

# PILOT Agreement for College Park Southern Gateway Project CR-77-2018



September 16, 2018  
Prince George's County Council

# Agenda

- Proposed Sources of Funds
  - County and City Incentives
- MBE Plan
- Summary
- Project Overview



# College Park Southern Gateway Project



\* Approximate

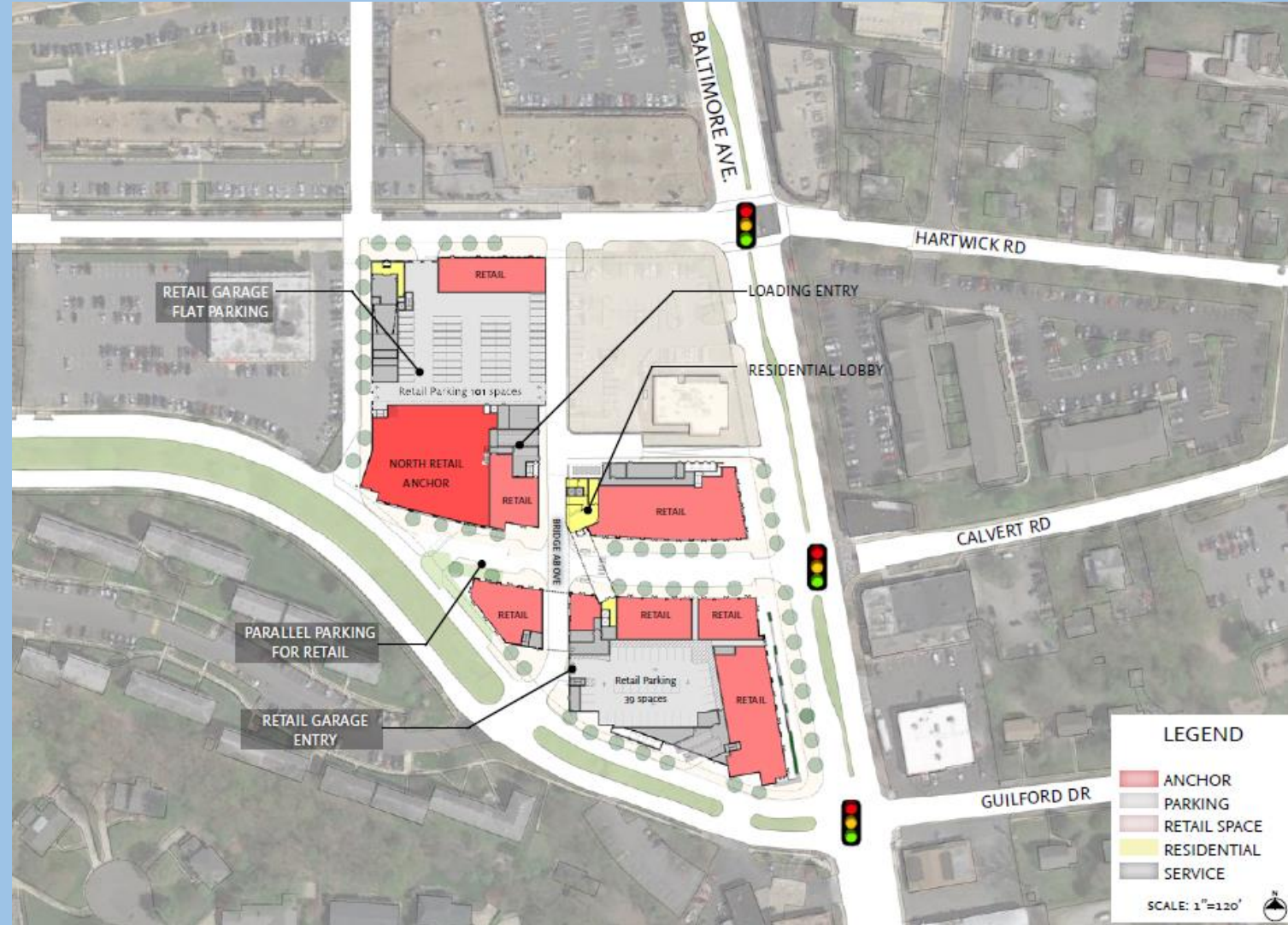
# Site Detail

## Development Team:

- Bozzuto Development Company
- Willard Retail

## Project

- \$151 million mixed-use redevelopment project of blighted site
- Located immediately south of State's flagship University of Maryland campus on Baltimore Avenue
- In Opportunity Zone, near Discovery District
- Bringing quality market rate apartments for first time to University area



# PERSPECTIVE – BALTIMORE AVE



DESIGN COLLECTIVE



# PERSPECTIVE – BALTIMORE & CALVERT AVE



DESIGN COLLECTIVE





# Proposed Sources of Funds

- Total Project Cost \$151 million
- Debt \$97.6 million
- Third Party Equity \$47.3 million
- Developer Contribution \$5.3 million



# Public Incentives

## Prince George's County

60% PILOT over 15 Years

Economic Development Incentive Fund

## City of College Park

Revitalization Tax Credit of 60% for 15 years

# Projected Real Property Taxes

- College Park Southern Gateway Project to generate approximately \$12.1 million in net new real property taxes to Prince George's County and the City of College Park over 15 years.
- Prince George's County net new real property taxes \$9.4 million
- City of College Park net new real property taxes \$2.7 million
- Total 12.1 million
- Sites currently generate approximately \$130,000 year in County property taxes
- After development will generate approximately \$626,000 more per year in County property taxes.

*\* Values as indicated are future projections and as such not guaranteed.*

# Taxes Continue to be Collected\*

- County Supplemental Education Property Tax
- County Personal Property Tax
- WSSC charges
- MNCPPC taxes
- WSTC taxes
- Solid Waste Service Charges
- Amusement Taxes
- Hotel Taxes
- Personal Income Taxes

\*As applicable to project

# CBB/CBSB/CMBE/MBE Requirements

- Minimums
  - 25% CBBs, CBSBs, MBEs, and CMBEs
  - 20% CMBEs
- Best Efforts
  - 35% goal – CBBs, CBSBs, MBEs, and CMBEs
- Jobs – 51% County residents
- Applies to \$68.6 million of applicable project costs, as approved by the County's MBE Compliance Manager
- Quarterly reports due January 1, April 1, July 1, and October 1 annually
- Failure to meet these requirements may result in monetary penalties, and subject to notice and opportunity to cure, can be deemed an "Event of Default"

# College Park Southern Gateway Project

- Supports redevelopment of blighted site into market rate apartment and retail complex
- Strengthens University of Maryland economic contribution to County
- Brings \$151 million in new private investment to Prince George's County
- County's commercial real property tax revenues increase by \$9.4 million over 15 years
- Adds 100 FTE jobs

# College Park Southern Gateway Project

- Leverages City of College Park incentives.
- Benefits local trades and businesses with strong commitment for MBE.
- County commercial tax base projected to increase by \$170 million at end of 15 years.

“We are confident after an exhaustive analysis of the proforma and other financial projections that ‘but for’ the County and City support, the College Park Southern Gateway Project would not be feasible.”



Thank you.

Office of the County Executive