

**RESOLUTION 2013-06
REVITALIZATION TAX CREDIT
ECHO-UTC, LLC**

A Resolution of the City Council of Hyattsville, Maryland whereby the City Council grants a revitalization tax credit of \$400,000.00 for the construction of a Safeway at University Town Center parcel S.

WHEREAS, pursuant to the Tax-Property Article of the Maryland Code, the City created revitalization tax credit districts with certain qualifications and limitations; and

WHEREAS, ECHO-UTC, LLC (hereinafter "ECHO Realty"), is proposing to purchase parcel S in the UTC complex in order to build a Safeway store; and

WHEREAS, ECHO Realty has requested \$3.5 million in public tax relief incentives from Prince George's County and in order to offset the infrastructure cost directly related to approximately 85,000 square feet mixed use development project to be constructed on parcel S; and

WHEREAS, ECHO Realty is requesting a local revitalization tax rebate pursuant to Section 108-04 from the City of Hyattsville in the form of a rebate from the City of Hyattsville in the amount of \$400,000.00; and

WHEREAS, the site under contract to ECHO Realty is scheduled to go to settlement on or before December 31, 2013 pending the condition that the site plan has been approved by the Maryland National Capital Park and Planning Commission, Planning Board and the County Council, sitting as the District Council; and

WHEREAS, the City Council has had a public hearing on this matter to determine whether it shall provide the \$400,000.00 tax rebate incentive as requested by ECHO Realty; and

WHEREAS, the City Council finds it is in the City's interest to encourage the building of the new Safeway at the UTC as a benefit both to the business community and to the citizens both of Hyattsville and of the surrounding area;

WHEREAS, the City Council has determined that ECHO-UTC, LLC's proposal to build a Safeway on parcel S qualifies for a revitalization tax credit provided certain conditions should apply to the granting of this credit; and

WHEREAS, the City Council has determined that the credit shall be applied as a rebate for \$400,000.00 against the real property taxes imposed by the City of Hyattsville on the property but only of that portion of the property that is attributable to the improvements on the property; and

WHEREAS, the provisions of Hyattsville Ordinance Section 108-4 as to the revitalization tax credit have been met by ECHO Realty.

NOW THEREFORE, be it resolved by the City Council of the City of Hyattsville, Maryland in regular session assembled that the City of Hyattsville hereby approves a revitalization tax rebate as applied for by ECHO Realty in the amount of \$400,000.00, the grant of which tax credit shall be contingent upon the following:

1. Prince George's County's approval of ECHO Realty's economic development incentive fund application and payment in lieu of taxes ("PILOT") in the amount of \$3,100,000.00 to the applicant; and
2. Applicant has purchased parcel S in the UTC development and is in possession of the deed to said property; and
3. Prince George's County granting a use and occupancy permit to open a Safeway grocery store (plus or minus 52,105 square feet) for business to the public on the premises on or before January 1, 2016, which date the Council may by motion extend in the Council's sole discretion; and

BE IT FURTHER RESOLVED, that the tax rebate shall be in the amount of \$400,000.00 from the additional real estate taxes attributable to the value of the improvements made on the property; and

BE IT FURTHER RESOLVED, that the tax rebate shall extend for a maximum of six (6) years from the date the credit begins to be paid unless extended by the City Council, until the total amount of \$400,000.00 is rebated to the owner; and

BE IT FURTHER RESOLVED, that the City will maintain the right in its discretion to cease payment of the revitalization tax rebate if after the above contingencies are met, the occupancy rate of the development located on parcel S falls below 60% (49,020 square feet) of gross leasable space for a period of eighteen (18) months (the City will base the vacancy rate on the gross leasable space that is occupied with permitted users as defined in the Prince George's Plaza TDDP); and

BE IT FURTHER RESOLVED, that the Treasurer with the approval of the City Administrator shall issue the rebate, upon all contingencies, limitations and conditions as outlined herein being fulfilled, so that 100% of the real property taxes attributable to the improvements made on the property be rebated for the first two (2) years after higher property taxes are due to the City on the improvements and then either 100% or a graduating percentage, at the discretion of the City Treasurer and City Administrator for the balance of the rebate, if any exists, in the next two (2) to four (4) years, unless the time period is extended by the City Council, to obtain the approved tax rebate totaling \$400,000.00; and

BE IT FURTHER RESOLVED, that the tax credit shall be in the form of a rebate of taxes after they have been paid by the Owner

NOW, THEREFORE BE IT RESOLVED, by the City Council in regular session assembled that this Resolution is hereby approved and promulgated.

INTRODUCED and PASSED by the Mayor and City Council of the City of Hyattsville at a Regular Meeting on November 4, 2013, at which meeting copies were available to the public for inspection.

ATTEST:



Laura Reams, Clerk



Marc Tartaro, Mayor