

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 7/22/97

Reference No.: CB-66-1997

Proposer: County Executive

Draft No.: 1

Sponsors: Del Giudice, Wilson, and Bailey

Item Title: An Emergency Act concerning County Real Property for the purpose of approving the lease of the property for the site upon which the Consolidated Transit Operations and Vehicle Maintenance Facility is to be built

Drafter: Kathleen H. Canning
Office of Law

Resource Personnel: Carolyn Scriber
Office of Central Services

LEGISLATIVE HISTORY:

Date Presented: 6/3/97

Executive Action: 7/29/97 S

Committee Referral:(1) 6/3/97 PSFM

Effective Date: 7/29/97

Committee Action:(1) 6/19/97 FAV

Date Introduced: 7/1/97

Pub. Hearing Date: (1) 7/29/97 10:30 AM

Council Action: (1) 7/29/97 ENACTED

Council Votes: DB:A, SD:A, JE:A, IG:A, WM:A, RVR:A, AS:A, MW:A

Pass/Fail: P

Remarks: _____

PUBLIC SAFETY AND FISCAL MANAGEMENT COMMITTEE REPORT Date: 6/19/97

Committee Vote: Favorable, 3-0, (In favor: Council Members Wilson, Gourdine and Scott).

This bill will approve the lease of property for the site upon which the Consolidated Transit Operations and Vehicle Maintenance Facility will be built. The consolidated transit facility will support vehicle maintenance services for the County's current and newly acquired bus fleet, and the heavy-duty public works vehicles. The County is entering into a ground lease with the REAP (Real Estate Acquisition Program) II Trustee which is necessary for the use of the \$2.5 million of REAP II funds as part of the financing of the Consolidated Transit Operations and Vehicle Maintenance Facility.

This emergency legislation is needed in order to expend proceeds from the sale of outstanding County obligations in a timely manner under REAP II as part of the financing of the construction of the maintenance facility, within the required three year period which expires on August 1, 1997.

The \$2.5 million REAP Funds are part of the unused amount remaining in the August 1994 certificate of participation agreement.

The 98.6 acres has an assessed value of \$9.9 million and is included in the 1997 Inventory of Real Property and Improvements. The property is located on D'Arcy Road in Councilmanic District 6.

There should not be any negative fiscal impact on the County as a result of enacting CB-66-1997.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This bill will authorize the County to enter into a ground lease with the REAP II Trustee to provide \$2.5 million of REAP II funds to as part of the financing of the Consolidated Transit Operations and Vehicle Maintenance Facility. The ground lease will provide the REAP II Trustee with security in lieu of a mortgage on the facility. So long as the County appropriates funds to pay the annual debt service on the REAP II certificates of participation ("COPs"), the County will use the facility under a sublease from the REAP II Trustee. If the County decides that it no longer needs the facility, the

REAP II Trustee will be able to lease the facility to others to generate revenues to pay the REAP II COPs. The ground lease will terminate when the REAP II COPs are paid in full or 2019, whichever occurs first.

CODE INDEX TOPICS: