



ANNE ARUNDEL COUNTY OFFICE OF LAW

Legislative Summary

To: Members, Anne Arundel County Council

From: Kelly Phillips Kenney, Supervising County Attorney /s/

Via: Gregory J. Swain, County Attorney /s/

Date: September 3, 2024

Subject: Bill No. 69-24 – Payment in Lieu of Taxes – The Villages at Marley Station, Glen Burnie, Maryland – Second Amendment

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Bill No. 69-24.

Background

Anne Arundel County Council Bill No. 67-22, adopted on July 25, 2022, approved the terms and conditions for payments in lieu of taxes (“PILOT Agreement”) for property known as The Villages at Marley Station, which is located at 7841 Bruton Drive, Glen Burnie. The PILOT Agreement was entered into on September 12, 2022. Bill No. 17-23, adopted on April 14, 2023, approved the terms and conditions for an amendment to the Agreement (the “First Amendment”). The First Amendment was entered into on July 19, 2023.

Since the time the First Amendment was entered, the owner of the Property has determined that it needs additional time to subject existing units to income restrictions required by the PILOT Agreement to avoid displacing current residents, along with some other changes to the PILOT.

Purpose

The purpose of Bill No. 69-24 is to authorize the County Executive to enter into a Second Amendment to PILOT Agreement with Fairfield Marley Station LP to extend the date to comply with the income restrictions for the units, provide for an average for the range of income restrictions, and to reduce the overall payment amount.

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

Bill No. 69-24

SECTION 1.

This section authorizes the County Executive to enter into the Second Amendment to the PILOT Agreement, which is attached to the Ordinance as Exhibit A. The Second Amendment to the PILOT Agreement sets forth a new paragraph 1(b), which requires the same number of units be available to renters of low income, but provides for an overall average of tenant income levels. Specifically, five hundred eighty-four (584) units (including vacant units) shall be initially available to households earning an average of 60% or below of the area median income as an aggregate group, with no single tenant earning over 80% of the area median income. The date upon which at least seven hundred forty-five (745) units (including vacant units) must meet this income level is extended from December 31, 2026, to December 31, 2027. Additionally, language is added to provide that the income level is met at the time of initial qualification, after which any such tenant can earn up to 140% of the area median income.

Additions are made to Paragraph 2 of the PILOT Agreement to provide that beginning in FY29, the property shall be exempt from County real property taxes if 745 units meet the income requirements, or have a partial exemption from County real property taxes for the number of units below 745 that meet the income restrictions. The language also provides for the calculation of the real property taxes for the units not exempt under the provision.

Paragraph 5 of the PILOT Agreement is replaced to provide that the PILOT payment, beginning in FY25, is reduced to \$50,000 (from \$218,120), plus any County tax amount due for any units not meeting the income requirements. Thereafter, the annual payment shall be equal to the previous year's payment, plus an adjustment factor of 4% per annum. Paragraph 9 is also amended to change the first date for the Owner to provide financial reports to the County from July 1, 2023 to July 1, 2025.

SECTION 2.

This specifically provides that all other terms of Bill Nos. 67-22 and 17-23 and the PILOT Agreement and the First Amendment remain in full force and effect.

SECTION 3.

This section provides that the Ordinance shall take effect 45 days from the date it becomes law.

The Office of Law is available to answer any additional questions regarding this Bill. Thank you.

cc: Honorable Steuart Pittman, County Executive
Christine Anderson, Chief Administrative Officer
Jeff Amoros, Chief of Staff
Ethan Hunt, Government Relations Officer

Chris Trumbauer, Budget Officer

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Erin Shearman Karpewicz, Arundel Community Development Services

Katherine Ebner, Arundel Community Development Services

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