



Legislation Details (With Text)

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Title:	Hyattsville Ordinance 2024-03: Authorizing the Issue and Sale of General Obligation Bonds (Second Reading and Adoption)				
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Date	Ver.	Action By	Action	Result
6/10/2024	1	City Council		

Submitted by: Ron Brooks
Submitting Department: Finance
Agenda Section: Action

Item Title:

Hyattsville Ordinance 2024-03: Authorizing the Issue and Sale of General Obligation Bonds (Second Reading and Adoption)

Suggested Action:

I move that the Mayor and Council adopt Hyattsville Ordinance 2024-03 authorizing and empowering the City of Hyattsville to issue and sell from time to time one or more series of general obligation bonds in an aggregate principal amount not to exceed Seventeen Million Five Hundred Thousand Dollars (\$17,500,000), the proceeds of the sale of the bonds to be used and applied for the public purpose of financing, reimbursing or refinancing costs of the project identified as 3505 Hamilton Street Public Safety Building, together with related costs; specifies the amount of the bonds to be allocated to the project, provides that each series of the authorized bonds may be sold at public sale or private sale; authorizes the City Council to determine or provide by resolution for various matters relating to the authorization, sale, security, issuance, delivery, payment, and redemption or repayment of, and for each series of bonds. The City pledges its full faith and credit and unlimited taxing power to the payment of debt service on the bonds and provides for the imposition of ad valorem taxes sufficient for such purposes. Details of any series of the bonds to be issued shall be determined or provided for by resolution of the City Council.

Summary Background:

In 2019 the City issued bonds in the amount of \$12,675,000 to fund improvements to the DPW facility and the renovation of 3505 Hamilton Street to become the new public safety building. Construction of the DPW facility began in late Fall 2019. The 3505 Hamilton Street construction project was anticipated to be solicited in 2020 with work beginning in late 2020. However, due to the COVID-19 pandemic the process to complete the design, review, and permitting for the 3505 Hamilton Street project was significantly delayed. The solicitation process began in mid-2021, with the permits not being issued by Prince George's County until early 2022. The solicitation process was completed in

Spring 2022 with Council approving a contract with Whiting-Turner in April 2022 in an amount not to exceed \$18.7M. Unfortunately, the pandemic created significant delays in the production, shipping, and availability of most building materials, including a shortage of available workforce. These issues combined caused price increases ranging from 15% to 200% or more of pre-pandemic prices, which were used to create the initial estimates and amounts for the 2019 bond issuance. As a result, the 3505 Hamilton Street project had a funding shortfall of \$10.6M and the Council previously approved the issuance of General Obligation Bonds Anticipation Notes (BANs) in the aggregate principal amount of \$11,250,000 that included \$650K for the costs of issuance, interest on the BANs and related costs. Additionally, to help reduce the costs of this project, the city previously was awarded \$500k in bond bill funding and will request additional grant dollars in the next round of funding through our State Delegates and the Governor's capital budget to help offset the cost of this project.

Next Steps:

Upon final approval to issue G.O. Bonds underwriters will secure funding.

Fiscal Impact:

The City's Annual Debt Services payments will increase approximately 58 % a year.

City Administrator Comments:

Recommends approval.

Community Engagement:

N/A

Strategic Goals:

Goal 3 - Promote a Safe and Vibrant Community

Legal Review Required?

Complete