

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2014 Legislative Session

Resolution No. CR-61-2014

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Lehman, Harrison, Franklin, Toles,
Turner, Davis and Patterson

Date of Introduction June 30, 2014

RESOLUTION

1 A RESOLUTION concerning

2 Payment in Lieu of Taxes (PILOT) Agreement for
3 Bladensburg Commons

4 For the purpose of approving the terms and conditions of a Payment in Lieu of Taxes (PILOT)
5 Agreement by and between Bladensburg Commons LLLP, a Maryland limited liability limited
6 partnership (the Partnership) and Prince George’s County, Maryland (the County).

7 WHEREAS there is a significant need for quality housing units in Prince George's County
8 for families of limited incomes; and

9 WHEREAS, the Partnership has or will acquire a parcel of land located at 4200 58th
10 Avenue, Bladensburg, Maryland (the Property) for the purpose of developing, constructing,
11 owning and operating thereon a rental housing community containing approximately 100 units
12 and related facilities (the Improvements), 90 of which units will be dedicated to providing
13 housing for low to moderate income families (the Property and the Improvements being
14 collectively referred to as the Project); and

15 WHEREAS, the Partnership has requested that the County Council authorize the
16 Partnership to make payments in lieu of County real property taxes pursuant to Section 7-506.1
17 of the Tax Property Article of the Annotated Code of Maryland; and

18 WHEREAS, Section 7-506.1 of the Tax-Property Article of the Annotated Code of
19 Maryland (2012 Replacement Volume, as amended) provides, among other things, that real
20 property may be exempt from County property taxes if: (i) the real property is owned by a
21 person engaged in constructing or operating housing structures or projects (which may include
22 non-dwelling commercial and community facilities, community rooms, dining halls, and

1 infirmaries to serve its occupants and the surrounding neighborhood); and (ii) the real property is
2 used for a housing structure or project that is constructed or substantially rehabilitated under a
3 federal, state or local government program that funds construction, or insures its financing in
4 whole or in part, or provides interest subsidy, rent subsidy or rent supplements; and (iii) the
5 owner thereof enters into an agreement with the governing body of the county where the real
6 property is located for the payment of a negotiated amount in lieu of county taxes on said real
7 property; and (iv) the owner of the real property agrees to (A) continue to maintain the real
8 property as rental housing for lower income persons under the requirements of the governmental
9 programs described in item (ii) of this paragraph and agrees to renew any annual contributions
10 contract or other agreement for rental subsidy or supplement or (B) enters into an agreement with
11 the governing body of the county to allow the entire property or the portion of the property
12 which was maintained for lower income persons to remain as housing for lower income persons
13 for a term of at least five years; and

14 WHEREAS, the Partnership has demonstrated to the County that an agreement for payment
15 in lieu of County real property taxes is necessary to make the Project economically feasible,
16 which Project is described in Attachments A-1, A-2 and A-3, attached hereto and made a part
17 hereof; and

18 WHEREAS, in order to induce the Partnership to provide housing for families of limited
19 income, it is in the interest of the County to accept payments in lieu of County real property
20 taxes, subject to the terms and conditions of the PILOT Agreement (the Agreement) attached
21 hereto as Attachment B and made a part hereof; and

22 WHEREAS, the County Executive has recommended support of the development of the
23 Bladensburg Commons Project.

24 NOW, THEREFORE, BE IT RESOLVED that in accordance with Section 7-506.1 of the
25 Tax Property Article of the Annotated Code of Maryland, the County shall accept payment in
26 lieu of County real property taxes for the Project subject to the Agreement attached to this
27 Resolution.

28 BE IT FURTHER RESOLVED that the County Executive or designee of the County
29 Executive is hereby authorized to execute and deliver the Agreement in the name and on behalf
30 of the County in substantially the form attached hereto.

31 BE IT FURTHER RESOLVED that the County Executive, prior to execution and delivery

1 of the Agreement, may make such changes or modifications to the Agreement as deemed
2 appropriate by the County Executive in order to accomplish the purpose of the transactions
3 authorized by this Resolution, provided that such changes or modifications shall be within the
4 scope of the transactions authorized by this Resolution; and the execution of the Agreement by
5 the County Executive or designee of the County Executive shall be conclusive evidence of the
6 approval of the County Executive of all changes or modifications to the Agreement; and the
7 Agreement shall thereupon become binding upon the County in accordance with the terms
8 therein.

9 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of
10 its adoption.

Adopted this 23rd day of July, 2014.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Mel Franklin
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____

BY: _____
Rushern L. Baker, III
County Executive

ATTACHMENT A-1

PROJECT INFORMATION SHEET
Bladensburg Commons
58th Avenue
Bladensburg, Maryland 20710

COUNCILMANIC DISTRICT 5

PROJECT DESCRIPTION: Land acquisition and new construction of 100 apartments

PROPOSED OWNER: Bladensburg Commons LLLP

DEVELOPER: Shelter Development, LLC

CONTACT: Jeffrey Ratnow, Development Director
Shelter Development, LLC
218 N. Charles Street
Suite 220
Baltimore, Maryland 21201

NEIGHBORHOOD/LOCALITY: Bladensburg, Tax Map 2937274 and 2937282,
Prince George’s County District 5

UNIT MIX: The unit mix is (50) one-bedroom, (40) two-bedroom,
and (10) three-bedroom apartments.

PROPOSED RENTS: \$445 - \$1,300 per month

ATTACHMENT A-2

PROJECT INFORMATION SHEET

Bladensburg Commons

58th Avenue

Bladensburg, Maryland 20710

COUNCILMANIC DISTRICT 5

PROJECT DESCRIPTION:

Shelter Development, LLC, proposes to acquire 7.09 acres of unimproved land from Elizabeth Seton High School, Inc. and develop one hundred (100) mixed income apartments in a single 4-story elevator midrise building. The project will provide ninety (90) affordable workforce housing units serving households with incomes from 30% to 60% of the Area Household Median (AMI) and ten (10) market rate units.

The building will be a mix of one (1), two (2), and three (3) bedroom units which will average 669, 947 and 1,117 square feet respectively. All units will contain at least one (1) full bath, a full range of appliances including dishwashers, garbage disposals, in unit washers/dryers, and high energy efficient HVAC units. The building will be wood frame construction, with exteriors designed with an eye toward pleasing aesthetics and durable materials using a mix of high quality products and architectural design features to add interest. The community will be National Association of Home Builders (NAHB) Certified as compliant with National Green Building Standards. The project will provide a new playground on site, and ample community/amenity space in the building for the enjoyment of the residents.

ATTACHMENT A-3

PROJECT FINANCING ESTIMATE

**Bladensburg Commons
58th Avenue
Bladensburg, Maryland 20710**

COUNCILMANIC DISTRICT 5

SOURCES OF FUNDS	AMOUNT	%
Private Loan	\$4,400,000.00	18.68%
Rental Housing Funds	\$2,000,000.00	8.49%
Low Income Housing Tax Credits (LIHTC)	\$13,798,620.00	58.59%
Developer Equity	\$351,608.00	1.49%
Prince George's County HOME Loan	\$3,000,000.00	12.74%
TOTAL SOURCES	\$23,550,228.00	100.00%

USES OF FUNDS	AMOUNT	%
Construction Costs	\$14,863,459.00	63.11%
Fees Related To Construction	\$3,691,600.00	15.68%
Acquisition Costs	\$985,000.00	4.18%
Financing Fees and Charges	\$792,820.00	3.37%
Developer Fee	\$2,424,299.00	10.29%
Syndication Costs	\$145,000.00	0.62%
Guarantees and Reserves	\$648,050.00	2.75%
TOTAL USES	\$23,550,228.00	100.00%