



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Chairman
Derrick Leon Davis

Council Member, District 6

MAR 28 2017

The Hon. Edward J. Kasemeyer, Chair
Senate Budget and Taxation
3 West Miller Senate Office Building
Annapolis, Maryland 21401-1991

The Hon. Anne R. Kaiser, Chair
House Ways and Means
Lowe House Office Building, Room 131
Annapolis, Maryland 21401-1991

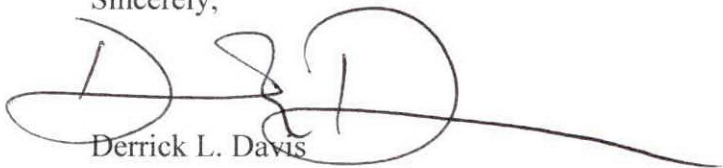
Re: **Bill Position** – HB 1578 – Prince George's County – Property Tax Exemption for Economic Development Projects – Sunset Extension – **SUPPORT AS AMENDED**

Dear Senator Kasemeyer & Delegate Kaiser:

It is my pleasure, on behalf of the Prince George's County Council, to transmit our position on HB 1578 – Prince George's County – Property Tax Exemption for Economic Development Projects – Sunset Extension, which is before you this 2017 General Assembly Session. The Council met on March 28, 2017. The enclosed statement reflects our position as the bill is currently drafted.

The Council appreciates the opportunity to work together with you and your colleagues to address issues important to Maryland citizens and the operation of Prince George's County. Should you have any questions or need additional information please do not hesitate to contact me. For your convenience my office phone number is (301) 952-3426. Thanks again, for favorable consideration of the Council's position.

Sincerely,



Derrick L. Davis
Chair

Enclosure

cc:
Prince George's County Delegation
Hon. Rushern L. Baker, III, County Executive

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THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3700
County Council

POSITION STATEMENT

PG 407 (HB 1578)
Prince George's
County Delegation
On Behalf of the
County Executive

Prince George's County – Property Tax Exemption for
Economic Development Projects – Sunset Extension

POSITION:

SUPPORT AS AMENDED

HB 1578 - Prince George's County - Property Tax Exemption for Economic Development Projects - Sunset Extension extends the June 30, 2017 sunset provision of Chapter 402 of 2012 to June 30, 2021. Chapter 402 authorized Prince George's County, by Council resolution, to exempt certain economic development projects located in designated focus areas from county real property taxes. The bill also extends a specified reporting deadline regarding the implementation of Chapter 402 from December 31, 2016, to December 31, 2018.

The County currently provides a property tax exemption if (1) the owner or owners of the economic development project demonstrate to the satisfaction of the County Executive and County Council that the County, or its designated agency has conducted an economic analysis of the project; (2) the owner or owners of the economic development project and the county enter into a specified Payment In Lieu Of Taxes (PILOT) agreement; (3) prior to or no later than 18 months from the date of entering into the PILOT agreement, construction of the project has commenced and all conditions for the financing required for the construction of the project have been satisfied or waived; and (4) the authorizing resolution states that the project may not involve gambling activities.

This bill is designed to provide another tool in the County's toolkit to attract economic opportunities. The County has used the current authority to jumpstart two projects. One is located near the Prince George's Plaza Metro Station at University Town Center. It is a \$23.5 million commercial development project which has increased the county's commercial property tax base by approximately \$18.1 million, and created 100 full-time jobs and 150 part-time jobs. The other project is a \$165 million mixed-use development located near the New Carrollton Metro Station. This project consists of 113,000 square feet of office space for the Maryland Department of Housing and Community Development, 61,000 square feet of retail space, and 556 multifamily units. This project has increased the county's commercial property tax base by approximately \$38 million and has brought 450 full-time jobs.

Page 2

Prince George's County Council

PG 407 (HB 1578) Prince George's County – Property Tax Exemption for Economic Development Projects – Sunset Extension – SUPPORT AS AMENDED

The County is currently reviewing at least two additional economic development projects, which will be located at transit-oriented development sites near Metro Stations. The incentives provided by this bill are needed to not only move these projects forward, but to encourage, if not entice future development.

Therefore, the Prince George's County Council offer its **SUPPORT** for HB 1578 **as it is currently amended**. We respectfully request your favorable consideration of our position.

Prepared by: Tony Perez
 LA Perez Consulting
 Jennifer A. Jenkins
 On behalf of Prince George's County Council