

Angela D. Alsobrooks County Executive

"Prince George's Proud"

SOUTHERN GATEWAY CR 14 -2021

Public Safety Surcharge (50%)

March 11, 2021

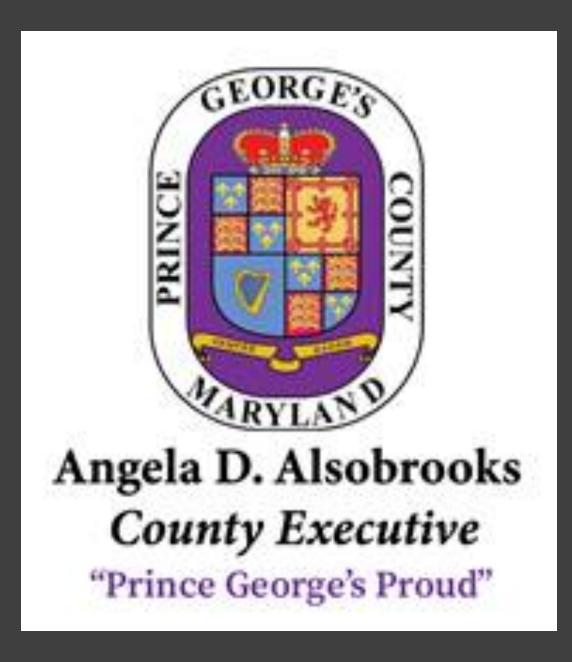


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AGENDA

- Project Overview
- Proposed Legislation
- Financial Information
- General Fund Property Tax Revenue Projection
- Fiscal Impact
- Proposed Incentive
- Summary

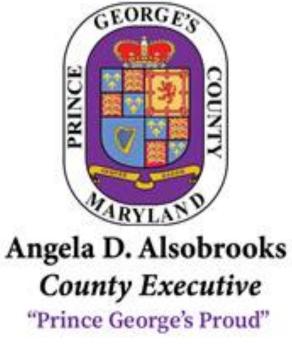


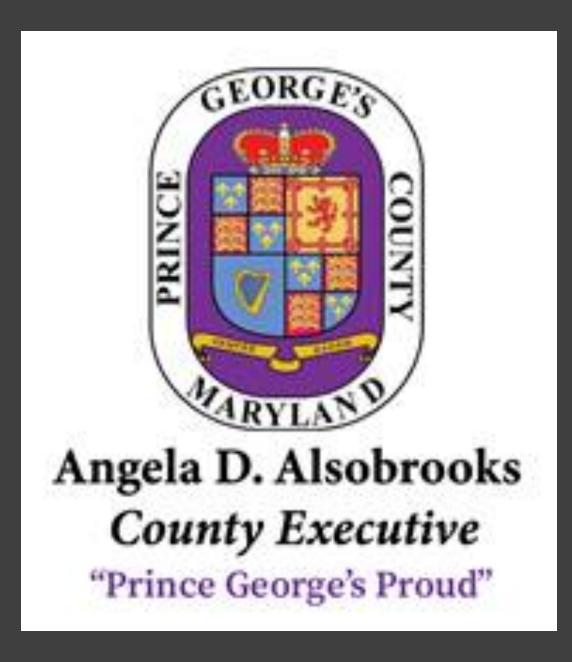
PROJECT OVERVIEW

- 393 multi-family residences.
- 60,000 sq. ft. of retail space.
- Located at the intersection of Baltimore Avenue and Calvert Street.

RENDERING: SOUTHERN GATEWAY DEVELOPMENT







PROJECT OVERVIEW

- 60% 15 Year PILOT (CR 77-2018) on Incremental County Real Property Taxes (Approved)
- City of College Park 60% Revitalization Tax Credit for 15 Years
- 50% Reduction in Public Safety Surcharge
- \$500,000 EDI Fund Conditional Loan



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PROPOSED LEGISLATION

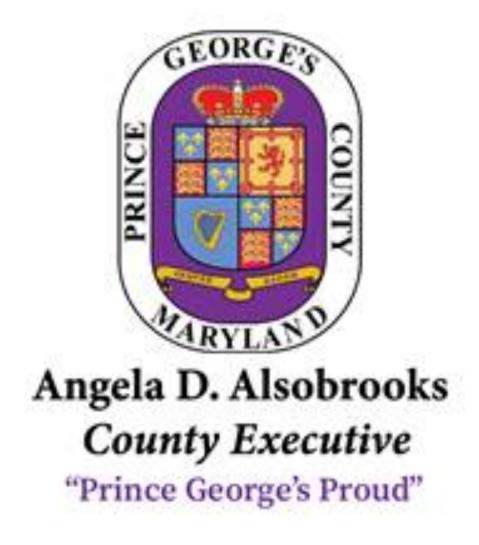
- WHEREAS, the County entered into a financial incentive package with the Developer premised on bringing high-end retail to the County; and
- WHEREAS, the Southern Gateway Project has successfully attracted this highend retail heretofore not present in the County; and
- WHEREAS, to meet the requirements of delivering this new retailer to the County, the Developer moved forward, with the assistance of the County in an expedited permitting process for the project building permits, which included the Developer paying the full 100% of the applicable public safety surcharge fees; and
- WHEREAS, per the Incentive Agreement entered into by the Developer and the County, the Developer is entitled to a 50% reduction and/or reimbursement of the applicable public safety surcharge fees; and
- WHEREAS, the County Executive has determined, because the Southern Gateway Project will have many positive effects on the residential and commercial environment in the College Park area, that the public safety facilities surcharge required under CB-55-2005 and CB-56-2005 should be reduced by 50% for the building permits that have been issued that included the full payment of the surcharge; and



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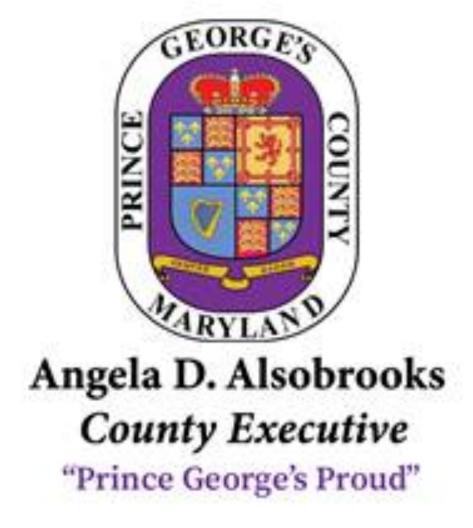
PROPOSED LEGISLATION

- WHEREAS, the County Executive has further determined that the public safety facilities surcharges should be partially waived because the area of the subject property is, and will for the foreseeable future, be more than adequately served by the police and fire facilities; and
- WHEREAS, this Resolution, subject to the County Council approval, will complete the process required for the partial waiver of the public safety facilities surcharge for the Southern Project; and
- WHEREAS, any surcharge imposed within the Developed Tier may be waived by the County Executive and County Council, acting as the governing body.
- NOW, THEREFORE, BE IT RESOLVED that the public safety facilities surcharge shall be partially waived by no greater than fifty percent (50%) for the Southern Gateway Project.
- NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the public safety facilities surcharge required in CB-55-2005 and CB-56-2005 is hereby partially waived for the property included in the Southern Gateway Project, and building permits that have been issued to the Developer for the dwelling units shall be applicable for partial payment of the surcharge, which shall be reimbursed to the Developer.



FINANCIAL INFORMATION

SOURCES OF FUNDS		
THIRD-PARTY EQUITY	\$ 47,300,000	
DEBT	\$ 97,600,000	
DEVELOPER CONTRIBUTION	\$ 5,000,000	
TOTAL	\$ 151,000,000	



GENERAL FUND REAL PROPERTY TAX REVENUES PROJECTION

(OVER 30 YEAR PERIOD)

ТҮРЕ	\$
REAL PROPERTY TAXES - TRIM	\$ 41,160,087
REAL PROPERTY TAXES - EDUCATION	\$ 2,252,909
TOTAL	\$ 43,412,996

NOTES:

- 1. Assumes \$0.92 TRIM and \$0.04 Education real property tax rates (per \$100).
- 2. Assumes 3.0% annual growth rate in assessed value.
- 3. Does not include other real property taxes (MNCPPC, stormwater, WSTC, etc.).
- 4. TRIM real property taxes are net of the 15-year PILOT (CR 77-2018).



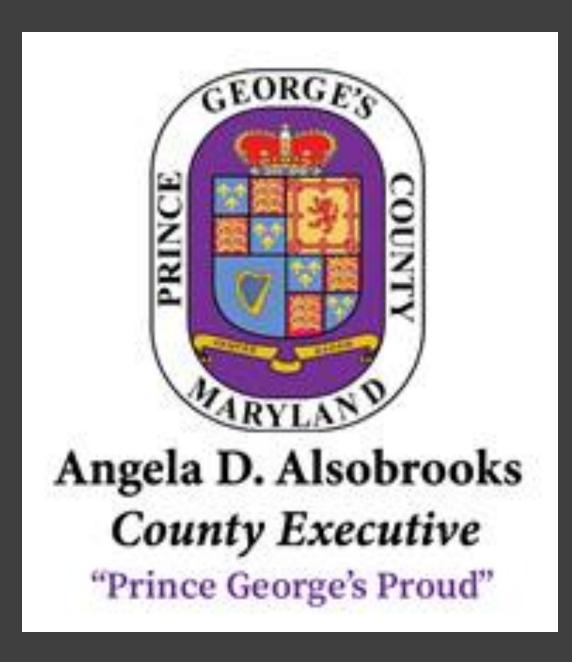
FISCAL IMPACT

(30 YEARS)

TYPE	\$
GENERAL FUND REAL PROERTY TAX REVENUES	\$ 43,412,996
LESS: PUBLIC SAFETY SURCHARGE (50%)	\$ (518,367)
NET COUNTY REVENUES	\$ 42,894,629

NOTES:

- 1. The 50% waiver is based on a public safety surcharge fee of \$2,638 per unit (393 units).
- Does not include additional revenues such as income tax, telecommunication taxes, etc.
- B. Does not include other real property taxes (MNCPPC, stormwater, WSTC, etc.).



Proposed Incentive

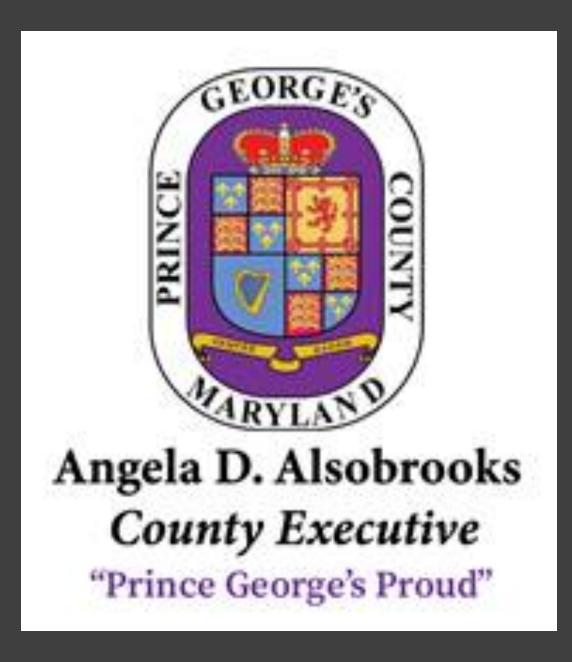
Estimated that County net \$44.3 Million in taxes in the first 15 Years

LSMBE Commitments:

35% Best Efforts

51% Jobs to County Residents

20% CMBEs



SUMMARY

- The development will result in a denser new mixed-use development.
- The development will include 60,000 sq. ft. of high-end retail that will expand the counties commercial tax base.