

## VII. ECONOMIC DEVELOPMENT

Economic development for the Marlboro Pike sector plan area focuses on preserving and strengthening the existing residential communities and refocusing commercial development into activity nodes along the corridor. Community-oriented development, consisting of mostly residential land uses and a few neighborhood-oriented businesses, will be encouraged. The existing communities provide a market base for much of the commercial activity along the corridor, and the retail and office development focused in priority areas should be complementary to the surrounding neighborhoods.

Background information and a profile of the economic, housing, and demographic characteristics set the stage for revitalizing the Marlboro Pike Corridor. Specific economic development strategies for achieving the plan vision and economic development goals have been developed for each of the seven priority areas. Corridorwide strategies are also outlined that support redevelopment of the priority areas and recognize the corridor as a unified economic entity. Recommendations for revisions to development regulations, processes, and zoning that reinforce the priority area and corridorwide strategies are provided at the end of this chapter.

The character of the existing commercial development along Marlboro Pike varies considerably. Some shopping centers are performing well and are well-maintained; others are poorly maintained and almost vacant. Recent commercial structures have also been constructed in the area. Many free standing, highway oriented commercial uses are unattractive and detract from the stable residential communities off Marlboro Pike. The orientation of existing commercial uses and centers clearly favors the automobile, and does not present an attractive face to the community.

By pursuing strategies that focus redevelopment and new development in priority areas and corresponding activity nodes, underperforming commercial uses within transition areas will be discouraged and phased out through re-zoning that favors residential and community-oriented uses. This would be favorable to residents in surrounding neighborhoods, as uses surrounding these communities would be more compatible with their needs and additional services would be offered to meet these daily needs. Marlboro Pike will transition into a community-oriented corridor for shopping, socializing, and dining, which will have a positive impact on property values in the area and provide services beneficial to individuals living in and outside the area. All of this will transform Marlboro Pike into an economically thriving area.

**ECONOMIC DEVELOPMENT GOAL:** Revitalize Marlboro Pike into an economically thriving corridor to better serve the needs of surrounding communities and to attract patrons from outside the sector plan area to shop there and spend time along the corridor.

### A. Economic, Housing, and Population Characteristics

#### **ECONOMIC PROFILE**

The economic profile identifies the existing median household income in the Marlboro Pike area and Prince George's County as a whole. According to U.S. Census data, between 1990 and 2000 the median household income in constant dollars has decreased in both the county and in the Marlboro Pike area. However, between 2000 and 2007, median household incomes increased in both areas, but average incomes in the Marlboro Pike area were lower than in the county as a whole. That trend is projected to continue through 2012.

#### **HOUSING PROFILE**

A housing profile was developed of the types of persons and families residing within the Marlboro Pike project study area. It is important to understand housing trends and household types when formulating recommendations for communities along the Marlboro Pike Corridor. For example, single-person households are less likely to live in large homes built for families. They tend to live in smaller, apartment-style units. In the Marlboro Pike market area (Figure I-3, page 6), a discrepancy between the dominant housing type and resident households indicates the emergence of a new trend. Recent household trends involve a decrease in the average household size as young professionals tend to live alone in urban areas for longer periods. The number of households increased from 1990 to 2000 within the Marlboro Pike area, while the average household size decreased (see Table VII-1, page 88).

In addition, according to U.S. Census data, about two thirds of the households in the Marlboro Pike area are owner-occupied, with about one third being renter-occupied. This closely matches the home ownership ratios for the county. Having a strong base of owner-occupied households signifies community stability, because home owners tend to be less transient and invest more in their properties. Rental units are necessary to provide housing options for a variety of community members, such as young professionals and people without the resources to purchase homes. A strong community that offers a mixture of both options creates opportunities for people to start out in rental

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units and to remain in the community when they are ready to own. This further enhances community diversity and strength.

## DEMOGRAPHIC PROFILE

The population of the Marlboro Pike area grew little between 1990 and 2000, while the county's population increased substantially (see Table VII-2). This can be attributed to the relative age of the communities, because the majority of the neighborhoods throughout the area were built prior to 1990 and little development has occurred since that time. Population in the Marlboro Pike area is projected to remain stable, or rise slightly, with an increased focus on residential development or infill development along the corridor.

The relative age distribution for the Marlboro Pike area was identified for consideration when developing recommendations for land use changes along the Marlboro Pike Corridor. Age distribution affects housing choices; families with children might prefer homes with yards while older households could choose to downsize their living spaces to ones requiring less maintenance, where master bedrooms are on ground floors. Most people living in the project area were between the ages of 35 and 44, as reported by the 2000 U.S. Census. It is estimated that this was still the largest age group in the project area in 2007, but that it will have decreased by 2012. It is projected that the highest percentage of people living in the project area in 2012 will be between the ages of 45 and 54, with the second largest group in a younger age bracket—between 25 and 34.

TABLE VII-1: HOUSING TRENDS

Summary	1990	2000	% Change 1990-2000
<b>MARLBORO PIKE AREA</b>			
Total Households	16,230	17,470	7.64%
Average Household Size	2.86	2.7	-5.59%
Total Housing Units	<b>17,264</b>	<b>18,714</b>	<b>8.40%</b>
<b>PRINCE GEORGE'S COUNTY</b>			
Total Households	255,510	286,610	12.17%
Average Household Size	2.77	2.74	-1.08%
Total Housing Units	<b>267,491</b>	<b>302,378</b>	<b>13.04%</b>

Source: U.S. Census Bureau 1990 and 2000.

## B. Commerce

Marlboro Pike has a tremendous opportunity to continue capitalizing on its central location and easy access. This opportunity could be leveraged further by developing underutilized land parcels along the corridor. While local brokers say that income levels are not high enough to draw and support upscale consumer goods, this assumption could change as retail developers expand their focus to niche markets. To this end, Prince George's County could provide incentives for these emerging development trends. Additionally, the demographic profile indicates an increase in the number of single-person households in the area. As this demographic grows, new residents are likely to bring higher levels of disposable income and a greater interest in new entertainment and upscale dining options in the area. Furthermore, area residents contend—and the project market analysis noted—that local residents leave the immediate area to shop and dine elsewhere for higher quality goods and services. This indicates the need for a higher-quality commercial environment along the corridor.

Based on residential growth, the area is projected to have additional demand for approximately 100,000 square feet of retail. This additional demand, based on the influx of new population, is expected to be mostly in the convenience retail segment. In addition, areas east of the Beltway are also expected to grow over the next decade. Since these areas supply a steady stream of commuters that frequent the shopping centers at the eastern end of Marlboro Pike, retail demand is expected to increase as well. The overall demand for additional retail space over the next 15 years is expected to be between 300,000 and 400,000 square feet in the Marlboro Pike Corridor.

TABLE VII-2: POPULATION TRENDS

Summary	1990	2000	% Change 1990-2000
<b>MARLBORO PIKE AREA</b>			
Total Population	46,681	47,367	1.47%
<b>PRINCE GEORGE'S COUNTY</b>			
Total Population	723,104	801,515	10.84%

Source: U.S. Census Bureau 1990 and 2000.

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Over 1,000,000 square footage of retail is proposed as part of the priority area development. Some of this replaces or incorporates existing retail. In order to ensure that there is enough retail space to meet the market demands, rezoning is also proposed for some of the underperforming retail properties along the corridor between priority areas. Rezoning existing commercial properties allows for a lower net gain in retail space that would more closely reflect the 300,000 to 400,000 square feet of projected demand.

The regional office market is also fairly strong and is projected to remain steady, anchored by a significant federal presence and a diversifying private sector. Despite the addition of new space, little absorption, decreased government spending, and slowing job growth, industry experts remain optimistic, citing the region's three percent unemployment rate and desirable location.

The corridor offers market conditions that are suitable for neighborhood-oriented offices. A limited number of medical services are currently available to the residential communities located on both sides of the corridor. At public meetings for the Marlboro Pike sector plan, residents complained about the lack of medical services along Marlboro Pike and said that they had to drive great distances to medical facilities. Employment growth in the education and health service industry indicates a projected countywide need for additional space. Some of that demand could be supplied along Marlboro Pike.

**COMMERCIAL DEVELOPMENT GOAL:** Establish an economically thriving and community-oriented corridor with a quality commercial environment.

**POLICY 1:** Encourage area merchants to organize and coordinate in forming an association to promote area businesses. Coordinate with a variety of agencies and stakeholders to implement strategies.

### STRATEGIES:

- Encourage businesses along Marlboro Pike to form one advocacy group in support of the vision described in this plan.
- Initiate corridorwide cultural events, farmer's markets, parades, festivals, and/or fairs.
- Create a business improvement district (BID).

**POLICY 2:** Create activity nodes to concentrate commercial investment and to serve as community focal points.

### STRATEGIES:

- Focus large, new commercial development in the priority areas.
- Upgrade the commercial activities to create an environment for more high-end services for the community.
- Limit permits and licenses in order to discourage businesses that create an environment conducive to criminal activity.
- Ensure that all new commercial construction is of a high standard that is consistent with the design standards developed as part of this sector plan (*see Chapter IX*).
- Utilize urban design characteristics that promote pedestrian movement within the activity nodes so that patrons can park in one place and walk to multiple destinations.
- Amend the signage ordinance to prevent the use of free-standing signs, and require commercial signage to be installed on buildings.
- Create thematic developments with related services.
  - Create a mixed-use environment at the Western Gateway Priority Area that is attractive to working professionals.
  - Cluster health and wellness services in the Great Eastern Plaza Health and Wellness Priority Area.
  - Cluster neighborhood-scale arts and culture services in the Brooks Drive and Silver Hill Triangle Priority Areas.
  - Cluster retail, entertainment, and dining services in the Donnel Drive Priority Area.
  - Cluster flex office space and warehousing in the Forestville Flex Space Priority Area.
  - Encourage auto-oriented businesses in the area between Forestville Road and the Capital Beltway.

**POLICY 3:** Reduce the number of underperforming businesses between the activity nodes. Eliminate excessive commercial zones in order to improve property values as well as strengthen and grow existing commercial centers.

### STRATEGIES:

- Revise commercial or industrial zoning to encourage appropriate redevelopment for:

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- Residential—single family, townhouse, or multifamily
- Mixed residential and commercial buildings or projects
- Limited neighborhood commercial
- Improve existing properties in the area through proper code enforcement.

## C. PRIORITY AREA STRATEGIES

The entire Marlboro Pike Corridor is part of the Developed Tier as described in the *2002 Prince George's County Approved General Plan*. Policies for the Developed Tier focus on infill development and redevelopment opportunities in existing centers and corridors. Although Marlboro Pike is not identified as a designated corridor or center in the General Plan, it is an important corridor for the community that it serves.

In Chapter III of the Marlboro Pike plan, seven priority areas are identified as catalyst locations, intended to spur redevelopment and new development that will enhance the revitalization of the corridor. It is realized that some of the priority locations are likely to be redeveloped sooner than others. A phasing plan was recommended (see Chapter III on page 19) that indicated when major redevelopment activity could be expected to occur within the time frame of the plan. However, action can be taken in all of the seven priority areas, independent of when these areas might be developed. The purpose of this section is to identify the action that can be taken in each of the seven priority areas. In addition, the section will identify specific financing mechanisms that could be used to develop certain priority areas. Details on each of the available financial programs can be found below in *Section C, Corridorwide Strategies*.

**GOAL:** Utilize priority areas as a means to spur new development and redevelopment along the corridor.

**POLICY 1:** Encourage and implement new development to conform to recommendations specified in Chapter III of this plan.

See below for development strategies unique to each priority area.

### PRIORITY AREA 1—WESTERN GATEWAY

The Western Gateway is an important entry to the corridor from the District of Columbia. It is significant because a new gateway has the potential to create a strong impression for visitors who enter Prince George's County.

The development concept for this area is ambitious, offering multi-story mixed use development in the triangular area bound by Marlboro Pike, Benning Road, and Southern Avenue. This site will take advantage of its key location by maximizing views of the Washington skyline. The plan consists of high-end condominium development, neighborhood office and retail space, and a revitalized Coral Hills Shopping Center. This community centered plan will be anchored by the Free Gospel Church. While the development of this priority area is expected to occur in the second and third phases of the plan, there are some important strategies that can help to jump start the implementation process in the near term.

#### STRATEGIES:

- Assemble key pieces of property to realize the vision for the triangular portion of this concept. (Currently the area is subdivided into small lots and parcels which need to be assembled to create a developable foot print. An important action to prepare the properties for redevelopment is to commence the land assembly process.)
- Engage the Washington Metropolitan Area Transit Authority (WMATA) in discussions about the relocation of the bus storage yard, which is situated at the rear of the Free Gospel Church.
- Foster joint venture opportunities by introducing developers to church leaders.
- Educate property owners and developers about the State of Maryland's Neighborhood Businessworks Program as one possible funding source for development.
- Partner and plan with the District of Columbia or a non-profit organization to implement programs or development projects to enhance the area.

### PRIORITY AREA 2—NEIGHBORHOOD HUB

This property is currently privately owned and houses the abandoned Chapelwood Apartments. The vision for this property is to redevelop it as residential and to integrate it into the surrounding well established and attractive residential neighborhoods. The development concept recommends a mixture of townhouses and multifamily dwelling units that are complemented by attractive landscaping and open space at the entrance on Marlboro Pike. The phasing plan for this property begins in the mid-term timeframe. However, some strategies can be undertaken in the near future, which may help to set the groundwork for redevelopment of the property.

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### STRATEGIES:

- Engage the Prince George’s County Redevelopment Authority in discussions with the current property owners to ascertain their plans for the property and determine if a partnership between the developer and the county is feasible.
- Coordinate activities and programs to facilitate the development of the site, which supports the county’s housing policies.
- Inform the property owner of the opportunity to apply for the Prince George’s Economic Revitalization Area Tax Credit and assist the developer with the application process at the appropriate time.

### PRIORITY AREA 3—BROOKS DRIVE MAIN STREET GATEWAY

This intersection provides a major entry point to Marlboro Pike from the south. The vision for this priority area is to redevelop all four corners of the intersection into a main street concept with multi-story retail and community service businesses. The businesses would front Marlboro Pike and Brooks Drive, while a separate townhouse development would be located on the southwest corner behind the commercial uses. The concept will dramatically change the appearance of Marlboro Pike at this major entry point. It is anticipated that redevelopment activity at this priority area will occur in the third phase of the implementation plan. Strategies can be adopted to prepare this priority area so it will be ready for redevelopment once demand increases.

### STRATEGIES:

- Create opportunities for partnerships between property owners and developers.
- Assist developers with land assembly and consolidation.
- Inform property owners of financing programs available, e.g., the Maryland Enterprise Zone Tax Credit Program, which grants tax credits for new jobs created by businesses.
- Assist property owners/developers with the demolition.
- Explore the use of the Prince George’s County Revitalization Tax Credit program as possible financing source for the townhouse development proposed for this priority area.

### PRIORITY AREA 4—SILVER HILL CULTURAL TRIANGLE

Another major intersection that brings visitors to Marlboro Pike from both the north and the south is Silver Hill Road. Because of its key location and its heavy traffic volume, it has a great potential to initiate an immediate change in the character of Marlboro Pike. This priority area is expected to be developed in the first or near term implementation phase. Building on the county library, located on Old Silver Hill Road, the vision for this triangle is to be transformed over time into the cultural center of the corridor. The plan calls for a modest development program that strategically places new commercial structures along Marlboro Pike and Silver Hill Road to enhance the area and to support a more pedestrian friendly environment. Since this is such an important area located midway along the pike, it is recommended that the county takes a more active role in encouraging redevelopment activity. The following are immediate strategies that can help spur redevelopment activity.

### STRATEGIES:

- Provide incentives for development in this priority area by constructing intersection improvements, sidewalks, landscaping, and green space as a demonstration project to exhibit the design standards and guidelines recommended in the plan.
- Request Neighborhood Conservation Program funds from the Maryland State Highway Administration for areas along Silver Hill Road (MD 458) to construct streetscape improvements that will create a more pedestrian friendly and aesthetically pleasing atmosphere.
- Assist property owners with applications for financing programs offered by the state and the county.
- Pursue the designation of the Silver Hill Cultural Triangle as an arts and entertainment district with the State of Maryland.
- Relocate the Great Eastern Plaza park-and-ride lot to the Silver Hill Shopping Center parking lot so that designated commuter parking is available for a new transit shuttle connecting the Marlboro Pike community with the two closest Metro stations at Suitland and Addison Road.
- Amend the Zoning Ordinance as necessary to provide incentives and allow infill development in the shopping center.

## PRIORITY AREA 5—HEALTH AND WELLNESS CENTER AT GREAT EASTERN PLAZA

One of the most important issues that emerged from the series of public meetings and charrettes conducted for this plan was the lack of health services located close to the Marlboro Pike area. The site containing the Great Eastern Plaza, located near the center of the Marlboro Pike Corridor and the District Heights shopping area, offers an opportunity to rethink its longstanding role as a primarily retail shopping center. The concept for this site is to redevelop and extend the existing retail structure to front along Marlboro Pike. New retail stores will center on health and wellness and include medical offices located on upper floors of the buildings. The existing sports center would continue to anchor the complex, while the vast paved and underutilized parking area would be redesigned into an attractive pedestrian area. The plan also calls for the introduction of senior housing on the undeveloped properties next to the shopping center. Redevelopment is projected to begin in the second phase of the implementation plan. Some immediate strategies can be initiated to advance the new concept for this property.

### STRATEGIES:

- Work with the owners of the Great Eastern Plaza properties to further develop the concept and vision for the site and identify incentives to attract health related services and retail use to the site.
- Prepare a cost analysis for redeveloping the site as a health and wellness center.
- Promote opportunities to create partnerships on health and wellness programs and development facilities.
- Facilitate a meeting with the property owner of Great Eastern Plaza and the consultant who performed the *Medical Mall Planning Study: Feasibility of Four Different Medical Malls in Prince George's County (December 2007)* to brief them on the findings.
- Facilitate joint venture discussions with developers who specialize in senior housing or assisted living projects.
- Brief the shopping center owner on the income tax credits offered through the Maryland Enterprise Zone Program.

## PRIORITY AREA 6—RETAIL AND RESTAURANT HUB

The two shopping malls located at the intersection of Marlboro Pike and Donnell Drive are well established retail centers. The Penn-Mar Shopping Center and the Centre at Forestville offer both convenience shopping for

everyday needs and comparison shopping. The concept for this location is to extend Boone's Lane across Marlboro Pike into and through the Penn-Mar Center, crossing Donnell Drive and into the Centre at Forestville. New restaurants and retail businesses would be developed along Boones Lane and Marlboro Pike, screening the loading areas to the rear of the Penn-Mar Center. The redevelopment of this priority site is planned to occur in the first phase. Strategies have been developed to help create incentives for early development activity at this location.

### STRATEGIES:

- As an incentive for providing the new development indicated on the concept plan, construct the green space along Donnell Drive and start with landscape improvements to support new commercial development along Marlboro Pike at the Boones Lane intersection.
- Recommend funding in the Capital Improvement Program to acquire right-of-way to facilitate the redevelopment of the site.
- Target franchise restaurant opportunities by working with the Maryland Small Business Development Financing Authority, the Penn-Mar Shopping Center and the Centre at Forestville. The program can provide loans and loan guarantees to small businesses involved in franchising.
- Encourage property owners/developers to apply for the income tax credit available for new job creation under the Maryland Enterprise Zone Tax Credit Program.

## PRIORITY AREA 7—FORESTVILLE FLEX SPACE CAMPUS

The site is located near the Pennsylvania Avenue/I-95 interchange. The site forms the eastern gateway to Marlboro Pike and as such, redevelopment of the Forestville Shopping Center presents an important opportunity. The site is constrained by its proximity to Joint Base Andrews Naval Air Facility Washington, the accident potential, and the noise impacts from its operations. Building height limitations and land use limitations for the site ultimately dictate the use of the site as a flex space campus. The phasing plan calls for this project to be implemented in the near term. Strategies have been developed to achieve this.

### STRATEGIES:

- Introduce flex park developers to the current property owners.
- Brief the flex park developers on the concept plan for redevelopment of the Forestville Shopping Center.

- Examine the potential for loans or grants for redevelopment from the Maryland Economic Development Assistance Authority and Fund (MEDAAF). Redevelopment of this site could be considered as a local economic development opportunity which will require sponsorship by the county and participation at 10 percent of the state’s contribution to the project.

### D. Corridorwide Strategies

Outlined below are a series of marketing and branding initiatives focused on raising the profile of the corridor by identifying market strengths and development opportunities. In addition, details are provided on the available state and local financing programs that could prove useful to private lenders and developers in creating incentives for redevelopment along the corridor, specifically within the seven priority areas.

#### MARKETING AND BRANDING

The Marlboro Pike market analysis reflected that the existing commercial businesses attracted nearly \$863,800,000 of retail sales in 2007, which was almost \$400,000,000 more than estimated retail demand. This indicates that consumers from outside the immediate trade area shop along Marlboro Pike because the corridor is capturing a larger share of potential household expenditures that actually available in the area. However, not all areas along the corridor are benefiting from this business activity. In addition, market analysis surveys indicated that a significant population within the market area travels outside of the Marlboro Pike sector plan area to purchase goods and services. A more diverse mix of businesses, community uses, and services is recommended, coupled with urban design and transportation improvements to spark revitalization. However, revitalization will require a significant effort to communicate the opportunities that are available in the corridor. Some strategies will require sustained commitment from the existing business community, while others will need the continuing effort of government agencies to keep Marlboro Pike high on their agenda.

**GOAL:** Generate interest for revitalization opportunities along the Marlboro Pike Corridor.

**POLICY 1:** Raise the economic profile of the corridor in the region in order to attract new investment for revitalization.

#### Strategies:

- Pursue joint activities and programs to generate opportunities for attracting investments.
- Assign staff to champion the implementation actions recommended in this plan. Key staff persons could meet monthly with a subcommittee of the business association that will function as an advocacy group for revitalization of the corridor.
- Develop a logo and banners for the corridor that will identify it as a unique place in Prince George’s County for visitors and residents. The logo could also be utilized at each of the major commercial locations on Marlboro Pike for marketing materials, banners, signage, or other uses.
- Place monuments at both the eastern and western gateways to the corridor to announce arrival at the Marlboro Pike Corridor.
- Create a business association for the corridor whose focus is promoting the corridor, encouraging property maintenance, organizing promotions, and sponsoring events. It could also consider establishing a business improvement district (BID) that could assess members a fee dedicated to maintenance and possibly policing the parking areas of the various commercial centers.
- Create a revitalization publication and multi-media presentation that features the seven priority areas, the plan for each, and contacts for interested parties.
- Present the plan and provide quarterly or semi-annual updates to the Washington Board of Trade.
- Host a developer’s fair to present the plan, highlighting the seven priority areas and the opportunities for revitalization of each location.
- Introduce prospective developers to property owners to help initiate partnerships for redevelopment of the priority areas or possible sale of the sites to interested development teams.
- Include Marlboro Pike on the Prince George’s County’s annual Economic Development Tour.

#### FINANCING PROGRAMS

The ability to demonstrate financial feasibility for a planned development or redevelopment project is critical to its future success. A number of state and local financing programs may assist a proposed project in demonstrating

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its feasibility to private lenders. Some of these programs can be used for revitalization projects that could occur along Marlboro Pike.

## **NEIGHBORHOOD BUSINESSWORKS PROGRAM**

This State of Maryland program is a small business loan program that provides gap financing for costs associated with new businesses and expansion of existing businesses. Eligible projects are mixed use projects that will have commercial and residential uses in the same building, new construction or renovation projects, purchase of machinery or equipment and other costs associated with expansion or opening of a small business. Projects must be located in a designated neighborhood, and projects that support a neighborhood commercial district receive higher priority for funding. There are four designated neighborhoods in the Marlboro Pike area: Coral Hills/Hillside/Bradbury Heights in the vicinity of Priority Area 1, District Heights in the vicinity of Priority Area 5, Walker Mill, and Forestville in the vicinity of Priority Area 7. Loan amounts for this program can range from \$25,000 to \$500,000 up to a maximum of 50 percent of total project cost. Loans are at below market rates and require a minimum 5 percent capital contribution.

## **ENTERPRISE ZONE TAX CREDITS**

The State of Maryland's Enterprise Zone Program offers both real property tax credits and income tax credits for projects that invest in the zone and create jobs. The program is a two tiered program focused on commercial development and redevelopment that offers tax credits in certain designated zones and more generous tax credits in more targeted focus areas. Mixed use projects are not appropriate for this funding source since the target is commercial development. The standard enterprise zone tax credit provides for a ten year credit against local real property taxes on a portion of the improvements. The credit is 80 percent for the first five years and declines by 10 percent per year for the remaining five years to a final credit of 30 percent in year ten. Also available is a one time income tax credit of \$1,000 per new employee. If an economically disadvantaged employee is hired then the income tax credit totals \$6,000 for three years. The entire Marlboro Pike plan area is in the county's enterprise zone.

## **FOCUS AREA TAX CREDIT**

In addition to the standard enterprise zone area, there is a focus area tax credit program that targets smaller geographic areas. There are three focus areas in Prince George's County, one of them in the Marlboro Pike plan

area: the Capitol Heights/Seat Pleasant area. There are enhanced real property and income tax credits for targeted geographic areas located in the Capitol Heights/Seat Pleasant zone. The real property tax credit is 80 percent of the value of the improvements for all ten years. There is also an 80 percent tax credit on personal property for ten years. There is a one time \$1,500 income tax credit for new jobs created by the investment or a \$9,000 income tax credit over three years if the new hire is an economically disadvantaged person.

## **MARYLAND INDUSTRIAL FINANCING AUTHORITY (MIDFA)**

This authority's mission is to encourage economic development in priority funding areas. All of Prince George's County inside the Washington Beltway is in the priority funding area. MIDFA can issue private activity revenue bonds and provide credit insurance which can reduce a lender's risk in making a loan to a business. While it is unlikely that the type of development envisioned along Marlboro Pike would not qualify under the strict guidelines for issuing private activity revenue bonds, this authority, under the conventional program, could provide credit insurance up to 80 percent to a lender who loans money to a new or existing business along Marlboro Pike.

## **MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

This authority can provide financing for small businesses that are unable to secure loans from private lenders. It can also provide financing to small businesses that are owned by economically and socially disadvantaged persons. This program has financed franchises, hotels and other retail development. The four programs are the contract financing program, equity participation investment program, long term guarantee program, and the surety bonding program. The contract financing program provides loan guarantees, working capital, and equipment loans for those firms that have contracts with public utilities or government agencies. The equity participation program provides loans and loan guarantees for businesses involved in franchising or for individuals who want to purchase a profitable enterprise.

## **MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND (MEDAAF)**

This authority can provide funding to businesses and political jurisdictions for projects that are located in priority funding areas. Two programs funded by this authority could help finance projects along Marlboro Pike. The first is called Local Economic Development Opportunity. The local jurisdiction

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must sponsor the business opportunity by passing a resolution in support and providing a loan, guarantee, or grant for a minimum of 10 percent of the state's funding for the project. Loan amounts are capped at \$5 million. Conditional loans and grants may be made for up to \$2 million. The second program that could benefit revitalization along Marlboro Pike is the Special Purposes Loan, which targets specific types of projects. Two target areas that could apply to priority areas along Marlboro Pike are arts and entertainment and child care programs. Financial assistance is limited to 70 percent of total project cost.

### **REVITALIZATION AREA TAX CREDIT**

This program, offered by the Prince George's Economic Development Corporation, provides property tax credits for redevelopment projects inside the Washington Beltway—in census tracts where the median family income is not greater than the countywide median family income. Unlike the State of Maryland's Enterprise Zone Program, which targets commercial projects only, the county program can provide tax credits for both residential and non-residential projects. However, the applicant must choose either the state program or the county program to apply for the tax credit, but cannot take advantage of both programs.

The tax credit is based on the increased tax assessment. For non-residential projects there is a five year tax credit, the percentage declines from 100 percent in year one by 20 percent each year to a final tax credit of 20 percent on taxes due in year five. Residential projects receive a credit of 100 percent in the first tax year declining to 66 percent in year two and 33 percent in year three. Improvement values are capped at \$100,000 per dwelling unit.

### **TAX INCREMENT FINANCING**

Tax increment financing is a local-jurisdiction economic development tool that is used to capture increases in tax revenue generated by new development or redevelopment. The increased tax revenue is used to finance infrastructure in a defined geographic area where new development or redevelopment is occurring. Tax increment financing would be a more favorable funding source for mixed-use projects and residential projects, where both onsite and off-site infrastructure improvement are necessary to support the project. A geographic area is defined and at a given point in time the tax base in that area is frozen. Tax revenues generated from the frozen portion of the assessable base, are used to support the general fund.

Tax revenue derived from expanded assessable base generated by new development or redevelopment in the geographic area is used to pay the debt service on revenue bonds issued by the local government to finance needed infrastructure in the area. Prince George's County could create a tax increment financing district to help finance infrastructure improvements recommended by the Marlboro Pike sector plan along the corridor. In some cases the revenue bonds issued are backed by the full faith and credit of the local government.

### **SPECIAL ASSESSMENT DISTRICTS**

Special assessment districts are another local economic development tool that can be used to finance needed public infrastructure. In a special assessment district a group of property owners agree to tax themselves in an amount or rate that is an addition to normal property tax rates. The additional revenue is dedicated to a specific use or uses, usually financing one or more types of capital improvements in their area. Sometimes special assessment districts are established to provide a back up source of revenue for a tax increment financing district.

**GOAL:** Work with state agencies and the Prince George's County Economic Development Corporation to educate developers and property owners on state and local financing programs.

**POLICY 2:** Educate and assist developers on financial program options for proposed development and redevelopment projects.

### **STRATEGIES:**

- Conduct an annual forum to explain state and local financing programs that are available for economic development and revitalization.
- Provide counseling on the most appropriate financing programs for proposed development projects.
- Assist applicants in filling out required forms for loan, grant, and tax credit programs.
- Prepare county council resolutions in support of proposed projects that may be required for specific financing programs.
- Establish a tax increment financing (TIF) district as a key strategy for creating redevelopment incentives. It is recognized that funding for capital improvements is limited and that there are other important projects throughout the county that need to be implemented. Since much of the projected new development and redevelopment is expected

to be commercial, strong consideration should be given to using tax increment financing of transportation infrastructure, sidewalks, landscaping, and urban design improvements, which can help to link transportation with surrounding land uses. It can also generate confidence by assuring the private sector that public investments and tax dollars will be dedicated to public improvements that ultimately will enhance the community and business environment.

## E. Development Regulations

Zoning, subdivision, and site plan review regulations can have a positive or negative impact in achieving economic and community development goals. The principle negative impact of development regulations is the additional engineering design costs incurred from several resubmissions in order to garner plan approval. The result is a lengthier review process that could cause a project to be priced out of the market or to miss the market altogether. Strategies are offered for zoning and development review regulations that can support and encourage revitalization along the Marlboro Pike Corridor.

### ZONING

The Marlboro Pike sector plan area is in the Developed Tier as delineated in the 2002 General Plan. The goals for the Developed Tier emphasize intense and high quality residential and economic development.

The plan acknowledges the need to reinvest in the corridors and the existing neighborhoods while eliminating deteriorated strip commercial development.

**GOAL:** Strategically identify and target areas for reinvestments along Marlboro Pike.

**POLICY 1:** Reinforce plans and incentives for economic revitalization and investment along Marlboro Pike through the use of appropriate zoning regulations.

### STRATEGIES:

- Rezone the commercially zoned properties that are not a part of the seven priority areas. This action will enhance the future viability of the priority areas, improve traffic flow by reducing the number of entrances and exits to commercial uses and prevent over saturation of the retail market.

- Apply the appropriate mixed use zoning district to mixed use areas designated on the Marlboro Pike sector plan. Most of the commercially zoned properties along Marlboro Pike are zoned C-S-C and C-M except for one mixed use transportation district. This zoning district allows a wide variety of commercial uses and only a very limited mixed use option. Lot coverage limitations and required front yard setbacks inhibit the ability to create a main street character along selected segments of the corridor. It is recommended that mixed use zoning districts be considered in priority areas where the vision is for residential or office use above ground floor retail, specifically the Western Gateway Priority Area. A new mixed use district could be created and mapped for infill development to promote mostly residential development with neighborhood-oriented businesses in transition areas.

### DEVELOPMENT REVIEW AND APPROVAL PROCESS

There are four separate development review processes that a project could undergo before it proceeds to building permit application. These processes are site plan approval, subdivision approval, urban design approval, and special exception approval for certain uses cited in the zoning code. Strategies have been developed that could help expedite the review and approval of development projects.

**GOAL:** Expedite and support the development review and approval process to encourage revitalization activities.

**POLICY 2:** Streamline the development review approval process to ensure a more timely approval by the Planning Board and County Council to help projects move more rapidly toward implementation.

### STRATEGIES:

- If necessary, revise and amend development review procedures to expedite approval of projects.