



Rushern L. Baker, III
County Executive

Karington Development District (e.g. South Lake Project) – CB 74-2018

September 11, 2018

Prince George's County Council
Committee of the Whole

Agenda

- Project Overview
- Proposed County Incentives
- MBE Plan
- Summary



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Project Overview

South Lake Project

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Type	Units/SF
Multi-Family (units)	320
For-Sale Residential - Attached (units)	695
For-Sale Residential - Detached (units)	320
Grocery Anchored Retail Center (SF)	250,000
Retail Pads (SF)	130,000
Office (SF)	220,000
Hotel (rooms)	390
Total Square Footage	3,447,360

South Lake Project



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- \$345+ million project, excluding residential vertical values
- Along a major transportation corridor (MD 214/US 301)
- Proximity to major assets (Six Flags, UM Bowie Health Center, Liberty Sports Park)
- Long-planned mixed-use project



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Proposed County Incentives

South Lake Project

Special Obligation Bond Uses



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Type	Total
Public Improvements	\$27,500,000
Issuance Costs/Underwriter Fees	\$928,980
Capitalized Interest	\$3,018,299
Reserve Fund	\$1,551,000
Rounding	\$1,721
Total	\$33,000,000

- The bonds will be paid by new incremental real property taxes paid to both the County and the City of Bowie, subject to approval by the respective legislative bodies
- Other than public improvements, the other costs are estimates and actual amounts will be determined at the time of closing

Tax Increment Funded Infrastructure



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Type	Total
MD 214/US 301/Old Central Avenue	\$6,700,000
On-Site Public Improvements	\$12,200,000
Lake Improvements	\$5,000,000
Soft Costs/Other Improvements	\$3,600,000
Total	\$27,500,000

- Public improvements are tentative, subject to change

Projected Real Property Taxes



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- South Lake will generate approximately \$252.3 million in incremental tax revenues to Prince George's County and the City of Bowie over 30 years

\$ in Millions

Jurisdiction	2018-2047
Prince George's County Incremental Tax Revenue	\$176.3
City of Bowie Incremental Tax Revenue	\$76.0
Total	\$252.3

Source: Projection No. 34-B, MuniCap Inc.



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CBB/CBSB/CMBE/MBE

South Lake Project

CBB/CBSB/CMBE/MBE Requirements



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- Minimums
 - 25% - CBB, CBSB, CMBE, and MBE
 - 20% - CMBE
- Best Efforts
 - 35% goal – CBB, CBSB, CMBE, and MBE
- Applies to **total** building costs, site work costs, and related construction services that are controlled by the developer
- Eligible costs will be determined as part of the approved MBE Plan by the County's MBE Compliance Manager
 - MBE-eligible baseline costs = \$344.9 million
- Quarterly reports are due January 1st, April 1st, July 1st, and October 1st annually – MBE activities and project status
- Failure to comply with these requirements may result in monetary penalties and fines for non-compliance, including but not limited to "claw-back" provisions



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Summary

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- Located along a major transportation corridor (MD 214 and US 301)
- Brings reality to a long-planned, mixed-use project on the eastern part of the County
- Brings significant private investment into the County
- Expands the County commercial tax base
- Provides the County with \$176.3 million and the City of Bowie with \$76.0 million in incremental tax revenues over the next 30 years
- Provides vital retail/hotel connections to Liberty Sports Park