



FISCAL IMPACT NOTE

Resolution: R-39-19

Title: Payment in Lieu of Taxes – Towne Courts, LLC – 2010 West Street

Date: July 20, 2019

This resolution approves a payment in lieu of taxes fees (PILOT) between the City and Towne Courts, LLC for a 42-unit affordable housing apartment complex located at 2010 West Street. The City Manager's staff report to the Mayor and the analysis prepared by Arundel Community Development Services provided to the City Council include more detailed information on the terms of the PILOT and the need for a PILOT to make the project financially feasible.

In the first year, the PILOT will be \$7,672, which is \$24,238 less than the estimated property taxes that would otherwise be due of \$32,000. Each year the PILOT payment increases 4%. We cannot predict the increase in future property tax assessments, so we cannot estimate the difference between the PILOT payment and what the property taxes would be. However, property tax assessments (as phased in over a three-year period) have not, on average, increased by more than 4% annually in recent years.

Prepared by Jodee Dickinson, Finance Director