



Rushern L. Baker, III
County Executive

Westphalia Town Center Project

October 5, 2017

Prince George's County Council

Public Safety and Fiscal Management Committee

Agenda

- Project Overview
- Proposed County Incentives
- MBE Plan
- Summary



Rushern L. Baker, III
County Executive



Rushern L. Baker, III
County Executive

Project Overview

Westphalia Town Center

Westphalia Town Center Project – All Phases



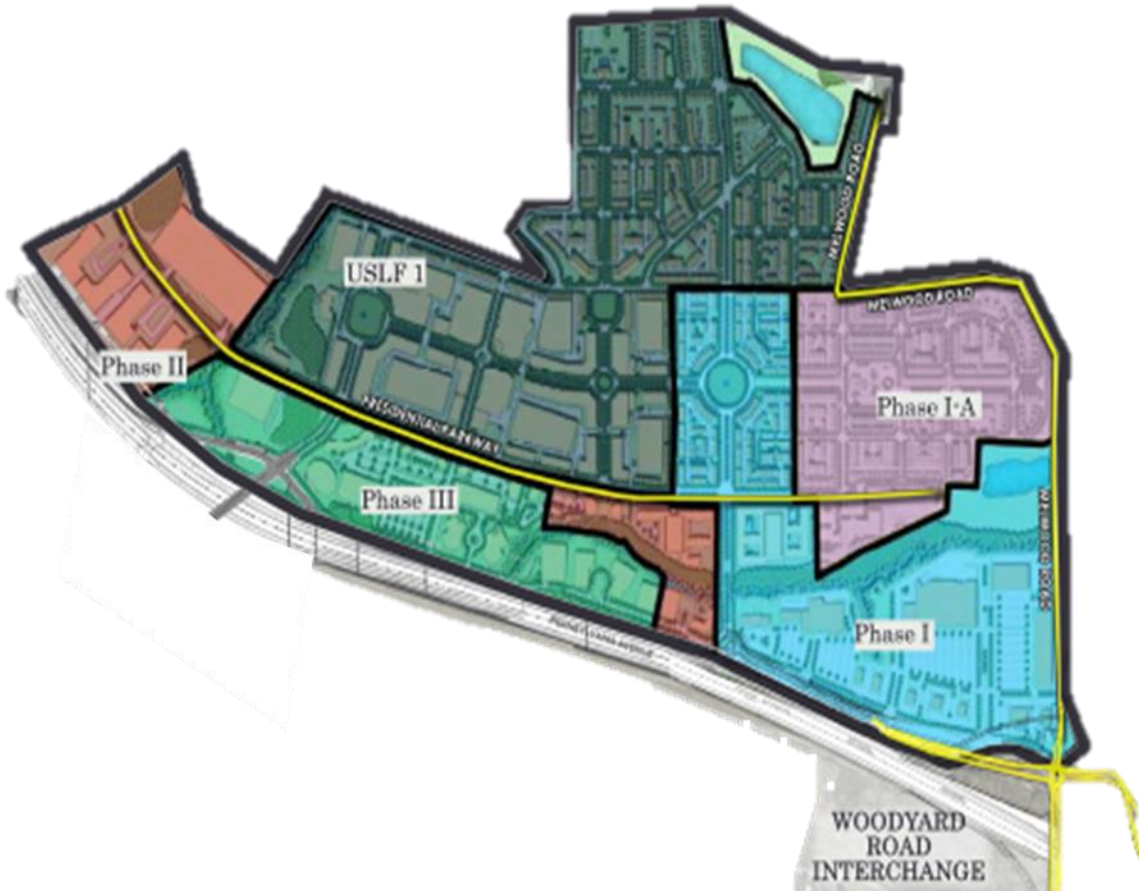
Type	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Total
Multi-Family (units)	400	300	184	486	486	1,856
For-Sale Residential (units)	884	0	0	500	500	1,884
Office (SF)	0	2,186,000	1,800,000	0	0	3,986,000
Retail (SF)	216,900	57,000	78,000	350,237	350,237	1,052,374
Hotel (rooms)	150	200	250	0	0	600
Total Square Footage	2,802,691	2,671,667	2,217,316	1,939,513	1,939,513	11,570,700

- Tax Increment Financing proposal is based upon Phase 1 through Phase 3 incremental real property taxes

Westphalia Town Center Project – Phase 1-3



Rushern L. Baker, III
County Executive



- 1,768 residential units (for-sale and multi-family)
- Approximately 4.0 million square feet of office
- 351,900 square feet of retail
- 600 hotel rooms



Rushern L. Baker, III
County Executive

Proposed County Incentives

Westphalia Town Center Project

Proposed Incentives



Rushern L. Baker, III
County Executive

Type	Phases 1-3
Tax Increment Financing	\$28,100,000
Total	\$28,100,000

- Represents public improvements to be funded by tax increment real property tax revenues, including on-site and off-site road improvements
- Off-site improvements funded by the TIF bonds will help improve existing traffic conditions

Tax Increment Funded Infrastructure



Rushern L. Baker, III
County Executive

Type	Phases 1-3
Presidential Parkway	\$13,000,000
Woodyard Road Interchange	\$8,800,000
Melwood Road Improvements	\$2,600,000
MD Route 4/MD Route 223 Interchange	\$3,700,000
Total	\$28,100,000

Projected Real Property Taxes



Rushern L. Baker, III
County Executive

- Westphalia Town Center will provide approximately \$473.1 million to the County between 2018 and 2047

	2018-2047
Real Property Taxes - Base	\$8,474,861
Real Property Taxes - After Debt Service	\$464,633,592
Total Incremental Property Taxes Available to County	\$473,108,453

- “Real Property Taxes – After Debt Service” means projected General Fund real property taxes (TRIM-related) after payment of debt service on the TIF bonds

Bond Issuance Triggers



Rushern L. Baker, III
County Executive

- Developer must provide satisfactory evidence of:
 - A letter of intent or similar documentation for a grocery/food store;
 - Additional letters of intent for 40,000 square feet of commercial space;
 - A letter of intent for a 150-room limited service hotel; and
 - Confirmation of no adverse effect on the project as a result of Walton affiliated entities' Canadian Companies Creditors Arrangement Act (CCAA) filings
- Notwithstanding the above, the developer acknowledges that the issuance of County bonds is a discretionary act within the sole discretion of the County



Rushern L. Baker, III
County Executive

CBB/CBSB/CMBE/MBE

Westphalia Town Center Project

CBB/CBSB/CMBE/MBE Requirements



Rushern L. Baker, III
County Executive

- Minimums
 - 25% - CBB, CBSB, CMBE, and MBE
 - 20% - CMBE
- Best Efforts
 - 35% goal – CBB, CBSB, CMBE, and MBE
- Applies to **total** building costs, site work costs, and related construction services for Phase 1
- Eligible costs will be determined as part of the approved MBE Plan by the County's MBE 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 these requirements may result in termination of the incentives, including not issuing the TIF bonds and "claw-back" provisions in the MBE plan requiring payments to the County



Rushern L. Baker, III
County Executive

Summary

Westphalia Town Center Project

Westphalia Town Center Project



Rushern L. Baker, III
County Executive

- Located along a major transportation corridor (MD 4), and near a major employer (Joint Base Andrews)
- Brings reality to the long-term vision of the Westphalia Town Center area
- Brings vital office building space
- Expands the County commercial tax base
- Provides the County with \$473.1 million in General Fund real property tax (TRIM) revenues over the next 30 years
- Accelerates various road projects to improve existing traffic conditions