

Prince George's County Council Agenda Item Summary

Meeting Date: 11/28/2006
Reference No.: CB-069-2006
Draft No.: 3
Proposer(s): Dernoga
Sponsor(s): Dernoga, Hendershot, Peters, Campos
Item Title: An Act concerning the issuance and sale of special obligation bonds in an amount not to exceed \$190,000,000 to finance the construction of parking facilities and other infrastructure improvements associated with Greenbelt Station Development.

Drafter:
Resource Personnel: Judith Thacher, Legislative Aide

LEGISLATIVE HISTORY:

| | | | |
|----------------------------|--|--------------------------|--------------|
| Date Presented: | 7/18/2006 | Executive Action: | 12/19/2006 S |
| Committee Referral: | 7/18/2006 - PSFM | Effective Date: | 2/5/2007 |
| Committee Action: | 10/11/2006 - HELD 10/25/2006 - HELD | | |
| Date Introduced: | 10/31/2006 | | |
| Public Hearing: | 11/28/2006 - 10:00 AM | | |
| Council Action (1) | 11/28/2006 - ENACTED | | |
| Council Votes: | MB:A, WC:A, SHD:A, TD:A, CE:A, DCH:A, TH:A, TK:A, DP:A | | |
| Pass/Fail: | P | | |
| Remarks: | See also CR-65-2006 | | |

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

PUBLIC SAFETY & FISCAL MANAGEMENT COMMITTEE

Date 10/25/2006

During the PSFM Committee worksession on 10/25/2006 a Draft II of CD-69-2006 was substituted for the original draft. The Draft II reduced the amount of the special obligations bonds to be issued and sold to \$160,000,000 from the initial amount of \$190,000,000 to fund the construction of parking facilities and other infrastructure improvements. Included in the Draft II was a reference to a Memorandum of Understanding (MOU) being executed between the Developer and the County Executive to be approved by the County Council and executed prior to the sale of bonds.

The rate of interest per annum was reduced from 10% to 7%. A request was made to increase the MBE participation from 25% to 30% and to delete the alternative compliance statement.

A number of important provision are included in the legislation that will implement the County Councils' policies regarding the use of TIF and other financial tools and incentives to fund economic and community development projects and initiatives. Also this bill will provide the County with a significant degree of flexibility to negotiate and

establish key financial consideration before bonds are sold and as the Greenbelt Station project progress.

On October 11, 2006, the PSFM Committee after a discussion of the legislation agreed to hold it in Committee. A request was made for more definitive information on MBE participation in the project.

This bill will authorize the issuance and sale of special obligation bonds in an amount not to exceed \$190,000,000 to fund the construction of parking facilities and other infrastructure associated with the Greenbelt Station Development. The owners of the real property plan to develop retail, residential, commercial and office facilities on approximately 86.5 acres which is owned by Greenbelt Metropark, LLC.

The issuance and sale of special obligation bonds will not constitute a general obligation debt to the County or pledge of the Counties' full faith and credit or taxing power other than the taxes representing the levy on the Tax Increment Fund. The total bond debt servicing costs (TIF and Special Tax Bond) is estimated at \$300,000,000 over the term of the bonds.

In the Market and Fiscal Impact Analyses prepared by Robert Charles Lesser & Co., LLC, the projected net revenues to the County are estimated at \$458,435,000 (after adjusting for debt service and estimated County service expenditures) over 30 years.

BACKGROUND INFORMATION/FISCAL IMPACT:

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

The proposed bill will authorize the issuance and sale of special obligation bonds in an amount not to exceed \$190,000,000 to finance the construction of parking facilities and other infrastructure improvements associated with Greenbelt Station Development. The debt service costs will be paid from the increment increases in County real estate taxes attributable to the developed property and from a special tax levied on real and personal property within the Greenbelt Station Special Taxing District defined in the accompanying Formation Resolution.

CODE INDEX TOPICS:

INCLUSION FILES:
