

**PENNROSE LLC**  
(Master Developer)

AND

**REDEVELOPMENT AUTHORITY  
OF PRINCE GEORGE'S COUNTY**  
(Site Owner)

**REQUEST FOR LETTER OF INTENT  
NO. 2018- 1**

*Glenarden Hills – Purchase and Development of 97  
Finished Town House Lots*

**ISSUE DATE:** *December 20, 2018*

**PROPOSAL CLOSING:** *February 14, 2019 2:00 P.M*



This document is available at the following web sites:

Redevelopment Authority: <https://www.princegeorgescountymd.gov/865/Redevelopment-Authority>

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## **SECTION I: INTRODUCTION**

### **1.1 SUMMARY STATEMENT**

Pennrose LLC (“Pennrose”), selected to lead the Glenarden Redevelopment Project as Master Developer, and the Redevelopment Authority of Prince George’s County (RDA), owner of the site, are hereby soliciting Letters of Intent (LOI) from licensed and qualified homebuilders for the purchase and development of 97 town house lots located in the new Glenarden Hills master planned-community. These lots represent a unique opportunity to build in a desirable and easily accessible location within an approved master-planned community. Upon completion, the 27-acre Glenarden Hills development will feature a total of 430 rental and homeownership units within a walkable, traditional neighborhood design setting, featuring a diverse mix of housing types, amenities, and ample green space. The planned community will include an approximately 6,000sf clubhouse, pool, tot-lot, outdoor patio and recreation spaces. Renamed Glenarden Hills, the exciting project will at buildout. Phase I, consisting of 114 senior and family rental units and the club house, is under construction and will be completed in Spring of 2019. The 97-town house lots provide a rare opportunity to develop a vibrant homeownership community that is ideally situated between Washington D.C. and Baltimore and located within a five-minute drive of the new 600,000 square foot, \$543 million University of Maryland Capital Regional Medical Center, now under construction in Largo, Maryland. Glenarden Hills is also located directly across from the 70-acre Landover Mall redevelopment site. Other attractions and amenities include shopping, dining, entertainment, transportation, health services, education options, and employment centers. Located nearby are the MARC and Amtrak trains at New Carrollton, and the Orange, Blue and Silver Metro lines accessible from the Largo Town Center and Landover Metro Stations; Woodmore Town Center and Largo Town Center, the public library, FedEx Field and Prince George’s County’s Sports and Learning Complex, senior activity center, and more.

The site is in a Prince George’s County Opportunity Zone and Revitalization Tax Credit district. Existing zoning is Mixed-Use Transportation Oriented (M-X-T) with an RRO overlay A Preliminary Plan of Subdivision and Detailed Site Plan for the 27-acre site has been approved.

## 1.2 **LOI SUBMISSION CLOSING DATE**

The Offerors must submit original and three copies of the LOI to:

Patrick Stewart  
Senior Developer  
Pennrose, LLC  
575 South Charles Street, Suite 140  
Baltimore, MD 21201

A copy of the LOI must also be sent to:

Rosalyn B. Clemens  
Senior Manager for Redevelopment  
Redevelopment Authority of Prince George's County  
9200 Basil Court, Suite 504  
Largo, MD 20774

LOI must be received and time stamped by no later than February 14, 2019 at 2:00 p.m. EST. The submittals must be sealed, and the outside envelope must be clearly marked "**GLENARDEN HILLS TOWNHOUSE LOTS LETTER OF INTENT No. 2018--1**".

## 1.3 **QUESTIONS AND INQUIRIES**

Questions and inquiries must be submitted via email by January 24, 2019:

**pstewart@pennrose.com**

Phone calls or faxed questions will not be accepted. All questions and answers will be posted to the RDA website by January 31, 2019. All potential respondents are responsible for checking the RDA website for any addendums.

## 1.4 **LOI ACCEPTANCE**

Pennrose and the RDA reserve the right to accept or reject any and all LOIs, in whole or in part, received as a result of this solicitation and to waive minor irregularities. Further, Pennrose and the RDA reserves the right to make a whole award, partial award, or no award at all.

## **1.5 DURATION OF LOI**

LOIs are to be held valid for six months following the closing date for this RFLOI. This period may be extended by mutual written agreement between the Offeror and Pennrose.

## **SECTION II: GENERAL INFORMATION**

### **2.1 ADDENDA TO THE REQUEST FOR LETTER OF INTENT**

If it becomes necessary to revise any part of this RFLOI, Addenda will be provided on the RDA's website. It is the responsibility of all potential respondents to regularly check the RDA's website for any Addenda.

### **2.2 AGREEMENT WITH SUCCESSFUL HOMEBUILDER**

The Agreement to be negotiated and executed as a result of this RFLOI shall be by and between the selected homebuilder/ownership entity and Pennrose or a related entity.

## **SECTION III: TERMS AND REQUIREMENTS**

### **3.1 BACKGROUND**

The Redevelopment Authority's mission is to contribute to the creation of a diverse and vibrant economy and living environment for Prince George's County, using community building techniques and providing responsible and responsive development and redevelopment that is designed to enhance quality of life, balanced growth and job creation for diverse, sustainable communities.

In furtherance of this mission, in 2014, the RDA purchased the 27- acre Glenarden Apartments from HUD and demolished existing dilapidated structures. Through a competitive RFP process, a development team lead by Pennrose Properties, LLC (now Pennrose, LLC) as Master Developer, was selected to master plan and redevelop the site. Working collaboratively with the RDA and Prince George's County, Pennrose has obtained approval of a Preliminary Plan of Subdivision and a Detailed Site Plan for the community which can be accessed on the Redevelopment Authority's Website select: *Approved Preliminary Subdivision and DSP* on the website link below <https://www.princegeorgescountymd.gov/865/Redevelopment-Authority>

**Fig 1. Glenarden Hills illustrative site plan showing Homeownership Phases**



### 3.2 LOT DESCRIPTION

The 97-town house lots can accommodate 16-foot-wide, 18-foot-wide and 20-foot-wide town houses, with depth of 34 to 38 feet from the front set-back line. Each lot will accommodate a one or two car garage accessible from a rear alleyway. Twenty (20) of the townhouses are required to be affordable (10-year affordability period) to households earning up to 120% of Area Median Income as determined by HUD. It is the intent of the Master Developer to deliver the lots finished with the surrounding street infrastructure in place.

### **3.3 ENTITLEMENT AND APPROVALS**

The zoning in place is M-X-T with an RRO overlay. A Preliminary Plan of Subdivision and Detailed Site Plan has been approved. It is the Offeror's responsibility to familiarize themselves with the requirements of the M-X-T zone and RRO Overlay and the approved Preliminary Plan of Subdivision and Detailed Site Plan. The selected homebuilder will be responsible for all permits, plans, submittals and site approvals required for construction on the 97 lots.

### **3.4 FINISHED LOT CONDITIONS**

Finished lots will be transferred to the selected Homebuilder.

Finished lots characteristics upon delivery include:

- Development of lots into single family residential building pads, clearing and rough over-lot grading
- Completion of base paving, curb and gutters, installation of streets and alleys interior to the site
- Water lines, sanitary sewer lines and storm drains; water and sewer laterals to lots, 5 feet inside curb

The following improvements are to be completed by the selected builder:

- Gas and electric service connections and meters
- Driveways and driveway aprons
- Sidewalks and lead walks
- Sidewalk and final pavement along Hamlin Street
- Sod
- Grading/fine grading as required to complete house construction
- Building permit and any sewer and water or other impact fees; as well as the cost of any modifications to the approved Preliminary Plan of Subdivision and Detailed Site Plan resulting from changes by the Builder.

Where applicable, lot restoration bonds, if any, are Homebuilder's responsibility. Subdivision bonds and fees to be provided by the Seller and reimbursed by selected builder pro-rata. Builder will be obligated to protect existing subdivision infrastructure improvements, tree conservation areas, storm water management facilities, and any other existing improvements, from damage during house construction.

### **3.5 LOT TRANSFER CONDITIONS**

The 97 lots will be delivered in two phases, beginning with 24 lots for Phase 1 anticipated to be delivered in 1Q 2019. Lots will be delivered in a minimum amount of 12 at a time, with the purchase price per lot increasing with each delivery. Purchase price is to be delivered by homebuilder at closing for each lot transfer. Transfer costs upon transfer of lots will be split between seller and purchaser.

### **3.6 AFFORDABILITY REQUIREMENTS (20 OF THE 97) FINISHED LOTS**

HUD has imposed the requirement that the sale of twenty (20) of the 97 finished lots should be restricted for a ten (10) year period (Affordability period) to purchasers with maximum household income of 120% of the area median. See chart below for 2018 120% AMI income levels for Prince George’s County. Selected homebuilder must ensure the compliance with this Affordability restriction by recordation of an Affordability Covenants for 20 lots sold as affordable units.

**2018 HUD 120% AMI Income Limits Prince George’s County**

Household size	1	2	3	4	5	6	7	8
Income Limits	\$98,450	\$112,500	\$126,600	\$140,650	\$151,900	\$163,150	\$174,400	\$185,650

### **3.7 BUYER DOWNPAYMENT AND CLOSING COSTS ASSISTANCE**

Through the Prince George’s County Purchase Assistance Program, up to \$20,000 in down payment and closing costs assistance may be available to eligible first-time homebuyers with household income at or below 120% of the area median.

## **SECTION IV: LETTER OF INTENT SUBMITTALS**

### **4.1 MINIMUM LETTER OF INTENT REQUIREMENTS**

1. Name and address of ownership entity that will purchase the lots
2. Homebuilder license
3. Homebuilder Capacity statement
4. Purchase Price for Lots
5. Proposed lot take down schedule
6. Timing of the plan book submittal to MNCPPC upon receiving delivery of lots
7. Proposed financing plan including sources and use statement.
8. Homebuilder financials including lines of credit, commitment letters from lenders and most recent audited financial statement.
9. Exceptions or Restrictions statement- Should the Offeror take exception to any



- provision or requirement of this RFLOI, it must be indicated in this section.
10. Conflicts of Interest -The Offeror is required to make a statement of no knowledge of any potential conflicts of interests with the Redevelopment Authority or Prince George’s County.
  11. Pending Litigation: The Offeror must affirm that they are not party to any pending litigation against the Redevelopment Authority or Prince George’s County.
  12. Certificate of Good Standing
  13. Statement of Local and Minority Business Involvement: The RDA seeks local and minority participation at all levels of the project, including ownership, design, development, contract, marketing, sales and leasing. Offerors should identify all team members and equity partners that are certified Minority Business Enterprises or local businesses.

## **SECTION V: EVALUATION AND SELECTION PROCESS**

### **5.1 EVALUATION CRITERIA**

Key selection criteria are Offeror’s purchase price for lots and homebuilder experience and financial capacity.

### **5.2 SELECTION PROCESS**

LOIs submitted will be evaluated by Pennrose in collaboration with the Redevelopment Authority. The LOI that is determined to best meet the key evaluation criteria and LOI requirements will be selected.

### **5.3 INVESTIGATION PERIOD**

A sixty (60) day investigation period will be provided to the selected homebuilder, beginning on the effective day of execution of the LOI and ending 60 days thereafter (the “Investigation Period”).

Any reports, investigations, or studies that have previously been conducted at the property that are deemed relevant to this undertaking will be provided if requested.

### **5.4 RIGHT OF WAY AGREEMENT**

The selected homebuilder and the Redevelopment Authority will enter in to a Right of Way Agreement for the Investigation Period.

### **5.5 DEPOSITS**

An initial deposit of \$250,000 is required within ten (10) business days of the effective date of an executed LOI. An additional \$100,000 deposit will be due within five (5) business days of the conclusion of the Investigation Period. Initial and Additional

deposits shall be payable to Pennrose or related entity, held in escrow and credited to the purchase of the lots.

**5.6 LOI PROPERTY OF PENNROSE AND THE RDA**

All LOIs submitted in response to this RFLOI become the property of Pennrose and/or related entities and the RDA and may be appended to any formal documentation which would further define or expand the contractual relationship between Pennrose and the successful Offeror.