

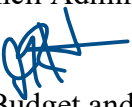



November 6, 2024

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Roger G. Banegas 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-096-2024 Urban Renewal Area Designation for the Town of Forest Heights

CR-096-2024 (*Proposed by:* The Chair of the Council at the request of the County Executive)

Sponsored by Council Members Ivey, Harrison, Hawkins, Oriadha, Watson, and Blegay

Assigned to the Committee of the Whole

A RESOLUTION CONCERNING URBAN RENEWAL AREA DESIGNATION FOR THE TOWN OF FOREST HEIGHTS for the purpose of designating the National View Site as an Urban Renewal Area in the Town of Forest Heights in Prince George's County and recognizing the authority granted to the municipality by the State of Maryland.

Fiscal Summary

Direct Impact

Expenditures: No expenditure impact.

Revenue: No revenue impact.

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Indirect Impact

Potentially favorable.

Legislative Summary:

CR-096-2024¹, proposed by the Council Chair at the request of the County Executive, was introduced on October 29, 2024, sponsored by Council Members Ivey, Harrison, Hawkins, Oriadha, Watson, and Blegay, and referred to the Committee of the Whole. CR-096-2024 would designate the National View Site as an Urban Renewal Area in the Town of Forest Heights in Prince George’s County and would recognize the authority granted to the municipality by the State of Maryland.

Current Law/Background:

Article XI-E of the Maryland Constitution grants municipalities broad power to amend their existing charters or local laws and to adopt a new charter without the approval of the General Assembly². In addition, Article XI-E generally prohibits the General Assembly from enacting local laws for particular municipalities. However, this general prohibition is expressly qualified by Article III, Section 61 of the Constitution (the Urban Renewal Amendment)³.

HB 825 of 2023⁴, Chapter 209 of the Laws of Maryland, granted the Town of Forest Heights in Prince George’s County the authority to exercise urban renewal powers in areas zoned for commercial use for blight clearance and redevelopment under Article III, Section 61 of the Maryland Constitution and authorized the municipality to levy certain taxes and issue general obligation bonds and revenue bonds to carry out urban renewal powers.

Under the current County law, “The Council shall carry out urban renewal projects in all areas; provided, however, that the consent of the governing body of any incorporated municipality shall be obtained as a prerequisite to the County undertaking any urban renewal project within the territorial boundaries of incorporated towns or cities. The County shall include within the urban renewal project the total parcels of land, or any designated portion thereof severed by the territorial boundaries of any two (2) or more incorporated towns or cities with the consent of the governing body of the area or areas included.”⁵ Additionally, (b) Urban renewal shall be limited to slum clearance in slum or blighted areas and redevelopment or the rehabilitation of slum or blighted areas. The Council shall have the power to:

¹ [CR-096-2024](#)

² [State of Maryland Constitution - Article XI-E - Municipal Corporations](#)

³ [State of Maryland Constitution - Article III, Sec. 61](#)

⁴ [Maryland General Assembly - HB 825](#)

⁵ [Sec. 2-255\(a\) - The Prince George's County Code](#)

- (1) Acquire in connection with such projects, within the corporate limits of the County, land and property of every kind and any right, interest, franchise, easement, or privilege therein, including land or property and any right or interest therein already devoted to public use, by purchase, lease, gift, condemnation, or any other legal means;
- (2) Sell, lease, convey, transfer, or otherwise dispose of any of the land or property, regardless of whether or not it has been developed, redeveloped, altered, or improved and irrespective of the manner or means in or by which it may have been acquired, to any private, public or quasi-public corporation, partnership, association, person, or other legal entity.

Resource Personnel:

- Chris Ahn, Assistant DCAO, Economic Development

Discussion/Policy Analysis:

The Urban Renewal Designation by the County Council is required for the negotiated Payment in Lieu of Taxes (PILOT) through CR-097-2024⁶, which will facilitate 1.5 million square feet of new mixed-use development and \$720 million of new capital investment. The Town of Forest Heights has already approved the National View site as an Urban Renewal Project and approved the National View Project's Urban Renewal Plan for its rehabilitation and redevelopment.

The Developer is proposing to develop approximately twenty (20) acres of real property comprised of 54 parcels near the intersection of I-495 and MD 210 along Bald Eagle Drive within the corporate limits of the Town of Forest Heights, located in Prince George's County, Maryland as more particularly identified on Exhibit A-1⁷ (collectively, the "Property").

The Developer proposes to develop the Property into a mixed-use project totaling approximately 1,462,956 square feet consisting of multifamily, senior living, grocery, retail, parking structure, and daycare components (collectively, the "Project") which is projected to add at least 100 full-time equivalent jobs upon its completion with 51% of such jobs expected to be held by County residents and is expected to have a combined capital investment of equity and debt of approximately \$720,147,331.

The Town of Forest Heights found that a feasible method exists for the location of any families or natural persons who will be displaced from the urban renewal area in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to the families or natural persons.

⁶ [CR-097-2024](#)

⁷ [Exhibit A-1, Property Description](#)

It is important to note that CR-096-2024 only designates the National View Site as an Urban Renewal Area in the Town of Forest Heights in Prince George’s County and recognizes the authority granted to the municipality by the State of Maryland while CR-097-2024⁸ approves the terms and conditions of a Payments in Lieu of Taxes (“PILOT”) Agreement between Prince George’s County, Maryland (the “County”) and Petra Development (the “Developer”) for The National View Project.

Fiscal Impact:

- *Direct Impact*

Adoption of CR-096-2024 will not have a direct fiscal impact on the County.

- *Indirect Impact*

Adoption of CR-096-2024 is likely to have a favorable indirect fiscal impact. To the extent that the resolution enables the proposed development to move forward, it is likely to result in significant additional tax revenues for the County.

- *Appropriated in the Current Fiscal Year*

N/A

Effective Date of Proposed Legislation:

The proposed Resolution shall be effective upon its adoption.

If you require additional information or have questions about this fiscal impact statement, please email me.

⁸ [CR-097-2024](#)