

MOTION:

September 9, 2014
Regular Meeting
Res. No. 14-

SECOND:

**RE: AUTHORIZE A PETITION TO THE PRINCE WILLIAM COUNTY
CIRCUIT COURT TO REQUEST AN EXTENSION OF THE
EFFECTIVE PERIOD OF THE COUNTY’S LOCAL ROAD, LIBRARY
AND PARK REFERENDA TOTALING \$369,550,000 FROM EIGHT
YEARS TO TEN YEARS AFTER THE NOVEMBER 7, 2006
REFERENDA DATE**

ACTION:

WHEREAS, by Resolution No. 06-665, dated July 25, 2006, the Board of Supervisors of Prince William County (Board) approved questions to be placed on the November 7, 2006 ballot on whether general obligation improvement bonds in the maximum aggregate principal amount of \$369,550,000 should be contracted and issued to finance the costs of local road, library and park improvements; and

WHEREAS, on July 28, 2006, counsel for the Board filed a petition with the Prince William County Circuit Court (Court), pursuant to Section 15.2-2610, VA Code Ann., that requested referenda on the questions of bond issuances for local roads, library and parks improvements. Resolution No. 06-665 was duly filed with the Court petition; and

WHEREAS, on July 28, 2006, the Court entered an order (Election Order) directing the election officials of Prince William County to open the polls on November 7, 2006, for a special election in accordance with Section 24.2-684, VA Code Ann., and such other election laws of the Commonwealth as may be applicable on the following three questions:

Question #1 - ROAD IMPROVEMENT BONDS

Shall Prince William County, Virginia, contract a debt and issue its general obligation capital improvement bonds in the maximum aggregate principal amount of \$300,000,000 for the purpose of paying the costs of acquisition, designing, constructing, and improving Route 1, Route 28, Minnieville Road, Heathcote Boulevard, Prince William Parkway, University Boulevard, Rollins Ford Road, Old Carolina Road and Countywide road Safety Improvements?

Question #2 - LIBRARY IMPROVEMENT BONDS

Shall Prince William County, Virginia, contract a debt and issue its general obligation capital improvement bonds in the maximum aggregate principal amount of \$42,550,000 for the purpose of paying the costs of acquisition, design, construction and improvement of two libraries, one in the Dumfries area and the other in the Gainesville area?

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Question #3 - PARK IMPROVEMENT BONDS

Shall Prince William County, Virginia, contract a debt and issue its general obligation capital improvement bonds in the maximum aggregate principal amount of \$27,000,000 for the purpose of paying the cost to provide park improvements including the acquisition, construction, development, and equipping of park facilities in the County?

WHEREAS, on November 7, 2006, the referenda were conducted in accordance with the Election Order, and on November 17, 2006, the Prince William County Circuit Court certified the following results for each question:

Question #1 - ROAD IMPROVEMENT BONDS

70,566 votes were cast YES and 15,594 votes were cast NO

Question #2 - LIBRARY IMPROVEMENT BONDS

61,966 votes were cast YES and 23,968 votes were cast NO

Question #3 - PARK IMPROVEMENT BONDS

65,289 votes were cast YES and 20,680 votes were cast NO

WHEREAS, pursuant to Section 15.2-2611, VA Code Ann., bonds authorized by a referendum may not be issued by a locality more than eight years after the date of the referendum. However, the eight-year period may, at the request of a locality's governing body, be extended to up to ten years after the date of the referendum by order of the Circuit Court of the locality; and

WHEREAS, pursuant to Section 15.2-2611, VA Code Ann., the court shall grant such an extension request unless the court is shown by clear and convincing evidence that the extension is not in the best interest of the locality; and

WHEREAS, \$78,625,000 of the \$300,000,000 of General Obligation Bonds for Road Improvements authorized by the November 7, 2006 referendum have been issued; and

WHEREAS, none of the \$42,550,000 of General Obligation Bonds for Library Improvements authorized by the November 7, 2006 referendum have been issued; and

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WHEREAS, \$8,220,000 of the \$27,000,000 of General Obligation Bonds for Park Improvements authorized by the November 7, 2006 referendum have been issued; and

WHEREAS, an extension from eight to ten years is necessary and in the best interest of the County to issue a portion of the \$221,375,000 authorized but not issued balance of the 300,000,000 of General Obligation Bonds to complete the road improvement projects as set forth in the Road Improvement Bond Referendum; and

WHEREAS, an extension from eight to ten years is necessary and in the best interest of the County to issue a portion of the \$42,550,000 General Obligation Bonds to pay the costs of acquisition, design, construction and improvement of two libraries, one in the Dumfries area and the other in the Gainesville area as set forth in the Library Improvement Bond Referendum; and

WHEREAS, an extension from eight to ten years is necessary and in the best interest of the County to issue \$18,780,000 of the authorized but not issued balance of the \$27,000,000 of General Obligation Bonds to complete the park improvements as set forth in the Park Improvement Bond Referendum;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County does hereby determine that it is in the best interest of the County to extend the period for issuing bonds as authorized by the November 7, 2006 referenda for an additional two-year period to November 7, 2016;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors does hereby request the Prince William County Circuit Court to enter an order to extend the time within which the bonds authorized by the November 7, 2006 Referenda may be issued for an additional two-year period to November 7, 2016.

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors does hereby authorize the Finance Director, the County Executive and the County Attorney to take all necessary and appropriate actions to petition the Prince William County Circuit Court for the necessary order to extend the time within which the bonds authorized by the November 7, 2006 Referenda may be issued for an additional two-year period to November 7, 2016.

BE IT FURTHER RESOLVED that this resolution shall be effective as of the date of its adoption.

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Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

For Information:

County Attorney

ATTEST: _____

Clerk to the Board




Melissa S. Peacor
County Executive

COUNTY OF PRINCE WILLIAM
OFFICE OF EXECUTIVE MANAGEMENT
1 County Complex Court, Prince William, Virginia 22192-9201
(703) 792-6600 Metro 631-1703 FAX: (703) 792-7484

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Frank J. Principi

August 25, 2014

TO: Board of County Supervisors

FROM: Michelle L. Attreed 
Director of Finance

THRU: Melissa S. Peacor
County Executive

RE: Authorize a Petition to the Prince William County Circuit Court to Request an Extension of the Effective Period of the County's Local Road, Library and Park Referenda Totaling \$369,550,000 from Eight Years to Ten Years After the November 7, 2006 Referenda Date

I. Background in chronological order is:

- A. General Obligation (GO) Bonds Authorized - \$300,000,000 of general obligation road bonds were authorized for road construction projects, \$42,550,000 of general obligation library bonds were authorized for library construction projects, and \$27,000,000 of general obligation park bonds were authorized for park improvement projects by voters in the November, 2006 general election.
- B. General Obligation Bonds Issued to Date - The amount of general obligation bonds authorized and issued to date are as follows:
1. 2006 Road Bonds Sold - Of the \$300,000,000 in general obligation bonds authorized for road construction projects by the 2006 referendum, \$78,625,000 have been sold.
 2. 2006 Parks Bonds Sold - Of the \$27,000,000 in general obligation bonds authorized for park improvement projects by the 2006 referendum, \$8,220,000 have been sold.
 3. 2006 Library Bonds Sold - Of the \$42,550,000 in general obligation bonds authorized for two library construction projects by the 2006 referendum, \$0 have been sold to date.

II. Current Situation is as follows:

- A. Bond Sale Construction Funding Amount - The sale of general obligation bonds for the ongoing road construction program, construction of two libraries, and park improvements is needed to provide project funding to support the projects approved by the Board of County Supervisors in the FY 2015 Capital Improvement Plan (CIP). The projects to be supported from this bond authorization extension are all included in the FY 2015 – FY 2020 CIP and were approved for general obligation bond financing.
1. Road Construction - Of the \$300,000,000 in general obligation bonds authorized for road construction projects by the 2006 referendum, \$221,375,000 remain unsold. Additional road construction projects have been initiated and will require funding from the next GO bond sale.
 2. Library Construction - Of the \$42,550,000 in general obligation bonds authorized for two library construction projects by the 2006 referendum, none have been sold to date. Both library construction projects have been initiated and will require funding from the next GO bond sale.
 2. Park Improvements - Of the \$27,000,000 in general obligation bonds authorized for park construction projects by the 2006 referendum, \$18,780,000 remain unsold. Additional park construction projects will be initiated and will require funding from future GO bond sale(s).
- B. Debt Capacity - The debt service resulting from the sale of general obligation bonds has been included in the calculation of the FY 2015 - 2020 debt capacity that was developed for the FY 2015 - 2020 CIP.
- C. Bond Sale Schedule - The next sale of GO bonds authorized by the 2006 referendum is scheduled for winter 2014/2015.
- D. Board Action Requested - The Board of County Supervisors is asked to authorize a petition to the Prince William County Circuit Court to request an extension of the effective period of the County's Local Road, Library and Park Referenda totaling \$369,550,000 from eight years to ten years after the November 7, 2006 referenda date.

III. Issues in order of importance are:

- A. Fiscal Impact - What is the fiscal impact of extending the referendum authorizations as proposed?
- B. Legal - What are the legal issues?
- C. Service Level/Policy Issue - What are the Strategic Goal and/or Comprehensive Plan impacts?
- D. Timing - What is the timing impact? Why extend these bond authorizations now?

IV. Alternatives in order of feasibility are:

- A. Authorize a petition to the Prince William County Circuit Court to request an extension of the effective period of the County's local road, library and park referenda totaling \$369,550,000 from eight years to ten years after the November 7, 2006 referenda date.
 - 1. Fiscal Impact - All road, library, and park construction projects to be supported from sale of GO bonds that will be authorized through this referendum extension have been included in the Adopted FY 2015 Budget and the FY 2015 - 2020 CIP. There will be no new expenditures resulting from the extension of the referendum authorization.
 - 2. Legal - To sell these bonds after November 7, 2014, the Board of County Supervisors must petition the Circuit Court for the extension of the bond referenda authorization. This requirement is pursuant to §15.2-2611, VA Code Ann., which states that bonds authorized by a referendum may not be issued by a locality more than eight years after the date of the referendum. However, the code allows an extension through an order of the circuit court of the locality to extend the eight-year period by two years to obtain a maximum authorized sale period of up to ten years after the date of the referendum. This extension by the circuit court must be initiated by a formal request from the locality's governing body.
 - 3. Service Level/Policy Issue - The construction of the road, library, and park projects will proceed in accordance with their planned schedules. The completion of these road construction projects will support the County's Transportation Strategic Goal to construct transportation facilities that address congestion and safety and gets people to jobs, encourages economic development, and reduces

travel time. The construction of the new parks will expand County citizen's opportunity to engage in recreational activities near their homes. The construction of the two new libraries will provide expanded library services to areas of the County which are currently under served.

4. Timing - For the extension to be valid it must be ordered by the Circuit Court prior to the eighth anniversary of the vote at which the referendum was authorized by the voters. The eighth anniversary of these referendum authorizations is November 7, 2014. Some processing time is needed by the Court to enable the court order to be entered prior to the anniversary date, resulting in the need to have this extension request approved by the BOCS at this time.

B. Take No Action

1. Fiscal Impact - No GO bond proceeds will be available to support the road, library and park construction projects. Alternative financing will be needed to cover the expenditures associated with these projects which will likely be more costly and may have major impact on other projects or operating activities in terms of timing, resources and cost.
2. Legal - No general obligation bond sale can occur for these projects. The County will very probably be in violation of existing construction contracts associated with several of these projects if funds are not available to pay the contractors for work performed.
3. Service Level/Policy Issue - Completion of the road, library and park projects will be delayed and progress on meeting the County's Strategic Goals will be impeded.
4. Timing - The projects' funding requirements will not be met and construction expenditures of the road, library, and park projects will not be able to be paid.

V. Recommendation is that the Board of County Supervisors concur with Alternative A and approve the attached Resolution.

Staff Contact: Michelle L. Attreed 703-792-6700