

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2014 Legislative Session

Reference

No.: CR-87-2014

Draft No.:

Committee:

PUBLIC SAFETY AND FISCAL MANAGEMENT

Date:

10/30/2014

Action:

Favorable

REPORT Committee Favorable 4-0 (In Favor: Council Members Toles, Davis, Lehman and Turner)

This resolution will approve the terms and conditions of a Negotiated Payment in Lieu of Taxes (PILOT) Agreement between the County and BE NC Station Holdings LLC (the Developer) to develop 13.67 acres of land located within a half mile of the New Carrollton Metro Station.

The BE NC Station Holdings, LLC proposes to develop the \$165 million property into a mixed-use project consisting of approximately 113,000 square feet of office building for the Maryland Department of Housing and Community Development with 61,000 square feet of retail space and approximately 556 multi-family units. The development is projected to add 450 full time permanent jobs upon its completion, including 60 jobs expected to be held by county residents. The Agreement includes a County-based and minority business contracting goal of twenty-five percent (25%) with a minimum requirement of twenty percent (20%). For County-based businesses only, the Agreement includes a fifteen percent (15%) minimum contracting requirement.

Currently, the County collects approximately \$29,438 in taxes annually on this property. With the PILOT Agreement, the County will continue to collect the current taxes paid, plus twenty-five percent (25%) of the amount of taxes related to the development. It is projected that the assessed value of this property will increase from \$3.2 million to an estimated \$23.4 million within the next year.

The adoption of CR-87 will have a positive fiscal impact on the County of approximately \$4,378,710 over the 15 year term of the PILOT Agreement. With the approval of the PILOT agreement, the County will forgo approximately \$13,136,127 in total tax revenue over the 15 year term. This amount is the difference between the completed Project's total estimated County property taxes of \$17,514,837 and the total PILOT payment of \$4,378,710 for the 15 year term.

The Office of Law has reviewed this resolution and finds it to be in proper legislative form with no legal impediments to its adoption.