

Prince George's County Council

Agenda Item Summary

Meeting Date: 9/19/2006
Reference No.: CR-063-2006
Draft No.: 1
Proposer(s): County Executive
Sponsor(s): Knotts, Dean, Harrington, Bland
Item Title: A Resolution concerning the Issuance of Special Obligation Bonds or Other Special Obligations to Refinance the Cost of Infrastructure Improvements Relating to the Special Taxing District Known as the Woodview Village Phase II Subdistrict

Drafter: Bond Counsel
Resource Personnel: Bond Counsel
Lateefah Durant, Office of Finance

LEGISLATIVE HISTORY:

Date Presented:		Executive Action:	10/2/2006 S
Committee Referral:	7/18/2006 - PSFM	Effective Date:	10/2/2006
Committee Action:	9/19/2006 - FAV		
Date Introduced:	7/18/2006		
Public Hearing:	9/19/2006 - 1:30 PM		
Council Action (1)	9/19/2006 - ADOPTED		
Council Votes:	MB:A, WC:A, SHD:A, TD:A, CE:A, DCH:A, TH:A, TK:A, DP:A		
Pass/Fail:	P		
Remarks:			

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

COMMITTEE OF THE WHOLE

Date 9/19/2006

Committee Vote: Favorable, 9-0, (In favor: Councilmembers Dernoga, Bland, Campos, Dean, Exum, Harrington, Hendershot, Knotts, and Peters.

This resolution will authorize the issuance of special obligation refunding bonds in the aggregate principle amount not to exceed \$8,600,000 for the Woodview Village Phase II Sub-district. In 2001, the county issued special obligation refunding bonds in an amount not to exceed \$9,000,000 to cover the cost of infrastructure improvements related to Woodview Village II Sub-district Special Taxing District.

The adoption of this legislation will allow the County to realize savings in the aggregate cost of debt service and reduce the assessment levied on the property owners by refinancing the costs of the improvements.

The Office of Audits and Investigations states that the adoption of CR-63-2006 will not adversely affect the County's fiscal position and will result in savings to Woodview Village II Sub-district property owners. Also, the interest rate

savings will reduce the average per household assessment by approximately \$466 per year, or by \$11,657 over the bond term of July 1, 2032.

In addition to the issuance of special obligation refunding bond, the County intends to restructure the Woodview Village I Sub-district's existing special obligation bonds through negotiations with the current bondholders. According to the Office of Finance the restructuring will reduce the interest rate for the Woodview Village I Sub-district's existing special obligation bonds to 4.58% from the current special obligation bonds' interest rate of 8%, resulting in a reduction in the average per household assessment by approximately \$443 per year, or by \$8,420 over the bond terms (through July 1, 2026). Woodview Village I includes 33 single-family homes and 545 townhouses. FY2007 annual assessments range from \$970 to \$1,562 for properties located in the Woodview Village I Sub-district.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This resolution concerns the refunding of the Woodview Village Phase II Subdistrict special obligation bonds. In 1996, the County created the Woodview Village District and in 2001, the County expanded the Woodview Village District and created the Woodview Village Phase I Subdistrict and the Woodview Village Phase II Subdistrict. In 2001, the County also issued special obligation refunding bonds in an aggregate principal amount not to exceed \$9,000,000 for the additional improvements relating to the Woodview Village Phase II Subdistrict.

The purpose of this resolution is to authorize the issuance of special obligation refunding bonds in an aggregate principal amount not to exceed \$8,600,000 in order to realize savings in the aggregate cost of debt service and reduce the Woodview Village Phase II Subdistrict special assessment levied on the property owners by refinancing the costs of the improvements.

CODE INDEX TOPICS:

INCLUSION FILES:
