

PRINCE GEORGE'S COUNTY COUNCIL
COMMITTEE REPORT
2015 Legislative Session

Reference No.:	CR-19-2015
Draft No.:	1
Committee:	PUBLIC SAFETY AND FISCAL MANAGEMENT
Date:	06-04-2015
Action:	FAVORABLE

REPORT: Committee Vote: **Favorable** 3-0 (Councilmembers Patterson, Taveras, and Turner

CR-19-2015 approves the terms and conditions of a Payment in Lieu of Taxes (PILOT) Agreement by and between Rainier Manor 2 LP (Owner) and the County.

Rainier Manor proposes to acquire land that is part of an existing project located in Mt. Rainier and develop a 4 story elevator midrise building consisting of fifty- seven (57) senior rental units. The housing units will serve senior households with incomes at or below 60% of the Area Household Median Income (AHMI).

The annual County tax burden of the 1.32 acres of vacant land is \$2,441 per year. Impact fees payable to the County during the construction period are estimated to be approximately \$135,000. After completion of the project the annual tax burden is estimated to become \$27,275 equating to approximately \$545,500 over a 20 year period.

Eric Brown, Director and Estella Alexander, Deputy Director of the Prince George's County Department of Housing and Community Development explained the terms and conditions of the PILOT Agreement.

The Office of Law finds CR-19 2015 to be in proper legal form.

The Office of Audits and Investigations reports that the adoption of CR-19-2015 will provide a positive fiscal impact to the County of approximately \$135,000 during the construction phase. The County will forgo approximately \$252,495 in tax revenue over the 20 period of the PILOT. This amount is the difference between the Project's estimated annual County real property tax and the annual PILOT payment, combined over a 20 year period. Should the PILOT agreement not be approved the County would only receive annual County real property taxes of \$2,441.