



October 20, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Roger G. Banegas 
Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement
CR-087-2023 Tax Increment Financing Related to Largo Town Center Metro
Development District

CR-087-2023 (*proposed by:* the Chair of the Council at the request of the County Executive)

Government Operations and Fiscal Policy (GOFP) Committee

A RESOLUTION CONCERNING TAX INCREMENT FINANCING RELATED TO LARGO TOWN CENTER METRO DEVELOPMENT DISTRICT for the purpose of approving a TIF proposal and certifications pursuant to CR-21-2019 to the extent required under CB-095-2023 and complying with the requirements of CB-51-2022, as applicable as described.

Fiscal Summary

Direct Impact:

Expenditures: No additional expenditures are likely.

Revenues: No direct revenue impact.

Indirect Impact:

Potentially favorable.

Legislative Summary:

CR-087-2023¹, proposed by the Chair at the request of the County Executive and sponsored by Council Members Fisher, Harrison, Watson, and Franklin, was introduced on October 3, 2023, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. The Resolution aims to provide support to development in the Blue Line Corridor’s objective of transforming Downtown Largo as the initiative’s anchor node and is one of three projects encompassing nearly 1.5 million square feet of new development in Downtown Largo by 2028.

Current Law/Background:

CR-092-2014² established and designated the Largo Town Center Metro Station as a “development district,” as the term is used and defined in the Economic Development Article of the Annotated Code of Maryland Sections 12-201 through 12-213³.

CR-021-2019⁴ established the County’s policy for the use of Tax Increment Financing and other financial tools and incentives to fund economic and community development projects and initiatives. Consistent with this policy, the County may issue these special obligation tax increment financing bonds from time to time.

CB-051-2022⁵ added Division 28. *Diversity and Equity Policy for Publicly Subsidized Development Projects*. to Subtitle 10 of the Prince George’s County Code. With the addition of Division 28, requirements were created for County-subsidized projects receiving a County subsidy of \$1,000,000 or more in value. The Bill added additional requirements on larger County-subsidized projects that receive a County subsidy of \$5 million or more that include:

- (i) The entity receiving the county subsidy shall have a Nondilutable County-based Minority Business Equity Interest of at least ten percent (10%); or
- (ii) (ii) At least ten percent (10%) of the building gross square footage of the project receiving the county subsidy shall be developed by County-based Minority Business Enterprise(s) and minority individuals who are County resident(s), and
- (iii) (iii) At least five percent (5%) of the work hours in the project development phase of the project shall be worked by County residents who are previously incarcerated individuals. The Bill also added a Compliance and Reporting Plan that applies to

¹ [CR-087-2023](#)

² [CR-092-2014](#)

³ [Sec. 12-201 of the Economic Development Article, Annotated Code of Maryland](#)

⁴ [CR-021-2019](#)

⁵ [CB-051-2022](#)

qualifying businesses and will be enforced by the County Minority Business Enterprise (MBE) Compliance Manager, in consultation with the Supplier Development and Diversity Division (SDDD).

CB-095-2023⁶ would authorize the County to issue special obligation tax increment financing bonds in the aggregate principal amount not to exceed Nine Million Dollars (\$9,000,000) to be used to finance or reimburse costs related to the construction and installation of the Improvements. The Bonds and the County administrative expenses related to the Largo Town Center Development District will be payable solely from the amounts levied and deposited in the Tax Increment Fund. The Bonds would not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power.

Resource Personnel:

- Chris Ahn, Assistant Deputy Chief Administrative Officer, Economic Development

Discussion/Policy Analysis:

CR-087-2023 would approve the TIF proposal and certifications required under CR-021-2019 to the extent required by CB-095-2023 and comply with the requirements of CB-051-2022. CR-021-2019 requires that, prior to the issuance of tax increment financing bonds, this County Council must review the TIF Proposal and Certificate of Developer, and the County Executive and Bond Counsel must certify that the provisions of CR-021-2019 have been complied with and that the Minority Business Enterprise Plan (the "MBE Plan") has been approved by the Compliance Manager in conformance with the MBE Plan guidelines promulgated by the Compliance Manager.

The following documents referenced in the Resolution have been received and reviewed by Council Staff:

- the TIF Proposal and Developer's Certificate, dated September 14, 2023;
- the County Executive Certification of Compliance, dated September 21, 2023;
- the Bond Counsel Certification of Compliance, dated September 21, 2023;
- the MBE Plan, approved by the Compliance Manager, dated October 10, 2023.

⁶ [CB-095-2023](#)

Fiscal Impact:

- *Direct Impact*

The enactment of CR-087-2023 will not have a direct fiscal impact on the County as this Resolution approves the TIF proposal and compliance with County requirements. CB-095-2023 authorizes the County to issue bonds.

- *Indirect Impact*

The enactment of CR-087-2023 is likely to have a potentially favorable indirect impact on the County as the new mixed-use development should increase both residential and commercial tax revenues and catalyze further development within the Development District.

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

This Resolution goes into effect upon the date of its adoption.

If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.