

Chapter 5



Chapter 5: Implementation

The required implementation efforts associated with the redevelopment of the property surrounding the Largo Town Center Metro Station are significant. The process for undertaking this initiative has three major facets:

- Intergovernmental coordination
- Public-private partnerships
- Development and incentives

Information related to the applicable program and funding sources to engage the tasks related to these facets is provided below.

Intergovernmental Coordination

Achieving the plan will require the good-faith efforts of multiple governmental bodies.

Close collaboration with Washington Metropolitan Area Transit Authority (WMATA) will be critical in the development of WMATA-owned land as well as coordinating design and operational details. WMATA needs to accommodate transit rider parking and make sound financial decisions about joint development opportunities on WMATA-owned property. The Prince George's County Planning Department and the Revenue Authority should look for options to expand parking offerings on adjoining properties, facilitate partnerships, and serve as a leader to promote these development efforts.

As major transportation improvements proceed along North Harry S Truman and other plan area streets, extensive coordination with the State Highway Administration (SHA) and the Department of Public Works and Transportation (DPW&T) will be important. DPW&T will continue to work with SHA on the conversion of the one-way roads, North Harry S Truman and Largo Drive West, into two-way complete streets as well as the extension of North Harry S Truman to Arena Drive. Another collaborative effort is required to transform the cloverleaf configuration at Largo Center Drive and the ramp to Central Avenue (MD 214) into a green bordered by streets. Recent efforts to create a Transportation Infrastructure Bank (under consideration as House Bill 1322) would expand potential throughout the county to finance large transportation infrastructure projects. Members of the Prince George's County

Economic Development Corporation should offer support for these types of creative financing solutions.

State funding will be important in supporting some of the required infrastructure, particularly with the attraction of a major institutional user. The county will need support from its congressional delegation to influence federal agency location decisions and its state delegation to influence state agency location decisions. In 2011, legislation to expand the state's role in facilitating development at TOD areas became law. Through Section 7-101(m) of the transportation article, the Maryland Department of Transportation (MDOT) is authorized to use departmental resources, including land, funds, and personnel, to support designated TOD projects.

Prince George's County also has access to funding resources outside of taxes and user fees. Both the Revenue Authority and the Redevelopment Authority are legally authorized to issue special-purpose bonds to finance, or help finance, new development or public infrastructure improvements needed to support new development.

A county agency should be assigned or a task force created to serve as the pivot point for these discussions and negotiations. As the implementation process evolves into the creation of public-private partnerships, this entity (the Prince George's County Economic Development Corporation, Redevelopment Authority, or County Executive's Office) should evolve into the county's representative and development manager of the public interests.

Public-Private Partnerships

According to the Urban Land Institute, public-private partnerships are considered "creative alliances" formed between a government entity and private developers to achieve a common purpose. While zoning revisions in the plan area will allow greater flexibility in uses and expedite the review process, public-private partnerships would help bridge the gap between developer and citizen goals to achieve the shared vision for a vibrant urban center. In the past, the public sector efforts to reserve valuable sites for the highest and best use(s) resulted in land-use restrictions and requirements that inhibited private development and created uncertainty in the marketplace. As market cycles shift, requirements for specific land uses often restrict land owners' potential by not allowing

sufficient flexibility to respond to market opportunities. Planning Department staff must continue to balance the need for best use and higher density buildout around the Metro station with the needs for developers to begin construction.

The largest parcel of property owned by the public is The Boulevard at the Capital Centre, currently owned by Prince George's County Revenue Authority. However, the Revenue Authority does not have full site control, because the shopping center on the site is privately owned. In addition, the property has a long-term land lease that complicates public redevelopment efforts. Public control of redevelopment of this site, beyond normal zoning controls, would require a new lease agreement with the current owner or county purchase of the existing facilities and development rights. Other publicly held land, such as the WMATA property, may be more easily redeveloped due to the limited constraints on the property.

There are several key properties within a quarter mile of the Metro station held by private entities. For those properties not under public ownership, the private sector would respond well to county participation in the form of financial incentives or regulatory adjustments to reduce the risk and burden of development inherent with any development. As seen across the nation in similar successful development projects, the public role may not be limited to improvements within the right-of-way, such as streetscape improvements. Savvy public leaders understand the need to fund these improvements in coordination with private sector development efforts, requiring requests for capital planning purposes in the near-term.

The county's leaders have recognized the importance of bolstering the economy, and have made economic development a critical priority with significant new tools and initiatives. The county has shown a willingness to help facilitate economic development by providing incentives and identifying opportunities for joint development that will leverage and strengthen public-private investment, such as expedited site plan and permit processes and analyzing various innovative financing mechanisms and techniques.

Tax Increment Financing

Tax Increment Financing (TIF) has been a key financing tool for public-private partnerships. Its use is particularly appropriate for projects with high infrastructure costs or projects that create significant public benefit. This funding source is recommended as a primary method to support infrastructure (such as street realignments, sidewalks, street trees, curb and gutters, and trails) associated with the creation of place and infill development in Largo Town Center. TIF devotes incremental tax revenues generated by property value increases to fund infrastructure and other public improvements needed to support the development. Tax revenues generated by the value of existing property or properties at the time a TIF district is established continue to flow to the county's general fund. During the life of the TIF, the local tax revenues generated by the increase in property values are deposited in a special fund to finance public infrastructure and other specified uses. Any incremental revenues not needed for debt service revert to the county. When all bonds have been repaid, the county then receives all of the property tax revenues generated by the redevelopment as part of regular taxes. While the TIF is in place, the county benefits from other increased tax and fee revenues not subject to TIF, including income, personal property, utility, and hotel taxes, as well as permit and other fees. Maryland law allows the county to devote additional local taxes to TIFs in designated TOD priority sites at the county's discretion.

A new TIF district would be most beneficially located in the southwestern quadrant of the Largo Town Center sector plan area (TOD core). As this is not a new tax but rather the recapturing of any increment gained as property values increase, owners of existing uses would not see any increase in their current tax bills due to the new development.

Special Benefit Districts

Another partnership financing tool is the special benefit district, which involves the creation of a district to tax affected properties that benefit from a public infrastructure improvement. Such districts are used commonly to fund sewer extensions. While these types of districts typically require approval by a large majority of property owners, the focus on specific improvements expected to enhance property values makes consensus

building more feasible. For example, private property owners in the District of Columbia’s NoMa (North of Massachusetts Avenue) neighborhood agreed to create a special assessment district, taxing themselves to raise \$25 million for construction of the New York Avenue-Gallaudet University Metro Station on the Red Line.

Regulatory Improvements, Development, and Incentives

The county can take several steps to encourage and promote private development within the Largo Town Center area, including:

- Support incentives, including but not limited to density bonuses, for new development within the Development District Overlay Zone that exceeds the minimum requirements of the development district standards.
- Facilitate development through expedited site plan and building permit approvals. This may be achieved by including the Largo Town Center DDOZ in the Developed Tier as well as through the approval of pending zoning revisions in this SMA and the development district standards.
- Eliminate the site plan approval requirements for all new residential developments within the Largo Town Center sector plan area to include commercial space. This requirement unwittingly disperses and dilutes retail while burdening residential projects with unmarketable retail space. Target retail only within those development sites indicated as retail nodes near and within a quarter mile of the station. The provisions within the development district standards will govern development and ensure an appropriate mix of uses surrounding the Metro station.
- Implement crime prevention strategies, such as community policing, and follow the principles of crime prevention through environmental design (CPTED). These principles attempt to influence criminal behavior prior to actual crime occurring by placing eyes on public spaces. With proper urban design and policing, the area’s citizens, business operators, and employees can feel safer.
- Adopt zoning provisions outside of the area designed for retail storefronts that support

new housing models that integrate offices into ground-floor storefront spaces with housing above. This allows for more innovative product types and promotes a differentiation of uses at Largo Town Center.

- Utilize the bond financing program of the Revenue Authority to generate funds for streetscape and other capital improvements within the TOD core to support new mixed-use development.
- Utilize the bond financing program of the Redevelopment Authority to help finance new mixed-use residential and retail development within the TOD core.

Density

Throughout the Largo Town Center sector plan area, the current scale of residential density varies from rural to suburban but lacks the type of density expected near a terminus transit station. Market support for more dense development within a half-mile of transit stations continues to grow. More and more people are seeking or considering housing near public transit as a result of several factors:

- Traffic congestion consumes a growing amount of time and introduces a high level of uncertainty.
- Higher gasoline prices make people more aware of the costs of driving and alter the cost comparisons between residential location choices when deciding where to live.
- The strategy of “drive until you qualify” to seek affordable housing in the suburbs is much less viable now when factoring in the combined costs of housing and transportation.
- Increased air and water pollution associated with autocentric suburban sprawl renders these locations hazardous to public health and safety.

Additionally, the established history of quality developments at transit stations has helped to overcome developer, lender, and investor skepticism as to whether the market will support the rent and price premiums inherent in dense development. Existing precedents of successful TODs, such as Crescent Falls Church in Falls Church, Virginia, a 6-story concrete, mid-rise building with ground-level retail and amenity space and Ashton



Figure 5: Ashton South End

South End in Charlotte, North Carolina, an 11-story concrete high-rise with ground-level amenity space, highlight the ability to fund more dense, successful mixed-use development in TOD locations that support high rents (see Figure 5 on page 94).

Mixed-Use

Market support exists for mixed-use communities where individuals can live, work, and find recreational opportunities all within an easy walk or bike ride. In fact, research indicates distinct preferences among a sizeable portion of the marketplace for the urban vitality and lifestyle provided by mixed-use, walkable neighborhoods with transit access. Chris Leinberger’s work at the Brookings’ Institute on walkable places, most of which cluster around transit stations, has shown significant premiums for development in such places. In the Washington, D.C., area, the premiums amount to almost \$9.00 per square foot for office rents, \$7.00 per square foot for retail rents, \$300 per month for apartments, and more than \$80 per square foot in prices for for-sale housing. These premiums are a clear indication of market preferences.

Design

The 2002 General Plan states that the creation of transit- and pedestrian-oriented development is dependent on three factors: density, diversity of uses, and design. Design standards and guidelines for the Largo Town Center sector plan area are established through rezoning much of the Largo Town Center sector plan area to M-X-T (Mixed Use Transportation-Oriented) and M-U-I (Mixed-Use Infill) as well as the development district standards of the expanded DDOZ (see Chapter 7: Largo Town Center Sectional Map Amendment on page 109). M-U-I and M-X-T promote smart-growth principles by encouraging the efficient use of land, public facilities, and services in areas that are substantially developed. These regulations are intended to create community environments enhanced by a mix of residential, commercial, recreational, open space, employment, and institutional uses in accordance with approved plans. The Largo Town Center Sector Plan encourages the use of environmentally-sensitive urban and architectural design, using the best practices in the leadership through energy and environmental design.

Applicable Program and Funding Sources

There is clearly a need to obtain private sector investment as public sources are scarce. Effective use of public investment to offset infrastructure and related costs that the private development cannot support will be critical in attracting private investment to the Largo Town Center sector plan area in order to grow the county tax base and provide the retail options that stakeholders indicated they wanted during the community outreach process of this plan. The following list of public sector sources represents a first attempt at sharing the high cost of development across agencies. The mixed-finance approach to development emphasizes the formation of new public-private partnerships to ensure long-term project sustainability.

The development opportunities within the Largo Town Center sector plan area require both public and private investment during different phases of development depending on market conditions and land ownership interests.

Tax Reform Options

Taxes for M-NCPPC stormwater improvements and the Washington Suburban Transit Commission (WSTC), which funds mass transit, have not increased in many years. Raising the WSTC tax could generate much needed revenue to support transit improvements such as additional parking garages near the Metro station.

Capital Improvements Program

The individual infrastructure investments required for redevelopment of Largo Town Center need to be incorporated into the county's Capital Improvements Program (CIP) as priority projects. Municipal bonds backed by the full faith and credit of Prince George's County (known as general obligation bonds or GOBs) require voter approval. Given the county's many other funding priorities competing with this project, GOB funding is unlikely.

Economic Development Incentive Fund

The county's Economic Development Incentive (EDI) Fund could help encourage private investment in the Largo Town Center sector plan area. The \$50 million multiyear commitment from the county provides a flexible source of capital. However, the EDI Fund focuses

on funding on TOD and Inner-Beltway communities in need of redevelopment. Including the entire Largo Town Center sector plan area within the Developed Tier will raise the ranking of plan area proposals in competition with Inner-Beltway projects for this funding source.

Business Relocation Assistance

Throughout the nation there are examples of programs that offer financial support to existing businesses for relocation. Since the 1960s, the federal government has required local governments to provide relocation assistance to businesses displaced by urban renewal, community revitalization, and public transportation projects. WMATA was required to coordinate with local governments in offering business relocation assistance when it built the original 103-mile Metrorail system. Likewise, MDOT will have to provide such assistance to businesses displaced by property takings for the planned Purple Line light rail system that will serve Prince George's and Montgomery Counties.

Business relocation assistance programs offer a standard fee for relocation and may also cover the cost of moving. Typically these programs assist small businesses unable to survive the high cost of relocation.

Maryland Sustainable Communities

While the federal government and local governments offer sustainable community designations, the State of Maryland first offered designation under the Sustainable Communities Act of 2010. The state targets communities in designated Base Realignment and Closure zones and TODs. An interagency review panel, under the Governor's Smart Growth subcommittee, reviews these five-year designations and the designation renewals. The state targets incentives to these sustainable communities, including technical and financial assistance. Recently the sustainable communities designation received an extension until the end of 2013 with underlying funding earmarked for incentives offered to participating communities.

The Largo Town Center sector plan area is within the Central Avenue-Metro Blue Line Corridor sustainable community area and should access the financial incentives offered. The state financial incentives include all programs previously offered under the designated neighborhoods and community legacy areas. Programs that support existing and new business include:

- **Neighborhood Business Works**—Loans offering both gap financing and subordinated financing for new or expanding small business and nonprofit organizations.
- **Maryland Department of Business and Economic Development (DBED) Job Creation Tax Credit**—Offering \$1,000 to \$1,500 tax credits per new employee for businesses that create more than 25 new jobs.
- **One Maryland Tax Credit**—Up to \$5 million for projects making significant capital investments and creating new jobs. Businesses must apply for these credits directly to DBED and must be in a distressed county. Credits are fully refundable. Prince George’s County is not designated as distressed at this time, but this designation may change in the upcoming year.
- **Grant/Closing Fund Assistance**—Prince George’s County may apply to Maryland Economic Development Assistance and Authority Fund (MEDAAF). These funds range in scale depending on the specifics of the project. Montgomery County used a \$250,000 grant from MEDAAF to add assistance to an existing small business revolving loan fund.
- **Commercial Rehabilitation Tax Credit**—The State of Maryland’s historical trust provides a 10 percent tax credit for rehabilitation of commercial non-historic structures.

Local governments and Prince George’s County may take advantage of additional programs under the sustainable community program, such as:

- **Community Legacy Program**—Funding to local governments and community development organizations to fund essential

projects, including commercial revitalization, homeownership expansion, and business retention and attraction.

- **Maryland Department of Transportation (MDOT) Sidewalk Retrofit Program**—Projects in sustainable community areas qualify for 100 percent funding of the cost to replace sidewalks along state highways (Maryland and US routes, other than expressways).
- **Commission on Public Arts**—The State of Maryland offers funding through the Maryland Public Art Fund to local governments for public art. The fund requires local governments to provide matching funds.

Implementation Matrix

The following matrix details the steps necessary to make immediate change in the next five years. Near-term is defined as a two-year period (2013–2015). Mid-term starts after the near-term period (2016–2018). Finally, long-term refers to any action anticipated to begin after the five-year period. The matrix identifies the main course of action, recommended responsible parties and support entities, as well as timing and resources available to support these efforts. The recommendations are grouped either as site-specific actions under “Actively Seek to Redevelop Key Parcels Surrounding Metro Station” or as more broad recommendations under “Reinvigorate Largo Town Center Area.” This allows the county to take action based on the political will and available financial resources in the five-year period.

Largo Town Center Implementation Matrix				
Actions	Agency / Department	Supporting Entities	Resources	Phasing
Actively Seek to Redevelop Key Parcels Surrounding Metro Station				
Designate Largo Town Center as a part of the Developed Tier.	The Maryland-National Capital Park and Planning Commission	Prince George's County Executive's Office	N/A	Near-Term
Revise zoning to enable TOD with two text amendments to M-U-I and R-T.	The Maryland-National Capital Park and Planning Commission	Prince George's County Executive's Office	N/A	Near-Term
Coordinate with WMATA on redevelopment efforts for their property.	Prince George's Economic Development Corporation, Washington Metropolitan Area Transit Authority	Prince George's County Executive's Office, Maryland Department of Transportation	In-kind contribution	Near-Term
Provide incentive packages to help existing property owners within the TOD core compete for institutional tenants.	Prince George's County Economic Development Corporation, The Maryland-National Capital Park and Planning Commission	Prince George's County Executive Offices	Economic Development Incentive Fund	Near-Term
Contribute to building of structured parking to support WMATA operations for the Blue and Silver lines.	Prince George's County Revenue Authority	Prince George's County Executive's Office, Maryland Department of Transportation	Set aside in the Capital Improvements Program FY 15 or increase the Washington Suburban Transit Commission tax	Near- to Mid-Term
Provide infrastructure, specifically new roadways and other improvements that accommodate freight movements and emergency vehicles, to access and connect the Metro station and the new Regional Medical Center to surrounding development.	Prince George's County Department of Public Works & Transportation	Prince George's County Executive's Office, Maryland Department of Transportation	MDOT Sidewalk Retrofit Program	Near- to Mid-Term
Work with congressional and legislative delegations lobby, and influence location decision for new institutional users.	Prince George's County Economic Development Corporation, The Maryland-National Capital Park and Planning Commission	Prince George's County Executive's Office, local neighborhood associations and civic groups	Existing staff, public meetings to build support	Near- to Mid-Term
Execute Memorandum of Agreement with current leaseholders for redevelopment of The Boulevard at the Capital Centre.	Prince George's County Revenue Authority	Prince George's County Redevelopment Authority, Prince George's County Executive's Office	N/A	Mid- to Long-Term
Negotiate redevelopment option for gateway treatment to The Boulevard at the Capital Centre to include signature building.	Prince George's County Revenue Authority	Prince George's County Redevelopment Authority, Prince George's County Executive's Office	Set aside in the Capital Improvements Program FY 15	Mid- to Long-Term
<i>Notes: Near-term defined as a two-year period (2013–2015); mid-term defined as starting after near-term period (2016–2018); long-term defined as anything starting after five years.</i>				

Largo Town Center Implementation Matrix

Actions	Agency / Department	Supporting Entities	Resources	Phasing
Reinvigorate Largo Town Center Area				
Focus retail activity on designated parcels. Amend zoning regulations, and enforce the development district standards to reflect a reorientation of retail activity from a disparate strategy to a consolidated one.	The Maryland-National Capital Park and Planning Commission		N/A	Near-Term
Apply for National Endowment for the Arts “Art Works” funding.	Prince George's County Economic Development Corporation, The Maryland-National Capital Park and Planning Commission	Prince George's Arts & Humanities Council	Using matching annual CIP funding equal to \$10,000 minimum, apply for \$10,000 to produce art innovation at key sites adjoining the Metro station	Near-Term
Create a series of public events including, but not limited to, public farmers’ markets and festivals to enliven the space.	The Maryland-National Capital Park and Planning Commission, Prince George's County Revenue Authority	University College—begin with fairs/events targeting those college students, and work with small business leaders and institutional event organizers such as Kaiser Permanente	Access private support from University of Maryland University College, Kaiser Permanente, and other area institutional users	Near-Term
Introduce a Business Improvement District to provide oversight of the quality of retail spaces, the appropriateness of the merchandising mix, and the maintenance of the public spaces.	Prince George's County Economic Development Corporation	Prince George's County Executive's Office	Tax assessments levied against properties included in the business improvement district's boundaries	Mid-Term
Consider incentivizing key retail anchor tenants.	Prince George's County Economic Development Corporation	Prince George's County Executive's Office	Economic Development Incentive Fund	Mid-Term
<i>Notes: Near-term defined as a two-year period (2013–2015); mid-term defined as starting after near-term period (2016–2018); long-term defined as anything starting after five years.</i>				