



October 4, 2024

**FISCAL AND POLICY NOTE**

TO: Jennifer A. Jenkins  
Council Administrator

Colette R. Gresham, Esq.  
Deputy Council Administrator

THRU: Josh Hamlin   
Director of Budget and Policy Analysis

FROM: Roger G. Banegas   
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Policy Analysis and Fiscal Impact Statement  
CR-062-2024 Tax Increment Financing Related to Branch Mill Crossing  
Development District

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**CR-062-2024** (proposed and sponsored by: Council Members Watson, Ivey, Hawkins, and Fisher)

Government Operations and Fiscal Policy (GOFP) Committee

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A RESOLUTION CONCERNING MILL BRANCH CROSSING DEVELOPMENT DISTRICT for the purpose of designating a contiguous area within Prince George's County, Maryland (the "County") as a "development district" as that term is used in Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act")...

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**Fiscal Summary**

**Direct Impact:**

*Expenditures:* No additional expenditures are likely.

*Revenues:* No direct revenue impact.

### Indirect Impact:

Potentially favorable.

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### Legislative Summary:

CR-062-2024<sup>1</sup>, proposed and sponsored by Council Members Watson, Ivey, Hawkins, and Fisher, was introduced on July 9, 2024, and referred to the Government Operations and Fiscal Policy (GOPF) Committee. The Resolution would designate Mill Branch Crossing as a development district and create a corresponding tax increment fund according to the laws of the State of Maryland.

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### Current Law/Background:

CR-021-2019<sup>2</sup> 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-051-2022<sup>3</sup> 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 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).

Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the “TIF Act”) authorize local governments to use the increase in property tax receipts from new development to pay for public improvements that

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<sup>1</sup> [CR-062-2024](#)

<sup>2</sup> [CR-021-2019](#)

<sup>3</sup> [CB-051-2022](#)

promote economic development in the area. The TIF Act. The first legislative step in the TIF process is the designation, by resolution, of a “development district.” Once this is done, revenue bonds, backed by TIF revenues, can be issued by authorization of the County to finance specific infrastructure improvements.

CB-064-2024,<sup>4</sup> which accompanies this Resolution, would ratify and confirm the designation of the Mill Branch Crossing Development District, and it would authorize the County to issue special obligation tax increment financing bonds in the aggregate principal amount not to exceed Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) 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 Mill Branch Crossing 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.

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**Resource Personnel:**

- Leroy D. Maddox Jr., Legislative Attorney

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**Discussion/Policy Analysis:**

The Mill Branch Crossing Project

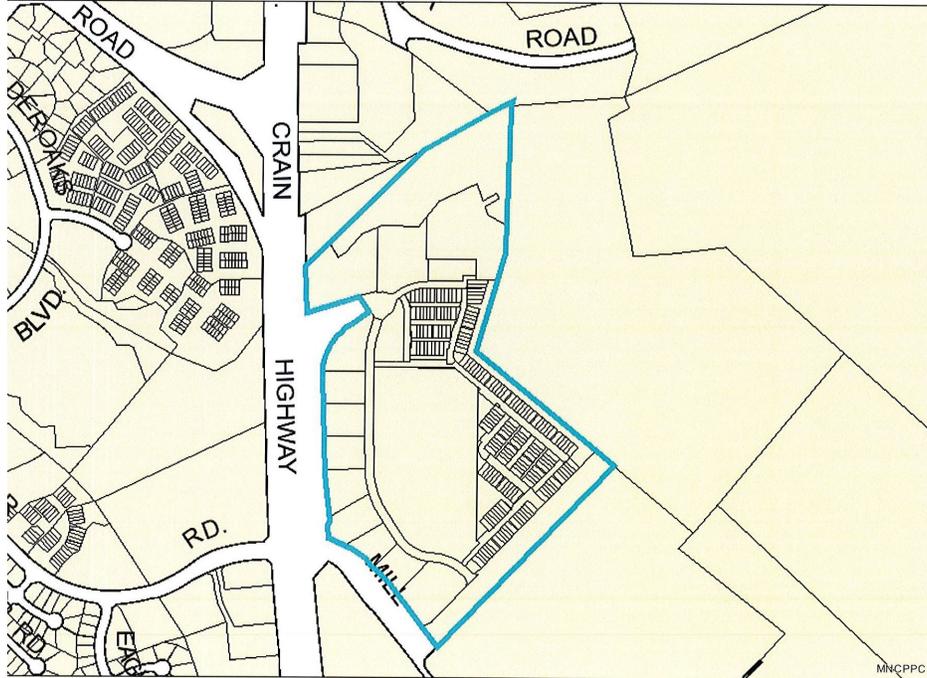
The property that is proposed as the Mill Branch Crossing, which is an approximately 996,794 square foot mixed-use, commercial, and residential project, is located at 3301 Mill Branch Road in Bowie, Maryland, and Robert Crain Highway, consisting of approximately 190 townhomes and approximately 408 multi-family apartments with retail, restaurant, grocery, gas/convenience, and a hotel as further detailed in Detailed Site Plan DSP-20003<sup>5</sup>. Green Branch LLC (the “Developer”) or an affiliate proposes to improve a currently undeveloped portion of land with residential, retail, restaurant and hotel uses.

The proposed Development District depicted on the map below:

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<sup>4</sup> [CB-064-2024](#)

<sup>5</sup> [DSP-20003](#)



Economic and Other Benefits of the Mill Branch Crossing Project

The development of the Mill Branch Crossing Project may generate a substantial amount of economic activity. However, there is no TIF proposal or supporting information regarding the Mill Branch Crossing Development that identifies and describes a plan to create jobs or otherwise provide economic benefit to the County. The Project described in CR-121-2022<sup>6</sup>, which failed in October 2022, proposed to create an estimated 1,466 temporary full-time equivalent construction jobs and, upon completion, an estimated 186 permanent direct full-time equivalent jobs and 47 permanent indirect jobs, and generate approximately \$47 million in additional revenues for the County. It is not clear if this Project has the same anticipated impact.

A breakdown of the proposed Mill Branch TIF project costs is as follows:

Type	\$ Amount
Maryland Route 301 Improvements	\$7,488,500
Mill Branch Road Improvements	\$2,426,500
Mill Branch Crossing, Park Access Road Improvements	\$2,177,001
Wetlands Mitigation	\$751,000
WSSC Improvements	\$2,925,000
Soft Costs / Contingency	\$1,810,019
<b>Total (Est.)</b>	<b>\$19,493,020</b>

<sup>6</sup> [CR-121-2022](#)

CR-062-2024 would simply designate the Mill Branch Crossing Development District. 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.

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**Fiscal Impact:**

- *Direct Impact*

The enactment of CR-062-2024 will not have a direct fiscal impact on the County as this Resolution approves the TIF proposal and compliance with County requirements. CB-064-2024 authorizes the County to issue bonds.

- *Indirect Impact*

The enactment of CR-062-2024 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.

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**Effective Date of Proposed Legislation:**

This Resolution is administrative in nature and shall take effect upon approval by the County Executive.

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