



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

April 15, 2022

The Honorable Calvin S. Hawkins, II
Chair
Prince George's County Council
County Administration Building
Upper Marlboro, Maryland 20772

Dear Chair Hawkins:

Enclosed for the County Council's consideration is a Resolution approving the terms and conditions of a Payments in Lieu of Taxes ("PILOT") Agreement between Prince George's County, Maryland and GD CP Metro, LLC ("Owner") for the Atworth College Park Metro Apartments project ("Project").

The Owner is an entity formed by Gilbane Development Company for the purpose of acquiring, via a ninety-eight (98) year land lease, and constructing four hundred fifty-one (451) units of new affordable mixed-use rental housing community for families, known as Atworth College Park Metro Apartments, located at 4201 River Road, College Park, Maryland 20740.

The units in the Atworth College Park Metro Apartments will be reserved for families at various income levels up to eighty percent (80%) of the Area Median Income ("AMI"). Across the Project, there will be a unit mix of twenty-nine (29) efficiency/studio units, two hundred sixty-one (261) one-bedroom units, one hundred forty-four (144) two-bedroom units, and seventeen (17) three-bedroom units.

The Project's total development cost is approximately one hundred forty million, three hundred sixty-nine thousand, four hundred twenty-one dollars (\$140,369,421). Financing will consist of a mortgage loan made by M&T Bank & Santander totaling approximately seventy six million, seven hundred eighty five thousand dollars (\$76,785,000); private subordinate debt totaling approximately fifty six million, three hundred seventy five thousand dollars (\$56,375,000); approximately seven million, nine thousand, four hundred twenty one dollars (\$7,009,421) in Developer Equity; and a Prince George's County Housing Investment Trust Fund ("HITF") Program loan of approximately two hundred thousand dollars (\$200,000).

The PILOT will require a mandatory annual payment in an amount of no less than one hundred sixty-two thousand, three hundred sixty dollars or three hundred sixty dollars per unit (\$162,360 annually or \$360 per unit) for the residential portion for the year. Thereafter, the required payment for these affordable units will increase by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for ninety-eight (98) years. Without the PILOT agreement, the estimated County property tax for the residential portion would be approximately seven hundred ninety-two thousand, seven hundred eighty-eight

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thousand dollars or one thousand seven hundred fifty-eight dollars per unit (\$792,788 annually, or approximately \$1,758 per unit). When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately six hundred thirty thousand, four hundred twenty-eight dollars (\$630,428) to this mixed-use housing development.

The Council's favorable consideration of this legislation is greatly appreciated. If you have any questions or concerns, please contact my office or Aspasia Xypolia, Director, Department of Housing and Community Development at (301) 883-6511.

Sincerely,



Angela D. Alsobrooks
County Executive

Enclosures