

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

Resolution No. CR-83-2016
Proposed by The Chairman (by request – County Executive)
Introduced by Council Members Davis, Taveras, Franklin, Glaros, and Turner
Co-Sponsors _____
Date of Introduction October 18, 2016

RESOLUTION

1 A RESOLUTION concerning

2 Loans to Safeway, Inc. (“Safeway”) from the Maryland Economic Development Assistance
3 Fund (“MEDAF”) and Prince George’s County, Maryland (the “County”).

4 For the purpose of endorsing a loan not to exceed eight hundred fifty thousand dollars
5 (\$850,000) to Safeway from the Maryland Department of Commerce, formerly the Maryland
6 Department of Business and Economic Development MEDAF program, which, in conjunction
7 with the conditional loan from the County’s Economic Development Incentive Fund (“EDI
8 Fund”) not to exceed five hundred thousand dollars (\$500,000), will be used for eligible project
9 costs associated with a new facility in the County and capital expenditures.

10 WHEREAS, the Maryland Department of Commerce (“Commerce”) and the Prince
11 George’s County Economic Development Corporation (“EDC”) have issued a joint proposal
12 letter to Safeway dated February 23, 2016, outlining a non-binding expression of intent to offer
13 incentives for its expansion project, copy attached as Exhibit “A” and incorporated herein by
14 reference, to provide a loan in an amount not to exceed eight hundred fifty thousand dollars
15 (\$850,000) (“the MEDAF Loan”); and

16 WHEREAS, the MEDAF Loan is authorized under the Maryland Economic Development
17 Assistance Authority and Fund statute set forth in Sections 5-301 through 5-349 of the Economic
18 Development Article of the Annotated Code of Maryland, as amended (the “Act”); and

19 WHEREAS, the proceeds of the MEDAF Loan are expected to be used to reimburse
20 Safeway for eligible costs in connection with the following activities: (1) capital expenditures
21 related to an existing distribution facility in the County (the “Facility”); and (2) land purchase
22 and costs of construction, furniture, fixtures and equipment costs; and

1 WHEREAS, it is expected that the project costs will total approximately \$13.5 million
2 which will be funded by: (1) the MEDAF Loan; (2) a conditional loan not to exceed eight
3 hundred fifty thousand dollars (\$850,000) (at least 10% match of the MEDAF Loan is required
4 under Section 5-319(d)(2)(ii) of the Act), from the EDI Fund, (the “County Loan”); and (3) from
5 private financing and the owner’s equity for the remainder of the funds; and

6 WHEREAS, it is expected that the term of the MEDAF Loan will be six (6) years from the
7 date of the disbursement, at an annual rate of three percent (3%) with payments of principal and
8 accrued interest, which payments may be deferred or forgiven if Safeway employs at least six
9 hundred twenty five (625) full-time permanent employees at the Facility for the term of the
10 MEDAF Loan; and

11 WHEREAS, Safeway will employ at least six hundred twenty five (625) full-time
12 permanent employees at the Facility by June 30, 2022; thereafter employing at least that amount
13 at the Facility for the remaining term of the MEDAF Loan; and

14 WHEREAS, under Sections 5-319(d)(1) and (2)(ii) of the Act, a formal resolution of the
15 governing body of the County is required to endorse the MEDAF Loan; and

16 WHEREAS, the County Council and the County Executive have determined, based upon
17 the finding and determinations set forth herein, that it is in the best interest of the citizens and
18 residents of the County that the County Council and the County Executive endorse the MEDAF
19 and County Loans, as set forth in Exhibit “A”; and

20 WHEREAS, pursuant to the Prince George’s County Code Section 10-287, notice of intent
21 to award financial assistance from the EDI Fund was provided to the County Council on June 20,
22 2016.

23 NOW, THEREFORE, BE IT RESOLVED by the County Council and the County
24 Executive of Prince George’s County, Maryland, that the recitals in the WHEREAS clauses to
25 this Resolution are hereby incorporated herein by reference and deemed a substantive part of this
26 Resolution.

27 BE IT FURTHER RESOLVED that the loan from MEDAF to Safeway in an amount not to
28 exceed eight hundred fifty thousand dollars (\$850,000) as set forth in Exhibit “A” or any revision
29 thereof is hereby endorsed by the County Council and County Executive.

30 BE IT FURTHER RESOLVED that the County’s conditional loan to Safeway in an amount
31 not to exceed five hundred thousand dollars (\$500,000) from the EDI Fund on substantially the

1 same terms and conditions of the MEDAF Loan.

2 BE IT FURTHER RESOLVED that the County Executive or his designee are hereby
3 authorized and empowered to execute on behalf of the County such documents, instruments and
4 certificates as are necessary or appropriate to consummate the MEDAF Loan and the County
5 Loan.

6 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of
7 its adoption.

Adopted this 15th 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

APPROVED:

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