

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2023 Legislative Session

Resolution No. CR-044-2023

Proposed by The Chair (by request – County Executive)

Introduced by Council Members Hawkins, Harrison, Franklin, Watson, Fisher, Dernoga,
Ivey and Oriadha

Co-Sponsors _____

Date of Introduction May 16, 2023

RESOLUTION

1 A RESOLUTION concerning

2 Payments in Lieu of Taxes (“PILOT”) Agreement for Park Place at Addison Road
3 Apartments

4 For the purpose of approving the terms and conditions of a Payments in Lieu of Taxes
5 (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and Banneker
6 Ventures, LLC (the “Owner”).

7 WHEREAS, there is a significant need in the County for quality housing units for persons
8 with limited income; and

9 WHEREAS, the Owner proposes to acquire and construct one hundred ninety three (193)
10 units of multi-family rental housing for low-income to moderate-income residents, known as
11 Park Place at Addison Road, on a 3.70 acre parcel located at 6301 Central Avenue, 212 Zelma
12 Avenue, and 109 Addison Road, Capitol Heights, Maryland 20743, as more particularly
13 described in Exhibit A, attached hereto and herein incorporated by reference (“Property”); and

14 WHEREAS, the Owner has requested that the County Council of Prince George’s County,
15 Maryland, (the “County Council”) authorize the Owner to make payments in lieu of County real
16 property taxes pursuant to Section 7-506.3 of the Tax-Property Article of the Annotated Code of
17 Maryland, as amended; and

18 WHEREAS, Section 7-506.3 of the Tax-Property Article of the Annotated Code of
19 Maryland, as amended, provides that in Prince George's County, real property may be exempt
20 from county property tax if: (a)(2)(i) the real property is owned by a person engaged in
21 constructing or operating housing structures or projects; (a)(2)(ii) the real property is used for a

1 housing structure or project that is constructed or substantially rehabilitated under a federal,
 2 State, or local government program that (a)(2)(ii)(1) is acquired, constructed, or rehabilitated
 3 under a federal, State, or local government program that (a)(2)(ii)(1)(A) funds construction or
 4 rehabilitation or insures the financing of construction or rehabilitation in whole or in part,
 5 including a housing investment trust, or (a)(2)(ii)(1)(B) provides interest subsidy, rent subsidy,
 6 or rent supplements; or (a)(2)(ii)(2) is acquired under the Right of First Refusal program under
 7 Subtitle 13, Division 14 of the Prince George's County Code; (a)(2)(iii) the owner and the
 8 governing body of Prince George's County agree that the owner shall pay a negotiated amount in
 9 lieu of the applicable county property tax; and (a)(2)(iv) the owner of the real property:
 10 (a)(2)(iv)(1)(A) agrees to continue to maintain the real property as rental housing for lower
 11 income persons under the requirements of the government programs described in paragraph
 12 (a)(2)(ii) of this subsection; and (a)(2)(iv)(1)(B) agrees to renew any annual contributions
 13 contract or other agreement for rental subsidy or supplement; or (a)(2)(iv)(2) enters into an
 14 agreement with the governing body of Prince George's County to allow the entire property or the
 15 portion of the property that was maintained for lower income persons to remain as housing for
 16 lower income persons for a term of at least 5 years; and

17 WHEREAS, the Owner has demonstrated to the County that an agreement for payments in
 18 lieu of County real property taxes is necessary to make the Project economically feasible, as
 19 described in Attachments "A-1," "A-2," and "A-3," attached hereto and made a part hereof; and

20 WHEREAS, in order to induce the Owner to provide housing for families with restricted
 21 incomes, it is in the interest of the County to accept payments in lieu of County real property
 22 taxes, subject to the terms and conditions of the PILOT Agreement (the "Agreement") set forth
 23 in Attachment B, attached hereto and made a part hereof; and

24 WHEREAS, the County Executive has recommended support of the acquisition and
 25 construction of the Project.

26 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
 27 County, Maryland, that in accordance with Section 7-506.3 of the Tax-Property Article of the
 28 Annotated Code of Maryland, as amended, the County shall accept payments in lieu of County
 29 real property taxes for the Project, subject to the Agreement attached to this Resolution.

30 BE IT FURTHER RESOLVED that the County Executive or the County Executive's
 31 designee is hereby authorized to execute and deliver the Agreement in the name of and on behalf

1 of the County in substantially the same form attached hereto.

2 BE IT FURTHER RESOLVED that the County Executive, prior to the execution and
3 delivery of the Agreement, may make such changes or modifications to the Agreement as
4 deemed appropriate in order to accomplish the purpose of the transaction authorized by this
5 Resolution; and the execution of the Agreement by the County Executive or the County
6 Executive’s designee shall be conclusive evidence of the approval of the County Executive of all
7 changes or modifications to the Agreement; and the Agreement shall thereupon become binding
8 upon the County in accordance with the terms and conditions therein.

9 BE IT FURTHER RESOLVED that the County Executive, subsequent to the execution of
10 the Agreement, may amend the Agreement as deemed appropriate in order to accomplish the
11 purpose of the transaction authorized by this Resolution.

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

Adopted this 20th day of June, 2023.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Thomas E. Dernoga
Chair

ATTEST:

Donna J. Brown
Clerk of the Council

ATTACHMENT A-1

PROJECT INFORMATION SHEET

**Park Place at Addison Road
6301 Central Avenue, 212 Zelma Avenue, and 109 Addison Road
Capitol Heights, MD 20743**

COUNCILMANIC DISTRICT 4

PROJECT DESCRIPTION: A one hundred ninety three (193) unit newly constructed, six-story, elevator-serviced apartment building on a 3.70 acre site in Capitol Heights. Ownership proposes to restrict rents for one hundred percent (100%) of units to households with incomes below seventy percent (70%) of Area Median Income (AMI) for at least forty (40) years.

OWNER: Banneker Ventures, LLC

DEVELOPER: Banneker Ventures, LLC

CONTACT: Omar Karim, Managing Member
301-408-0802

NEIGHBORHOOD/LOCALITY: Capitol Heights, Prince George’s County, District 4

UNIT MIX: A mix of Studios, One- and Two-bedroom units

AFFORDABILITY: 70% or less of the AMI: 193 units

ATTACHMENT A-2**PROJECT INFORMATION SHEET**

**Park Place at Addison Road
6301 Central Avenue, 212 Zelma Avenue, and 109 Addison Road
Capitol Heights, MD 20743**

COUNCILMANIC DISTRICT 4**PROJECT DESCRIPTION:**

Banneker Ventures, LLC (the “Developer”) propose to restrict rent levels for one hundred ninety three (193) rental units at Park Place at Addison Road (the “Project”) to serve households with incomes at or below seventy percent (70%) of the Area Median Income (“AMI”) for a period of at least forty (40) years. The Project is a proposed one hundred ninety three (193) unit family affordable housing development to be newly constructed on a 3.70 acre parcel at 6301 Central Avenue, 212 Zelma Avenue and 109 Addison Road in Capitol Heights.

The Project will be located approximately one mile east of the Washington D.C. border within 0.1 mile of a bus stop. The Project is also located adjacent to the Addison Road Metro Rail Station along the Blue Line, locating it within the Blue Line Transit Corridor, one of the County’s development priority areas. To the north of the Project is the Addison Plaza Shopping Center which includes a CVS and grocery store. The unit mix includes studios, one- and two-bedrooms units. The Project is in a mixed-use neighborhood surrounded by single-family homes, retail and commercial spaces, and residential apartment complexes.

In total, the Project will contain approximately 165,000 sq. ft. of living space on six (6) elevator-serviced floors. Each unit will contain washer/dryer hook ups, dishwasher, garbage disposal, microwave, and high-speed internet access. A structured parking garage containing approximately 40 spaces and off-street parking of 110 spaces, contiguous to the Project, will be available to provide the residents with free, easily accessed parking. In addition to the one hundred ninety three (193) residential units, the Project will include approximately 10,000 square feet of retail space on the ground floor, an array of amenities to include community rooms, fitness center, yoga room club room, on-site leasing office, Wi-Fi lounge/media room, business center, theatre, roof top deck and an outdoor green park with a picnic area.

The total cost of acquisition and construction of the Project is anticipated to be approximately

eighty five million, two hundred fifty seven thousand, six hundred seventy-seven dollars (\$85,257,677). The Developer is applying for a Prince George’s County Housing Investment Trust Fund (“HITF”) in the amount of three million, five hundred thousand dollars (\$3,500,000) and a Payment in Lieu of Taxes (“PILOT”) Agreement since both the loan funds and PILOT subsidy will allow one hundred percent (100%) of the Project’s units to be income- and rent-restricted and ensure the Project is able to adequately service its debt and equity capital. Additional funding for the Project will be provided by Amazon and the State of Maryland Department of Housing and Community Development.

ATTACHMENT A-3

PROJECT FINANCING ESTIMATE
Park Place at Addison Road
6301 Central Avenue, 212 Zelma Avenue, and 109 Addison Road
Capitol Heights, MD 20743

COUNCILMANIC DISTRICT 4

SOURCES	Amount	Percentage
Tax-exempt Bond Financing	\$ 33,023,888	38.73%
CDA - Rental Housing Works	\$ 3,500,000	4.11%
PGC - Housing Investment Trust Fund	\$ 3,500,000	4.11%
Amazon	\$ 20,000,000	23.46%
LIHTC - Investor Equity	\$ 25,233,789	29.60%
TOTAL	\$ 85,257,677	100.00%
USES		
USES	Amount	Percentage
Construction Costs	\$ 58,544,296	68.67%
Fees Related to Construction	\$ 4,720,497	5.54%
Financing Fees and Charges	\$ 6,906,775	8.10%
Acquisition Cost	\$ 7,100,000	8.33%
Developer's Fee	\$ 5,052,970	5.93%
Syndication Costs	\$ 10,000	0.01%
Guarantees and Reserves	\$ 2,923,139	3.43%
TOTAL	\$ 85,257,677	100.00%