

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2025 Legislative Session

Reference No.: CR-036-2025

Draft No.: 1

Committee: COW

Date: April 15, 2025

Action: FAV

REPORT: Committee Vote: Favorable 10-0 (Council Members Burroughs, Blegay, Dernoga, Fisher, Hawkins, Harrison, Ivey, Olson, Oriadha and Watson)

The Prince George's County Council, sitting as the Committee of the Whole, convened on April 15, 2025, to consider **CR-036-2025 PILOT Penn Place I Project**, A Resolution Concerning a Payment in Lieu of Taxes ("PILOT") Agreement for the PENN PLACE I PROJECT for the purpose of approving the terms and conditions of a Payments in Lieu of Taxes ("PILOT") Agreement between Prince George's County, Maryland (the "County") and Penn Place I Owner, LLC (the "Owner").

During the meeting, DHCD Director Aspasia Xypolia described the legislation and the terms of the PILOT agreement, which include 100% tax waivers of 168 units for the next 40 years, with a 2% annual escalation per unit over that period. The project will be constructed in four elevator buildings on a 7.54-acre site in District Heights, Maryland. All units will be affordable, and rents will be restricted.

The Project's annual real property assessed value is approximately \$23,280,270, and the County real property tax that will be due on the Project is an estimated \$232,803 (\$1,386/unit) in the first year. The PILOT reduces the aggregate tax burden on the entire 168-unit Project by 43.2% of that amount, or approximately \$132,048, equivalent to a \$786 per unit tax burden on the 168 affordable units. Under the agreement, the County would forgo real property tax revenue of approximately \$100,755, or approximately \$600 per affordable unit, in year one.

If the Council approves, the project will receive approximately \$8,585,784 in total aid from the county, or 11% of its total funding.

On a motion of Council Member Harrison, seconded by Council Member Oriadha, the Prince George's County Council, sitting as the Committee of the Whole, voted 10-0 favorably on CB-036-2025.

