



**THE PRINCE GEORGE'S COUNTY GOVERNMENT**  
**Office of Audits and Investigations**

October 10, 2018

**MEMORANDUM**

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*  
County Auditor

FROM: Inez N. Claggett *INC*  
Senior Legislative Auditor

RE: Fiscal Impact Statement  
CR-065-2018 DR-1 Economic Development Revenue Bonds

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***Legislative Summary***

CR-065-2018 authorizes the issuance and sale of Economic Development Revenue Bonds (the "Bonds") in an aggregate principal amount not to exceed \$17,000,000.

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***Background***

The Economic Development Article of the Annotated Code of Maryland authorizes any public body, as defined in the Maryland Economic Development Revenue Bond Act, to issue and sell bonds, as its limited obligations and not upon its faith and credit or pledging of its taxing power, at any time, from time to time, and to loan the proceeds of the sale of such bonds to one, or more, facility users to finance, or refinance, the cost of the acquisition and improvement of a facility, or facilities, or for the refunding of outstanding bonds.

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***Assumptions and Methodology***

CR-065-2018 authorizes the issuance and sale of Bonds in an aggregate principal amount not to exceed \$17,000,000. Proceeds from the bonds will be loaned to Chesapeake Education Services, LLC and Chesapeake Lighthouse Foundation, Inc. (a not-for-profit corporation) for the primary purposes of refinancing certain indebtedness incurred in connection with the acquisition of a 60,000 square foot building, the renovation, construction, installing and equipping of such building for operation by the

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Foundation as Chesapeake Math & IT South Elementary Charter Public School, funding of a debt service reserve fund for the Bonds, paying costs of capitalized interest on the Bonds, and paying allowable costs of issuance of the Bonds.

Chesapeake Lighthouse Foundation, Inc. and Chesapeake Education Services, LLC operate four (4) charter schools with three (3) located within Prince George's County and one (1) located within Anne Arundel County. Chesapeake Math & IT South Elementary Charter Public School is located at 9601 Fallard Terrace, Upper Marlboro, Maryland.

The issuance of the Bonds will not create additional indebtedness or charge against the State or Prince George's County (the "County"). Debt service will be the sole responsibility of Chesapeake Lighthouse Foundation, Inc. and Chesapeake Education Services, LLC.

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***Fiscal Impact***

- Direct Impact

Adoption of CR-66-2015 should not have an adverse fiscal impact on the County.

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***Appropriated in the Current Fiscal Year Budget***

Not applicable.

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***Effective Date***

Date of adoption of this proposed Resolution.

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If you require additional information, or have questions about this fiscal impact statement, please call me.