

PRINCE GEORGE'S COUNTY COUNCIL
COMMITTEE REPORT
2014 Legislative Session

Reference No.:	CR-89-2014
Draft No.:	
Committee:	PUBLIC SAFETY AND FISCAL MANAGEMENT
Date:	10/16/2014
Action:	Favorable

REPORT Committee Vote 4-0 (In Favor: Council Members Toles, Davis, Harrison and Turner)

This resolution will approve the terms and conditions of a Negotiated Payment in Lieu of Taxes (PILOT) Agreement between the County and Keys Energy Center, LLC for the Keys Energy Center Generating Facility (the Project) to develop a new, nominally rated 735 megawatt, combined-cycle, natural gas-fired, electric power generating plant. The PILOT Agreement provides a partial exemption of the County's real and personal property taxes as allowed under State Law.

Keys Energy Center, LLC will invest \$750 million to build and operate the facility which will be located on a 180 acre parcel of land on North Keys Road approximately 1.25 miles north of Brandywine, Maryland. This is the site of a former sand and gravel mining operation.

The County Executive states that this Project will contribute to a secure and environmentally friendly power supply for the State. The County residents and businesses will benefit significantly from the creation of temporary construction and full time operation employment. The Project is expected to have a 32 month construction schedule and will employ approximately 400 construction workers during the peak period. Twenty percent (20%) of the direct construction hires are required to be local residents of which ten (10%) percent will be minority hires. Once the facility opens, the company will employ approximately 25 full-time, highly skilled employees with annual salaries and benefits estimated to be in excess of \$3.2 million dollars. Finally, the PILOT Agreement maximizes contracting opportunities for local and minority business by establishing a local business contracting minimum of twenty-percent (20%) with a minimum local minority business contracting requirement of ten percent (10%).

The Office of the County Executive estimates that the County will receive a minimum of \$43,400,000 should the PILOT Agreement be approved.

The Office of Law has reviewed this resolution and finds it in proper legislative form with no legal impediment to its adoption.

The adoption of CR-89-2014 will provide a positive fiscal impact to the County over the eighteen (18) year term of the PILOT Agreement. Upon the approval of the PILOT Agreement the County will forgo approximately \$43,456,210 in tax revenue annually during the 18 year period. This amount is the difference between the estimated County real and personal property taxes of \$86,856,210 and the total estimated PILOT Agreement payment of \$43,400,000.