

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2010 Legislative Session

Resolution No. CR-9-2010
Proposed by The Chairman (by request – County Executive)
Introduced by Council Member Bland
Co-Sponsors _____
Date of Introduction February 16, 2010

RESOLUTION

1 A RESOLUTION concerning

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

4 For the purpose of endorsing a loan not to exceed \$80,000 to hhgregg from MEDAF and
5 authorizing a loan by the County to hhgregg not to exceed \$50,000 for eligible project costs
6 associated with leasing a facility in the County and capital expenditures.

7 WHEREAS, the Maryland Department of Business and Economic Development and the
8 Prince George’s County Economic Development Corporation have entered into a joint
9 conditional letter of commitment with hhgregg dated September 28, 2009, copy attached as
10 Exhibit “A” and incorporated herein by reference, to provide a loan from MEDAF in an amount
11 not to exceed \$80,000 (the “MEDAF Loan”); and

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

15 WHEREAS, the proceeds of the MEDAF Loan are expected to be used to reimburse
16 hhgregg for eligible costs of relocating its present business operations to the County consisting of
17 the following activities: (1) negotiation and execution of a lease agreement for approximately
18 400,000 square feet of space in the County (the “Facility”); and (2) construction of leasehold
19 improvements and acquisition and installation of equipment; and

20 WHEREAS, it is expected that project costs will total approximately \$2 million which will
21 be funded by: (1) the MEDAF Loan; (2) a County loan not to exceed \$50,000 (at least 10%
22 match of the MEDAF Loan is required under Section 5-319(d)(2)(ii) of the Act), from the

1 County's Incentive Leverage Fund, managed by the Prince George's County Economic
2 Development Corporation (the "County Loan"); and (3) approximately \$1.9 million from
3 hhgregg; and

4 WHEREAS, it is expected that the term of the MEDAF Loan will be from the date of
5 disbursement through March 31, 2016, at an annual rate of three percent (3%) with payments of
6 principal and accrued interest, which payments may be deferred or forgiven if hhgregg: (1)
7 employs at least 100 permanent, full-time employees at the Facility by December 31, 2010; (2)
8 maintains its lease at the Facility for the term of the Loan; and (3) retains at least 100 full-time
9 employees at the Facility from January 1, 2011 through December 31, 2015; and

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

13 WHEREAS, the County Council and County Executive have determined, based upon the
14 findings and determinations set forth herein, that it is in the best interests of the citizens and
15 residents of the County that the County Council and County Executive endorse the MEDAF
16 Loan and authorize the County Loan, as set forth in Exhibit "A."

17 NOW, THEREFORE, BE IT RESOLVED by the County Council and the County
18 Executive of Prince George's County, Maryland, that the recitals in the WHEREAS clauses to
19 this resolution are hereby incorporated herein by reference and deemed a substantive part of this
20 resolution.

21 BE IT FURTHER RESOLVED that the loan from the Maryland Economic Development
22 Assistance Fund to hhgregg in an amount not to exceed \$80,000 as set forth in Exhibit "A" or
23 any revision thereof, is hereby endorsed by the County Council and County Executive.

24 BE IT FURTHER RESOLVED that the County Loan from the County to hhgregg in an
25 amount not to exceed \$50,000 from the County's Incentive Leverage Fund, managed by the
26 Prince George's County Economic Development Corporation, on substantially the same terms
27 and conditions of the MEDAF Loan, is hereby approved.

28 BE IT FURTHER RESOLVED that the County Executive and/or other appropriate officials
29 of the County are hereby authorized and empowered to execute on behalf of the County such
30 documents, instruments and certificates as are necessary or appropriate to consummate the
31 MEDAF Loan and the County Loan.

1 BE IT FURTHER RESOLVED that this resolution shall become effective as of the date of
2 its adoption.

Adopted this 16th day of March, 2010.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Thomas E. Dernoga
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE _____ BY: _____
JACK B. JOHNSON
County Executive

Note: Exhibit is available in hard copy only and as an Inclusion File in LIS