



PRINCE GEORGE'S COUNTY

TAX CREDIT REFORM COMMISSION

MAY 21, 2018
MINUTES

The following Tax Credit Reform Commission members were present at 3:01 p.m.

Tax Credit Reform Commission Members:

Jacqueline Brown
Thomas Himler
John Teletcha
Agnes Diane Williams
David Harrington
Stanley Earley

Theresa Dudley
Turkessa Green
Mike Cerrito
John Tabori
Eric Watson
Christian Rhodes

Council Members and Staff:

Howard W. Stone, Jr.
Colette R. Gresham
Maurice Simpson, Jr.

Other Attendees:

David Lewis, EDC
Ebony Stocks, EDC

OPENING REMARKS/INTRODUCTION OF MEMBERS:

Chair Jacqueline Brown called the meeting to order at 3:01 p.m. The Commission reviewed and approved the minutes from the April 23rd meeting. The Chair welcomed everyone and introduced new Commissioner Mike Cerrito. Staff gave an overview of the agenda and introduced the presenters, David Lewis and Ebony Stocks from the Prince George's County Economic Development Corporation.

PRESENTATION – EBONY STOCKS, EDI BUSINESS DEVELOPMENT SPECIALIST:

Ms. Stocks gave a presentation on various tax credit tools used in the County for economic development. The Economic Development Corporation ("EDC") focuses on economic development priorities that 1) retain and grow the County's existing 16,000 employers, 2) execute a tailored acquisition strategy targeting four industry clusters, 3) target economic development resources to support targeted clusters, 4) promote entrepreneurship and innovation, and 5) launch a proactive outreach marketing campaign. In the State of Maryland, there are approximately 15 tax credit programs for businesses and in the County, the primary tax credits are the Enterprise Zone Tax Credit and Revitalization Tax Credit. Ms. Stocks stated

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that the Enterprise Zone (“EZ”) Tax Credit program encourages job creation and investment in real property in economically distressed areas. The Maryland Department of Commerce determines eligibility and designates zones while counties and municipalities are responsible for administering the EZ Tax Credit and certifying businesses. Presently, there are 36 Enterprise Zones in 18 counties and Baltimore City as well as Focus Areas in Baltimore City and Prince George’s County. EZ designation requires at least one of the four requirements: 1) average rate of unemployment is at least 150% of average MD or United States, 2) low-income poverty area with incomes of at least 1.25x national proportion, 3) at least 70% of household incomes are less than 80% of median income within a political subdivision, and 4) population decrease by 10% and chronic abandonment, demolition of property, or substantial property tax arrearages exists. The EZ Tax Credit benefits a business by improving expansion feasibility and lowering operating costs while it benefits the County by improving real property and attracting additional development. Ms. Stocks gave examples of three businesses in the County that have benefited from these tax credits.

DISCUSSION:

The Commission discussed the high percentage rate of 150% required for designation as a EZ/Focus Area and the difficulty of a lot of areas in the County meeting that criteria. There was discussion as to who established the designation requirements and a request to review the EZ designated areas that have been in place between 5 and 15 years as well as the intended outcome from those areas. There was a discussion on community input for EZ designation and whether the County has maximized all business possibilities. Staff gave an overview of the Homeowners Tax Credit sheet prepared by Commissioner Allen. There was discussion on the need to request an extension date for the Final Report and to schedule one evening public hearing.

Meeting adjourned – 4:19 p.m.

Next Meeting – June 4, 2018 at 3:00 p.m.