



Rushern L. Baker, III  
County Executive

# PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

### COUNTY EXECUTIVE CERTIFICATION OF COMPLIANCE Prince George's County Policy for Tax Increment Financing

#### Kingdom Square

June 29, 2018

Prince George's County Council Resolution CR-38-2011 (the "**Resolution**") requires that:

A. A proposed tax increment financing project meet each of the following criteria (the "**Criteria**"):

1. Be consistent with the County's General Plan and Sector Plans, as well as other economic and community development policies, strategies and tools;
2. Generate additional significant revenue for the County;
3. Meet both a short-term and long-term "But-For Test," which demonstrates that the proposed project or initiative is not feasible without the County's participation and assistance;
4. Be subject to a "Trigger Mechanism/Look Back Provision," which, on an ongoing basis, examines a project's proposed and projected cash flows, profits and other financial information to determine whether and when repayment of the County's investment is or may be necessary;
5. Where appropriate, be used to help fund the revitalization of an area or community in the County;
6. Provide documentation, prior to any issuance of TIF bonds, showing not less than 5% of the value of the TIF issued to the development through either (i) LMBE equity ownership in the entity receiving TIF funds or (ii) LMBE ownership or participation equal to 5% of the TIF note issued and a Minority Business Enterprise ("MBE") Plan must be submitted to include a goal of 30% for local business enterprise (LBE), minority business enterprise (MBE) and local minority business enterprise (LMBE); however, at no time shall the LMBE participation be less than 20% of the available project dollars;
7. Not have an adverse impact on the County's credit/bond rating;
8. Expand and strengthen employment opportunities with a minimum employment goal of 30% for County residents;
9. Expand the County's commercial base;
10. Use best efforts to afford opportunities for public and private partnerships;
11. Use best efforts to offer creative and unique opportunities for economic and community development projects and initiatives;
12. Certify to the Compliance Manager, as a condition of receive assistance, verifying that all construction contractors and subcontractors, of whatever tier,

performing work on the assisted project, shall meet the apprenticeship requirements, or submit to the Compliance Manager a request for a partial waiver of such requirement;

13. Participate in a Class A Apprenticeship Program for each separate trade or classification in which it employs craft employees and shall continue to participate in such program or programs for the duration of the project, or submit to the Compliance Manager a request for a partial waiver of such requirement; and

14. Provide to the Compliance Manager with the certification required by (12) a list of all trades or classifications of craft employees it will employ on the project and documentation verifying it participates in a Class A Apprenticeship Program for each trade or classification listed, or submit to the Compliance Manager a request for a partial waiver of such requirement.

B. The County Executive and Bond Counsel must certify that the provisions of the Resolution have been complied with and that the MBE Plan has been approved by the Compliance Manager in conformance with the MBE Plan Guidelines promulgated by the Compliance Manager; and

C. The County Council must review the TIF proposal and certification and approve the same by resolution.

This certificate is given to fulfill the requirement of the County Executive certification.

Pursuant to Resolution CR-76-2010, as the same has been amended pursuant to Resolution CR-109-2017, the Kingdom Square Development District and Kingdom Square Special Taxing District were designated and the Kingdom Square Development District Tax Increment Fund and Kingdom Square Special Taxing District Fund were established, all for the purpose of financing certain infrastructure to support certain retail, commercial, office and residential development by CapHeights Central, LLC (the “*Developer*”) through the issuance of special obligation bonds under Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended, Section 10-269 of the Prince George’s County Code, as amended, and Sections 21-501 through 21-518, inclusive, and Section 21-523 of the Local Government Article of the Annotated Code of Maryland, as amended.

Pursuant to Resolution CR-76-2010, as the same has been amended pursuant to Council Bill CB-108-2017, special obligation bonds in an aggregate principal amount of \$16,100,000, payable solely from amounts levied and deposited in the Tax Increment Fund and the Special Taxing District Fund, were authorized to finance said infrastructure.

On October 26, 2010, the County adopted Council Resolution CR-110-2010, which approved the Developer’s Local and Minority Business Enterprise Plan dated October 25, 2010 (the “Original MBE Plan”), the TIF Proposal and Developer’s Certificate dated October 25, 2010 (the “Original TIF Proposal”) and the development’s compliance with the County’s then current Tax Increment Financing Policy pursuant to CR-98-2010. Subsequent to the adoption of Resolution CR-110-2010, the County enacted Resolution CR-38-2011 amending certain requirements of Resolution CR-98-2010.

Pursuant to Resolution CR-38-2011, the Developer has supplemented the Original MBE Plan with the Update to Local and Minority Business Enterprise Plan dated May 30, 2018 (together, the “MBE Plan”) and amended the Original TIF Proposal with the Amendment to TIF Proposal and Developer’s Certificate dated June 29, 2018 (together, the “TIF Proposal and Certificate of Developer”).

As the basis for this certificate, I have reviewed, and relied without independent verification or judgment upon:

- A. The MBE Plan;
- B. The TIF Proposal and Certificate of Developer; and
- C. The Bond Counsel Certificate of Compliance dated June 29, 2018.

Based on the foregoing, I hereby certify that the provisions of the Resolution have been complied with in connection with the proposed tax increment financing and the MBE Plan has been approved by the Compliance Manager in conformance with the MBE Plan Guidelines promulgated by the Compliance Manager.



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