

Redevelopment Authority - Fiscal Year 2023 Budget Review Summary

Proposed FY 2023 Operating Budget

Revenue Sources						
Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
County Grant	\$ 333,500	\$ 312,200	\$ 312,200	\$ 300,000	\$ (12,200)	-3.9%
CDBG-Staff Support	-	361,300	361,300	361,300	-	0.0%
Miscellaneous Revenue	297,539	-	-	-	-	N/A
Interest Income	1,872	-	-	-	-	N/A
Intergovernmental Grants	2,183,672	-	-	-	-	N/A
Total	\$ 2,816,583	\$ 673,500	\$ 673,500	\$ 661,300	\$ (12,200)	-1.8%

Authorized Staffing - All Classifications

	FY 2022 Approved	FY 2023 Proposed	Change	% Change
General Fund	9	9	0	0.0%
Grants	5	5	0	0.0%
Total	14	14	0	0.0%

FY 2023 Proposed Operating Budget – Key Highlights

- The County's grant is \$300,000, or 45.3% of the total proposed funding.
- Total funding is reduced by \$12,200, or 1.8%, below the FY 2022 level as the County's grant was reduced by the same amount.
- FY 2023 proposed expenditures are \$665,800, a decrease of \$7,700, or 1.1%, compared to the FY 2022 Approved Budget.
- Proposed FY 2023 Authorized Staffing is nine (9) General Fund and five (5) Grant funded positions, the same level as the FY 2022 Approved Budget.
- Key Programs/Initiatives: Redevelopment and revitalization through infill development and CIP programs,
- In FY 2022, started the hotel construction on the Cheverly property (Annapolis Road and 57th Avenue).
- Opened Suitland Senior Residences at the Towne Square at Suitland Federal Center.
- Initiated the FY 2022 round of Commercial Property Improvement Program (CPIP) and Community Impact Grant (CIG) Program.

Capital Improvement Program (CIP)

	Expended tho Date	Estimated for FY2022	Proposed FY2023 Capital Budget	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total Proposed CIP Funding
Addison Rd/Capitol Heights Metro Corridor	\$2,851,000	\$2,290,000	\$3,913,000	\$0	\$0	\$0	\$0	\$0	\$9,054,000
Cheverly	\$224,000	\$100,000	\$697,000	\$0	\$0	\$0	\$0	\$0	\$1,021,000
County Revitalization	\$4,268,000	\$3,298,000	\$5,100,000	\$1,150,000	\$1,150,000	\$1,150,000	\$0	\$0	\$16,116,000
Glenarden	\$11,831,000	\$6,378,000	\$6,634,000	\$0	\$0	\$0	\$0	\$0	\$24,843,000
Suitland	\$90,993,000	\$9,324,000	\$6,100,000	\$2,000,000	\$0	\$0	\$0	\$0	\$108,417,000
Town of Upper Marlboro		\$0	\$0	\$0		\$500,000	\$1,000,000	\$1,000,000	\$2,500,000
Total	\$110,167,000	\$21,390,000	\$22,444,000	\$3,150,000	\$1,150,000	\$1,650,000	\$1,000,000	\$1,000,000	\$161,951,000



PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 21, 2022

MEMORANDUM

TO: Mel Franklin, Chair
 Planning, Housing and Economic Development (PHED) Committee

THRU: Turkessa M. Green, County Auditor *TMG*
 Joseph R. Hamlin, Director of Budget and Policy Analysis *JRH*

FROM: Warren E. Burris, Senior Legislative Budget and Policy Analyst *W*

RE: Redevelopment Authority
 Fiscal Year 2023 Budget Review *RB*

Budget Overview

The FY 2023 Proposed Budget for the Redevelopment Authority (“RDA” or “the Authority”) is \$661,300, a decrease of \$12,200, or 1.8%, under the FY 2022 Approved Budget. The budget decrease is due to the reduction of the County Grant by \$12,200.

Budget Comparison – All Funds

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Fund	FY 2021	Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
County Grant	\$	333,500	\$ 312,200	\$ 312,200	\$ 300,000	\$ (12,200)	-3.9%
CDBG/HITF - Staff							
Support		-	361,300	361,300	361,300	-	0.0%
Miscellaneous							
Revenue		297,539	-	-	-	-	0.0%
Interest Income		1,872	-	-	-	-	0.0%
Intergovernmental		2,183,672	-	-	-	-	0.0%
Total	\$	2,816,583	\$ 673,500	\$ 673,500	\$ 661,300	\$ (12,200)	-1.8%

Authorized Staffing Count – All Funds¹

	FY 2022 Approved	FY 2023 Proposed	Change Amount	% Change
General Funds	9	9	0	0.0%
Grant Funds	5	5	0	0.0%
Total	14	14	0	0.0%

Budget Comparison - Redevelopment Authority Fiscal Year 2023 Budget

Revenues

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
County Grant	\$333,500	\$312,200	\$312,200	\$300,000	(\$12,200)	-3.9%
Intergovernmental Grants	\$2,183,672	\$0	\$0	\$0	\$0	0.00%
CDBG/HITF -Staff Support	0	\$361,300	\$361,300	\$361,300	\$0	0.00%
Interest Income	\$1,872	\$0	\$0	\$0	\$0	0.00%
Miscellaneous Revenues	\$297,539	\$0	\$0	\$0	\$0	0.00%
Appropriated Fund Balance	\$0	\$0	\$0	\$0	\$0	0.00%
Total Revenues	\$2,816,583	\$673,500	\$673,500	\$661,300	(\$12,200)	-1.8%

Expenditures

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Board Member Stipend	\$21,700	\$25,000	\$23,100	\$23,000	(\$2,000)	-8.00%
Board Member Expenses	\$0	\$4,000	\$2,200	\$4,000	\$0	0.00%
Telephone	\$3,180	\$0	\$3,000	\$3,000	\$3,000	N/A
Printing	\$240	\$0	\$200	\$2,000	\$2,000	N/A
Courier Service	\$600	\$0	\$100	\$3,000	\$3,000	N/A
Advertising	\$1,208	\$0	\$1,500	\$1,000	\$1,000	N/A
Consultant & Studies	\$18,200	\$3,000	\$25,000	\$3,000	\$0	0.00%
Catering	\$698	\$0	\$1,000	\$1,000	\$1,000	N/A
Equipment Leasing	\$944	\$7,000	\$7,000	\$7,000	\$0	0.00%
Other Operating Expenses	\$3,165	\$0	\$15,000	\$3,100	\$3,100	N/A
General Office Supplies	\$0	\$38,200	\$10,000	\$10,000	(\$28,200)	-73.82%
Miscellaneous Service	\$350	\$0	\$0	\$1,500	\$1,500	N/A
Awards and Presentations	\$0	\$0	\$200	\$100	\$100	N/A
Professional Legal Services	\$17,441	\$90,000	\$22,000	\$90,000	\$0	0.00%
Commercial Insurance	\$3,665	25,000	\$8,000	\$25,000	\$0	0.00%
Temporary Clerical	\$927	\$40,000	\$10,000	\$27,800	(\$12,200)	-30.50%
Office and Finance Fees	\$61,840	\$60,000	\$60,000	\$80,000	\$20,000	33.33%
Professional Auditing Fees	\$13,620	\$20,000	\$13,000	\$20,000	0	0.00%
CDBG/HITF Grant Staff Support	\$0	\$361,300	\$361,300	\$361,300	\$0	0.00%
HRAP HIP Project Delivery Costs	\$150,191	\$0	\$0	\$0	\$0	N/A
Grants to Individuals	\$834,549	\$0	\$0	\$0	\$0	N/A
Debt Service	\$69,883	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$1,202,401	\$673,500	\$562,600	\$665,800	(\$7,700)	-1.10%

¹ Staffing for the RDA is assigned and allocated from DHCD. See pages 598 and 601 of the FY 2023 Proposed Budget Book.

The Authority was established pursuant to Council Bill 85-1997, and its Charter approved pursuant to Council Resolution 60-1998. The purpose of the Authority is to provide for residential, commercial, or industrial development in Prince George's County.

The Authority will operate with a specific focus on infill development and the preservation of workforce/affordable housing near transit centers, mixed-income and mixed-use, and mixed-tenure projects in targeted communities.

FY 2022 Key Accomplishments and Successes

- Started hotel construction on the Cheverly property at Annapolis Road and 57th Avenue
- Started the townhouse construction phase at Glenarden Hills.
- Opened the Suitland Senior Residences at the Towne Square at Suitland Federal Center.
- Demolished two blighted apartment buildings at the Towne Square at Suitland Federal Center
- Initiated the FY 2022 round of the Commercial Property Improvement Program (CPIP) and the Community Impact Grant (CIG) program.

Strategic Focus and Initiatives in FY 2023

- Redevelopment of the former Prince George's County Hospital in Cheverly.
- Develop the connected community in Forestville at Forestville Road and Suitland Parkway in partnership with Pepco.
- Build the hotel and first multi-family building with retail at the Towne Square at Suitland Federal Center project.
- Redevelopment of the Blue Line Corridor from Capitol Heights Metro Station to the Addison Road Metro Station including projects at 210 Maryland Park Drive and Old Central Avenue
- Redevelopment at the Beacon Heights Purple Line station.
- Implement various County-wide neighborhood revitalization projects.

Budget Comparison – Redevelopment Authority – Capital Improvement Projects

Capital Improvement Program (CIP)

- The major programs of the Redevelopment Authority are capital projects, economic development, neighborhood reinvestment, and special projects. The funding sources for the CIP programs are derived from 92.0% from land sales, County contributions and moral obligation bonds; and the remaining 8% from State Funding. The Redevelopment Authority has included six (6) capital projects in the FY 2023 - FY 2028 Proposed Capital Improvement Program (CIP) for a funding amount of \$161,951,000. One (1) existing project, Town of Upper Marlboro Redevelopment, has been deferred to FY 2024 with no required funding for FY 2022. The five (5) active projects with proposed expenditures for FY 2023 are as follows:

	Expended to Date	Estimated for FY2022	Proposed FY2023 Capital Budget	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total Proposed CIP Funding
Addison Rd/Capitol Heights Metro Corridor	\$2,851,000	\$2,290,000	\$3,913,000	\$0	\$0	\$0	\$0	\$0	\$9,054,000
Cheverly	\$224,000	\$100,000	\$697,000	\$0	\$0	\$0	\$0	\$0	\$1,021,000
County Revitalization	\$4,268,000	\$3,298,000	\$5,100,000	\$1,150,000	\$1,150,000	\$1,150,000	\$0	\$0	\$16,116,000
Glenarden	\$11,831,000	\$6,378,000	\$6,634,000	\$0	\$0	\$0	\$0	\$0	\$24,843,000
Suitland	\$90,993,000	\$9,324,000	\$6,100,000	\$2,000,000	\$0	\$0	\$0	\$0	\$108,417,000
Town of Upper Marlboro		\$0	\$0	\$0	\$0	\$500,000	\$1,000,000	\$1,000,000	\$2,500,000
Total	\$110,167,000	\$21,390,000	\$22,444,000	\$3,150,000	\$1,150,000	\$1,650,000	\$1,000,000	\$1,000,000	\$161,951,000

- The RDA’s FY 2023 projects include:
 - **Addison Road/Capitol Heights Metro Corridor** – The project consists of land assembly, relocation and demolition to facilitate Transit Oriented Development (TOD) near two (2) metro stations. FY 2023 Funding supports land acquisition and lot finishing for the Lyndon Hill projects. Total funding includes \$90,000 in State grants, \$240,000 in Senior building reimbursements, and \$750,000 in Lyndon Hill lot sales.. **Total Project Cost - \$9,054,000**
 - **Cheverly Development** – The project consists of land assembly, demolition, and the redevelopment of a hotel and restaurant with 50,000 buildable square feet. The hotel will house 120 rooms, and the restaurant will accommodate 100 to 125 guests. This will be the first Leadership in Energy and Environment Design (LEED) Certified Extended Stay Hotel in the county. The project also consists of the redevelopment of the former hospital site into an urban style, mixed-use neighborhood. FY 2023 funding will support a cell tower relocation on the existing Prince George’s Hospital Center site. **Total Project Cost - \$1,021,000.**
 - **County Revitalization** - Project consists of land assembly, relocation, demolition, and various programs. Countywide efforts include the: (1) Community Impact Grants (CIG), (2) Transit Oriented Development (TOD) Place Marketing Program, (3) Commercial Revitalization Programs, and (4) Northern Gateway Revitalization Program. The CIG Program provides the matching funds to county-based non-profits to implement small community led projects. The Commercial Revitalization Programs will provide the grant matching funds to shopping center owners dedicated to rehabilitating unattractive shopping centers. Funding in FY 2023 is for the CIG and the Commercial Property Improvement Program (CPIP). Funding also supports a land acquisition and development for Beacon Heights and the Pepco/Forestville projects. The Other Funding is \$1.5 million in Beacon Heights land sales. **Total Project Cost - \$16,116,000.**
 - **Glenarden Apartments Redevelopment** – Redevelopment of Glenarden Apartments is a four (4) phased project including demolition and replacement of a blighted 578-unit apartment complex on 27 acres. The new redevelopment will consist of 429 new multifamily apartments, owner occupied townhomes for seniors and families, infrastructure improvements, community center, pool and three (3) acres of green space. FY 2023 funding supports the construction of phases 3

- and 4. FY 2023 funding consists of \$810,000 in PAYGO funds, \$1.6 million of construction loan repayments, and \$3.5 million in land sales proceeds. **Total Project Cost - \$24,843,000.**
- **Suitland Manor** – The Suitland Manor project consists of acquisition, relocation, demolition, and clearance of approximately 33 acres of commercial and residential properties. Total public infrastructure costs are estimated to be \$40,000,000. The infrastructure construction is underway, and the town house phase is complete. The 137-unit senior building is under construction. The FY 2023 funding will support the construction of infrastructure (streets, utilities, and storm water management) for the residential, retail, and open space project. Funding consists of \$1.7 million in PAYGO funds, \$3.1 million in land sale proceeds, and \$1.1 million in State grant funds. Construction began FY 2018. **Total Project Cost - \$108,417,000.**
 - **Town of Upper Marlboro** – The Town of Upper Marlboro project includes infrastructure improvements and redevelopment efforts to address potential needs in the Town of Upper Marlboro. The project has been delayed as the Redevelopment Authority continues to work with the Town of Upper Marlboro in regards to how the funding will be utilized. **Total Project Cost is \$2,500,000.**