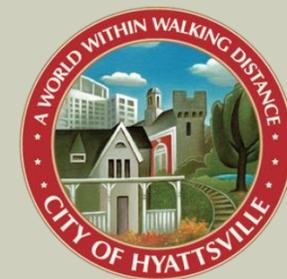


**Acquisition of Property from
Werrlein WSSC, LLC
Lower Lot, Suffrage Point**

Council Discussion

May 19, 2025



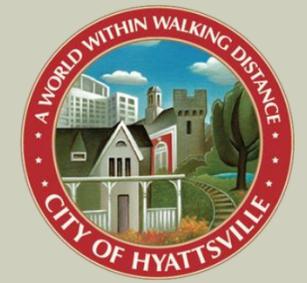


Background Info

- In 2024, Werrlein Properties submitted a letter requesting the City to consider acquiring the lower lot property of the Suffrage Point development for a purchase price of \$10,750,000.
- Currently this land is slated for development and is located in the Traditional Residential Neighborhood (TRN) Character Area of the Gateway Arts District Sector Plan and SMA.
- The lot was previously zoned O-S (Open Space). It was rezoned R-55 through the approval of CSP-18002. The Preliminary Plan of Subdivision for the lower lot was approved by the Planning Board on June 16, 2022.

Steps Taken to Date:

- Staff conducted a preliminary assessment of the site, including zoning, maintenance, environmental constraints, and alignment with the Driskell Park Master Plan and City strategic priorities.
- Relevant municipal departments, including Planning, Public Works, and Finance, were consulted for input on suitability and constraints.
- Preliminary conversations with Werrlein were conducted to confirm interest in selling, negotiate price, and outline high-level terms.
- The anticipated purchase price for the lot is **up to \$7.5M.**



Why Consider this Purchase?

Long Term Community Value, Green Space Preservation, & Park Expansion

Acquisition of this property:

- Secures permanent protection of valuable green, open space for current and future generations of Hyattsville residents.
- Preserves land within a critical floodplain and watershed, offering long-term environmental and flood protection benefits.
- Represents the only opportunity to expand Driskell Park and meet growing community needs for recreational space.
- Prevents development on the site, protecting the land from irreversible change.

The acquisition of the lower lot is a rare, once in a generation chance to preserve and enhance public green space in the City's flagship park.



Terms of Sale

The proposed terms of sale are outlined below and may be open to further negotiation. Final acceptance of these terms is contingent upon approval by the City Council and review by the City Attorney for legal sufficiency.

Purchase Price

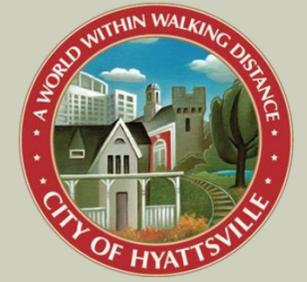
- Up to \$7.5 million purchase price "AS IS"
 - \$750,000 deposit due within 14 days of signed agreement.
 - The deposit will be applicable to the purchase price at closing.
 - \$5.5 million due at closing
 - \$1.0 million payment Q1 of FY 2027 (No interest)
 - \$1.0 million payment Q1 of FY 2028 (No interest)

Parcels Included:

- Outparcel (Lower Lot): 4.66 acres
- Parcel A2 aka "The tip": 11,061 sf
- *Parcel A1 aka "Common Area": 17,671 sf (under consideration, see slide 6)*

Study Period

- Upon execution of the agreement of sale, the City will have sixty (60) days to inspect the Property. This inspection may include site survey and evaluation and soil /core testing to ensure the Property will meet the City's needs.
- At any time during the study period, the City may terminate the agreement with written notice and be refunded the deposit amount.



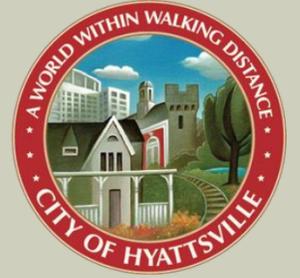
Property Description: Outparcel 1

- The subject site is located between 40th Place and Driskell Park, in the southeast quadrant of the intersection of Hamilton Street and 40th Avenue, in Planning area 68 and Council District 2.
- Outparcel 1 aka 'The Lower Lot' is 4.66 acres
 - Includes Existing Compensatory Storage Area
- The lot is currently being utilized as a staging area for construction materials.
 - These materials include stormwater conveyance structures, which may be utilized by the City to address stormwater management issues on the site and upgrade the stormwater pipe running under Gallatin Street.

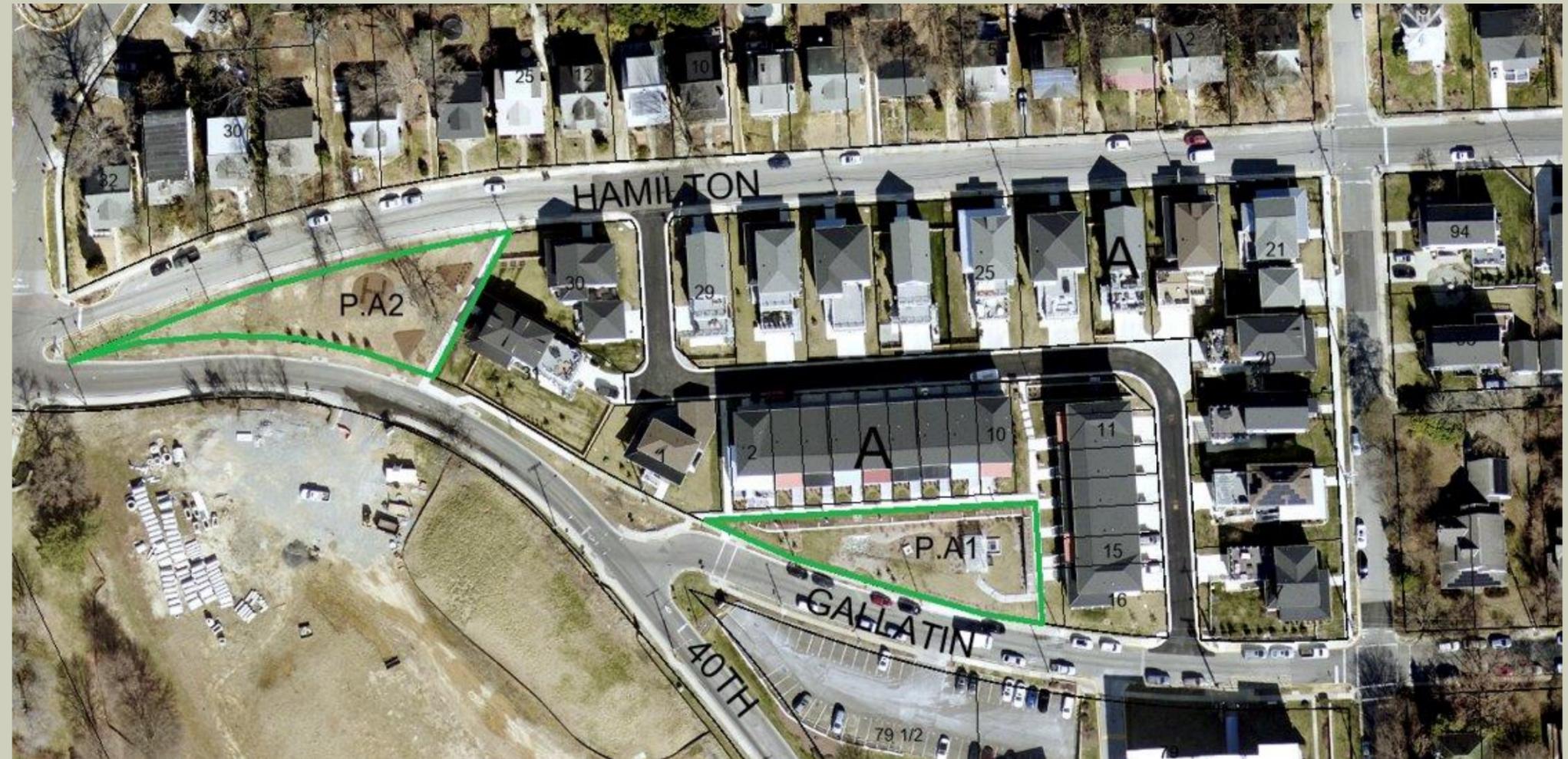


Lower Lot / Outparcel 1

Property Description: Parcel A1 & A2

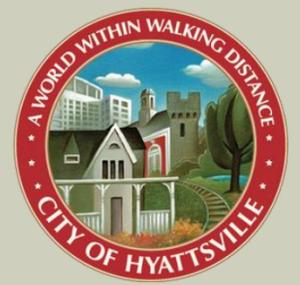


- **Parcel A2** aka “The tip” is 11,061 sf.
- Werrlein Properties, on behalf of the Suffrage Point HOA, is also requesting that the City Council consider the conveyance of the area described as **Parcel A1**. This area is 17,671 sf and includes a pavilion, patio, and gas grills.
- A meeting with the HOA and members of the community is scheduled for **May 22 at 6pm.**



Parcels A1 and A2

Post Acquisition Site Work & Costs



The City will acquire the property "as-is" and will be responsible for completing essential stormwater management and site stabilization work, including:

1. Installation of the connecting upgraded storm water management piping system.
2. Removing the temporary storm water sediment trap, located in the southeast quadrant of the lot.
3. Removing the temporary berm between the lot and park.
4. Seed, straw, and stabilization of the lot, as needed.

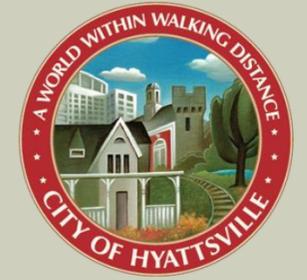
Estimated Expenditure: \$500K - \$1M

Estimated Project Timeline: Approximately 2 Years



While the acquisition preserves this green space permanently, **any future enhancements beyond basic stabilization will require external (grant) funding.**

Project Financing: BANs



Bond Anticipation Notes to Finance Purchase of Werrlein Property

Funding Recommendation

- The City issue \$8.5 million of bond anticipation notes (BANs) to fund the purchase of this property, in-lieu of drawing down cash that is used to pay for daily city operations.
 - \$7.5 acquisition cost
 - \$1M site stabilization and stormwater management
- The (BANs) are limited to 1-year maturity.

Benefits

- The City can borrow these funds and stay within current debt capacity of \$33,636,337(**a**) and would be approximately a ratio of .88%(**b**) of debt to assessable base.
- The debt service requirement for these 1-year (BANs) is interest only, and market rates are currently between 3.5% - 4%.
- The City will be reimbursed by the State for \$3.5 million of the purchase price.
- Once the City receives the State reimbursement, the remaining balance of approximately \$5 million will be converted to long-term bond financing. Terms could be 10, 20 or 30 years.

Footnotes

(**a**) & (**b**) Updated to reflect latest assessable base and defeasance (pay-off) of recent debt.

Project Financing: BANs Schedule



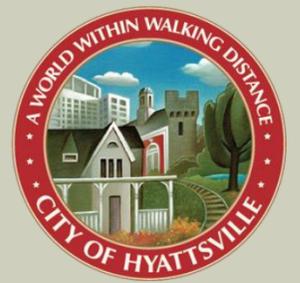
City of Hyattsville, MD

Land Acquisition Bond Anticipation Notes, BANs Series 2025

Proposed Council Actions and Dates for BANs Activity

- Monday, June 2, 2025: Introduce Authorizing note ordinance to Council.
- Monday, July 21, 2025: City Council adoption of ordinance authorizing BANs.

Project Financing: Grant Funding



State Earmark

- The District 22 Legislative Team successfully secured a \$3.5M state earmark through the Greenspace Equity Program to support the City's acquisition of parkland.
- Funded through Program Open Space, the Greenspace Equity Program supports projects that enhance community health and livability by preserving and expanding public greenspace.

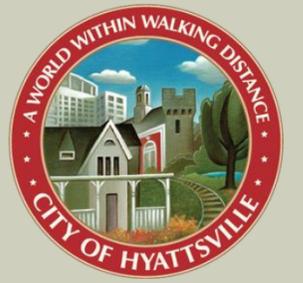
Ongoing Funding Efforts

- City staff are actively seeking additional grants funding and/or investment partners to support future improvements to the lot for public use.

Pending Grant Application

- The City submitted a request for \$8.6M in **FY26 Community Project Funding** through Congressman Ivey's Office.
- The application is under review by the House Appropriations Committee as part of the FY26 federal budget process.
- The City will receive notification of status in late summer or early fall.

Next Steps

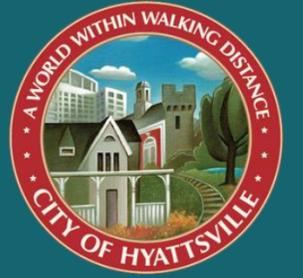


June 2 (12 PM) Council Meeting

- Sale Agreement Authorization scheduled for Action on June 2nd (12 PM meeting)
- The ordinance to authorize a BANs note is scheduled for Action on June 2 (12 PM meeting)

July 21 Council Meeting

- Second reading and adoption of BANs note ordinance



Questions & Council Discussion

