

# Prince George's County Council

## Agenda Item Summary

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**Meeting Date:** 10/26/2010  
**Reference No.:** CB-098-2010  
**Draft No.:** 2  
**Proposer(s):** County Executive  
**Sponsor(s):** Dernoga, Exum, Dean  
**Item Title:** An Act concerning the issuance of Special Obligation Bonds for the Kingdom Square Development District and Kingdom Square Special Taxing District in aggregate principal amount not to exceed \$16,100,000 for the acquisition of certain infrastructure improvements, and generally providing for, and determining various matters in connection with, the issuance, delivery and payment of such bonds

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**Drafter:** Bond Counsel  
**Resource Personnel:** Bond Counsel

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### LEGISLATIVE HISTORY:

<b>Date Presented:</b>		<b>Executive Action:</b>	11/29/2010 US
<b>Committee Referral:</b>	9/28/2010 - PSFM	<b>Effective Date:</b>	1/14/2011

**Committee Action:** 10/20/2010 - NR

**Date Introduced:** 9/28/2010  
**Public Hearing:** 10/26/2010 - 10:00 AM

**Council Action (1)** 10/26/2010 - ENACTED  
**Council Votes:** MB:A, WC:A, SHD:A, TD:AB, CE:-, AH:A, TK:A, EO:-, IT:A  
**Pass/Fail:** P  
**Remarks:**

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### AFFECTED CODE SECTIONS:

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### COMMITTEE REPORTS:

#### Public Safety and Fiscal Management

**Date 10/20/2010**

COMMITTEE VOTE: No Recommendation 4-0 (In Favor: Council Members Exum, Campos, Dean and Turner)

This bill will authorize the issuance of special obligation tax increment financing (TIF) bonds in an amount of \$16,100,000 to finance construction of residential and commercial facilities, structured parking, a hotel and install the infrastructures improvements in the Kingdom Square Development District.

The Gateway at Kingdom Square which is a proposed \$247.6 million project will contain 1.1 million square feet of mixed-use development on approximately 24 acres, including 722 residential units, 177,100 square feet of retail, 35,900 square feet of office space and a 159 room upscale business hotel. Approximately 779 new jobs are expected to be created (572 direct and 207 indirect).

The Financial Consultant recommended that the legislation be amended to incorporate the criteria set forth in

CR-98-2010.

The total development costs estimated at \$32,680,000 with the cost of construction costs associated with other third party developers/builders in the amount of \$173,497,989 and the total development cost will increase to \$206,177,989.

Gross Projected County Revenues over 30 years estimated at \$195,870,152

Less Projected County Expenditures Related to Providing Services - \$111,410,986

Less Annual Debt Service on the TIF Bonds - \$37,581,122

Net projected Fiscal Impact on the County over 30 years estimated at \$46,878,044.

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**BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

By CR-76-2010 (the "Formation Resolution"), and pursuant to the Tax Increment Financing Act and Special Taxing District Act, the County established the Kingdom Square Development District and Kingdom Square Special Taxing District (collectively, the "District"). This bill amends the Rate and Method of Apportionment of Special Taxes attached to the Formation Resolution, authorizes the issuance of special obligation bonds in an aggregate principal amount not to exceed \$16,100,000, and determines certain terms and provisions in connection with the issuance and payment of such bonds. The debt service costs will be paid from the increment increases in County real estate taxes attributable to the developed property and from a special tax levied on real and personal property within the Kingdom Square Special Taxing District as defined in the Formation Resolution. The bonds issued will be used to finance costs related to the construction or acquisition of the public infrastructure improvements in the District.

10/26/2010 - CB-98-2010 was amended on the floor prior to enactment; (DR-2) was enacted.

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**CODE INDEX TOPICS:**

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**INCLUSION FILES:**

I-CB-98-2010 Attachment B.pdf

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