

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Glen Lee
Chief Financial Officer

July 9, 2024

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

This letter transmits my request for a Council emergency resolution approving the borrowing of \$2,410,577,362 via the issuance of income tax secured bonds or notes or general obligation bonds or notes for capital projects previously approved in the District's Capital Improvement Plan. The proposed resolution, the "Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024," is enclosed and includes a listing of the projects to which the borrowed funds will be allocated. I have also enclosed the corresponding emergency declaration resolution.

The General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2023-2028 Authorization Act of 2023, effective June 14, 2023 (D.C. Law 25-9), and any successor acts, and D.C. Official Code § 1-204.90 (together the "Bond Acts") authorize the District to issue bonds or notes to pay for the cost of acquiring and constructing capital projects described therein and to pay costs of issuance.

The bonds or notes to be issued may be sold by competitive or negotiated sale and are intended to be issued on a tax-exempt or taxable basis. The funds that would be used to pay debt service on the borrowing are included in the District's Fiscal Year 2025 Budget and Financial Plan. The Office of the Attorney General has indicated in writing that this proposed legislation is legally sufficient. A fiscal impact statement is also enclosed.

I am available to discuss any questions you may have regarding this legislation at (202) 727-2476.

Sincerely,

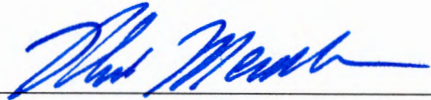
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Glen Lee

Enclosures

cc: Nyasha Smith, Secretary to the Council of the District of Columbia

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Chairman Phil Mendelson
at the request of the Chief Financial Officer

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to approve the borrowing of funds by the District through the issuance and sale of income tax secured bonds and notes and general obligation bonds and notes in an aggregate principal not to exceed \$2,410,577,362.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Declaration Resolution of 2024”.

Sec. 2. Emergency legislation is necessary to ensure that the District can issue bonds in a timely manner and take advantage of favorable market conditions to provide funding for or to reimburse the District for funds already expended on Fiscal Year 2025 capital projects approved and undertaken pursuant to the District’s Fiscal Year 2025 Budget and Financial Plan.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.

Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer

DATE: July 1, 2024

SUBJECT: Fiscal Impact Statement – Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024

REFERENCE: Draft Resolution provided to the Office of Revenue Analysis on June 27, 2024

A handwritten signature in black ink, appearing to read "Glen Lee".

Conclusion

Funds are sufficient in the fiscal year 2025 budget and the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

Background

The resolution authorizes the District to issue and sell tax-exempt and taxable income tax secured revenue bonds, general obligation bonds, and general obligation bond anticipation notes in the combined amount of approximately \$2.41 billion in fiscal year 2025. The District will use proceeds of the bonds to fund the capital projects outlined in the resolution, as well as the costs and expenses associated with the bond issuance and sales, to the extent allowable under District laws.

The District's proposed fiscal year 2025 through fiscal year 2030 Capital Improvements Plan includes \$8.2 billion in planned borrowing using a combination of general obligation bonds, income tax secured revenue bonds, and short-term obligations.¹ The Chief Financial Officer decides to issue various types of bonds depending on market conditions at the time of issuance.

¹ See table CA-3 in the District of Columbia FY 2025 – FY 2030 Capital Improvements Plan for a breakdown of capital funding sources. (<https://cfo.dc.gov/page/annual-operating-budget-and-capital-plan>).

The Honorable Phil Mendelson

FIS: "Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024," Draft Resolution as provided to the Office of Revenue Analysis on June 27, 2024.

The District of Columbia Home Rule Act² permits proceeds from notes or bonds issued by the District of Columbia to be used for:

- Payment of the cost of acquiring, undertaking, or refinancing capital projects;
- The reimbursing of capital project funding temporarily advanced from the General Fund of the District of Columbia, any enterprise fund, or other fund or account of the District;
- The refunding of outstanding debt, including, but not limited to, any treasury advances and any notes issued pursuant to section 475 of the Home Rule Act; and
- The payment of the costs and expenses of preparation, execution, issuance, sale or delivery of, or security for, the bonds and notes, including the payments of contracts or agreements necessary and appropriate for issuing and delivering the bonds.

Financial Plan Impact

Funds are sufficient in the fiscal year 2025 budget and the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The \$2.1 billion additional borrowing authorized by the resolution is consistent with the planned capital expenditures in the District's proposed fiscal year 2025 through fiscal year 2030 Capital Improvements Plan, which includes \$8.2 billion of planned borrowing of the bond types authorized by the resolution.

² Approved December 24, 1973 (87 Stat. 774; D.C. Official Code § 1-201.01 et seq.).

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL**



**Commercial Division
Tax & Finance Section**

MEMORANDUM

TO: Glen Lee
Chief Financial Officer

FROM: Patrick Allen
Senior Assistant Attorney General
Commercial Division

DATE: June 27, 2024

SUBJECT: Legal Sufficiency Certificate

This is to certify that the Office of the Attorney General has reviewed the Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024 and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at (202) 724-7754.

Patrick Allen

Patrick Allen
Senior Assistant Attorney General