

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2020 Legislative Session

Bill No. CB-14-2020

Chapter No. 3

Proposed and Presented by The Council Chair (by request – County Executive)

Introduced by Council Members Turner, Hawkins, Streeter, Harrison, Franklin, Davis,
and Glaros

Date of Introduction April 20, 2020

BILL

1 AN ACT concerning

2 The Issuance of Special Obligation Bonds

3 for the Largo Town Center Metro Development District

4 For the purpose of amending and ratifying CR-92-2014, adopted by the County Council of
5 Prince George's County, Maryland (the "County Council") on November 12, 2014; providing that
6 special obligation tax increment financing bonds may be issued from time to time under the
7 provisions of this Act and Sections 12-201 through 12-213, inclusive, of the Economic
8 Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment
9 Financing Act"), and consistent with the provisions of CR-92-2014, as the same is being amended
10 by the terms hereof (the "Formation Resolution"), in an amount not to exceed the aggregate
11 principal amount of Five Million Seven Hundred Fifty Thousand Dollars (\$5,750,000), in order
12 for Prince George's County, Maryland (the "County") to finance or reimburse, in accordance with
13 the Tax Increment Financing Act, costs related to the construction and installation of certain
14 infrastructure improvements, as more particularly described herein, and to pay certain costs of
15 issuing such bonds; ratifying and confirming the designation of the Largo Town Center Metro
16 Development District; making certain findings and determinations, among others, concerning the
17 public benefit and purpose of such bonds, including that prior to the issuance of such bonds the
18 criteria set forth in CR-21-2019 will apply irrespective of any provision of CR-21-2019 to the
19 contrary, including but not limited to the "But-For Test," the "Trigger Mechanism/Look Back
20 Provision," CMBE participation and the impact of the County credit/bond rating, have been
21 satisfied; providing that such bonds authorized to be issued hereby shall be payable from certain

1 amounts levied and deposited in the Tax Increment Fund (as defined in the Formation Resolution)
2 as provided for by the provisions of this Act and that such bonds shall not constitute a general
3 obligation debt of the County or a pledge of the County's full faith and credit or taxing power other
4 than the County's pledge of the taxes representing the levy on the Tax Increment (as defined in
5 the Formation Resolution); specifying certain terms and conditions with respect to the issuance of
6 the bonds and the financing or reimbursement of certain infrastructure improvements; authorizing
7 the County Executive of the County (the "County Executive") to specify, prescribe, determine,
8 provide for and approve certain details, forms, documents or procedures in connection with such
9 bonds issued hereunder and any other matters necessary or desirable in connection with the
10 authorization, issuance, delivery and payment of such bonds; authorizing the County Executive to
11 take certain actions, execute documents and make certain commitments on behalf of the County
12 in connection with the issuance and delivery of such bonds consistent with the provisions of this
13 Act; authorizing the execution and delivery of such bonds and such other documents as may be
14 necessary and desirable to effectuate the financing of certain infrastructure improvements
15 described herein and the issuance and delivery of such bonds; and generally providing for, and
16 determining various matters in connection with, the issuance, delivery and payment of such bonds.

17 WHEREAS, in the *Plan Prince George's 2035 Adopted General Plan* (the "General
18 Plan"), the County found (i) that building attractive, urban environments centered around the
19 County's transit hubs will help the County retain its recent graduates and high-skilled workforce
20 and expand and diversify its tax base; (ii) that developing transit-oriented, vibrant places, providing
21 the right type of housing, establishing a County brand and responding to quality of life concerns
22 are all critical to attracting new employers and workers; and (iii) that robust economic growth in
23 the region cannot be guaranteed unless the housing preferences of its workforce have been met,
24 recommending that a majority of new housing be located in compact developments with
25 convenient access to jobs and transportation options to meet the workforce's growing demand for
26 mixed-use, walkable, transit-accessible communities; and

27 WHEREAS, to further the goals described above and to spur transit-oriented development
28 for County residents, the General Plan designated five Metro stations, including the Largo Town
29 Center Metro station, as "Priority Investment Districts," which are targeted areas best suited to
30 develop into regional economic engines, grow the County's commercial tax base and stimulate job
31 growth, transforming the Metro station into a vibrant, walkable, regional-serving center with a

1 | robust economic and employment base, varied housing stock and diverse, mixed-income
2 | communities; and

3 | WHEREAS, in the *2013 Largo Town Center Sector Plan and Sectional Map Amendment*
4 | (the “Largo Town Center Sector Plan”), the County defined long-range land use and transit-
5 | oriented development policies for the Largo Town Center area in the County; and

6 | WHEREAS, the Largo Town Center Sector Plan envisions the Largo Town Center Metro
7 | Station as an anchor for a vibrant, sustainable, walkable and transit-oriented “live, work and play”
8 | community; and

9 | WHEREAS, the Largo Town Center Sector Plan proposes goals, standards, policies,
10 | incentives and strategies to create a network of mixed-use, compact, medium- to high-density
11 | urban neighborhoods that maximize transit ridership, revitalize the area through economic
12 | development while maintaining its socioeconomic diversity and initiate a sustainable development
13 | pattern, including (i) encouraging more intense, high-quality housing options within walking
14 | distance of a metro station, (ii) expanding tree cover through the increased planting of trees and
15 | landscaping, (iii) promoting transit-supporting, pedestrian- and bicycle-friendly development and
16 | redevelopment, (iv) increasing commercial retail and restaurant opportunities and (v) expanding
17 | publicly- and privately-owned open space for recreation and passive enjoyment; and

18 | WHEREAS, in furtherance of the goals outlined in the Largo Town Center Sector Plan and
19 | to incentivize investment into the Largo Town Center area and the development of walkable,
20 | mixed-use, transit accessible communities around the Largo Town Center Metro Station, the
21 | County Council, through the Formation Resolution, designated a contiguous area within the
22 | County known as the “Largo Town Center Metro Development District” (the “Development
23 | District”) as a “development district” as that term is used in the Tax Increment Financing Act and
24 | established the “Largo Town Center Metro Development District Tax Increment Fund” (the “Tax
25 | Increment Fund”); and

26 | WHEREAS, the County has the power under the Formation Resolution to provide funds
27 | to finance certain infrastructure improvements as permitted under the Tax Increment Financing
28 | Act through the issuance and delivery from time to time of special obligation bonds, secured by
29 | the Tax Increment Fund, to support the development of real property in the Development District,
30 | including commercial, retail and residential mixed-use development and ancillary facilities; and

1 WHEREAS, Ascend Apollo II LLC, a Delaware limited liability company (the
 2 “Developer”), the owner of certain real property within the Development District, plans to develop
 3 and construct a transit-oriented, pedestrian-friendly, mixed-use development adjacent to the Largo
 4 Town Center Metro Station, including but not limited to residential development, to be known as
 5 “Amore Apollo,” and to construct and install certain infrastructure improvements described in
 6 Exhibit A attached hereto and made a part hereof (the “Improvements”) to serve Amore Apollo,
 7 pursuant to the Largo Town Center Sector Plan requirements and the Formation Resolution; and

8 WHEREAS, the proposed Improvements will be situated within the Development District;
 9 and

10 WHEREAS, in order to assist in facilitating the financing for the Improvements, the
 11 County desires to issue its special obligation bonds (as hereinafter defined and further described,
 12 the “Bonds”) to fund such Improvements; and

13 WHEREAS, the issuance of the Bonds to support the development of Amore Apollo
 14 supports the County’s transit-oriented land use goals outlined in the General Plan and fulfils the
 15 central vision of the Largo Town Center Sector Plan; and

16 WHEREAS, the Bonds will be issued and secured pursuant to the provisions of the Tax
 17 Increment Financing Act, the Formation Resolution, this Act, CR-21-2019 and the development
 18 agreement or similar agreement(s) hereinafter authorized; and

19 WHEREAS, the Bonds will initially be delivered to the Developer or an affiliate to pay or
 20 reimburse the Developer for costs of the Improvements permitted by the Tax Increment Financing
 21 Act that are being incurred by the Developer in connection with its construction of the
 22 Improvements. The Bonds are to be delivered and the Improvements will be provided in
 23 accordance with the terms and the requirements set forth in a development agreement (the
 24 “Development Agreement”) or similar document between the County and the Developer,
 25 including the obligation of the Developer to commence construction of the Improvements; and

26 WHEREAS, to the extent that the taxes representing the levy on the Tax Increment in any
 27 given Tax Year (as defined in the Formation Resolution) of the County exceed any payment
 28 required to be satisfied by the taxes representing the levy on the Tax Increment for administrative
 29 costs related to the Bonds and the debt service payable on the Bonds, as well as any other payment
 30 required to be satisfied by the Tax Increment under the Development Agreement, such excess will

1 be paid over at the end of each such Tax Year to the County for deposit in its general fund in such
2 amounts and for such uses as set forth herein; and

3 WHEREAS, if the debt service payable on the Bonds in any Tax Year exceeds the taxes
4 representing the levy on the Tax Increment, such debt service payments shall be deferred and paid
5 from future available amounts from the levy on the Tax Increment as more specifically provided
6 for herein; and

7 WHEREAS, the construction and installation of the Improvements serving Amore Apollo
8 will further economic development within the County and thus meet the public purposes
9 contemplated by the Tax Increment Financing Act and the Formation Resolution and will satisfy
10 the criteria set forth in the CR-21-2019, including but not limited to the following: the “But-For
11 Test,” the “Trigger Mechanism/Look Back Provision,” CMBE participation and the impact of the
12 County credit/bond rating; and

13 WHEREAS, prior to the Bonds being issued or sold, the Developer or its assigns, the
14 County Executive and bond counsel shall certify that the provisions of CR-21-2019 have been
15 complied with and that the Minority Business Enterprise (“MBE”) Plan has been approved by the
16 Compliance Manager; and

17 WHEREAS, prior to the issuance and delivery of the Bonds, the County Council must
18 review the TIF Proposal and certifications and approve the same by Resolution; now therefore,

19 SECTION 1. BE IT ENACTED by the County Council of Prince George’s County,
20 Maryland, as follows:

21 A. The words and terms used in this Act that are defined in the Tax Increment
22 Financing Act or the Formation Resolution shall have the meanings indicated in the Tax Increment
23 Financing Act and the Formation Resolution, as the case may be, unless the context clearly requires
24 a contrary meaning.

25 B. The provisions of CR-21-2019 shall apply to the Bonds authorized under this Act
26 irrespective of any provision contained in CR-21-2019 to the contrary, as further provided under
27 this Act.

28 C. The following amendments are hereby made to the Formation Resolution:
29 (1) Section 2 of the Formation Resolution is hereby amended and restated in its
30 entirety to read as follows:

31 SECTION 2. BE IT FURTHER RESOLVED, that acting pursuant to the Tax

1 Increment Financing Act, it is hereby found and determined that the establishment of the
 2 Development District, the creation of the Tax Increment Fund and the issuance of the Bonds from
 3 time to time pursuant to the Tax Increment Financing Act, all for the purpose of providing funds
 4 to finance infrastructure improvements as permitted thereunder, including, but not limited to, the
 5 financing of the costs of public or private parking facilities, roads, streets, water and sewer utilities
 6 and related infrastructure improvements, accomplishes the public purposes of the Tax Increment
 7 Financing Act and generally promotes the health, welfare and safety of the residents of the State
 8 of Maryland and of the County.

9 (2) Section 6 of the Formation Resolution is hereby amended and restated in its
 10 entirety to read as follows:

11 SECTION 6. BE IT FURTHER RESOLVED, that Bonds may be issued from time
 12 to time pursuant to an ordinance or ordinances enacting in accordance with the Tax Increment
 13 Financing Act for the purpose of providing funds to finance infrastructure improvements as
 14 permitted thereunder, including, but not limited to, the financing of the costs of public or private
 15 parking facilities, roads, streets, water and sewer utilities and related infrastructure improvements.
 16 Such ordinance or ordinances shall specify, in general detail, the improvements to be financed
 17 through the issuance of the Bonds and the nature and extent of any pledge of County revenues for
 18 the payment of debt service on the Bonds, and shall otherwise conform to the applicable
 19 requirements of the Tax Increment Financing Act and this Resolution.

20 (3) The definition of Tax Increment in Section 1(9) of the Formation Resolution
 21 is hereby amended and restated in its entirety to read as follows:

22 (9) "Tax Increment" means for any Tax Year, the amount by which the
 23 Assessable Base as of January 1 preceding that Tax Year exceeds the Original Taxable Value
 24 divided by the Assessment Ratio used to determine the Original Taxable Value; provided,
 25 however, the real property taxes related to the parcel owned by RPAI Capital Centre II, L.L.C.
 26 ("RPAI"), including the refunds due to RPAI pursuant to the Payment in Lieu of Taxes Agreement
 27 between the County and RPAI, authorized pursuant to CR-92-2019 and adopted by the County
 28 Council on November 12, 2019, shall be excluded from the Tax Increment.

29 Except to the extent modified by this Act, the Formation Resolution and the designation
 30 therein of the Largo Town Center Metro Development District are hereby ratified and confirmed.

1 D. Acting pursuant to the Tax Increment Financing Act and the Formation Resolution,
2 it is hereby found and determined that the issuance of the Bonds, as further described herein, for
3 delivery to the Developer for the purpose of financing or reimbursing the costs of constructing and
4 installing the Improvements related to the development of Amore Apollo accomplishes the public
5 purposes of the Tax Increment Financing Act and the Formation Resolution and fulfils the vision
6 of the Largo Town Center Sector Plan.

7 E. The types of Improvements to be financed as permitted by the Tax Increment
8 Financing Act in connection with the Development District are set forth in Exhibit A attached
9 hereto and made a part hereof, including costs related to such Improvements which are intended
10 to be funded with the issuance of the Bonds. The Improvements are contained within the
11 geographic boundaries of the Development District.

12 F. In accordance with Section 12-204(b)(2)(i) of the Tax Increment Financing Act, it
13 is hereby found that the County Council has complied with the provisions of Sections 12-203 and
14 12-208(c) and (d) of the Tax Increment Financing Act by designating the Largo Town Center
15 Metro Development District and receiving a certification of the Supervisor of Assessments,
16 pledging the division of property taxes.

17 G. Consistent with the provisions of the Formation Resolution and in accordance with
18 the Tax Increment Financing Act, so long as the Bonds remain outstanding, the County shall
19 continue to deposit into the Tax Increment Fund all real property taxes with respect to the
20 Development District received by the County for any Tax Year after the effective date of the
21 Formation Resolution equal to that portion of the taxes payable to the County (but not including
22 any taxes payable to the State of Maryland or to any other party) representing the levy on the Tax
23 Increment that would normally be paid to the County. Monies in the Tax Increment Fund are
24 pledged to the payment of the Bonds and shall also be used to pay the administrative costs of the
25 County related to the Bonds and the Development District, provided that monies in the Tax
26 Increment Fund will only be permitted to be withdrawn to the extent, and only to the extent, that
27 the monies in the Tax Increment Fund at the end of any Tax Year exceed the amount needed to
28 pay debt service on the Bonds or to pay administrative costs of the County related to the
29 Development District and the issuance of the Bonds. The balance remaining in the Tax Increment
30 Fund at the end of any Tax Year of the County after such payments or withdrawals shall be
31 transferred to the general fund of the County.

1 H. The special obligation bonds, notes or similar instruments authorized to be issued
2 under the Formation Resolution may be issued in one or more series (which may be draw-down
3 bonds) in an aggregate principal amount not to exceed Five Million Seven Hundred Fifty Thousand
4 Dollars (\$5,750,000) and shall not bear interest (the “Bonds”). The proceeds of the Bonds shall
5 be utilized solely to finance or reimburse all or part of the costs of the Improvements described in
6 Exhibit A attached hereto and made a part hereof. The Bonds shall be delivered by the County to
7 the Developer in consideration of the Developer’s construction of the Improvements, as permitted
8 pursuant to the provisions of the Tax Increment Financing Act. The Bonds, as well as the County
9 administrative expenses related to the Development District, will be payable solely from the
10 amounts levied and deposited in the Tax Increment Fund. In addition to the payment of debt
11 service on the Bonds, monies in the Tax Increment Fund may be used to pay administrative
12 expenses of the County related to the Development District, to the extent such expenses are not
13 otherwise provided for.

14 To the extent the debt service payable on the Bonds in any Tax Year exceeds the amounts
15 on deposit in the Tax Increment Fund, such debt service payments shall be deferred and paid from
16 future available amounts on deposit in the Tax Increment Fund; provided, that if and when amounts
17 on deposit in the Tax Increment Fund are available to make deferred payments, such deferred
18 payments shall be made without any penalty interest or premium; and provided further, that, if
19 there is insufficient funds to make payment of all amounts due and owing on the final maturity
20 date of the Bonds, the obligation with respect to such Bonds shall be forgiven. In addition, the
21 Bonds may be secured through the establishment of additional sinking funds or the pledge of other
22 assets and revenues toward the payment of the principal and interest on the Bonds, if applicable.

23 The Bonds issued hereunder are a special obligation of the County and do not constitute a
24 general obligation debt of the County or a pledge of the County’s full faith and credit or taxing
25 power except for the taxes representing the levy on the Tax Increment as set forth in the Formation
26 Resolution, as modified by this Act. In addition, Bonds issued hereunder may be refunded by
27 bonds issued under the Tax Increment Financing Act.

28 I. The Bonds shall be executed in the name of the County and on its behalf by the
29 County Executive, by manual or facsimile signature, and the corporate seal of the County or a
30 facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the Clerk of
31 the County Council or the Chief Administrative Officer, by manual or facsimile signature.

1 The Development Agreement to be entered into between the County and the Developer to
2 provide for the construction by the Developer of the Improvements referred to in Exhibit A and,
3 where applicable, all other documents as the County Executive deems necessary to effectuate the
4 issuance, delivery, security and payment of the Bonds of any series, shall be executed in the name
5 of the County and on its behalf by the County Executive, by manual or facsimile signature, and
6 the corporate seal of the County or a facsimile thereof shall be impressed or otherwise reproduced
7 thereon and attested by the Clerk of the County Council or the Chief Administrative Officer, by
8 manual or facsimile signature.

9 If any officer whose signature or countersignature or a facsimile of whose signature or
10 countersignature appears on the Bonds of any series or on any of the aforesaid documents ceases
11 to be such officer before the delivery of the Bonds of such series or any of the other aforesaid
12 documents, such signature or countersignature or such facsimile shall nevertheless be valid and
13 sufficient for all purposes, the same as if such officer had remained in office until delivery.

14 The County Executive, the Clerk of the County Council, the Chief Administrative Officer,
15 the Director of Finance and other officials of the County are hereby authorized and empowered to
16 do all such acts and things and execute such documents and certificates as the County Executive
17 may determine to be necessary to carry out and comply with the provisions of this Act, subject to
18 the limitations set forth in the Tax Increment Financing Act and this Act.

19 J. Prior to the issuance of the Bonds as required by CR-21-2019, the Developer, the
20 County Executive and bond counsel to the County shall certify to the County Council that the
21 provisions of CR-21-2019 have been complied with and that the MBE Plan has been approved by
22 the Compliance Manager in conformance with the MBE Plan Guidelines promulgated by the
23 Compliance Manager.

24 K. The Bonds shall be issued and delivered to the Developer, within the limitations
25 and requirements of the Tax Increment Financing Act and this Act, upon such terms and conditions
26 as the County Executive shall approve. The County Council authorizes the County Executive to
27 approve the terms of the issuance and delivery of the Bonds within the limitations and requirements
28 of the Tax Increment Financing Act and this Act.

29 L. Subject to the provisions of this Act, the County Executive by executive order
30 and/or by the Development Agreement, which shall be approved by executive order:

1 (1) shall prescribe the form, tenor, terms and conditions of and security for the
 2 Bonds;

3 (2) shall specify the principal amount of the Bonds not to exceed Five Million
 4 Seven Hundred Fifty Thousand Dollars (\$5,750,000), premiums, if any, denominations, date,
 5 maturity or maturities (within the limits prescribed in the Tax Increment Financing Act), time and
 6 place or places of payment of the Bonds and terms and conditions and details under which the
 7 Bonds may be called for redemption prior to their stated maturities;

8 (3) shall specify that the Bonds shall not bear interest;

9 (4) shall specify that the stated maturity date of any series of Bonds shall not
 10 be more than 10 years from the date of issuance of such series;

11 (5) may appoint bond counsel, a financial advisor and, if necessary, a trustee, a
 12 bond registrar and a paying agent or agents for the Bonds;

13 (6) shall approve the forms and contents of, and execute and deliver (where
 14 applicable), the Development Agreement or similar agreement, an indenture of trust, if necessary,
 15 and such other contracts and documents to which the County is a party and which may be necessary
 16 to effectuate the issuance and delivery of the Bonds and the financing or reimbursement of the
 17 Improvements and apply the Tax Increment Fund as set forth herein;

18 (7) shall determine the time of execution, issuance and delivery of the Bonds
 19 and prescribe any and all other details of the Bonds;

20 (8) shall approve the manner and terms of the delivery of the Bonds, as
 21 provided in Paragraph K hereof;

22 (9) shall approve the form and contents of the TIF Proposal and such other
 23 documents to which the County is a party and which may be necessary to effectuate the issuance
 24 and delivery of the Bonds and the financing or reimbursement of the Improvements;

25 (10) shall provide for the direct or indirect payment of all costs, fees and
 26 expenses incurred by or on behalf of the County in connection with the issuance, delivery, security
 27 and payment of the Bonds and the construction and installation of the Improvements, including
 28 (without limitation) costs of printing (if any) and issuing the Bonds, the funding of reserves, legal
 29 expenses (including the fees of bond counsel) and compensation to any person performing services
 30 by or on behalf of the County in connection therewith; and

1 (11) shall do any and all things necessary, proper or expedient in connection with
2 the issuance and delivery of the Bonds and the financing or reimbursement of the Improvements
3 in order to accomplish the legislative policies of the Tax Increment Financing Act and the public
4 purposes of this Act, subject to the limitations set forth in the Tax Increment Financing Act and
5 any limitations prescribed by this Act.

6 This delegation of authority to the County Executive is subject to her discretion and to the
7 extent she does not exercise such discretion pursuant to the provisions of this Act, neither such
8 officer nor the County shall be subject to any liability.

9 SECTION 2. BE IT FURTHER ENACTED, that the Bonds being authorized herein and
10 the construction costs of the Improvements for which said Bonds are authorized and issued are not
11 deemed to be construction, monetary contributions or procurement for purposes of Subtitle 10A
12 of the Prince George's County Code and Improvements funded in whole or part by said Bonds are
13 specifically exempted from the provisions of Subtitle 10A, provided, however, that Section 10A-
14 121 and Sections 2-247 through 2-253.05, of the Prince George's County Code shall apply.

15 SECTION 3. BE IT FURTHER ENACTED, that the provisions of this Act are severable,
16 and if any provision, sentence, clause, section or part hereof is held or determined to be illegal,
17 invalid, unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity,
18 unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions,
19 sentences, clauses, sections or parts of this Act or their application to other persons or
20 circumstances. It is hereby declared to be the legislative intent that this Act would have been passed
21 if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part
22 had not been included herein, and as if the person or circumstances to which this Act or any part
23 hereof are inapplicable had been specifically exempted herefrom.

24 SECTION 4. BE IT FURTHER ENACTED, that this Act shall take effect 45 days from
25 the date it becomes law.

Adopted this 11th day of May, 2020.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Todd M. Turner
Council Chair

ATTEST:

Donna J. Brown
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Angela D. Alsobrooks
County Executive

EXHIBIT A

DESCRIPTION OF THE INFRASTRUCTURE IMPROVEMENTS

The infrastructure improvements include, but are not limited to, parking facilities and such other related infrastructure improvements associated with the development and construction of a multi-family residential building and related retail facilities within the Development District as may be authorized by the Tax Increment Financing Act.