



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

October 27, 2015

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke
County Auditor

FROM: Inez N. Claggett
Legislative Auditor

RE: Fiscal Impact Statement
CR-66-2015 Economic Development Revenue Bonds

Pursuant to your request, we have reviewed CR-66-2015 to estimate its fiscal impact on Prince George's County, Maryland.

CR-66-2015 authorizes the issuance and sale of Economic Development Revenue Bonds (the "Bonds") in an amount not to exceed \$37,500,000. 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 financing or refinancing the current refunding of taxable bonds with an outstanding amount of \$17,750,000, to finance capital improvements, and to establish a debt service reserve fund and pay the costs of issuance.

Chesapeake Lighthouse Foundation, Inc. and Chesapeake Education Services, LLC operate three (3) charter schools with two (2) located within Prince George's County and one (1) located within Anne Arundel County. A letter of intent provided by the aforementioned entities indicates that a portion of the proceeds from the bond sale used to provide the loan will be used to fund facility improvements at the three (3) charter school locations. A portion of bond sale proceeds will also be used to establish a debt service reserve fund and to finance or refinance the current refunding of prior taxable bond sale.

The issuance of the Bonds will not create additional indebtedness or charge against the State or Prince George's County (the "County"). The Bonds will be a limited obligation of the County such that bond repayments will be made solely from revenues derived from loan repayments or from other moneys made available to the County for such purpose.

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

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

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