

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2017 Legislative Session

Resolution No. CR-6-2017

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Toles, Harrison and Franklin

Co-Sponsors _____

Date of Introduction February 7, 2017

RESOLUTION

1 A RESOLUTION concerning

2 Economic Development Revenue Bonds

3 For the purpose of issuing economic development revenue bonds in an aggregate principal
4 amount not to exceed seventy million dollars (\$70,000,000), and to loan the proceeds from the
5 sale of such bonds to Collington Episcopal Life Care Community, Inc., a nonstock corporation
6 organized under the laws of the State of Maryland for non-profit purposes, referred to as the
7 “Facility Applicant.”

8 WHEREAS, pursuant to Sections 12-101 through 12-118 of the Economic Development
9 Article of the Annotated Code of Maryland as amended (the Maryland Economic Development
10 Revenue Bond Act (“the Act”)), the bonds and subsequent proceeds are to be used for the
11 purpose of financing or refinancing the costs of certain facilities, within the meaning of such Act,
12 located in Prince George’s County, Maryland (the “County”); and

13 WHEREAS, the bonds and subsequent proceeds are to be used by the Facility Applicant in
14 connection with its tax-exempt purposes of providing a continuing care retirement community
15 for senior citizens in accordance with and pursuant to the laws of the State of Maryland; and

16 WHEREAS, pursuant to the Act, it authorizes the County Executive to specify, prescribe,
17 determine, provide for, approve, execute and deliver any and all matters, details, forms,
18 documents or procedures necessary or appropriate to effectuate the authorization, sale, security,
19 issuance, delivery and payment of and for such bonds and the lending of the proceeds thereof;
20 reserving certain rights in the County; and generally providing for and determining various
21 matters in connection with such bonds and the lending of the proceeds thereof; and

22 WHEREAS, the Act empowers any public body to issue and sell bonds, as its limited

1 obligations and not upon its faith and credit or pledge of its taxing power, at any time and from
2 time to time, and to loan the proceeds of the sale of such bonds to one or more facility users to
3 finance or refinance any costs of the acquisition of a facility or facilities for one or more facility
4 users or the refunding of outstanding bonds; and

5 WHEREAS, the Act states the declared legislative purpose of the General Assembly of
6 Maryland to be to (1) relieve conditions of unemployment in the State of Maryland (the “State”);
7 (2) encourage the increase of industry and commerce and a balanced economy in the State;
8 (3) assist in the retention of existing industry and commerce and in the attraction of new industry
9 and commerce in the State through, among other things, port development and the control,
10 reduction or abatement of pollution of the environment and the utilization and disposal of wastes;
11 (4) promote economic development; (5) protect natural resources and encourage resource
12 recovery; and (6) generally promote the health, welfare and safety of the residents of each of the
13 counties and municipalities of the State; and

14 WHEREAS, on July 28, 2006, pursuant to CR-50-2006, the County issued its (i)
15 \$26,350,000 Collington Episcopal Life Care Community, Inc. Refunding Revenue Bonds, Tax
16 Exempt Series 2006A; (ii) \$24,310,000 Collington Episcopal Life Care Community, Inc.
17 Refunding Revenue Bonds, Tax Exempt Series 2006B; and (iii) \$6,660,000 Collington Episcopal
18 Life Care Community, Inc. Refunding Revenue Bonds, Taxable Series 2006C (collectively, the
19 “2006 Bonds”) pursuant to an Indenture of Trust dated as of July 1, 2006 (“2006 Indenture”)
20 between the County and The Bank of New York, as trustee (“Trustee”); and

21 WHEREAS, pursuant to the Loan Agreement dated as of July 1, 2006 (the “2006 Loan
22 Agreement”) among the County and Collington Episcopal Life Care Community, Inc., the
23 County loaned the proceeds of the 2006 Bonds to Collington Episcopal Life Care Community,
24 Inc., a Maryland nonstock corporation and a facility applicant and facility user as defined in the
25 Act (the “Facility Applicant”) for the purposes and terms set forth in the Loan Agreement; and

26 WHEREAS, the Facility Applicant’s obligations under the Loan Agreement regarding the
27 2006 Loan were secured by certain real property of the Facility Applicant and the improvements
28 located upon the property pursuant to a Deed of Trust and an Assignment of Leases, Rents and
29 Residency Agreement, both dated as of July 1, 2006; and

30 WHEREAS, the County has received a letter from the Facility Applicant, dated December
31 9, 2016 (the “Letter of Intent”), requesting the County to issue and sell its bonds pursuant to the

1 Act and to loan the proceeds of the sale thereof to the Facility Applicant, for the purpose of
 2 financing and refinancing the costs of certain facilities within the geographical boundaries of the
 3 County by (i) refunding the outstanding principal of the Prince George’s County, Maryland
 4 Refunding Revenue Bonds, Collington Episcopal Life Care Community, Inc. Series 2006A and
 5 Series 2006B (the “Bond Refunding”), (ii) refunding the outstanding balance of a construction
 6 loan (the “Loan Refunding”), (iii) financing and refinancing renovations and improvements to
 7 existing facilities and/or other amounts owed by the Facility Applicant (collectively with the
 8 Bond Refunding and the Loan Refunding, the “Project”) and (iv) financing a debt service reserve
 9 fund and/or capitalized interest fund for all or a portion of the Bonds, and (v) funding the costs
 10 incurred in issuing the Bonds and costs related to the transaction. The Facility Applicant
 11 acknowledges in the Letter of Intent that the County reserves certain rights concerning the
 12 issuance of the Bonds as provided in Section 5 of this Resolution; and

13 WHEREAS, the facilities which the Facility Applicant has requested to be so financed and
 14 refinanced shall consist generally of: (i) a continuing care retirement community located at
 15 10450 Lottsford Road, Mitchellville, Prince George’s County, Maryland which provides three
 16 levels of care on its 125-acre campus in Prince George’s County, Maryland to approximately 475
 17 residents; (ii) approximately 330 independent living units; and (iii) a health center that includes
 18 approximately 65 assisted living beds and approximately 44 nursing beds (collectively, the
 19 “Facilities”); and

20 WHEREAS, the County, based upon the findings and determinations and subject to the
 21 reservation of certain rights as hereinafter set forth, has determined to issue and sell, in addition
 22 to any bonds authorized to be issued by any other act of the County, its bonds (within the
 23 meaning of the Act), at one time or from time to time, in one or more series, in an aggregate
 24 principal amount not to exceed Seventy Million Dollars (\$70,000,000), hereinafter designated
 25 “Prince George’s County, Maryland Revenue Bonds, Collington Episcopal Life Care
 26 Community, Inc., Series 2017 (the “Bonds”), and to loan the proceeds of the Bonds (the “Loan”)
 27 to the Facility Applicant on the terms and conditions as hereinafter provided in order to finance
 28 and refinance, in whole or in part, the costs of the Project by the Facility Applicant and fund a
 29 debt service reserve fund and/or a capitalized interest fund, if any, for all or a portion of the
 30 Bonds and fund costs incurred in issuing the Bonds and costs related to the transaction, to
 31 encourage economic development and to protect the health, welfare and safety of the citizens of

1 the State and of the County.”

2 SECTION 1. NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince
3 George’s County, Maryland, that acting pursuant to the Act, it is hereby found and determined as
4 follows:

5 (a) As evidenced by the Letter of Intent, a “letter of intent” within the meaning of the Act,
6 the issuance of the Bonds pursuant to the Act by the County, a “public body” and a “county”
7 within the meaning of the Act, in order to loan the proceeds to the Facility Applicant, a “facility
8 applicant” and a “facility user” within the meaning of the Act, for the sole and exclusive purpose
9 of financing and refinancing the Project, “facilities” within the meaning of the Act, for use by the
10 Facility Applicant and fund a debt service reserve fund and/or a capitalized interest fund, if any,
11 for all or a portion of the Bonds and fund all or a portion of the costs incurred in issuing the
12 Bonds and costs related to the transaction, will facilitate the financing and refinancing of the
13 Project by the Facility Applicant.

14 (b) The accomplishment of the transactions contemplated and authorized by this
15 Resolution, including (without limitation) the financing and refinancing of the Project, will
16 promote the declared legislative purposes of the Act by (i) creating and sustaining jobs and
17 employment, thereby relieving conditions of unemployment in the State and in the County; (ii)
18 encouraging the increase of industry and commerce and a balanced economy in the State and in
19 the County; (iii) assisting in the retention of existing industry and commerce in the State and in
20 the County; (iv) promoting economic development; and (v) generally promoting the health,
21 welfare and safety of the residents of the County and of the State.

22 (c) Neither the Bonds, nor the interest thereon, shall ever constitute an indebtedness or a
23 charge against the general credit or taxing powers of the County within the meaning of any
24 constitutional or charter provision or statutory limitation and neither shall ever constitute or give
25 rise to any pecuniary liability of the County. The Bonds and the interest thereon shall be limited
26 obligations of the County, payable by the County solely from the revenues derived from Loan
27 repayments (both principal and interest) made to the County by the Facility Applicant on account
28 of the Loan and from any other moneys made available to the County for such purpose. No such
29 moneys will be commingled with the County’s funds or will be subject to the absolute control of
30 the County, but will be subject only to such limited supervision and checks as are deemed
31 necessary or desirable by the County to insure that the proceeds of the Bonds are used to

1 accomplish the public purposes of the Act and this Resolution. The transactions authorized
2 hereby do not constitute any physical public betterment or improvement or the acquisition of
3 property for public use or the purchase of equipment for public use. The public purposes
4 expressed in the Act are to be achieved by facilitating and expediting the financing and
5 refinancing of the Project.

6 (d) The County Executive of the County (the “County Executive”), the chief executive
7 officer of the County within the meaning of the Act, or his or her designee (the “Authorized
8 Representative”) shall undertake on behalf of the County certain responsibilities described in the
9 Act and hereinafter specified.

10 (e) The Bonds may be sold at one time or from time to time, taxable or tax-exempt, in one
11 or more issues or series, either by private (negotiated) sale or at public sale, and at, above or
12 below par, in any event in such manner and upon such terms as the County Executive or
13 Authorized Representative, in his/her sole and absolute discretion, deems to be in the best
14 interests of the County.

15 (f) All or a portion of the Bonds may be issued as “qualified 501(c)(3) bonds” within the
16 meaning of Section 145 of the Internal Revenue Code of 1986, as amended.

17 SECTION 2. BE IT FURTHER RESOLVED that nothing in this Resolution shall be
18 deemed to constitute (i) an undertaking by the County to expend any of its funds (other than the
19 proceeds from the sale of the Bonds, revenues derived from the Loan repayments made to the
20 County on account of the Loan, and any other moneys made available to the County for such
21 purpose) to effect the transactions described herein or (ii) an assurance by the County as to the
22 availability of one or more ready, willing and able purchasers for the Bonds or as to the
23 availability of one or more purchasers of the Bonds to whom the Bonds may lawfully be sold
24 under, among others, applicable federal and state securities and legal investment laws.

25 SECTION 3. BE IT FURTHER RESOLVED that as described in the Letter of Intent, the
26 County will not incur any liability, direct or indirect, or any cost, direct or indirect, in connection
27 with the issuance and sale of the Bonds, the making of the Loan or the financing or refinancing
28 of the Project, and the financing and refinancing of the Project shall be achieved so as to conform
29 to the requirements of the Facility Applicant; accordingly, the Facility Applicant shall:

30 (a) negotiate all financing arrangements in connection with the Project, and

31 (b) pay all costs incurred by or on behalf of the County in connection with the issuance and

1 sale of the Bonds, the making of the Loan, including the administration thereof, including
2 (without limitation) all costs incurred in connection with the development of the appropriate
3 legal documents necessary to effectuate the proposed refinancing, including (without limitation)
4 the fees of bond counsel, all costs in connection with publication of notices of any public
5 hearings to be held in connection therewith, and compensation to any other third party (other
6 than full-time employees of the County) performing services by or on behalf of the County in
7 connection with the transactions contemplated by this Resolution, whether or not the proposed
8 financing is consummated.

9 SECTION 4. BE IT FURTHER RESOLVED that in addition to any bonds authorized to be
10 issued by any other act of the County, the issuance, sale and delivery by the County of the
11 Bonds, at one time or from time to time, taxable or tax-exempt, and in one or more series, in an
12 aggregate principal amount not to exceed Seventy Million Dollars (\$70,000,000), are hereby
13 authorized, subject to the provisions of the Act and this Resolution. The County will lend or
14 otherwise make available the proceeds of the Bonds to the Facility Applicant (the "Loan"), as
15 permitted by the Act, pursuant to the terms and provisions of a loan agreement to be entered into
16 between the County and the Facility Applicant (the "Loan Agreement"), to be used by the
17 Facility Applicant for the sole and exclusive purpose of financing and refinancing the Project,
18 funding a debt service reserve fund and/or a capitalized interest fund, if any, for all or a portion
19 of the Bonds and funding the costs incurred in issuing the Bonds and costs related to the
20 transaction, to the extent permitted by the Act and the Code. The Bonds and the interest thereon
21 shall be limited obligations of the County, repayable by the County solely from the revenue
22 derived from Loan repayments (principal and interest) made to the County by the Facility
23 Applicant and from any other moneys made available to the County for such purpose. The
24 maximum principal amount of Bonds which may be issued, sold and delivered pursuant to this
25 Resolution is Seventy Million Dollars (\$70,000,000), unless such amount shall be increased by a
26 resolution supplemental hereto.

27 The authority to issue the Bonds is intended to and shall include the authority to issue
28 refunding revenue bonds. References herein to the "Bonds" shall include refunding revenue
29 bonds where appropriate. In the event that any refunding revenue bonds are issued pursuant to
30 this Resolution, the outstanding principal amount of any "refunded bonds" (as hereinafter
31 defined) shall not be taken into account in determining the aggregate principal amount of Bonds

1 issued, sold and delivered hereunder. The term “refunded bonds” means any Bonds (i) for the
 2 payment of which (both principal and interest) provision has been made from the proceeds
 3 (including any earnings on the investment thereof) of Bonds issued pursuant to this Resolution or
 4 (ii) which have been paid from such proceeds, whether such provision for payment, or such
 5 payment, is made at or prior to the maturity of such Bonds.

6 SECTION 5. BE IT FURTHER RESOLVED that the County reserves the right, in its sole
 7 and absolute discretion, to take any actions which it may deem necessary in order to ensure that
 8 the County:

9 (a) complies with all federal and State laws, whether proposed or enacted, which may apply
 10 to or restrict the issuance of its economic development revenue bonds, and

11 (b) issues such bonds to finance and refinance facilities which the County determines, in its
 12 sole and absolute discretion, will provide the greatest benefit to the County.

13 SECTION 6. BE IT FURTHER RESOLVED that the Bonds shall each be designated
 14 “Prince George’s County, Maryland Revenue Bonds, Collington Episcopal Life Care
 15 Community, Inc.” and may be further identified by the year of issue and/or such other
 16 appropriate designations as the County Executive or Authorized Representative may approve.

17 The Bonds shall mature on such date or dates as may be approved by the County
 18 Executive or Authorized Representative; provided that the Bonds shall mature not later than 30
 19 years from their date of issuance.

20 The Bonds of any series shall be placed or sold at private (negotiated) sale and at par,
 21 unless the County Executive deems it to be in the best interests of the County, with the consent
 22 of the Facility Applicant, to sell the Bonds of any series at public sale or above or below par, in
 23 either or both of which events, the Bonds of such series shall be sold in such manner and upon
 24 such terms as the County Executive deems to be in the best interests of the County.

25 The Bonds shall be executed in the name of the County and on its behalf by the manual
 26 or facsimile signature of the County Executive of the County. The seal of the County or a
 27 facsimile thereof shall be affixed to each of the Bonds, and attested by the manual or facsimile
 28 signature of the County Executive. If deemed appropriate by the County Executive, the Bonds
 29 may also be authenticated by the manual or facsimile signature of a trustee, registrar or paying
 30 agent. At least one of such signatures on the Bonds shall be a manual signature.

31 SECTION 7. BE IT FURTHER RESOLVED that if deemed advisable by the County

1 Executive or Authorized Representative, the County will enter into a trust agreement, financing
2 agreement or similar agreement (the "Trust Agreement") for the protection of the holders of the
3 Bonds with a bank in its capacity as owner of the Bonds or in its capacity as trustee for the
4 bondholders (the "Trustee") to be approved by the County Executive or Authorized
5 Representative and, pursuant to the Trust Agreement, the County will assign to the Trustee
6 (among other things) (i) all of the County's right, title and interest in and to the remedies under
7 the Loan Agreement, including (without limitation) any and all collateral referred to therein,
8 excepting only the right of the County to indemnification by the Facility Applicant, taxes paid by
9 the Facility Applicant to the County and payments to the County for the County's administrative
10 fees or expenses, if any; (ii) the receipts and revenues of the County from the Loan; (iii) certain
11 moneys which may be at any time or from time to time on deposit with the Trustee; and (iv) all
12 of the County's right, title and interest in and to and remedies under such documents as the
13 County Executive shall deem necessary or expedient to effectuate the issuance, sale and delivery
14 of the Bonds.

15 SECTION 8. BE IT FURTHER RESOLVED that in connection with the transactions
16 described herein, the County Executive or Authorized Representative is hereby authorized and
17 empowered, by Executive Order or otherwise:

18 (a) to approve the form and provisions of and execute and deliver the Bonds, the Loan
19 Agreement and the Trust Agreement and any other documents related to the transaction;

20 (b) to approve the form and provisions of any preliminary official statement, final official
21 statement or other offering documents with respect to the Bonds;

22 (c) to execute and deliver a contract or contracts for the purchase and sale or placement of
23 the Bonds of any series (or any portion thereof) in form and content satisfactory to the County
24 Executive;

25 (d) if necessary, to appoint a trustee or trustees, a bond registrar and paying agent or agents
26 for the Bonds;

27 (e) to provide for the direct payment by the Facility Applicant of all costs, fees and
28 expenses incurred by or on behalf of the County in connection with the issuance, sale and
29 delivery of the Bonds, including (without limitation) costs of printing (if any) and issuing the
30 Bonds, legal expenses (including the fees of bond counsel) and compensation to any third party
31 performing services by or on behalf of the County in connection therewith;

1 (f) to specify, prescribe, determine, provide for, approve, execute and deliver (where
2 applicable) such other matters, details, forms, documents, or procedures, including (without
3 limitation) bond purchase agreements, deeds of trust, assignments and financing statements, and
4 such other documents as are necessary or appropriate to effectuate the authorization, sale,
5 security, issuance, delivery or payment of or for the Bonds and the making of the Loan;

6 (g) to determine the time of execution, issuance, sale and delivery of the Bonds of such
7 series and prescribe any and all other details of the Bonds of such series;

8 (h) to determine the method, and to approve the terms, of the sale of the Bonds of such
9 series, as provided in Section 6 of this Resolution;

10 (i) to provide for the issuance and sale (subject to the passage at the time of any appropriate
11 resolution authorizing the same) of one or more series of additional bonds (which may be on
12 parity with, or subordinate to, the Bonds) and one or more series of refunding bonds; and

13 (j) to provide for the funding of reserves for the Bonds of such series and for the payment of
14 interest on the Bonds of such series in such amounts and for such period as the County Executive
15 deems reasonable.

16 SECTION 9. BE IT FURTHER RESOLVED that in connection with the described
17 transactions described herein, before or after the issuance, sale and delivery of the Bonds of any
18 series, regardless of the date on which such bonds are issued, the County Executive is hereby
19 authorized and empowered, by executive order or otherwise, to supplement the executive order
20 provided for by Section 8 of this Resolution and thereby approve on behalf of the County any
21 amendments or supplements to or substitutes for the forms and provisions of the Bonds, the Loan
22 Agreement, any trust agreement or similar agreement and all other documents executed and
23 delivered on behalf to the County in connection with the issuance, sale and delivery of the Bonds
24 pursuant to the provisions of such documents, provided that (i) each such supplemental executive
25 order or orders and each amendment, supplement or substitute to such document shall be in
26 accordance with the provisions of the Act, this Resolution and the documents executed and
27 delivered in connection with the Bonds and then in effect, and (ii) all of the foregoing shall be
28 subject to any approval by the County Council as may be required pursuant to federal tax law.

29 SECTION 10. BE IT FURTHER RESOLVED that the County Executive or the
30 Authorized Representative, for and on behalf of the County, are hereby authorized and
31 empowered to do all things, execute all instruments, and otherwise take all such action as the

1 County Executive or Authorized Representative may determine by Executive Order or otherwise
2 to be necessary, proper or expedient to carry out the authority conferred by this Resolution,
3 including (without limitation) the execution of a certificate and/or agreement pursuant to Section
4 148 of the Code and the U.S. Treasury Regulations prescribed thereunder, subject to the
5 limitations set forth in the Act and this Resolution.

6 SECTION 11. BE IT FURTHER RESOLVED that pursuant to Section 12-111(e) of the
7 Act that the Resolution adopted under the Act is administrative in nature and is not subject to
8 procedures required for legislative acts.

9 SECTION 12. BE IT FURTHER RESOLVED that this Resolution shall take effect
10 immediately upon its approval by the County Executive.

11 SECTION 13. BE IT FURTHER RESOLVED that the provisions of this Resolution shall
12 be abrogated and shall be of no further force and effect after one year from the date of its
13 adoption and which the Resolution becomes effective.

Adopted this 7th day of March, 2017.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Derrick Leon Davis
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
County Executive