



Agenda Item Summary Report

Meeting Date:
April 14, 2025

Submitted by:
Michelle Bailey Hedgepeth, Town Administrator
Vito Tinelli, Town Treasurer

Item Title: **CONTRACT APPROVAL: Approval of a Payment in lieu of taxes agreement (PILOT) with Osprey Development, LLC as approved by the Town Attorney in its final form. (Development: Hamlet Woods II)**

Work Session Item [X]
Council Meeting Item [X]

Documentation Attached:
County PILOT Agreement
Information on Hamlet Woods

Recommended Action:

Staff recommends that the Council approve a Payment in lieu of a tax agreement (PILOT) with Osprey Development, LLC, in the final form the Town attorney has negotiated.

Purpose & Summary: Osprey Development is building 59 affordable housing units adjacent to Hamlet Woods. This agreement would reduce the taxable rate by the Council's approval of a PILOT, which would have the following provisions:

- Reduced Taxes at a per unit rate with increases over a 30-year period (\$600 per unit per year with increases over the life of the 30-year term).
- Agreement that the units will be maintained and kept as affordable housing.
- The Town will not provide trash or recycling services to this property.

Impact

- This would create 59 quality units that would serve individuals at 60-80 percent of the AMI.
- The project would redevelop a parcel that has been designated for housing but has not been completed for several years.
- Currently, the land is unimproved, and the Town receives around \$3000.00 yearly in property taxes. The proposed agreement reduced the taxable amount due to the use of tax credits and DCHD funding at the site.
- The county has a similar agreement with the developer and State funds have been provided to support this project.

If you have any questions regarding this matter, the Town Administrator or Mr. Tinelli can answer them.

Budgeted Item: Yes [] No [X]
Budgeted Amount:\$
One-Time Cost: NA
Ongoing Cost:

Continued Date:

Council Priority: Yes [] No []

Approved Date: