

Prince George's County Council Agenda Item Summary

Meeting Date: 11/12/2014
Reference No.: CR-087-2014
Draft No.: 1
Proposer(s): County Executive
Sponsor(s): Olson, Franklin, Turner, Toles, Davis
Item Title: A Resolution approving the terms and conditions of a negotiated Payment in Lieu of Taxes (PILOT) Agreement between Prince George's County, Maryland and BE NC Station Holdings, LLC

Drafter: Thomas Himler, Office of the County Executive
Resource Personnel: Thomas Himler, Office of the County Executive

LEGISLATIVE HISTORY:

Date Presented:		Executive Action:	11/20/2014 S
Committee Referral:	9/16/2014 - PSFM	Effective Date:	11/12/2014
Committee Action:	10/30/2014 - FAV		
Date Introduced:	9/16/2014		
Public Hearing:			
Council Action (1)	11/12/2014 - ADOPTED		
Council Votes:	WC:A, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A		
Pass/Fail:	P		
Remarks:			

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 10/30/2014

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.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This Resolution will approve the terms and conditions of a negotiated Payment in Lieu of Taxes (PILOT) Agreement between Prince George's County, Maryland and BE NC Station Holdings, LLC for the Carrollton Station Project.

BE NC Station Holdings, LLC proposes to develop a \$165 million mixed use project consisting of a 113,000 square foot office building for the Maryland Department of Housing and Community Development, retail space totaling 61,000 square feet, 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.

CODE INDEX TOPICS:

INCLUSION FILES:

I-CR-87-2014 Attachment B.docx
