



CARILLON
PRINCE GEORGE'S COUNTY

Minority Business Enterprise Plan
Prince George's County, Maryland

MARCH 23, 2022

FINAL VERSION



I. EXECUTIVE SUMMARY

Carillon (the “Project”) will consist of the redevelopment of a prior ageing retail venue into a mix of retail, residential, hospitality, and office space adjacent to the Largo Town Center Metro Station, which is designated by Prince George’s County (the “County”) as one of its three “Downtowns”. RPAI Capital Centre II, L.L.C. (the “Developer”) is the owner and Developer of the Project. As the Developer of the Project, Developer is committed to the principle that County-Based Businesses (“CBBs”), County-Based Small Businesses (“CBSBs”), Minority Business Enterprises (“MBEs”), and County-Based Minority Business Enterprises (“CMBEs”) must be afforded the opportunity to participate in the economic transformation of the County created by the Project.

The Developer intends to institute projects designed to achieve contracting participation by CBBs, CMBEs, CBSBs, MBEs with the goal of:

- ❖ Providing opportunities for CBBs, CMBEs, CBSBs, and MBEs to participate in the economic grow and development in the County.
- ❖ The Developer will present contractual opportunities for CBBs, CMBEs, CBSBs, and MBEs to provide professional and non-professional services and goods though the competitive bid process.
- ❖ Achieving or exceeding agreed upon contractual spend percentages for CBBs, CMBEs, CBSBs, and MBEs.

II. Payment In Lieu of Taxes (“PILOT”) (See CR-___2019)

III. PROJECT DESCRIPTION (OVERVIEW)

The Project is a multi-phased mixed use large-scale economic and community development project in the County’s central Downtown, per the Prince George’s County Master Plan 2035, that will provide significant redevelopment resulting in retail, residential, hospitality, and office space. The Project will assist in the creation of downtown Largo with direct access to I-95/I-495, the Largo Town Center Metro station and integrated with the new University of Maryland Capital Region Medical Center. The Project is anticipated to be developed over several phases spanning a 12-year time frame.

It is anticipated that at the completion of the Project it will consist of up to:

- ▶ 3.0 million square feet of retail, residential, hospitality and office use
- ▶ A four-season open space, which will feature a variety of community activities and events
- ▶ 300,000 square feet of retail space
- ▶ 900,000 square feet of additional commercial space

- ▶ 3,000 multi-family residential units
- ▶ 300 hotel rooms

The Prince George's County 2035 Master Plan designated the areas around the Largo Town Center, New Carrollton and Prince George's Plaza metro stations as Downtown development areas. The Project will become an important part of the fabric of the County and reflect the social and economic strengths of the entire region while delivering on the vision of so many who were part of the master plan process. The Project development cost, prior to any exclusions, that will be subject to the CBB, CMBE, CBSB, and MBE requirements is estimated to be approximately \$973,569,695.00 million as set forth in Exhibit 2 and discussed in greater detail in Section V below.

IV. CBB, CMBE, CBSB, AND MBE GOALS AND OBJECTIVES

The Developer plans to implement programs that will be designed to achieve contracting participation by CBBs, CMBEs, CBSBs, and MBEs. The Developer acknowledges that the following information relates to certain portions of the Project and that it intends to supplement Exhibit 3 to this MBE Plan by providing information in substantively the same form as set forth in Exhibit 3 as a part of the County's review of each phase of the Project.

The Developer has submitted the MBE Plan, which includes a goal of thirty-five percent (35%) for County-based business enterprises (CBBs), County-based small business enterprise (CBSBs), minority business enterprise (MBEs) and County-based minority business enterprise (CMBEs), with a minimum CBE, CBSB, MBE and CMBE participation of twenty-five percent (25%) of the total building costs, site work costs, and related construction services, as depicted in the project pro forma for the Project. The Parties agree that no less than twenty percent (20%) of the total building costs, site work costs, and related construction services must be allocated to CMBEs. These percentages apply to the total building cost, site work cost, and related construction services of the Project that are directly controlled and procured by Developer. The Developer will have the flexibility to meet the above-referenced goals on the Project on a contract-by-contract basis or as a whole. Further, the Developer will have the flexibility to exclude certain improvements and trade work from the applicable hard and soft construction costs should the bidding process conducted by the general contractor or the Developer reveal that CBBs, CMBEs, CBSBs, and MBEs -subcontractors are unavailable to perform the necessary work or their bids are greater than 5% of the average of the non- CBBs, CMBEs, CBSBs, and MBEs subcontractor bids. Opportunities for CBBs, CMBEs, CBSBs, and MBEs will include, but not be limited to: accounting, engineering and legal; permit expediting and construction management; site work, including excavating and hauling, concrete and foundations; welding, electrical, plumbing, door installation, drywall, painting, carpeting, tiling and interior design; asphalt and landscaping; property and program management; signage,

marketing, maintenance and cleaning. Exclusions of certain trades from the total CBBs, CMBEs, CBSBs, and MBEs -applicable construction costs (as defined in Part XI of this MBE Plan), which may be amended by the agreement of the County's Compliance Manager and the Developer from time to time. Certification of all CBBs, CMBEs, CBSBs, and MBEs is required, and the selection of qualified CBBs, CMBEs, CBSBs, and MBEs shall be made by the Developer in its sole discretion. Any CBBs, CMBEs, CBSBs, and MBEs certified by the County's Office of Central Services, Supplier Development and Diversity Division, the Maryland Department of Transportation, the Washington Metropolitan Area Transit Authority, the Capital Region Minority Supplier Development Council, the National Minority Supplier Development Council, the Department of Veterans Affairs, the Women Presidents Education Organization and the U.S. Pan Asian American Chamber of Commerce, or any federal agency shall be deemed certified for purposes of this MBE Plan. The Developer will also encourage local business opportunities at the Project.

The Developer represents that it will collaborate with the MBE Compliance Manager early on in the planning of the construction of future phases of the Project with a goal of increasing the percentage of the MBE Plan applicable budget available to MBEs and CBBs in all future phases of the Project. The Developer will work with the MBE Compliance Manager to establish outreach programs, including vendor events, with a particular focus on increasing opportunities for CBBs, CMBEs, CBSBs, and MBEs. Exhibit 2 list the procurement opportunities that will be presented to CBBs, CMBEs, CBSBs, and MBEs for them to response to in a competitive bidding process.

The Developer acknowledges that it will supplement this MBE Plan by providing information for future phases of the Project as a part of the County's review of each phase. The Developer will provide the required additional information 45 days before the beginning of the next phase.

The following estimates will be modified throughout the project development based on any approved exclusions from the baseline project total of \$973,569,695.00.

Best Efforts at 35%	\$ 340,749,393.25
CBB, CMBE, CBSB, and MBE at 25%	\$ 243,392,423.75
CMBE at 20%	\$ 194,713,939.00

V. ADMINISTRATION OF THE MBE PLAN

William "Nick" Over, Vice President Development, will serve as Program Manager and supervise efforts to meet the CBBs, CMBEs, CBSBs, and MBEs participation goals. The Program Manager will assist in identifying qualified contractors through the County and The

State of Maryland's Governor's Office of Small, Minority & Women Business Affairs, the Prince George's County Office of Central Services, Supplier Development and Diversity Division, the Prince George's Community College's Center for Entrepreneurial Development, Prince George's County Chamber of Commerce (and/or other County and non-County stakeholders involved in economic development), community briefings and contractor job fairs. The Program Manager will track the use of the selected qualified contractors, make available to the public information about possible subcontract opportunities and market contract opportunities for CBBs, CMBEs, CBSBs, and MBEs companies through the internet, social and traditional media, the Prince George's County Office of Central Services, Supplier Development and Diversity Division and the Prince George's County Community College's Center for Entrepreneurial Development, Prince George's County Chamber of Commerce (and/or other County and non-County stakeholders involved in economic development). In addition, the Program Manager will be responsible for communicating with and generating reports for the oversight board.

The Program Manager's contact information is as follows:

Name: William "Nick" Over
Title: VP Development
Address: 20365 Exchange Street Suite 211 Ashburn, VA 20147
E-Mail: nover@kiterealty.com
Telephones: 317-577-5600

VI. PAYMENT

Payments to CBBs, CMBEs, CBSBs, and MBEs will be made in accordance with the lawful terms of a fully negotiated and executed contract between the Developer (or, if appropriate, the contractor or general contractor), and the applicable CBB, CMBE, CBSB, or MBE firm, with payment due under said contract no more than sixty (60) days after satisfactory completion of the entire scope of work under the contract, unless other written special arrangements are made.

VII. RECORD KEEPING, REPORTING, AND COMPLIANCE

The Developer will establish and maintain records to prepare and submit a report to the County's Compliance Manager, which will identify and assess progress in achieving the goals of this MBE Plan. After the commencement of the construction of the Project and beginning on the first to occur of January 1, April 1, July 1 and October 1 and every January 1, April 1, July 1 and October 1 thereafter during construction of the Project, the Developer shall prepare a report detailing the utilization of CBBs, CMBEs, CBSBs, and MBEs (the "Report"). The Report shall include the dollar amount of all contracts awarded by the Developer and/or the Contractor to

CBBs, CMBEs, CBSBs, and MBEs on the Project and a description of the development team's plans to improve performance if necessary. The Report (attached Excel spreadsheet) shall also include (i) the name of each CBBs, CMBEs, CBSBs, and MBEs and its address, telephone number and individual contact; (ii) the amount of the subject contract; (iii) a description of the scope of work covered by the subject contract; (iv) the year-to-date amount paid to CBBs, CMBEs, CBSBs, and MBEs; and (v) such other information reasonably determined by the County's Compliance Manager as necessary to achieve the goals set forth herein. The initial report shall include all CBBs, CMBEs, CBSBs and MBEs whom have provided services allowing for the proposed construction since the initiation of the Project in September 2015.

The Developer will meet with the County's Compliance Manager at least quarterly to discuss the activities reported and identify future activities that will help achieve the objectives set forth in this MBE Plan. The Developer will establish and maintain the records pertaining to procedures which have been adopted to comply with the policies set forth in this MBE Plan, including the establishment of a source list of CBBs, CMBEs, CBSBs, and MBEs; awards to businesses in the various categories set forth in this MBE Plan; and specific efforts undertaken to identify and award contracts to CBBs, CMBEs, CBSBs, and MBEs. The Developer will make all records pertaining to this MBE Plan available to the County upon request.

Failure to submit the Report on a timely basis may, at the discretion of the County's Compliance Manager, result in a penalty not to exceed \$1,000 each day such Report is late. Prior to any assessment of fees, the County's Compliance Manager shall provide written notice of such failure to the Program Manager.

The Developer shall reasonably cooperate with the County in studies and surveys of the Developer's CBBs, CMBEs, CBSBs, and MBEs procedures and practices that the County may from time to time conduct.

VIII. EMPLOYMENT

The Project is anticipated to create significant employment opportunities and significant economic impact to the County both during construction and at full build out. The Developer will work with Employ Prince George's, use the Project website, social media outlets, local newspapers, and other venues to attempt to provide notice to Prince George's County residents of job opportunities for the Project. The Developer anticipates the creation of 5,255 temporary construction-related, direct and indirect jobs to develop and construct the Project resulting in annual earnings of approximately \$350M. In addition, the Developer anticipates the creation of

2,633 permanent jobs as a result of the Project at full build-out with aggregate annual compensation of approximately \$400M.

IX. DEFAULTS, FINES, AND APPEALS

The Developer shall use Best Efforts to meet the CBBs, CMBEs, CBSBs, and MBEs participation goal of 35% set forth herein. In the event the Developer fails to meet the minimum 25% CBBs, CMBEs, CBSBs, and MBEs or 20% CMBE participation requirements set forth in this Plan, as determined by the County's Compliance Manager in a written notice pursuant to the Compliance Manager's review of the Report, and such failure shall not be cured by the Developer within sixty (60) days after receipt of such notice from the County's Compliance Manager, then such failure shall be deemed an "Event of Default." To the extent that Developer is behind in meeting the minimum participation requirements, Developer may demonstrate its ability to meet such requirements upon completion of the Project.

From the Effective Date until one (1) year after the completion of the Project, upon the occurrence of an Event of Default, in which the Developer fails to meet the minimum requirements of this MBE Plan, the Developer shall be subject to a maximum aggregate fine or liquidated damages in the amount of \$200,000. Such amount represents compensation for the failure to meet a goal freely approved by the Developer, is a material consideration for the County in entering into the PILOT Agreement and providing the County CIP funding and is not to be construed as a penalty.

Notwithstanding the foregoing, in the event the Developer disputes a determination by the County's Compliance Manager of an Event of Default, the Developer shall have the right to appeal such determination to a panel of neutral mediators. The County shall appoint one member to the panel, and the Developer shall appoint one member of the panel. The third member of the panel shall be jointly agreed upon by the County and the Developer. No penalty may be assessed against the Developer until the Developer has exhausted such appeal. The Developer agrees to pay all reasonable expenses incurred by a panel of neutral mediators, but only if the Developer is found by the panel to be in default.

X. DEFINITIONS AND CERTIFICATIONS BEST EFFORTS

Best Efforts means actions taken by the Developer in a true and genuine attempt to achieve compliance with and to further the interest and purpose of its MBE Plan, without any design to deceive or defraud the County or intended beneficiaries of this MBE Plan or to otherwise undermine the interest of this MBE Plan.

Business means any association, corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity through which business is conducted.

Code means the County Code of Prince Georges County, Maryland.

County-Based Business means a County-based business in accordance with [Section 10A-163](#) of the Code.

County-Based Minority Business Enterprise means a business that is both:

- (A) a Minority Business Enterprise as certified by the Supplier Development and Diversity Division; and
- (B) a County-Based Business.

County-Based Small Business means a business that:

- (A) (i) meets the requirements of [Section 10A-163\(b\)](#) of the Code and
(ii) whose application for certification as a County-based small business is approved by the Purchasing Agent; or
- (B) is a County-Based Minority Business Enterprise that meets the requirements of [Section 10A-163\(g\)](#) of the Code.

Minority Business Enterprise means any business enterprise:

- (A) Which is at least fifty-one percent (51%) owned by one or more minority individuals, or, in the case of any publicly owned corporation, at least fifty-one percent (51%) of the stock of which is owned by one or more minority individuals; and
- (B) Whose general management and daily business affairs and essential productive operations are controlled by one or more minority individuals; and
- (C) Which has been certified by the Supplier Development and Diversity Division as a Minority Business Enterprise pursuant to Division 6 of the Code.

Minority individuals are those who have been subjected to prejudice or cultural bias because of their identity as a member of a group in terms of race, color, ethnic origin, or gender, without regard to their individual capabilities. Minority individuals are limited to members of the following groups:

- (A) African Americans (Black Americans), which includes persons having origins in any of the Black racial groups of Africa;
- (B) Asian-Pacific Americans, which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong;

- (C) Subcontinent Asian Americans, which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;
- (D) Hispanic Americans, which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- (E) Native Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
- (F) Females, regardless of race, ethnicity or origin; and
- (G) Veterans and Service-Disabled Veterans.

XI. EXCLUSIONS

The following is a list of exclusions for the Carillon Prince George's Project. During period of performance of the Project there may be other exclusions that will need to be review by the County Compliance Manger and the Developer.

- Utilities
- Funds Expended in an emergency
- Structural steel
- Escalators
- Elevators
- Payments to government (including permits, taxes, and any incurred cost where the government is the sole provider of that good or service)
- Land
- Insurance Premiums use for the purpose of underwriting the project
- Rebar
- Concrete
- Pre-cast concrete
- Fire protection
- Fire proofing
- Interior and exterior signage
- Monies expended before the execution of this agreement.

[Signature on Following Page]

DELIVERED to Prince George's County, Maryland this day of March, 2022.

RPAI Capital Centre II, L.L.C.

By: _____

EXHIBIT 2

Phasing Schedule (WILL BE UPDATED TO MATCH PILOT)

													07/01/2021 ASSESSMENTS			
													Pre-Use and Occupancy Tax Calculation			
PHASE	PARCEL (s)	ADDRESS (Upper Marlboro, MD 20774)	SUBSTANTIAL COMPLETION DEADLINE	TOTAL GLA (SF)	TOTAL GROSS (\$F)	GROSS SQUARE FOOTAGE ALLOCATION			# MULTI- FAMILY UNITS	TAX ID NUMBER	PROPERTY ID	PHASE-IN ASSESSMENT	ACREAGE	LAND (SF)	BASE ASSESSME NT/ LAND (SF)	
						OFFICE	RETAIL	MULTI-FAMILY				TOTAL				
1	4	950 N Harry S Truman Dr	8/1/2022	126,073	131,000	107,000	24,000			13-5658857	373700	\$ 31,500	1.0348	45,084.60	\$ 0.70	
2	5	900 Shoppers Way	9/1/2024	317,525	409,950		22,600	387,350	351	13-5658881	5658881	\$ 167,400	5.4913	239,187.96	\$ 0.70	
3	2	800 Capital Centre Blvd	1/1/2025	9,000	10,000		10,000			13-5658835	5658835	\$ 31,800	1.0458	45,563.76	\$ 0.70	
3	3	900 Capital Centre Blvd	1/1/2025	76,500	77,700	64,000	13,700			13-5658846	5658846	\$ 74,000	2.4271	105,720.12	\$ 0.70	
4	14		7/1/2026	109,350	112,650	110,350	2,300									
5-6	7		3/1/2028	423,665	483,250		24,750	458,500	475							
7	6		1/1/2030	194,135	217,100		34,600	182,500	190							
8	11		8/1/2031	109,152	123,250		13,000	110,250	115							
9	12		5/1/2032	124,000	127,450	125,650	1,800									
10	8		11/1/2033	223,880	254,250		14,500	239,750	250							
4-10	PL LT 1 CAP ARENA	1000 Shoppers Way								13-3438892	3438892	\$ 23,945,633	23.7948	1,036,510.20	\$ 23.10	
11	1	800 Shoppers Way	12/1/2034	289,710	331,450		8,500	322,950	355	13-5658824	5658824	\$ 13,502,267	3.3019	143,835.12	\$ 93.87	
	B	845 Shoppers Way								13-5658870	5658870	\$ -	1.4440	62,900.64	-	
				2,002,990	2,278,050	407,000	169,750	1,701,300	1,736			\$ 37,752,600	38.5397	1,678,802.40	\$ 22.49	

EXHIBIT 2

MBE Budget

See attached PDF file

EXHIBIT 3

Procurement Opportunities for CBBs, CMBEs, CBSBs, and MBEs

NAICS CODES	DESCRIPTION
236220	Commercial and Institutional Building Construction
237110	Water and Sewer Line and Related Structures Construction
237310	Highway, Street, and Bridge Construction
238110	Poured concrete Foundation and Structure Contractors
238120	Structural Steel and Precast Concrete Contractors
238130	Framing Contractors
238140	Masonry Contractors
238150	Glass and Glazing Contractors
238160	Roofing Contractors
238170	Sliding Contractors
238190	Other Foundation, Structure, and Building Exterior Contractors, Welding
238210	Electrical Contractors and Other Wiring Installation Contractors
238220	Plumbing, Heating, and Air-Conditioning Contractors
238290	Other Building Equipment Contractors
238310	Drywall and Insulation Contractors
238320	Painting and Wall Covering Contractors
238330	Flooring Contractors
238340	Title and Terrazzo Contractors
238350	Finish Carpentry Contractors
238390	Other Building Finishing Contractors
238910	Site Preparation Contractors
238990	All Other specialty Trade Contractors, Construction cleanup
323114	Quick Printing
324121	Asphalt
327320	Ready-Mix Concrete Manufacturing
339950	Sign Manufacturing

423210	Furniture Merchant Wholesalers
423420	Office Equipment Merchant Wholesalers
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers
423440	Other Commercial Equipment Merchant Wholesalers
423610	Electrical Apparatus and Equipment, Wiring suppliers, and Related Equipment Merchant
423690	Other Electronic Parts and Equipment Merchant Wholesalers
423850	Service Establishment Equipment and Suppliers Merchant Wholesalers
424120	Stationery and Office Suppliers Merchant Wholesalers
484121	General Freight Trucking, Long-Distance, Truckload
492110	Couriers and Express Delivery Services
517110	Wired Telecommunications Carriers
517210	Wireless Telecommunications Carriers (except Satellite)
531312	Property management
541110	Legal, Construction Management
541211	Accounting
541330	Engineering
541410	Interior design
541613	Marketing, Program Management
561730	Landscaping
811490	Maintenance
926150	Permit expediting