

Hyattsville Crossing Business Improvement District Feasibility Study

Phase 1 Report

April 2022



HYATTSVILLE CROSSING

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INTRODUCTION



What is a Business Improvement District?

A Business Improvement District (BID) is an economic development tool that allows a geographic cluster of commercial property owners to **collectively invest in activities that improve economic vitality.**

OUTCOMES



Creating opportunities for placemaking along local corridors



Bringing vitality and revitalizing stagnant corridors



Promoting job growth and economic development

Why a BID in Hyattsville?

Recent County legislation and efforts have created an opportunity for the City of Hyattsville to explore forming a BID that will allow property and business owners to benefit from future investment.



County support

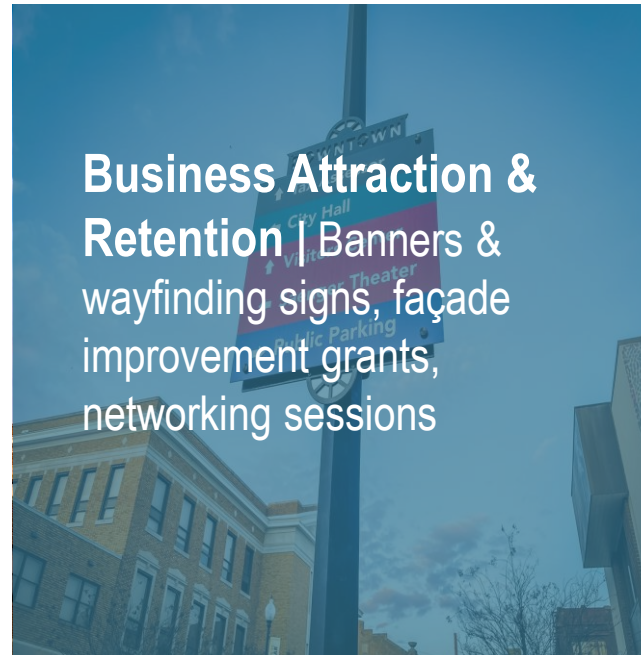


Stakeholder interest

Development momentum

Regional models

A Hyattsville BID would bring value to local property and business owners by supporting the following:



The City of Hyattsville engaged HR&A Advisors and Brick & Story to explore feasibility and implementation of a new BID

TODAY

1

Select geographic location and properties/businesses to be included in the potential BID. Engage small set of stakeholders and assess preliminary financial feasibility.

2

Engage all property owners. Create a steering committee with local property and business owners to develop a BID business plan.

3

State and County develop and adopt Business Improvement District legislation requiring 51% property owner approval.

4

Submit a new BID application with the County to be approved to implement a new BID and tax assessment rate.

HYATTSVILLE CROSSING CONTEXT & OPPORTUNITIES

Prince George's County is experiencing new opportunities and momentum for BIDs to form in local municipalities

2017 Precedent Legislation to Facilitate BID Formation

Montgomery County, MD set a precedent for future Maryland BIDs by reducing the consensus required to form a BID from **80 percent** of property owner signatures to **51 percent**.

Plan Prince George's 2035 Strategic Investment Priorities

The plan outlines specific investment strategies for **downtowns, corridors** and **Neighborhood Reinvestment Areas**.

County Economic Corridor Studies

The studies showed a **need for more investment and economic vitality** for corridors around the county.

The City of Hyattsville continues to prioritize strategic neighborhood investments for local businesses and residents

Plan Prince George's 2035 Strategic Investment Priorities

- Designates Prince George's Plaza Metro as one of three initial downtowns for the county
- Prioritizes capital improvement projects, relocation of governmental entities, and development approvals in downtowns

MNCPPC, Prince George's Plaza Transit District Development Plan

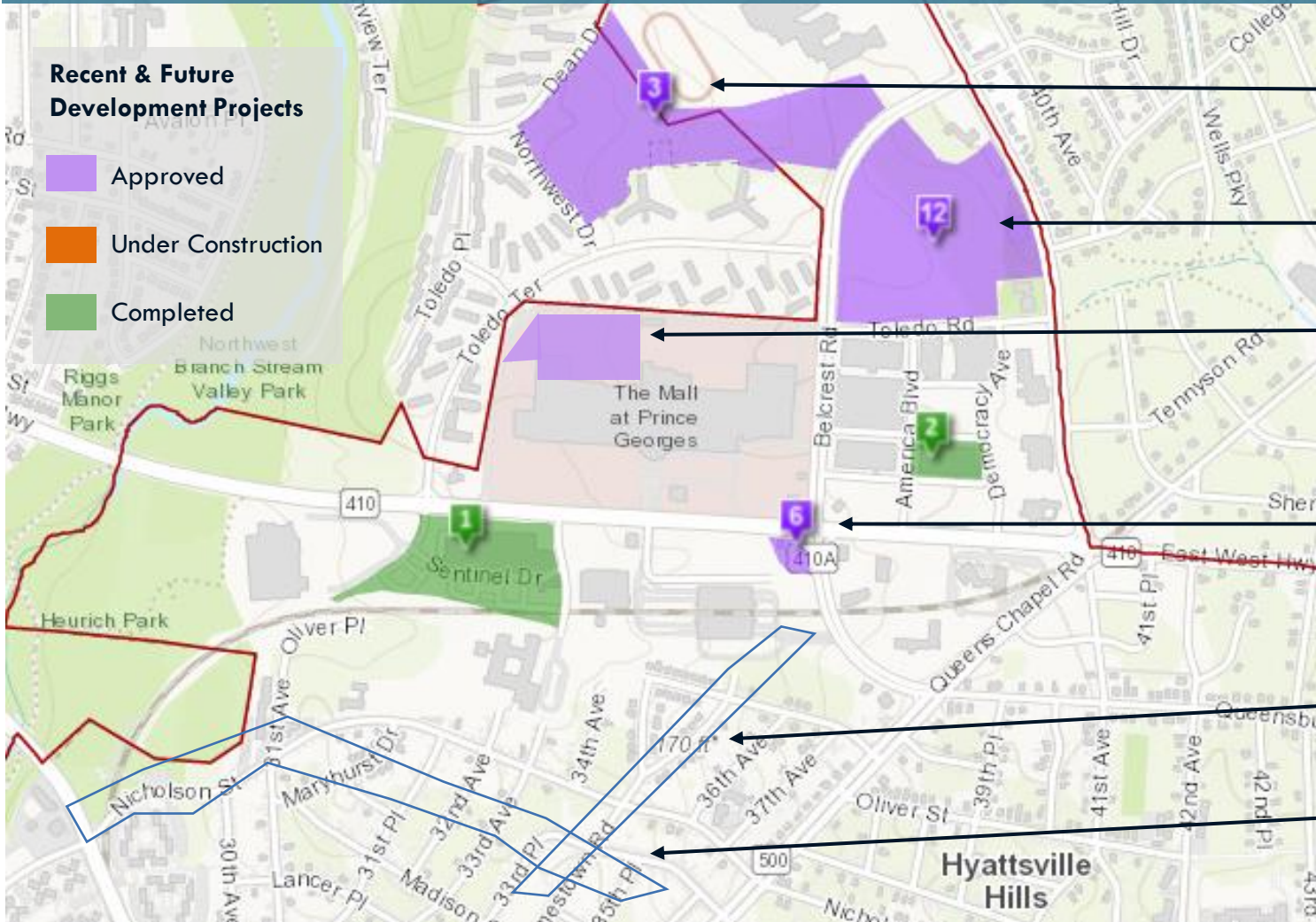
- Implement 2035 vision for a walkable, transit-oriented, mixed-use community
- Establish a regionally competitive public realm and overall built environment

High demand from renters and younger adults in the PGP Transit District will continue to attract investment to the area

	Median Income	% Black Residents	% Renters	Median Rent	% 25-34	% Bachelor's Deg.	% Vacant Units
City of Hyattsville Total Population: 18,242	\$81,736	29%	53%	\$1,433	19%	36%	6.3%
PGP Transit District Total Population: 5,795	\$72,106	30%	85%	\$1,640	28%	30%	4.3%

Source: Esri, American Community Survey 2019 5-year Estimates

Residential development and infrastructure investments continue in the Hyattsville Crossing area



Landy – 331 townhomes

Dewey Development – 2 multifamily buildings + condominiums

Avalon Bay – 360 units multifamily + 1,000 SF retail

3599 East West Highway – Expand gas station and move convenience store

Queens Chapel Road Streetscape Project

Nicholson Street Road Improvements

Hyattsville Crossing is home to a mix of large and small businesses



338
Total Businesses

36% Retail
with a concentration
of clothing stores



38% Services
Including a
concentration of
health services

Hyattsville Crossing's growth provides economic development opportunities, but also enhances displacement risk



OPPORTUNITIES

Hyattsville's **relative affordability**, compared to other cities in the Washington DC region, is an asset for attracting new residents.

Racial diversity and a **mix of business types** in the area brings more opportunities for a more diverse economy.

Increasing populations of **younger adults and nonfamily households** provides an opportunity for a BID to bring new amenities to the area.



CHALLENGES

The Transit District's higher rents compared to Hyattsville impact the ability to find affordable housing for legacy residents.

New construction and low vacancy will continue to drive rents and property values higher, creating a burden for both residents and businesses.

INITIAL STAKEHOLDER ENGAGEMENT

Phase 1 Stakeholder Engagement provided an understanding of initial interest and feasibility for a Hyattsville Crossing BID

We spoke with a variety of stakeholders, including developers, property owners, community organizations, residents, and local government representatives.

Stakeholders Contacted (Phase 1):

Joe Galli

Bernstein Companies (UTC)

Scott DeCain

Bald Eagle Partners and UTC Board

Stuart Eisenburg

Hyattsville CDC

Councilmembers McClellan & Simasek

Hyattsville City Council, Ward 3

Henry Watford

PREIT

Nihar Shah

Perseus TDC

Emerging Themes and Priorities:



Individual stakeholders shared their support for a new BID

Continue to Build Consensus Among Stakeholders

- Many stakeholders suggested being supportive of a BID in the area
- All stakeholders acknowledged the potential of a BID to strengthen the area's identity
- Stakeholders expressed interest in working together with the other property owners and businesses in the area to build consensus around how a BID could best meet the diversity of needs

Build One Cohesive Identity

- The name "Hyattsville Crossing" has not been adequately marketed
- Need for better signage
- Barriers such as E-W Highway will require creative solutions to unify businesses across divides

Stakeholders also identified key considerations for moving forward

Reactivate Underutilized Spaces	<ul style="list-style-type: none">• University Town Center’s Plaza• Parking Lots• Placemaking through Public Art
Leverage Recent Development Momentum	<ul style="list-style-type: none">• Stakeholders suggested the current sense of excitement for future projects in the area can be used to motivate owners and businesses towards unification and common investment.
Carefully Consider Economic Implications of BID Assessment	<ul style="list-style-type: none">• Additional taxes currently paid for public safety services• Special tax at UTC• Varying business sizes• Affordability for small businesses• Small Business turnover rate

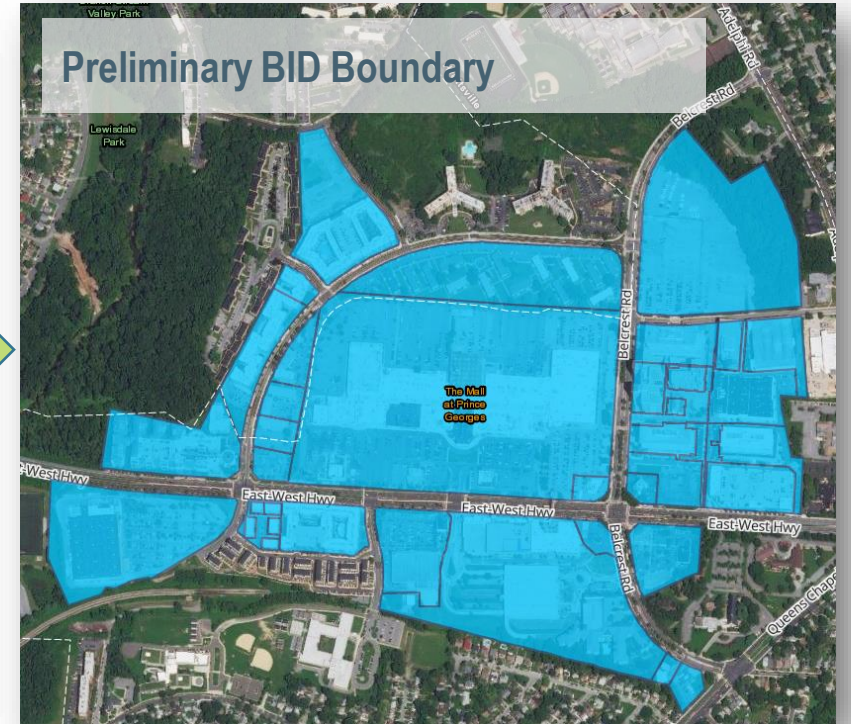
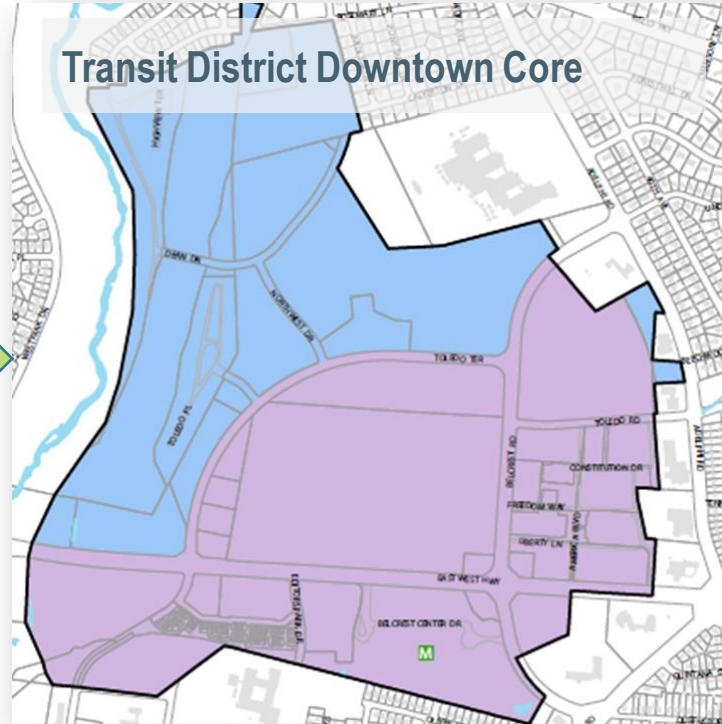
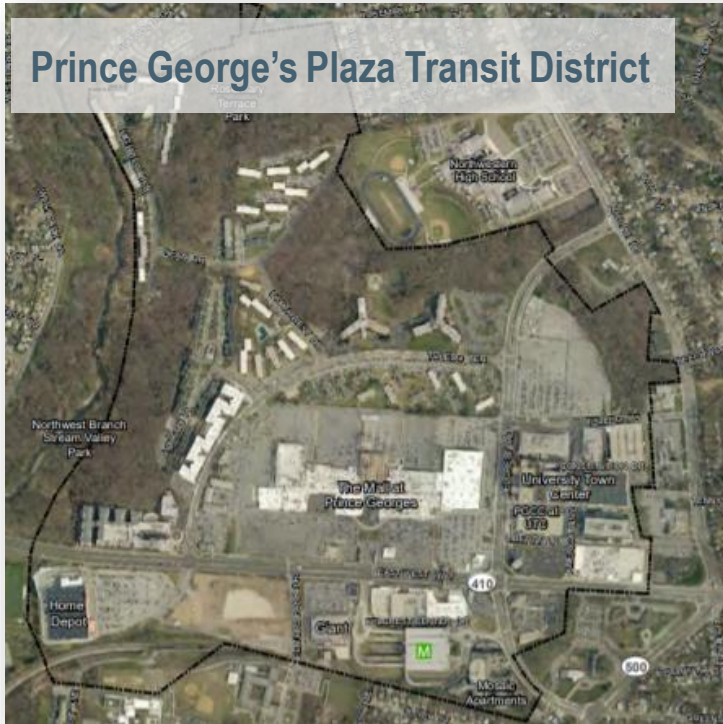
PROSPECTIVE BID BOUNDARY

MIPG MALL AT
PRINCE
GEORGE'S

LIBERTY BUSINESS

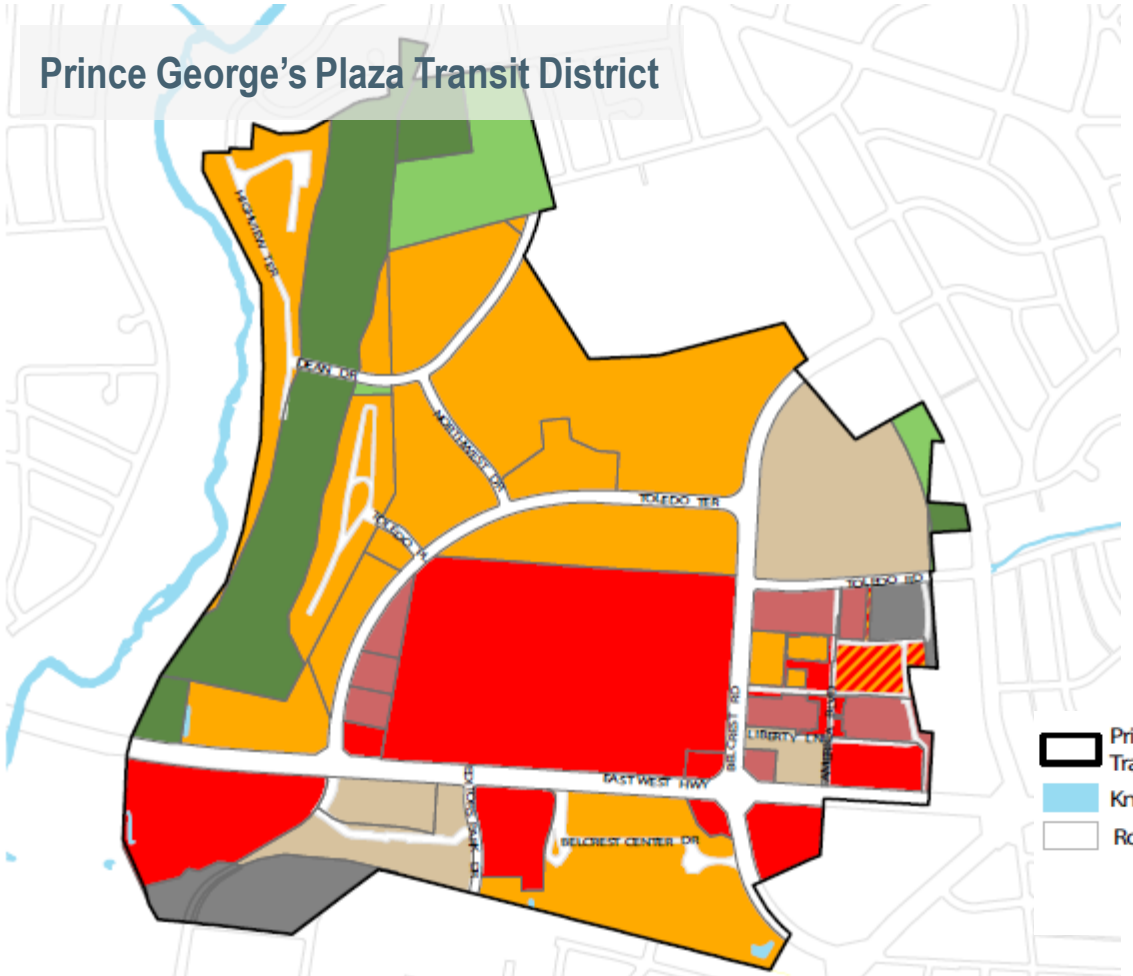
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Existing initiatives provide an opportunity to maximize the value of a new BID in Hyattsville



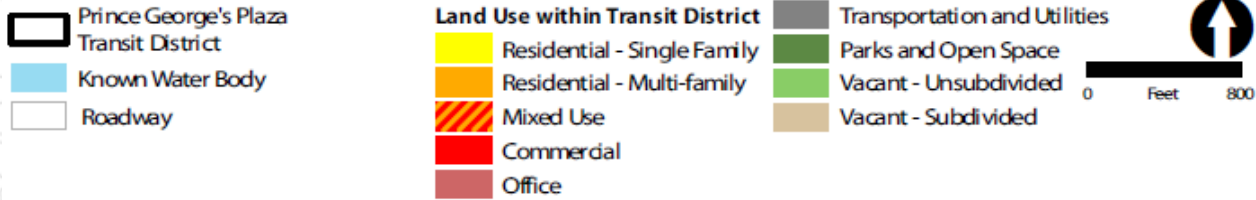
Source: Prince George's Plaza Approved Transit District Development Plan, July 2016

The Prince George's Plaza Transit District was a starting point for a preliminary Hyattsville Crossing BID boundary



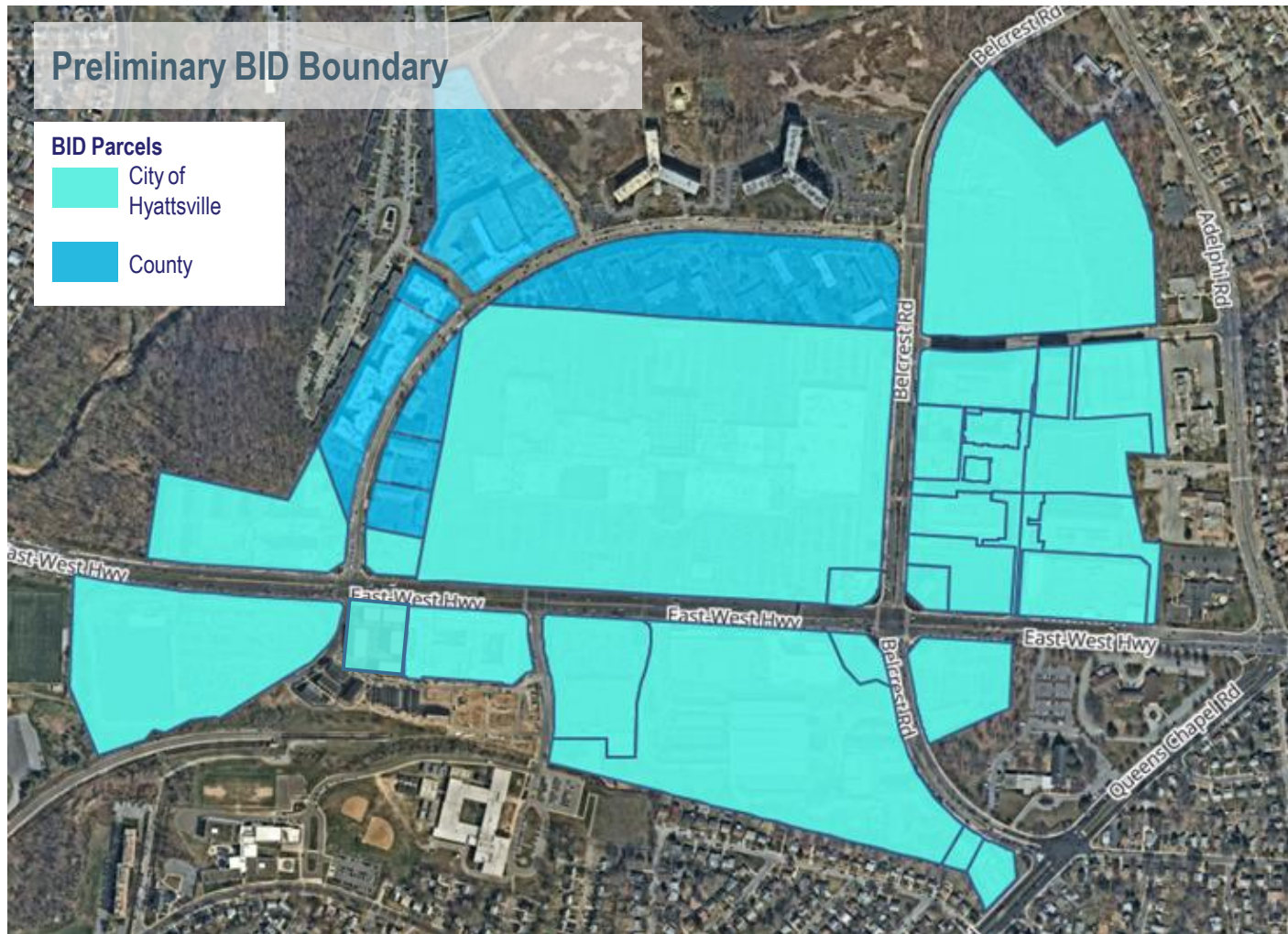
The Transit District encompasses a mix of residential, mixed use, commercial, and office uses, in addition to the Metro station and parks and open space.

This mix, especially in the Downtown Core concentrated around the Metro and the Mall at Prince George's Plaza, **creates positive conditions for forming a Business Improvement District.**



Source: Prince George's Plaza Approved Transit District Development Plan, July 2016

The preliminary BID boundary largely follows the Downtown Core zone, with slight variations



Preliminary Boundary vs. Downtown Core

- Removes areas with single-family and townhome residential units (southwest)
- Includes multifamily and commercial outside of the Hyattsville city boundary (northwest)

The 200-acre preliminary BID Boundary encompasses a variety of property owners, businesses, and residents

34

Total Parcels

32 included in the assessment

~1,700

Residents

25

Total Property Owners

of parcels included in the assessment

6.9M SF

Estimated Building SF

of parcels included in the assessment

~\$900M

Estimated Tax Assessment

of parcels included in the assessment

~340

Estimated Businesses

primarily in retail and services

Source: Prince George's County Parcel Data

Hyattsville Crossing BID Feasibility Study

PRELIMINARY FINANCIAL FEASIBILITY

BID budgets align with the district size and service offerings provided to local businesses and property owners

BIDs across the region have a range of budgets that help serve different community needs and can inform services for the proposed 200-acre Hyattsville Crossing BID. The main services provided across almost all BIDs include public space maintenance, and business support/marketing.



Anacostia BID

Budget: \$300K

Tax Assessment: \$0.16

Flat Rate

Acres: 169

Services

- Public Space Maintenance
- Marketing & Events
- Community Services
- Business Support



Adams Morgan BID

Budget: \$803K

Tax Assessment: \$0.21

Flat Rate

Acres: 62

Services

- Public Safety
- Public Space
- Maintenance
- Marketing & Events



Silver Spring BID

Budget: \$3M

Tax Assessment: \$0.024

Flat Rate

Acres: 265

Services

- Place Management
- Branding & Marketing
- Economic Development



Golden Triangle BID

Budget: \$6.65M

Tax Assessment: \$0.17

Flat Rate

Acres: 186

Services

- Public Space Maintenance
- Homeless Outreach
- Emergency Preparedness
- Sustainability
- Economic Development
- Public Art



NoMA BID

Budget: \$15M

Tax Assessment: \$0.05 - \$0.16

Tiered Rate

Acres: 237

Services

- Public Space Maintenance
- BID Ambassadors
- Marketing & Communications
- Economic Development

BID budgets consist of a mix of revenue streams to effectively manage operations and programs

BIDs across the region and country have a variety of funding sources. The most substantial component of a BID's budget comes from an **additional tax assessment of property owners** in the BID boundary.

BIDs in the metro region **leverage other revenue sources**, such as:

- ✓ Local and Federal Grants
- ✓ Program Revenues
- ✓ BID Startup Funds

On average for **BIDs in the DC Metro region**, tax assessments make up approximately **60% of the total BID budget**.




The Adams Morgan Clean Team is funded partially by a grant from the DC Department of Small and Local Business Development.

Source: *Prince George's Plaza Approved Transit District Development Plan, July 2016*

DC Metro Area BIDs provide a range of unique services and programs that best meet the needs of their communities

Anacostia BID



SAFETY

Hired over-time Metro officers to patrol BID streets through the Reimbursable Detail Officer Program (RDO).

Capitol Riverfront BID



ADVOCACY

Work with community members to advocate for transit investment and conduct transportation analysis.

Golden Triangle BID



HOMELESS OUTREACH

Work with individuals experiencing homelessness to connect them with critical social services.

NoMa BID




MARKET RESEARCH

Monitor economic and real estate trends in the district as a resource for local businesses.

A budget for the Hyattsville Crossing BID has two tax assessment options to achieve prioritized outcomes

The Financial Feasibility Evaluation reviews potential assessment methodologies and the resulting range of budgets to determine the level of services a BID could support. This evaluation will inform discussion of opportunities and challenges for future stakeholder engagement.


Comparing different assessment methodologies and structures for the BID:



The diagram shows three stylized buildings of varying heights and widths. A horizontal grey arrow points from left to right across the middle of the buildings, indicating a uniform assessment rate across all properties.

Flat rate tax based on assessed value or building SF

All properties are assessed at the same rate regardless of size or land use.



The diagram shows three stylized buildings of varying heights and widths. A grey arrow points from the bottom-left towards the top-right, passing through the buildings, indicating that the tax assessment rate increases based on geographic location or land use type.

Tiered rate based on geographic zones, land uses, or size

Properties have different tax assessment rates, based on geographic location or land use type.

A flat tax assessment rate will assess all properties at the same rate regardless of size or land use



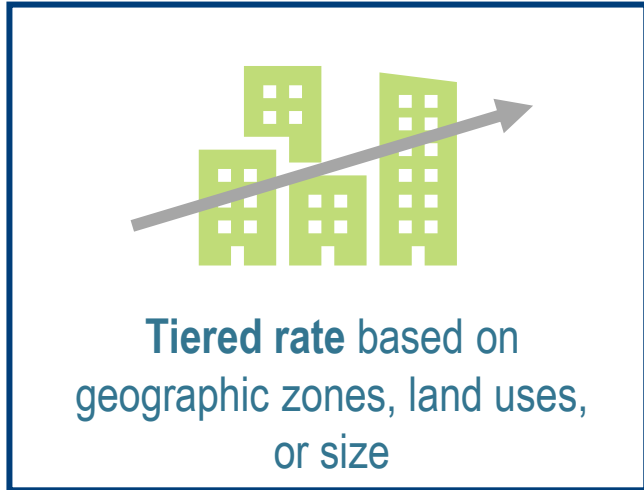
Flat rate tax based on assessed value or building SF

Comparing these potential budgets to existing DC BIDs helps demonstrate the potential services the Hyattsville Crossing BID could offer. For example, **the lower tax rate could mirror the services of DC's Anacostia BID.**

Examples of tax assessment rates and potential budget estimates

	<i>Budgets based on Assessed Value</i>	<i>Budgets based on Building SF</i>
High Tax Rate	\$1,400,000 (\$.16 / \$100 assessed value)	\$1,300,000 (\$.20 / Building SF)
Mid Tax Rate	\$700,000 (\$.08 / \$100 assessed value)	\$900,000 (\$.14 / Building SF)
Low Tax Rate	\$350,000 (\$.04 / \$100 assessed value)	\$600,000 (\$.09 / Building SF)

A tiered tax assessment rate would apply different tax rates for different land use types and sizes



In the future, Hyattsville Crossing may consider tiered tax rates to account for different types of services and benefits offered by the BID. A tiered structure could offer a lower tax rate to smaller parcels, certain types of land uses, or a group of parcels that require a lower level of services.

Pro: A tiered rate for smaller parcels would not have a major impact on the overall budget but **may make a big difference in reducing the tax burden for these property owners.**

Con: Different tax rates can **cause confusion** and possibly **shift the governing dynamics of a steering committee** if some property owners are paying higher rates than others.

IMPLEMENTATION ROADMAP

Based on the initial assessment, a Hyattsville Crossing BID is feasible

The initial assessment and engagement demonstrated that a Hyattsville Crossing BID is feasible and would be valuable to many different types of stakeholders in the area.

Vision for Hyattsville BID:

Property Owners

Public safety, beautification, tenant attraction, advocacy for public investment

Businesses

Public safety, area identity, customer attraction

Residents

Placemaking, public events, more amenities, public safety

City & County

Regional competitiveness of Hyattsville and Prince George's County as an attractive place to live and work



The process of implementing a new Hyattsville Crossing BID relies on completing a three-phased process



Phase 1

Feasibility Study

Understand the feasibility of a BID in the City of Hyattsville and conduct initial outreach with property owners to evaluate interest.

Q4 2021 – Q1 2022



Phase 2

BID Planning

Conduct comprehensive stakeholder outreach with property and business owners to form a steering committee and develop a BID business plan.

Q2 2022 – Q3 2022



Phase 3

BID Implementation

Local property and business owners advocate and work with county and city officials to submit an application to the County to create a new Hyattsville Crossing BID.

Q4 2022

Phase 1 is mostly complete.



Phase 1

Feasibility Study

Understand the feasibility of a BID in the City of Hyattsville and conduct initial outreach with property owners to evaluate interest.

Q4 2021 – Q1 2022

This phase informed the two implementation phases:

- ✓ Engaged with **primary stakeholders** to garner support the proposed BID
- ✓ Identified a **potential geographic boundary** for the proposed BID, including parcels and properties
- ✓ Evaluated **different tax assessment options** to inform future business planning
- ✓ Reviewed **other potential resources and funds** to support in BID startup
- ✓ Outlined **next steps** for BID creation (next slides)

Phase 2 will include continued outreach and planning.



Phase 2

BID Planning

Conduct comprehensive stakeholder outreach with property and business owners to form a steering committee and develop a BID business plan.

Q2 2022 – Q3 2022

This phase will solidify a plan for the proposed BID:

- ✓ Continue engaging a **wider range of stakeholders** located in the proposed BID
- ✓ Create a **BID steering committee** that will govern the BID
- ✓ Develop a **3-yr BID Business Plan** that finalizes the tax assessment rate, boundaries and staff
- ✓ **Advocate** with county and state officials to introduce the proposed BID
- ✓ **Confirm the City and County resources** that will be needed to support BID startup
- ✓ Create a **governing body** within the County to create and manage BID legislation

Key Questions to Address in Phase 2

Stakeholders & Governance

- What mix of stakeholders should form the steering committee? E.g., property owners, developers, business tenants, residential tenants, cultural and civic institutions

Funding

- What tax assessment rate can provide sufficient resources for desired BID programming without burdening small business owners?
- What City and County resources are available to support BID startup in Hyattsville Crossing?

BID Creation

- What is the best path to securing new Maryland legislation to change the property owner approval requirement from 80% to 51%?

Phase 3 will adopt the new BID into local law.



Phase 3

BID Implementation

Local property and business owners advocate and work with county and city officials to submit an application to the State to create a new Hyattsville Crossing BID.

Q4 2022

This phase will execute the legislative process:

- ✓ Advocate with State legislatures to **request a change to the Maryland Code** to reduce the required property owner approval rate from 80 percent to 51 percent (ex. Montgomery County)
- ✓ Submit a **BID application** with to the governing body of the County and municipal corporation
- ✓ Hold **public hearing** after submitting required documentation
- ✓ **Adopt local law** to authorize a business improvement district within 10 days of the public hearing
- ✓ Provide **district tax roll** for the County or municipal corporation to impose

Hyattsville Crossing BID Feasibility Study

Phase 1 Report

April 2022



HYATTSVILLE CROSSING

Appendix

The City of Hyattsville engaged HR&A and Brick & Story to assess the feasibility of creating a BID in the city



HR&A is an economic development and real estate consulting firm working at the intersection of the public and private sectors. Our work transforms communities and revitalizes urban environments in the Greater Washington region and around the country.

Local Projects

- Prince George's County BID Toolkit
- Hyattsville Justice Center Redevelopment
- Takoma Langley Crossroads Planning & Implementation
- Prince George's County Inclusionary Zoning
- Blue Line Corridor Vision and Implementation Strategy
- New Carrollton Station Area Planning
- WMATA Joint Development Strategic Plan

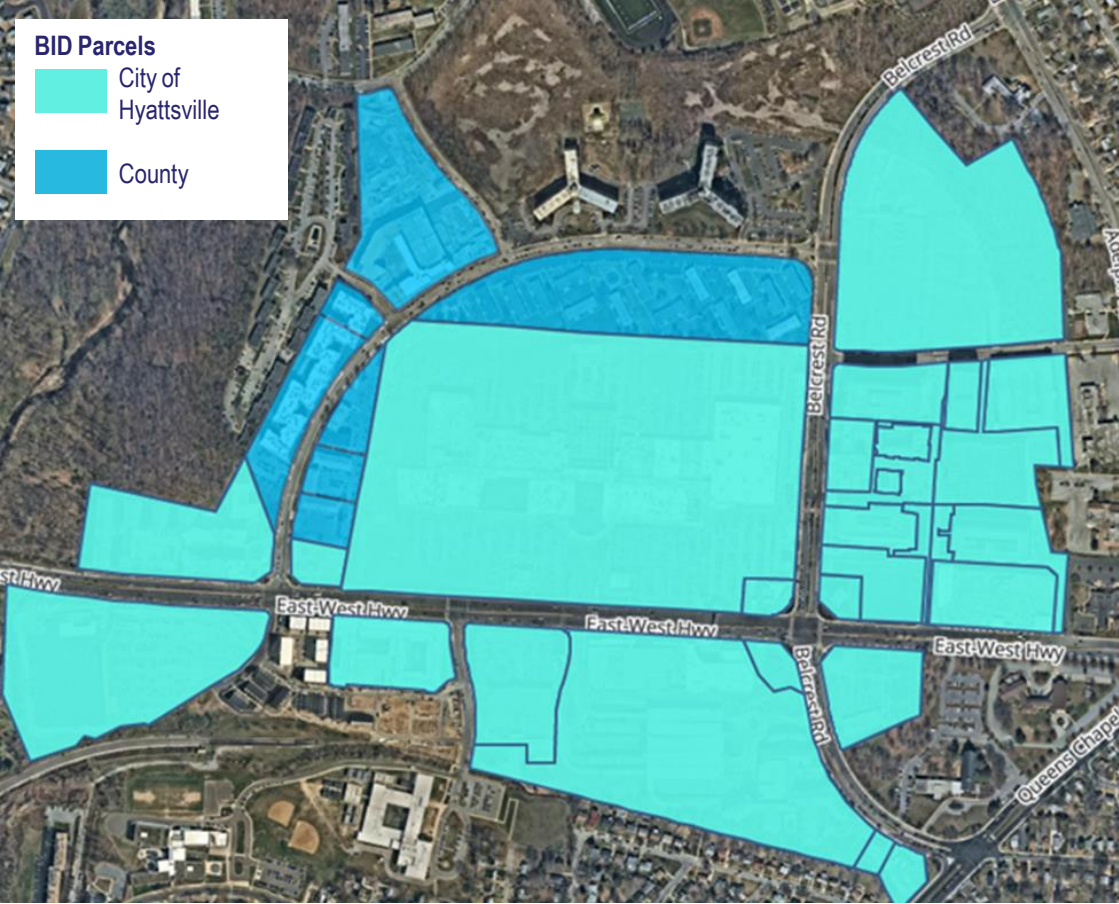


Brick & Story is an urban consultancy practice focused on telling the stories of the built environment and the people who live, work, and play within its spaces.

Local Projects

- New Carrollton Downtown Accessibility Strategy
- Grant Writing for the Housing Authority of Prince George's County
- Takoma Park Recreation Center
- Office of Central Services Feasibility Studies – Men's Transition Center and Multicultural Center

Preliminary Boundary: Parcel & Property Owner List



Parcel	Address	Property Owner/Rep	Property Name
158815	3401 TOLEDO TER	Contee/Grady Property Management	Belcrest Plaza
158817	3599 EAST WEST HWY	NSR Properties	Sunoco Gas Station
162548	3600 EAST WEST HWY	3600 East West Associates	
163532	6206 BELCREST RD	Hyattsville Fire Dept.	Hyattsville Fire Dept.
164086	3400 EAST WEST HWY	3400 Associates	
164087	3311 TOLEDO TER	Collective Office Condo Owners	PGP Professional Park
164088	3311 TOLEDO TER	Collective Office Condo Owners	PGP Professional Park
164089	3331 TOLEDO TER	Collective Office Condo Owners	
165039	6200 BELCREST RD	Hyattsville Fire Dept.	Hyattsville Fire Dept.
218009	6211 BELCREST RD	Rosenthal Properties	The Shoppes at Metro Station
221039	3500 EAST WEST HWY	PREIT	Mall at Prince George's
221040	6400 BELCREST RD	PREIT	
224682	3325 TOLEDO RD	Bernstein Companies	UTC Parking
225302	6505 BELCREST RD	Bernstein Companies	Prince George's Community College
231355	3301 EAST WEST HWY	Home Depot	Home Depot
231877	3501 EAST WEST HWY	Gudelsky	Giant Shopping Center

Preliminary Boundary: Parcel & Property Owner List

Parcel	Address	Property Owner / Rep	Property Name
231979	3311 TOLEDO RD	GIP Hyattsville	
233072	3300 EAST WEST HWY	Michael S Hollins Trust	Post Park Maryland
233616	6501 AMERICA BLVD	Berman Enterprises	UTC (Regal Hyattsville)
233618	6451 AMERICA BLVD	Berman Enterprises	Highline Apartments
233619	6445 AMERICA BLVD	Bernstein Companies	UTC
233620	6401 AMERICA BLVD	Echo Realty	UTC (Safeway)
234957	6525 BELCREST RD	6525 Belcrest Rd.	
234958	6450 AMERICA BLVD	Berman Enterprises	
234959	6400 AMERICA BLVD	Berman Enterprises	Parking
237415	6210 BELCREST RD	WMATA	Prince George's Plaza
	6210 BELCREST RD	WMATA Mosaic at Metro	Mosaic at Metro
	6210 BELCREST RD	WMATA Retail Ground Lease	

Parcel	Address	Property Owner / Rep	Property Name
244214	6500 AMERICA BLVD	Collective Res. Condo Owners	
245592	6506 AMERICA BLVD	Collective Res. Condo Owners	UTC Condo 1
247035	6500 AMERICA BLVD	Berman Enterprises	
247036	6515 BELCREST RD	Vie Management	Vie Towers
249017	3401 EAST WEST HWY	Akelius Real Estate Management	The Edition
249040	BELCREST RD	Berman Enterprises	Dewey
	BELCREST RD	Board of Education	
	BELCREST RD	Dewey Development	
	BELCREST RD	Hyattsville Owner LLC	
250245	3400 TOLEDO TER	Contee/Grady Property Management	
	3304 TRIBUNE CT	Collective Res. Condo Owners (Editors Park Community Association)	Editors Park

Stakeholder Engagement Outreach Tracker

Stakeholder	Affiliation	Notes	Meeting Date
Scott DeCain	Property Owner	Bald Eagle Partners, UTC Board	2/3/22
Stuart Eisenburg	Local Stakeholder	Hyattsville CDC	12/15/21
Joe Galli	Property Owner	Bernstein Companies	12/2/21
Councilmember McClellan	Local Stakeholder	Hyattsville City Council, Ward 3	2/17/22
Councilmember Simasek	Local Stakeholder	Hyattsville City Council, Ward 3	2/17/22
Nihar Shah	Property Owner	Perseus TDC	1/28/22
Henry Watford	Property Owner	PREIT	2/28/22

Note: HR&A and Brick & Story attempted outreach to 5 small businesses in the Hyattsville Crossing Study Area but did not receive any responses.