BRIEFING MEMORANDUM

TO:	Mayor Takisha D. James and Members of the Town Council
FROM:	Interim Town Administrator
DATE:	July 13, 2026
RE:	**Proposed PILOT Ordinance and Agreement – Hamlet Woods (Hamlet Apartments, LLC)**

PURPOSE

This memorandum outlines the elements of the proposed Payment in Lieu of Taxes (“PILOT”) Agreement between the Town of Bladensburg and Hamlet Apartments, LLC (“Owner”) for the Hamlet Woods affordable housing project, and provides a financial analysis of the payment structure being proposed.

PROJECT BACKGROUND

The Owner is developing 59 units of new affordable, townhouse-style multi-family rental housing on a 13.3-acre site at 57th Avenue / 5200 Egret Lane (Tax ID 02-0094979). All 59 units will serve households at or below 60% of Area Median Income; 3 units will meet Uniform Federal Accessibility Standards and 2 will accommodate residents with sensory impairments. The Project is financed in part through a Prince George’s County Housing Investment Trust Fund loan ($2,500,000), CDA tax-exempt bond financing ($10,240,000), CDA Rental Housing Works ($3,500,000), LIHTC investor equity ($11,644,738), and a deferred developer fee ($1,351,780). Prince George’s County has already approved a 30-year PILOT for the Project under CR-036-2023.

Under §1-1308 of the Local Government Article and §7-506.1 of the Tax-Property Article, the Town may accept a negotiated PILOT in place of full real property taxes for qualifying affordable projects, provided the Owner maintains the property as restricted housing for lower-income persons for at least five years — here, for the full 30-year term via a Rental and Regulatory Agreement recorded in favor of the County.

FINANCIAL ANALYSIS — PILOT PAYMENT COMPARISON

Two payment structures have been modeled for the 30-year term. Absent this Agreement, the Property would be taxed as vacant land at approximately $3,228/year until construction is complete, then at full assessed value once developed (Year 1 estimated assessed value: $7,972,973; Town rate $0.74/$100), producing an estimated full Year-1 tax bill of $59,000. Both scenarios below assume the Project is fully assessed as built.

	Owner-Proposed PILOT	**Town Counter-Proposal**
Base PILOT/Unit (Yr 1)	$500/unit — $29,500 total	$600/unit — $35,400 total
Escalation	2.0% per year, flat, all 30 years	2% (Yrs 1–10), 3% (Yrs 11–20), 4% (Yrs 21–30), plus Town tax-rate increases
Year 1 Payment	$29,500	$35,400
Year 10 Payment	$35,255	$42,306
Year 20 Payment	$42,976	$56,856
Year 30 Payment	$52,387	$84,161
Cumulative PILOT Paid (30 yrs)	**$1,196,758**	**$1,597,089**
Est. Full Tax Without PILOT (30 yrs)	$2,393,517	$2,762,300
Town Revenue Foregone (30 yrs)	**$1,196,758**	**$1,165,211**

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KEY FINDINGS

- The Town's counter-proposal collects roughly $400,000 more in cumulative PILOT payments over the 30-year term than the Owner's original proposal ($1,597,089 vs. $1,196,758).
- Under the Town's structure, foregone tax revenue over 30 years is about $31,500 lower than under the Owner's proposal, because the higher starting payment and tiered escalation (2%/3%/4%) more closely track assessed-value growth and future Town tax-rate increases.
- The draft Agreement circulated for execution reflects the Town's $600/unit ($35,400 total) starting payment, consistent with the Town-proposed model above. Staff notes the Agreement describes the escalator as "2.5% per year plus any adopted Town tax increase," which differs from the tiered 2%/3%/4% schedule used in the financial model; staff will reconcile before final execution so the recorded Agreement and the Town's financial projections match.
- Payments are due September 30 each year, are billed and collected by Prince George's County on the Town's behalf, and carry the same lien, interest, and tax-sale remedies as delinquent County property taxes.

RECOMMENDATION

Staff recommends the Council introduce Ordinance **-2026 approving the PILOT Agreement in substantially the form of the ordinance drafted by the Town legal council, reflecting the Town-proposed payment schedule ($600/unit, $35,400 Year-1 total, 30-year term).