



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

May 5, 2023

The Honorable Thomas E. Dernoga  
Chair  
Prince George's County Council  
Wayne K. Curry Administration Building  
Largo, Maryland 20774

Dear Chair Dernoga:

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 (the "County") and Banneker Ventures, LLC ("Owner") concerning Park Place at Addison Road Apartments (the "Project").

The Owner is an entity formed by Banneker Ventures, LLC for the purpose of acquiring and constructing the Project, which will be one hundred ninety three (193) units of multi-family rental housing for low-income to moderate-income residents, known as Park Place at Addison Road, on a 3.70 acre parcel located at 6301 Central Avenue, 212 Zelma Avenue, and 109 Addison Road, Capitol Heights, Maryland 20743. The Project will be located approximately one mile to the east of the Washington D.C. border, and within 0.1 mile of a bus stop. The Project is also located adjacent to the Addison Metro rail transit station. A structured parking garage and off-street parking contiguous to the project, containing approximately 150 spaces, will be available to provide the residents with free, easily accessed parking. In addition to the one hundred ninety three (193) residential units, the Project will include 10,000 square feet of retail space on the ground floor, an array of amenities to include community rooms, fitness center, yoga room, club room, on-site leasing office, Wi-Fi lounge/media room, business center, theatre, roof top deck and an outdoor green park with a picnic area.

The Project's total development cost is approximately eighty five million, two hundred fifty seven thousand, six hundred seventy-seven dollars (\$85,257,677). Financing will consist of a first mortgage and subordinate Rental Housing Works funds through the State of Maryland DHCD, equity from the sale of Low-Income Housing Tax Credits, Amazon funds, and developer equity. The Project will also be financed with a Prince George's County Housing Investment Trust Fund ("HITF") loan in the amount of three million, five hundred thousand dollars (\$3,500,000).

The PILOT will require the Owner to make a mandatory annual payment to the County in an amount of no less than approximately sixteen thousand, five hundred twenty-eight dollars (\$16,528) or approximately eighty five dollars (\$85.64) per unit, for the one hundred ninety three (193) affordable units, for the first full tax year. Thereafter, the required payment will increase

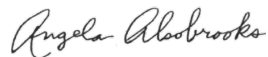
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by two percent (2%) for each subsequent tax year. The PILOT agreement will remain in effect for forty (40) years. Without the PILOT agreement, the estimated County property tax would be approximately one hundred seventy thousand, nine hundred twenty-eight dollars (\$170,928) or approximately eight hundred eighty five dollars and sixty-four cents per unit (\$885.64) per unit. When considering the financial effects of the PILOT, the County will be providing yearly operating support of approximately one hundred fifty four thousand, four hundred dollars (\$154,400) to this affordable housing development.

The Council's favorable consideration of this legislation, which along with the terms and conditions of the PILOT Agreement, is included as Attachment B in the legislation package, 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