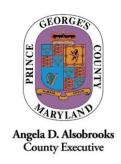


The Carillon

CR-92-2019

November 5th, 2019

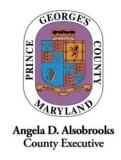
Agenda



- Jump Starting TOD Initiative
- Project Overview
- Proposed Incentives
- MBE Plan
- Fiscal Impact
- Summary

Jump Starting TOD Initiative

Critical Components to Jump Start TOD*



- Focus resources at 5 Highest Priority TOD locations
- Infrastructure plans that realize the goals of TOD
- Fast-track review of projects within ½ mile of TOD metro station
- Commitment of financial incentives (TIF, EDIF, Fee Relief, etc.)
- Vision and Marketing strategies for future growth at TOD locations
- Leadership and Collaboration with State/Regional/Federal partners

^{*} Source: Jump Starting Transit Oriented Development in Prince George's County, March 2014

5 Priority TOD Locations



- Largo Town Center
- New Carrollton
- Prince George's Plaza
- Branch Avenue
- Suitland

Project Overview

The Carillon

by Retail Properties of America, Inc. (RPAI)



- 38.7 acres of mixed-use development
- \$974M private investment at Largo Metro Station
- Next to the new \$600M regional medical center
- 1,493 multi-family & 183 condo units
- 300 hotel rooms & 5,400 parking spots
- 248,500 square-feet of retail space
- 719,000 square-feet of office space
- 1-acre green space plaza for year-round activities
- 2,633 permanent jobs at full build-out
- Designed & developed by a high quality, nationwide renowned developer with track record of high quality mixed-use projects

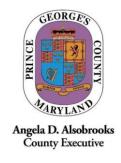
Aerial View (daytime)



Aerial View (nighttime)



Project Phases*

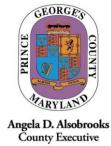


| Blocks | Multifamily Units | Condo Units | Total Residential | Retail (SF) | Office (SF) | Total Commercial | Hotel Rooms | Parking Spaces |
|---------------|-------------------|----------------|----------------------|----------------|----------------|---------------------|----------------|-------------------|
| 1 | 351 | | 351 | 22,000 | | 22,000 | | 600 |
| 2 | | | - | 15,453 | | 15,453 | | 88 |
| 3 | | | - | 110,089 | 100,000 | 210,089 | | 922 |
| Phase 1 | 351 | | 351 | 147,542 | 100,000 | 247,542 | - | 1,610 |
| 4 | | 97 | 97 | 22,585 | 207,347 | 229,932 | 150 | 731 |
| 5 | 581 | | 581 | 36,667 | | 36,667 | | 935 |
| 6 | 279 | | 279 | 13,333 | | 13,333 | | 425 |
| 7 | | 86 | 86 | 13,333 | 150,538 | 163,871 | 150 | 519 |
| 8 | 282 | | 282 | 15,000 | | 15,000 | | 439 |
| 9 | | | - | | 261,111 | 261,111 | | 745 |
| Future Phases | 1,142 | 183 | 1,325 | 100,918 | 618,996 | 719,914 | 300 | 3,794 |
| TOTAL | 1,493 | 183 | 1,676 | 248,460 | 718,996 | 967,456 | 300 | 5,404 |

^{*}Subject to change but developer plans to start phase 1 vertical construction by Q1 of 2020 and complete construction by Q3 of 2021.

Proposed County Incentives

Proposed Incentives*

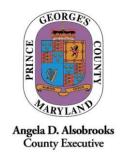


| Туре | Blocks 1-3 | Blocks 4-9 |
|---|--|---|
| Payment-in- Lieu-of-Taxes (PILOT) | Developer pays 25% of incremental TRIM property taxes for 15 years* | Developer pays 25% of incremental TRIM property taxes for 15 years* |
| County Funded Infrastructure | Up to \$8 million in transportation and/or stormwater infrastructure, including design and permitting costs for the I-495/I-95/Medical Center Drive intersection and public plaza improvements adjacent to the Largo Metro Station, or other applicable infrastructure costs as agreed upon by the parties** | \$0 |

^{*}Subject to RPAI achieving certain retail and office conditions

^{**}County's sole discretion to determine the final eligible costs

Major Terms of PILOT Agreement



- The developer has no more than 15 years from the issuance of the first new Use and Occupancy
 (U&O) permit, to achieve the cumulative commercial space requirements (including 350,000
 square-feet of office space for Blocks 4 through 9) in order to receive the full benefits of the
 PILOT incentive.
- More than 50% of the retail/restaurant square footage in Blocks 1 through 3 must be with tenants that fall in the categories of Attainable Luxury (or New Luxury) and High-End - using "best efforts" standard
- The release of PILOT incentives is conditioned on the developer's compliance with the minimum CBB, CBSB, MBE, and CMBE* participation requirements. The administration will assist the developer implement a robust outreach program targeting eligible businesses across the County.

^{*} CBB: County Based Business

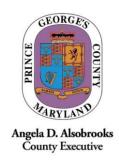
^{*} CBSB: County-Based Small Business

^{*} MBE: Minority-Owned Business Enterprise

^{*} CMBE: County-Based Minority-Owned Business Enterprise

MBE Plan

MBE Plan Requirements



Minimum Requirements

- 25% CBB, CBSB, CMBE, and MBE (\$243.4 million)
- 20% CMBE (\$194.7 million)

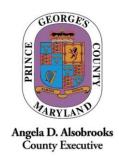
Best Efforts

- 35% goal CBB, CBSB, CMBE, and MBE (\$340.7 million)
- Applies to total building costs, site work costs, and related construction services for all phases of the project (\$973.6 million baseline before any exclusions)
- Eligible costs will be determined as part of the approved MBE Plan by the County's Compliance Manager
- Quarterly reports are due January 1st, April 1st, July 1st, and October 1st annually

 MBE activities and project status
- Failure to comply with the minimum CBB, CBSB, CMBE, and MBE requirements will result in the non-release of PILOT incentive funds to the Developer

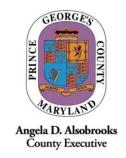
Fiscal Impact

Real Property Taxes



- The PILOT incentive is projected to be worth approximately \$72.3 million
 to the developer between FY 2022 and FY 2036, provided the developer
 complies with the conditions related to retail/restaurant leasing, office
 square footage. The developer is also required to be in compliance with the
 minimum CBB, CBSB, CMBE, and MBE requirements under the MBE plan.
- Between FY 2022 and FY 2051, the County is projected to receive an additional \$254.3 million in incremental TRIM real property taxes, net of the \$72.3 million PILOT incentive and \$8.0 million in County infrastructure funds. No incentives are provided on taxes dedicated to the school system.

Cost-Benefit Analysis



(\$ in millions)

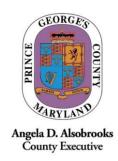
| Project Phases | Project Blocks ¹ | Pre-Incentive | | Projected PILOT Incentive (FY22-36) ³ | | Projected TRIM Taxes (FY22-51) ⁴ | | Projected Infrastructure Incentive ⁵ | | Projected Net County Revenues ⁶ | |
|-------------------|--------------------------------|---------------|-------|--|--------|---|-------|---|-------|--|-------|
| 1 | 1 - 3 | \$ | 82.4 | \$ | (22.9) | \$ | 59.5 | \$ | - | \$ | 59.5 |
| Future Phases | 4 - 9 | | 252.1 | | (49.4) | | 202.7 | | - | | 202.7 |
| | | | | | | | | | (8.0) | | (8.0) |
| TOTAL | | \$ | 334.5 | \$ | (72.3) | \$ | 262.3 | \$ | (8.0) | \$ | 254.3 |

Notes:

- 1. Base value for blocks 1 thru 9 is \$59.0 million as of July 1, 2019, and after full construction, the incremental assessed value for all blocks is projected to increase to \$2.09 billion by July 1, 2050
- 2. Pre-PILOT incentive estimated taxes on incremental assessed value
- 3. PILOT incentives between FY 2022 and FY 2036
- 4. Incremental TRIM taxes between FY 2022 and FY 2051
- 5. \$8 million in County infrastructure funds (\$3 million for a pedestrian plaza and \$5 million for road improvements)
- 6. New real property tax revenues accruing to the General Fund between FY 2022 and FY 2051

Summary

Carillon Project



- Priority TOD location
- Expands the County's commercial tax base
- Creates 2,633 permanent jobs at full build-out
- Brings vital office space and high-quality retail to a priority TOD location
- Brings reality to the long-term vision of Largo Sector Plan (e.g. Downtown Largo)
- Provides significant contracting opportunities for CBB, CBSB, CMBE, and MBE firms
- Creates vibrancy at Largo Metro Station that compliments the University of Maryland Capital Region Medical Center
- Provides approximately \$254 million in additional TRIM real property taxes after deducting the County incentives over the next 30 years

Developer's Presentation

Questions