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County Executive

Northgate Project

CR-67-2020

July 14th, 2020

Agenda

- Project Summary
- Financial Information
- Legislative Proposal
- Fiscal Impact

Project Summary



- Branded as “*The Tempo*”
- 2.05-acre site in College Park
- \$140 million student housing project
- 296 units (978 fully furnished beds)
- 300 structured parking spaces
- 1,084 SF of ground floor retail space
- Next to University of Maryland campus
- Includes 3,000 SF promenade
- Anticipated completion by August 2022

Financial Information

Sources of Funds	
Equity (30%)	\$ 42,000,000
Debt (70% LTC)	98,000,000
Total Funding	\$ 140,000,000

Uses of Funds	
Land Costs	\$ 30,000,000
Hard Costs	80,000,000
Soft Costs	30,000,000
Total Expenditures	\$ 140,000,000

Financial Information

Residential Mix		
Room Type	# of Units	Rent Range (\$)
Studio	58	1,600 - 1,699
1 Bedroom	7	1,775 - 1,825
2 Bedroom	13	1,275 - 1,450
3 Bedroom	1	1,250 - 1,300
4 Bedroom	201	1,125 - 1,175
5 Bedroom	16	950 - 1,000
Total of 296 units		

School Surcharge Legislation

- Sec.10-192.01(a)(1) of the County Code authorizes “a school facilities surcharge on new residential construction for which a building permit is issued on or after July 1, 2003.”
- CR-44-2020 set FY 2021 surcharge rates of \$9,770 per unit for permits issued for buildings located between I-495 and the District of Columbia and that abut existing and planned metro station, and \$16,748 per unit for permits issued for all other buildings; except for residential construction in certain areas that qualify for a reduction in the school facilities surcharge.
- The Maryland General Assembly passed HB 225 in 2019 that enables the Prince George’s County Council to exempt some or all of the school facilities surcharge for undergraduate student housing projects that are built west of Route 1, north of Knox Road and south of Metzerott Road, on the recommendation of the City of College Park.

School Surcharge Waiver

- The City of College Park's Department of Planning, Community and Economic Development notes that State legislation adopted in 2003 supports surcharge exemptions for private student housing projects near the University of Maryland based on its "limited or no impact" on public schools.
- Based on Sec.10-192.01(b)(4)(D) of the County Code, the City of College Park approved General Motion #20-G-05 on January 14th, 2020 that qualified the Northgate project as an eligible student housing project and recommended that the County Council approve an exemption.

Incremental Tax Revenue Projections

(over 30-year period)

Property Taxes	Rate (per \$100)	Subtotal Revenues
County - General Funds	0.925	\$ 25,124,510
County - Education	0.040	1,086,465
Municipal Tax Differential	0.035	950,657
State	0.112	3,042,103
MNCPPC	0.294	7,985,520
Stormwater	0.054	1,466,728
WSTC	0.026	706,202
Total Revenues	\$ 1.486	\$ 40,362,185

Footnotes:

1. Assessed value (AV) at completion is estimated to be \$80.9 million
2. Revenue projections assume current tax rates remain unchanged
3. Assessed value for improvements assume 1% annual growth rate
4. FY 2021 differential rate for property in College Park is 3.5 cents per \$100 AV
5. Waivers are not applied to the dedicated schools tax rate of 4.0 cents per \$100 AV

Fiscal Impact

(over 30-year period)

General Fund Revenues ¹	\$ 25,124,510
Less: School Facilities Surcharge	(2,891,920)
Net County Revenues	\$ 22,232,590

Footnotes:

1. Property tax revenues exclude municipal tax differential