

# Prince George's County Council

## Agenda Item Summary

---

**Meeting Date:** 7/2/2007  
**Reference No.:** CR-038-2007  
**Draft No.:** 1  
**Proposer(s):** County Executive  
**Sponsor(s):** Turner, Dean  
**Item Title:** A Resolution endorsing a loan not to exceed \$200,000 to Capital Lighting from MEDAF and authorizing a loan by the County to Capital Lighting not to exceed \$20,000 for eligible Project costs associated with leasing or purchasing a facility in the County and capital expenditures.

---

**Drafter:** David Leibowitz, Office of Law  
**Resource Personnel:** Wanda Plumer, Economic Development Corporation

---

### LEGISLATIVE HISTORY:

<b>Date Presented:</b>		<b>Executive Action:</b>	7/6/2007 S
<b>Committee Referral:</b>	6/5/2007 - PSFM	<b>Effective Date:</b>	7/2/2007

**Committee Action:** 6/18/2007 - FAV

**Date Introduced:** 6/5/2007

### Public Hearing:

**Council Action (1)** 7/2/2007 - ADOPTED

**Council Votes:** MB:A, WC:A, SHD:A, TD:A, CE:A, DCH:A, TK:A, EO:A, IT:A

**Pass/Fail:** P

**Remarks:**

---

### AFFECTED CODE SECTIONS:

---

### COMMITTEE REPORTS:

#### PUBLIC SAFETY & FISCAL MANAGEMENT

**Date 6/18/2007**

Committee Report: Favorable, 5-0, (In favor: Councilmembers Knotts, Campos, Dean, Exum and Harrington.)

This resolution will endorse and authorize the financing of the Capital Lighting and Supply, Inc., project to be located in Forestville, Maryland. The State of Maryland, through the Maryland Economic Development Assistance Authority Fund (MEDAF), has offered an amount not to exceed \$200,000 as a conditional loan contingent upon the approval by the County Council. The County is required to provide a matching conditional loan of 10% (\$20,000) for the project. The \$20,000 for the County's match will come from the County's Incentive Leverage Fund which is managed by the Economic Development Corporation (EDC).

The proceeds from the loan will be used to reimburse Capital Lighting and Supply, Inc., for eligible costs of relocating its present business operations (headquarters and distribution facility) from Alexandria and Newington, Virginia, to Prince George's County. The project will cost approximately \$8 million which will be funded by (1) the MEDAF loan (\$200,000), (2) a County loan (\$20,000), and (3) approximately \$7.78 million from Capital Lighting and Supply, Inc.

The terms of the MEDAF loan to Capital Lighting will be for three years at an annual rate of 3% with payments of principal and accrued interest from the date of disbursement until March 31, 2010. The payments may be deferred or forgiven if Capital Lighting (1) employs at least 137 permanent, full-time employees at the facility by December 31, 2007, (2) retains the 137 employees through December 31, 2010, and maintains its corporate headquarters at the facility through December 31, 2010. If Capital Lighting, Inc., employs and retains at least 137 fulltime employees from December 31, 2007 through December 31, 2010, and maintains its corporate headquarters at the facility, all principal and interest on the conditional loan will be forgiven within 90 days after the receipt of the December 31, 2010 employment report.

There will not be any negative fiscal impact on the County as a result of adopting CR-38-2007.

---

**BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

This resolution will endorse a loan to Capital Lighting & Supply, Inc. ("Capital Lighting") not to exceed \$200,000 from the Maryland Economic Development Assistance Fund and authorize a County loan not to exceed \$20,000 from the County Incentive Leverage Fund, managed by the Prince George's County Economic Development Corporation. It is expected that the proceeds of these loans will be used to reimburse Capital Lighting for a portion of the costs of acquiring a leasehold, leasehold improvements and equipment, and relocating its corporate headquarters to Forestville, Maryland from Alexandria and Newington, Virginia.

---

**CODE INDEX TOPICS:**

---

**INCLUSION FILES:**

---