



*Public Finance and Intergovernmental Coordination*

**PUBLIC FINANCE GOAL**

1. Ensure long-term financial stability, while allowing for capital investments.

**INTERGOVERNMENTAL COORDINATION GOAL**

1. Pursue a closer partnership with the county to increase the town's input into planning and development decisions.

**EXISTING CONDITIONS**

**MUNICIPAL REVENUES AND TAXES**

As discussed in an earlier chapter, Upper Marlboro's primarily residential character means that the majority of the town's property tax revenues are derived from residential property taxes. Over 60 percent of the town's properties are tax-exempt, due primarily to the town's role as a government center and the presence of a large number of civic land uses. Upper Marlboro enjoys the lowest property tax rate of all municipalities in Prince George's County, with a rate of \$0.24 per \$100 of valuation. Reassessments occur every three years. In FY 2008, the town's taxable property values were approximately \$66,000,000 and real property tax revenues totaled \$155,000.



Residential Tax Base

**TABLE 12 PRINCE GEORGE'S COUNTY  
MUNICIPAL REAL PROPERTY TAX RATES,  
FY 2008**

<b>Municipality</b>	<b>Tax Rate</b>
Colmar Manor	0.880
Morningside	0.800
Mount Rainier	0.790
Greenbelt	0.786
Bladensburg	0.740
District Heights	0.730
Laurel	0.720
Riverdale Park	0.641
Cottage City	0.640
Hyattsville	0.630
University Park	0.600
Seat Pleasant	0.580
Forest Heights	0.510
Edmonston	0.500
Berwyn Heights	0.486
Cheverly	0.480
Landover Hills	0.480
Brentwood	0.476
New Carrollton	0.450
Fairmont Heights	0.420
Capitol Heights	0.412
Bowie	0.352
College Park	0.299
Glenarden	0.296
Eagle Harbor	0.292

<b>Municipality</b>	<b>Tax Rate</b>
North Brentwood	0.288
<b>Upper Marlboro</b>	<b>0.240</b>

Source: Maryland State Departments of Assessment and Taxation (2008)

Upper Marlboro also derives a portion of its annual revenues from business personal property taxes (taxes on equipment owned by businesses), income taxes, monies from parking meters and parking fines, and service fees. In FY 2008, 26.1 percent of the town's revenues came from Upper Marlboro's portion of the Prince George's County income tax. During the same year, the town received 14.2 percent of its revenues from parking meters and parking fines. Service fees, such as vehicle release fees, police report fees, fingerprinting fees, and notary fees, accounted for only 0.7 percent of municipal revenues in FY 2008.

The town's business personal property tax rate in FY 2008 was \$0.45 per \$100 valuation, the second-lowest rate in Prince George's County. Business personal property tax revenues for the year totaled approximately \$20,000. Because Upper Marlboro has so few businesses, and the ones that are present are small, this is not a major source of income. In FY 2007, almost 80 percent of the town's businesses paid \$100 or less in business personal property taxes.

## MUNICIPAL SERVICES AND EXPENDITURES

The Town of Upper Marlboro has experienced difficulties in recent years balancing its annual budget. Since the town's decision to provide full-time police coverage, an annual operating deficit has existed, as expenditures have exceeded revenues. Between FY 2006 and FY 2007, general fund expenditures increased by 23.1 percent from \$691,051 to \$850,342, while revenues grew only 7.1 percent, from \$644,750 to \$690,210. During these two years, the budget deficit ranged from \$46,000 to \$160,000 and was projected to be nearly \$25,000 in FY 2008.

Covering annual budget deficits from the town's reserve fund has resulted in two additional problems that could impose longer-term fiscal stress on the town. First, the annual deficits are reducing the size of the town's reserve fund. Secondly, as the fund balance is reduced, the interest income earned on the principal is reduced. Ultimately, this decreases the town's total revenues and increases the budget deficit, which in turn accelerates the draw-down of the reserve fund.

Since the election of the new town commission in early 2008, staffing changes have been implemented in an effort to reduce the town's operating expenses through these efforts of downsizing the town government. The municipality is now operating within budget and not relying on the reserve fund.



Fire and Rescue Coverage

## RECOMMENDATIONS

### PUBLIC FINANCE INITIATIVES

**GOAL: ENSURE LONG-TERM FISCAL STABILITY, WHILE ALLOWING FOR CAPITAL INVESTMENTS.**

#### **Action 1. Become more judicious in operational procurements and discretionary spending.**

Reducing annual operating costs through budget reductions and municipal service cuts should be considered. While residents are often resistant to service reductions, it may be necessary to contain annual expenditure growth. Recent staff reductions have reduced the cost of government, but the reductions may not be sufficient to offset future budget deficits.

#### **Action 2. Further investigate the potential for annexation of select properties surrounding Upper Marlboro.**

Municipal annexation is the process of legally including within the corporate limits of a city or town an unincorporated area that lies outside

the municipal boundary. For many cities and towns in Maryland, annexation of surrounding areas plays an important role in improving their economic growth, quality of life, and fiscal well-being.

In order to increase its economic and tax bases, the Town of Upper Marlboro may wish to consider annexing key areas that lie outside the town boundary. Annexation of commercial areas adjacent to the town's borders could expand the commercial tax base and have a positive effect on the current budget deficit. This is not an uncommon action: according to the Maryland Department of Legislative Services (DLS), approximately 2,437 acres of land were annexed by Prince George's County municipalities between 1997 and 2005, reflecting an 8 percent increase in total municipal land area.

The annexation process is governed by statute (Annotated Code of Maryland, Article 23A, §19). To initiate annexation, the town must prepare and make available to the public an outline detailing (1) the proposed land use or uses in the area to be annexed; (2) land available for public facilities that may be needed; (3) a schedule for extending municipal services to the area to be annexed; and (4) anticipated means of financing the extension of municipal services. The outline must also be provided to the municipality's county and any regional or state planning agencies having jurisdiction within the county. This must occur at least 30 days prior to the public hearing required by law for an annexation.

Possible annexation areas for Upper Marlboro include Marlboro Village Shopping Center off Old Marlboro Pike and the area along Old Marlboro Pike.

### **Action 3. Expand the town's tax base by encouraging new development.**

Encouraging economic development can increase the town's nonresidential tax base and expand its annual revenues without substantially increasing municipal service costs. The economic development action items discussed in the Transportation and Infrastructure chapter identify a number of locations where infill development could occur within the downtown. Since approximately 59 percent of the town's revenue base is derived from real estate, personal property, and income taxes, high-quality infill development that attracts new commercial uses will yield the greatest fiscal benefits to the town.

While new development will be initiated by the private sector, the town may have to encourage town core infill development by creating partnerships with private property owners and developers. The town should communicate its economic development vision to property owners and developers and should seek ways to encourage private investment. One way to improve the town core's redevelopment potential would be to invest in streetscape upgrades (e.g., streets, sidewalks, pedestrian benches, signage, landscaping, etc.). However, public improvements should not be made unless town core property owners agree to partner with the town to reinvest in their buildings.

#### **INCREASED INTERGOVERNMENTAL COORDINATION**

The level of intergovernmental coordination needed to enact key elements of the Town of Upper Marlboro Action Plan should not be underestimated, given the town's limited financial resources and its reliance on other implementation partners such as Prince

George's County, The Maryland-National Capital Park and Planning Commission, and the State of Maryland. Historically, the town has not been in a position to lead local initiatives that are important to the community. As such, decisions have been made by Prince George's County or federal agencies that have not always had the support of Upper Marlboro residents.

In the future, the town must take a leadership role on important initiatives that affect Upper Marlboro, advocating for these issues and working closely with other agencies to facilitate implementation.

## **RECOMMENDATIONS**

### **INTERGOVERNMENTAL COORDINATION INITIATIVES**

**GOAL 1: PURSUE A CLOSER PARTNERSHIP WITH THE COUNTY TO INCREASE THE TOWN'S INPUT INTO PLANNING AND DEVELOPMENT DECISIONS.**

#### **Action 1. Work with county officials to establish regularly scheduled meetings to discuss issues affecting Upper Marlboro.**

Given the town's unique status as the Prince George's County seat and the significant impacts that county government operations have on the community, it seems reasonable that the town should have greater input into planning and development decisions that affect Upper Marlboro. In order to facilitate a regular, cooperative working relationship with county officials, the Town of Upper Marlboro should request quarterly management meetings with the County Executive, or his designee; the County Council chair; and district representatives to discuss issues of importance to both town and county. Regular meetings are the best way for

the town to build a partnership with the county and cooperate on joint community issues. The most significant town issues for discussion include:

- Land use
- Development and design review
- Signage
- Parking
- The municipal tax base and taxation
- Annexation
- Municipal service delivery
- Special project funding
- Long-range planning
- Future expansion needs of the county courts and county administration.



County Administration Building

**Action 2. Encourage the county to adopt Mixed-Use-Town Center (M-U-TC) zoning in the town core, with a local committee created to review design and development standards associated with the new zoning district.**

It is recommended that the Town of Upper Marlboro seek Mixed-Use-Town Center (M-U-TC) zoning to control and shape new downtown development that is consistent with the mixed-use recommendations in this plan. The M-U-TC Zone was created in 1994 to promote reinvestment and redevelopment in the county's older, more established mixed-use areas. The M-U-TC Zone utilizes a local development plan to create design standards and a concept plan to manage future development in designated town center areas. In addition, the adoption of M-U-TC zoning also creates a mechanism whereby a local review committee approve the design of new and infill development proposals.

In order to initiate the rezoning process, the Upper Marlboro Town Commission must pass a motion requesting the county to apply the M-U-TC Zone to the town core area. The District Council then will direct M-NCPPC to prepare an M-U-TC zoning map amendment for the Town of Upper Marlboro in accordance with the requirements of the Zoning Ordinance.

Key requirements to be considered by the town include:

- A description of the area within the proposed zoning district, including a location map showing the boundaries of the zone and a description of the existing improvements within those boundaries.

- Standards and guidelines to manage the physical development and use of land in the M-U-TC Zone.
- Minimum and maximum development standards and guidelines, as necessary, to regulate parking and loading schedules, and design standards for signs, landscaping, parking lots and screening.
- Written explanations and graphic presentations of development standards and design guidelines, as necessary.
- Specific findings and criteria for certain uses allowed by special permit only. Such findings shall generally be limited to site planning issues in the development plan.
- The creation of a local design review committee to advise the Planning Board and District Council during review of development applications, particularly special permits. The committee membership, minimum and maximum review timeframes, and the extent of the committee's review responsibilities should be defined in the zoning amendment.

