Compliance Manager, with this certification, a list of all
13 trades or classifications of craft employees it will employ on the project and documentation
14 verifying it participates in a Class A Apprenticeship Program for each trade or classification
15 listed.

16 (C) A developer or other party receiving TIF assistance may submit a request to the
17 Compliance Manager for a partial waiver of the apprenticeship participation requirements of this
18 Section if a partial waiver is necessary to ensure compliance with the MBE, LBE and LMBE
19 goals of this Section.

20 (D) To obtain such a partial waiver, the developer or other party receiving TIF assistance
21 shall demonstrate that it is unable to meet the applicable apprenticeship participation
22 requirements unless a partial waiver is granted. However, a partial waiver issued under this
23 Subsection shall be approved by the County Council and shall not waive apprenticeship
24 participation requirements beyond the extent necessary to meet the MBE, LBE and LMBE goals
25 of this Section.

26 15) Prior to bonds being sold, the developer, County Executive and Bond Counsel shall
27 certify that the provisions of this resolution have been complied with and that the MBE Plan has
28 been approved by the Compliance Manager in conformance with the MBE Plan Guidelines
29 promulgated by the Compliance Manager; and

30 16) Prior to the sale of the bonds, the Council must review the TIF proposal and
31 certification and approve of the same by resolution.

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

BE IT FURTHER RESOLVED that this resolution shall only apply to TIF bonds that have been authorized prior to the adoption of this resolution.

BE IT FURTHER RESOLVED that the County Council shall take a comprehensive review of this TIF policy and the County’s broader policies for County-assisted development prior to the end of the 2019 Legislative Year.

Adopted this 19th day of March, 2019.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Todd M. Turner
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

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