

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2016 Legislative Session

Resolution No. CR-72-2016

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Davis, Glaros, Franklin and Taveras

Co-Sponsors _____

Date of Introduction September 27, 2016

RESOLUTION

1 A RESOLUTION concerning

2 Contract Approval

3 For the purpose of approving a multi-year Financing Agreement between Prince George’s
4 County, Maryland, (“County”) and Old Line Bankshares, Inc. and Industrial Bank (collectively
5 “Banking Consortium”) to acquire various County equipment.

6 WHEREAS, pursuant to Section 819 of the Charter for Prince George's County, Maryland,
7 the County Council must approve, by resolution, all multi-year contracts exceeding an aggregate
8 of Five Hundred Thousand Dollars (\$500,000); and

9 WHEREAS, the County desires to enter into an agreement with the Banking Consortium,
10 pursuant to the terms and conditions contained herein as “Attachment A”; and

11 WHEREAS, the County finds it in the public interest to support local businesses through
12 the County’s annual procurement of goods and services; and

13 WHEREAS, the Banking Consortium are vested members of communities throughout the
14 County; and

15 WHEREAS, the County and the Banking Consortium share common goals in expanding
16 employment opportunities for Prince George’s County youth in targeted areas of the County,
17 expanding opportunities for high school students in targeted areas of the County to pursue career
18 advancement and higher education through annual scholarship awards; and

19 WHEREAS, the County and the Banking Consortium share common goals in commercial
20 lending opportunities in targeted areas of the County, assisting start-up companies in
21 transitioning their business from the County’s incubator programs; and

22 NOW THEREFORE, BE IT RESOLVED by the County Council of Prince George’s

1 County, Maryland, the agreement as described in Attachment A be and the same is hereby
2 approved, pursuant to Section 819 of the Charter.

3 BE IT FURTHER RESOLVED that the County Executive is hereby authorized to make
4 any modifications, adjustments, corrections or any changes as may be necessary to finalize the
5 agreement in any manner the County Executive may deem necessary or proper but not altering
6 its substance.

Adopted this 1st day of November , 2016.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Derrick Leon Davis
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

**ATTACHMENT A
Memorandum of Understanding**

**MEMORANDUM OF UNDERSTANDING AMONG
PRINCE GEORGE’S COUNTY,
OLD LINE BANKSHARES INC. AND INDUSTRIAL BANK**

This Memorandum of Understanding (hereinafter “MOU” or “Agreement”) is entered into this ____ day of _____, 2016, by and among Prince George’s County, Maryland, a body corporate and politic, organized pursuant to Article XI-A of the Constitution of Maryland, (hereinafter the “County”), Old Line Bankshares, Inc. (hereinafter “Old Line”) and Industrial Bank (hereinafter “Industrial”); Old Line and Industrial shall collectively be referred to as the “Banking Consortium”; and the County and the Banking Consortium collectively referred to as the “Parties.”

PREAMBLE

WHEREAS, the County finds it in the public interest to support local businesses through the County’s annual procurement of goods and services; and

WHEREAS, this procurement assists in the growth and expansion of local business by creating additional jobs and additional County tax revenues; and

WHEREAS, the Banking Consortium are vested members of communities throughout Prince George’s County; and

WHEREAS, the County finds it in the public interest to borrow funds from the Banking Consortium to acquire various County equipment, including public safety vehicles, ambulances, general County fleet vehicles, heavy equipment, and so forth; and

WHEREAS, both the County and the Banking Consortium share common goals in expanding employment opportunities for County youth in targeted areas of the County, expanding commercial lending opportunities in targeted areas of the County, assisting start-up companies in transitioning their business from the County’s incubator programs, and expanding opportunities

for high school students in targeted areas of the County to pursue career advancement and higher education through the annual award of scholarships; and

NOW, THEREFORE, in consideration of the mutual promises of the Parties herein and other good and valuable consideration, the Parties hereto stipulate and agree as follows:

ARTICLE I.

Equipment Acquisition Program

Section A. Amount and Fiscal Years

Subject to all applicable State, Federal, and local laws and the County's sole and absolute discretion, the County may finance up to Thirty-Four Million Dollars (\$34,000,000) from the members of the Banking Consortium over the next four fiscal years for the acquisition of various eligible equipment to meet the needs of the County, including but not limited to public safety vehicles and related equipment, ambulances, fire trucks and ladder equipment, general fleet vehicles, and heavy equipment (collectively, the "Eligible Equipment"). Any such financing shall subject to terms and conditions satisfactory to the County in its sole and absolute discretion as set forth in the legal documents by and among the County and any of the members of the Banking Consortium to evidence the specific financings pursuant to this MOU (the "Definitive Documents"). The four year term referenced pursuant to which this MOU shall commence as of July 1, 2016 and shall expire on June 30, 2021. The estimated annual amounts to be financed over the fiscal years are listed below:

1. FY 2017 – Year Ending June 30, 2017 - \$8,500,000
2. FY 2018 – Year Ending June 30, 2018 - \$8,500,000
3. FY 2019 – Year Ending June 30, 2019 - \$8,500,000
4. FY 2020 – Year Ending June 30, 2020 - \$8,500,000

Section B. Interest Rate and Terms

All amounts that shall be payable under the Definitive Documents by the County shall be subject in each year to appropriation by the County, and the County shall be under no obligation to make any appropriations with respect to the Definitive Documents for any and all financings pursuant to this MOU. Amounts that will be payable by the County under any of the Definitive Documents are not general obligations of the County and shall never constitute an indebtedness of the County within the meaning of any constitutional or charter provision or statutory

limitation or a charge against the general credit or taxing power of the County. The County has not pledged its full faith and credit or its taxing powers to the payment of amounts due or under the Definitive Agreements.

The Banking Consortium shall provide a fixed rate of interest over the average useful life of the equipment which rate is to be determined as follows (the "Rate"): The interest rate will be set on the date of closing of the particular financing ("Closing") and will be equal to the AA Municipal Market Data's (MMD) Rate in existence on the 7th day prior to Closing plus Seventy-Five basis points (AA MMD Index + 75bps).

The County and Banking Consortium shall mutually determine the average useful life based on generally accepted industry standards of the equipment financed with the proceeds of the specific financing.

Closing costs and fees, if any, should be built into the financing via the interest rate or such other terms acceptable to the County.

As a condition to the County agreeing to finance any Eligible Equipment pursuant to this MOU, each member of the Banking Consortium shall agree to use and execute a template set of Definitive Agreements acceptable to the County.

Section C. Allocation of Financing

The Banking Consortium shall allocate the Thirty-Four Million dollars (\$34,000,000) in financing amongst themselves as follows:

1. Old Line Bankshares Inc. - \$28,000,000 (\$7,000,000 annually)
2. Industrial Bank - \$6,000,000 (\$1,500,000 annually)

If any member of the Banking Consortium cannot provide their aggregate amount or annual amount stated above, another member(s) of the Banking Consortium may supplement the amounts above with the County's prior written consent.

ARTICLE II.

COMMUNITY INVESTMENTS

Section A. Youth Employment Program

The Banking Consortium shall use “Best Efforts” to employ or sponsor fifteen (15) County youth annually from the County’s “Transforming Neighborhoods” areas (see Attachments A through F for boundary maps of the existing Transforming Neighborhoods areas). “Best Efforts” for each member shall be the number of youth set forth adjacent to each members name below which represents the amount employed or sponsored on an annual basis:

1. Old Line Bankshares Inc. - 12 County youth
2. Industrial Bank - 3 County youth

The Banking Consortium shall coordinate with the County’s Office of Human Resources Management in the summer youth employment program annually. The County shall provide a list of eligible youth from the Transforming Neighborhoods areas to the Banking Consortium annually by June 1 of each year.

The Banking Consortium shall provide an annual report of their youth employment efforts by September 1st, including the number of youth employed by each member.

To evidence its commitment set forth in this Section of the MOU, each member of the Banking Consortium shall enter into an agreement in form and substance acceptable to the County.

Section B. Commercial Lending

The Banking Consortium shall use “Best Efforts” to expand their commercial lending to business located in the County Transforming Neighborhoods. The Banking Consortium shall submit an annual report to the County by January 1st on the following:

1. Number of commercial loans, and total loan amounts, in the Transforming Neighborhoods areas over the past calendar year.
2. The name of the Transforming Neighborhoods Area where the loan proceeds shall be used.
3. Industry in which the borrower participates.

To the extent permitted by law, the County shall have the right to inspect and review the information provided by the Banking Consortium in the annual report upon the written request by the County. The County acknowledges that the Banking Consortium will not be permitted to

include borrower specific information unless permitted by law and in any case only to the extent the lending member(s) of the Banking Consortium obtain the consent of the borrower.

The Banking Consortium shall collaborate with FSC First and the Prince George's County Economic Development Corporation in the "best efforts" to expand commercial lending in the County's Transforming Neighborhoods, including the identification of potential borrowers.

Section C. Scholarship

The Banking Consortium shall provide thirty thousand dollars (\$30,000) annually in scholarships for high school students residing in the Transforming Neighborhoods areas. These funds should be over and above any existing contributions currently being made. The scholarship amounts shall be divided as follows among the members of the Banking Consortium:

1. Old Line Bankshares Inc. - \$25,000
2. Industrial Bank - \$5,000

The Parties shall establish the terms, conditions, and process for the scholarship program.

Section D. Grants for Incubator/Accelerator Program

The Banking Consortium shall provide thirty thousand dollars (\$30,000) annually to the Prince George's County Economic Development Corporation to assist in the transition of Prince George's County-based start-up companies through the incubator/accelerator program. The funds should be over and above any existing contributions currently being made by the Banking Consortium members. The incubator amounts shall be divided as follows among the members of the Banking Consortium:

1. Old Line Bankshares Inc. - \$25,000
2. Industrial Bank - \$5,000

ARTICLE III.
MISCELLANEOUS PROVISIONS

Section 1. State and County Laws

The provisions of this Agreement shall in no way diminish or infringe any rights, responsibilities, power or duties conferred on the parties by the Constitution of the State of Maryland, the Annotated Code of Maryland, the Prince George's County Charter, and the Prince George's County Code, and all such laws are hereby incorporated in this Agreement as if fully set forth herein. In the event of a conflict between this Agreement and any of these laws, the applicable law shall prevail.

Section 2. Effective Date and Modification of Agreement

This Agreement shall become effective on the date herein above written. It may be modified only by written agreement of all Parties, with any such modifications to become effective on the date determined by the Parties.

Section 3. Governing Law\Venue\Severability

This Agreement and the rights and obligations of the parties shall be governed by and construed in accordance with the laws of Prince George's County and the State of Maryland, without regard to its conflicts of law principles. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be brought in any federal or state court located in the State of Maryland, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum.

Section 4. Construction

This Agreement shall not be construed against the party preparing it, but shall be construed as if the parties jointly prepared it and any uncertainty or ambiguity shall not be

interpreted against any party. If any term or other provision herein is found to be unenforceable, invalid or illegal, such term or provision shall be deemed deleted from this Agreement, and the remainder of this Agreement shall not be affected or impaired thereby.

Section 5. Authority

Each party represents and warrants that it is fully authorized to enter into the terms and conditions of, and to execute and be bound by, this Agreement. The parties agree to use their best efforts promptly to execute and to effectuate the terms provided for herein. In addition, each person whose signature appears hereon warrants and guarantees that he/she has been duly authorized and has full authority to execute this Agreement.

Section 6. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

[Signature page follows]

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed on the date herein above written.

PRINCE GEORGE’S COUNTY, MARYLAND

By: _____

Rushern L. Baker, III
County Executive

Old Line Bankshares Inc.

By: _____

Name: _____

Title: _____

Industrial Bank

By: _____

Name: _____

Title: _____