

TIF PROPOSAL AND DEVELOPER'S CERTIFICATE

Prince George's County Policy for Tax Increment Financing

Parcel O Largo

September 14, 2023

LARGO QOZB JV, LLC (the “**Developer**”) submits this TIF Proposal and Developer’s Certificate for review by the County Council of Prince George’s County, Maryland (the “**County**”).

Background:

Pursuant to Council Resolution CR-92-2014, as amended by Council Bill CB-14-2020, as further described below, the Largo Town Center Metro Development District (the “**Development District**”) was designated and the Largo Town Center Metro Tax Increment Fund (the “**Tax Increment Fund**”) was established for the purpose of financing certain infrastructure improvements (“**Infrastructure Improvements**”) to support development within the Development District through the issuance of special obligation bonds under Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the “**Tax Increment Financing Act**”).

The Developer requests that the County issue bonds in an aggregate principal amount of \$9,000,000 (the “**Bonds**”), payable solely from amounts levied and deposited in the Tax Increment Fund, to finance Infrastructure Improvements for the Development (defined below).

Council Resolution CR-21-2019 requires that, prior to the sale of the bonds, the Council must review the TIF proposal and a certificate of the developer that the provisions of CR-21-2019 have been complied with and approve of the same by resolution; provided, however, we have been advised by the County that the following listed requirements of CR-21-2019 shall be superseded by the supplier diversity and equity requirements contained in CB-51-2022: requirement 6) (relating to equity participation and ownership) and requirement 7) (relating to the delivery of a Minority Business Enterprise Plan). This TIF Proposal and Developer’s Certificate is provided to permit fulfillment of the foregoing requirement. The project’s Supplier Diversity and Equity Plan is also attached for convenience.

Development:

The Parcel O project is an approximately \$104,400,000 multi-family project with structured parking located in the immediate vicinity of the Largo Metro Station, the end of the Blue Line Corridor (the “**Development**”). The project will include 269 multi-family units, 1,270 square feet of retail, and 315 structured parking spaces. The project will add critical residential density to “Downtown Largo”, enhance the County’s Blue Line Corridor vision, bring experienced African-

American led development team to the County, bring green and LEED-certified elements, expand the tax base, and create opportunities for County-based minority business enterprises and small businesses.

Infrastructure Improvements:

The Infrastructure Improvements include but are not limited to a privately owned parking facility and such other infrastructure improvements associated with the development and construction of a multi-family residential building within the District as may be authorized by the Tax Increment Financing Act.

Estimated Infrastructure Costs:

Parking structures and related infrastructure:	\$9,000,000
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The Developer acknowledges that the County is not required to issue TIF bonds in an amount sufficient to pay for all of the estimated infrastructure costs set forth herein.

Terms of Bonds:

Principal Amount of Bonds:	\$9,000,000
Interest Rate:	0% (no interest)
Public Offering or Private Placement:	Private Placement
Term:	17 years
Form of Note:	Draw-down Developer Note

Representations and Covenants Fulfilling CR-21-2019:

1. Be consistent with the County's General Plan and Sector Plans, as well as other economic and community development policies, strategies and tools.

The Project is consistent with the Prince George's County General Plan and Largo Sector Plan, as well as other economic and community development policies, strategies, and tools. See **Exhibit A** for correspondence from Thomas H. Haller, Esq., Gibbs and Haller, P.A., describing the Project's compliance with this requirement.

2. Generate additional significant revenue for the County.

The Project will generate direct and indirect positive impacts to the County, including approximately \$19 million in additional real property taxes and 663 jobs during construction.

3. Meet both a short-term and long-term "But-For Test," which demonstrates that the proposed project or initiative is not feasible without the County's participation and assistance.

HR&A Financial Advisors has been retained by the County and has determined that the Project meets both a short- term and long-term “but-for test,” which demonstrates that the Project is not feasible without the County’s participation and assistance.

- 4. Be subject to a “Trigger Mechanism/Look Back Provision,” which, on an ongoing basis, examines a project’s proposed and projected cash flows, profits and other financial information to determine whether and when repayment of the County’s investment is or may be necessary.**

The Developer agrees that the Project will be subject to a “trigger mechanism/look back provision,” which on an ongoing basis, examines the Project’s proposed and projected cash flows, profits and other financial information to determine whether and when repayment of the County’s investment is or may be necessary.

- 5. Where appropriate, be used to help fund the revitalization of an area or community in the County.**

The Project will assist the County in fulfilling the Blue Line Corridor vision and the transformation of Downtown Largo.

- 6. Not have an adverse impact on the County’s credit/bond rating.**

Based on the fiscal analysis of HR&A Financial Advisors, the Project will not have an adverse impact on the County’s credit or bond rating.

- 7. Expand and strengthen employment opportunities with a minimum employment goal of 40% for County residents.**

The Project will expand and strengthen employment opportunities with a minimum employment goal of 40% for County residents.

- 8. Expand the County’s commercial base.**

The Project will expand the County’s commercial base through the \$104.4 million investment in 269 multi-family units and 1,270 square feet of retail.

- 9. Use best efforts to afford opportunities for public and private partnerships.**

With the County’s investment, the public-private partnership will create contracting opportunities for CMBEs, CBSBs, and other County businesses. The Developer will use best efforts to afford such opportunities for public and private partnerships.

10. Use best efforts to offer creative and unique opportunities for economic and community development projects and initiatives.

The Developer will use best efforts to offer creative and unique opportunities for economic and community development by partnering with CMBEs, CBSBs, and other County business. . The Developer is committed to fostering and mentoring County-based business, especially CMBEs, who participate in the project.

11. Certify to the Compliance Manager, as a condition of receiving assistance, verifying that all construction contractors and subcontractors, of whatever tier, performing work on the assisted project, shall meet the apprenticeship requirements, or submit to the Compliance Manager a request for a partial waiver of such requirement.

The Developer will meet the apprenticeship requirements to the extent practical or submit a request for a waiver of such requirements, for all construction contractors and subcontractors performing work on the Project.

12. Participate in a Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and shall continue to participate in such program or programs for the duration of the project, or submit to the Compliance Manager a request for a partial waiver of such requirement.

The Developer will participate in a Class A Apprenticeship Program through its general contractor to the extent practical or submit a request for a waiver of such requirement, for each trade or classification in which it employs craft employees.

13. Provide to the Compliance Manager with the certification required by paragraph 12 a list of all trades or classifications of craft employees it will employ on the project and documentation verifying it participates in a Class A Apprenticeship Program for each trade or classification listed or submit to the Compliance Manager a request for a partial waiver of such requirement.

The Developer will provide the certification required by paragraph 12 and a list of all trades or classifications of craft employees it will employ on the project and documentation verifying such participation or submit a request for a waiver of such requirement.

[Signature on Following Page]

Incorporation of Representations and Covenants Fulfilling CR-21-2019:

Upon issuance of the bonds, each of the "Representations and Covenants Fulfilling CR-21-2019" set forth above shall be deemed incorporated into the development agreement (or other contract) between the Developer and the County with respect to the Project, whether or not expressly addressed by the development agreement (or other contract) and shall be enforceable by the County against the Developer as if set forth in full therein.

LARGO QOZB JV, LLC

A handwritten signature in blue ink, reading "Charles Frazier, Jr.", written over a horizontal line.

Charles Frazier, Jr.
Managing Member