



Angela D. Alsobrooks  
County Executive

# *The Carillon*

**CR-92-2019**

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# Agenda



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

***Jump Starting  
TOD Initiative***

# Critical Components to Jump Start TOD\*



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- **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



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- **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)





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# 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
<b>Phase 1</b>	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
<b>Future Phases</b>	1,142	183	1,325	100,918	618,996	719,914	300	3,794
<b>TOTAL</b>	<b>1,493</b>	<b>183</b>	<b>1,676</b>	<b>248,460</b>	<b>718,996</b>	<b>967,456</b>	<b>300</b>	<b>5,404</b>

\*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\*



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Type	Blocks 1-3	Blocks 4-9
<b>Payment-in-Lieu-of-Taxes (PILOT)</b>	Developer pays 25% of incremental TRIM property taxes for 15 years*	Developer pays 25% of incremental TRIM property taxes for 15 years*
<b>County Funded Infrastructure</b>	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



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- 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



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- **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 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup>, and October 1<sup>st</sup> 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



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- 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



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(\$ in millions)

Project Phases	Project Blocks <sup>1</sup>	Projected Pre-Incentive Tax Bill <sup>2</sup>	Projected PILOT Incentive (FY22-36) <sup>3</sup>	Projected TRIM Taxes (FY22-51) <sup>4</sup>	Projected Infrastructure Incentive <sup>5</sup>	Projected Net County Revenues <sup>6</sup>
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)
<b>TOTAL</b>		<b>\$ 334.5</b>	<b>\$ (72.3)</b>	<b>\$ 262.3</b>	<b>\$ (8.0)</b>	<b>\$ 254.3</b>

**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



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- 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***