

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2003 Legislative Session

Resolution No. CR-11-2003

Proposed by The Chairman (by request – County Executive)

Introduced by Council Member Shapiro

Co-Sponsors _____

Date of Introduction March 25, 2003

RESOLUTION

1 A RESOLUTION concerning
 2 Industrial Development Authority of Prince George's County, Maryland Economic Development
 3 Refunding Revenue Bonds and Revenue Bonds Relating to the Existing Upper Marlboro Justice
 4 Center and a Contemplated Expansion Thereof

5 For the purpose of authorizing and approving the issuance, sale and delivery by the Industrial
 6 Development Authority of Prince George's County, Maryland (the "Authority") of its refunding
 7 revenue bonds and its revenue bonds pursuant to the provisions of the Maryland Economic
 8 Development Revenue Bond Act or such other statutory authority as may be effective when such
 9 bonds are issued, for the purpose of (i) refinancing a portion of the cost of acquisition of certain
 10 facilities known as the Prince George's County Justice Center, located at Water Street and
 11 Judges Drive, Upper Marlboro, Maryland (the "UMJC") and leased to Prince George's County,
 12 Maryland (the "County") and (ii) financing (including by reimbursing prior project expenditures)
 13 all or a portion of the cost of acquisition of an expansion of a portion of the UMJC and related
 14 improvements; providing that the maximum aggregate principal amount of refunding revenue
 15 bonds that may be issued may not exceed Thirty-Five Million Dollars (\$35,000,000); providing
 16 that the maximum aggregate principal amount of revenue bonds that may be issued may not
 17 exceed Thirty Million Dollars (\$30,000,000); providing that no such refunding revenue bonds or
 18 revenue bonds shall be issued after December 31, 2003; and generally providing for and
 19 determining various matters in connection with the authorization, issuance, sale and delivery of
 20 such refunding revenue bonds and such revenue bonds and the consummation of the transactions
 21 contemplated by this Resolution.
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RECITALS

The Maryland Economic Development Revenue Bond Act, Sections 14-101 through 14-109 of Article 41 of the Annotated Code of Maryland (the “Enabling Act”), empowers the counties and municipalities of the State of Maryland to create industrial development authorities and authorizes such authorities to borrow money by issuing revenue bonds for the purpose of financing or refinancing the costs of “acquisition” of one or more “facilities” for one or more “facility users” (as such terms are defined in the Enabling Act). Among the declared legislative purposes of the Enabling Act are to relieve conditions of unemployment in the State of Maryland (the “State”), to encourage the increase of industry and commerce and a balanced economy in the State, to assist in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State, to promote economic development, to protect natural resources and encourage resource recovery, and generally to promote the health, welfare and safety of the residents of each of the counties and municipalities of Maryland.

The County Council of Prince George’s County, Maryland (the “Council”) on April 14, 1987, adopted CR-25-1987 (the “Authorizing Resolution”), for the purpose of authorizing and providing for the creation of the Industrial Development Authority of Prince George’s County, Maryland (the “Authority”), pursuant to the Enabling Act. The Authorizing Resolution recites the Council’s intention to make the scope of the powers of the Authority as broad as is permitted for industrial development authorities by the applicable laws of the State, as in effect from time to time; provided, however, that the Authority shall not issue and sell bonds (as defined in Section 14-101(d) of the Enabling Act) pursuant to its authority under Section 14-104(d) of the Enabling Act unless such issuance and sale has first been approved by a resolution adopted by the County Council, which such resolution must also be approved by the County Executive. Pursuant to Section 14-103 of the Enabling Act, the Authorizing Resolution became effective upon its approval by the County Executive on April 24, 1987.

Pursuant to its authority under Section 14-104(d) of the Enabling Act and the Authorizing Resolution, the Authority on January 26, 1989, passed a resolution authorizing the issuance and sale of its revenue bonds to provide funds for the acquisition and lease of the facilities known as the “Prince George’s County Justice Center” (now more commonly known as the “Upper Marlboro Justice Center”) located at Water Street and Judges Drive, Upper Marlboro, Maryland, and identified as a four-story court house and multi-service center building with approximately

1 350,000 square feet of gross floor area, together with an associated parking garage providing for
2 approximately 985 parking spaces, the provision of approximately 124 additional surface parking
3 spaces and related site improvements, located on certain land identified therein (collectively, as
4 the same were contemplated and are presently existing, the “Facilities”). The Council, by its
5 adoption of CR-40-1989 adopted on March 28, 1989 and approved by the County Executive on
6 April 12, 1989, approved the issuance and sale of such revenue bonds by the Authority. The
7 Authority issued such revenue bonds dated June 1, 1989 and designated “Industrial Development
8 Authority of Prince George’s County, Maryland Lease Revenue Bonds (Upper Marlboro Justice
9 Center Project), Series 1989” in the aggregate principal amount of \$55,825,825 (the “Series 1989
10 Bonds”).

11 Pursuant to its authority under Section 14-104(d) of the Enabling Act and the Authorizing
12 Resolution, the Authority on February 1, 1993, passed a resolution authorizing the issuance and
13 sale of its refunding revenue bonds to refinance all or a portion of the costs of acquisition of the
14 Facilities by refunding all or a portion of the then-outstanding Series 1989 Bonds. The Council,
15 by its adoption of CR-9-1993 adopted on February 2, 1993 and approved by the County
16 Executive on February 2, 1993, approved the issuance and sale of such refunding revenue bonds
17 by the Authority. The Authority issued such refunding revenue bonds dated February 1, 1993
18 and designated “Industrial Development Authority of Prince George’s County, Maryland
19 Refunding Lease Revenue Bonds (Upper Marlboro Justice Center Project), Series 1993” in the
20 aggregate principal amount of \$52,360,000 (the “Series 1993 Bonds”). The Series 1993 Bonds
21 were issued and secured on a parity basis with the outstanding Series 1989 Bonds. The Facilities
22 are leased to the County and a portion of the Facilities are subleased by the County to the State.

23 The County desires to provide for (i) the refunding of all or a portion of the outstanding
24 Series 1993 Bonds and (ii) the financing of an expansion of a portion of the Facilities. The
25 planned expansion of the Facilities includes a proposed approximately 90,000 square foot, four-
26 story expansion of the existing court house and multi-service center building to be
27 interconnected to the existing Marbury Wing at its west end, together with related improvements,
28 including (without limitation) landscaping and sidewalk improvements (collectively, the
29 “Expansion”). It is contemplated that the Expansion will be located on the same land as the
30 existing Facilities, which land was disposed of by the County to the Authority by lease in
31 connection with the issuance of the Series 1989 Bonds, and will not be separated physically from

1 the existing court house and multi-service center that constitutes a portion of the Facilities, and
2 that the Expansion will become a physically inseparable part of the Facilities and will be leased
3 by the Authority to the County.

4 Due to the limitations of the existing bond and security documents relating to the
5 outstanding Series 1989 Bonds and Series 1993 Bonds, it is presently contemplated that any
6 revenue bonds issued for the purpose of financing all or a portion of the cost of acquisition
7 (within the meaning of the Enabling Act) of the Expansion may be issued as additional bonds
8 under such documents (as the same may be amended) on a subordinated basis, and in such case
9 will be secured by a lien on the Facilities and the Expansion and the revenues and other moneys
10 related thereto on a basis subordinate to the lien on the Facilities and the Expansion securing the
11 outstanding Series 1989 Bonds, outstanding Series 1993 Bonds and any refunding revenue bonds
12 contemplated hereby. Alternatively, it is presently contemplated that any such revenue bonds
13 may be issued under documentation that allows such bonds to be secured only by the County's
14 pledge (on an annual appropriation basis) to pay rent under a lease of the Facilities and/or the
15 Expansion (as applicable) and not by a lien on the Facilities and/or the Expansion (as applicable)
16 if bond counsel, the financial advisor, other professionals participating in any such revenue bond
17 transaction, and representatives of the Authority and the County can determine a way to
18 document such structure that does not violate the provisions of the bond and security documents
19 under which the Series 1989 Bonds and the Series 1993 Bonds were issued and are outstanding.
20 Although bond counsel has advised that issuing any such revenue bonds on a parity basis with
21 the outstanding Series 1989 Bonds, Series 1993 Bonds and any refunding revenue bonds
22 contemplated hereby would require the consent of the holders of the then-outstanding Series
23 1989 Bonds, Series 1993 Bonds and any previously issued refunding revenue bonds
24 contemplated hereby, if the parties participating in any such revenue bond transaction can
25 determine a way to document the issuance of such revenue bonds on a parity basis with the then-
26 outstanding Series 1989 Bonds, Series 1993 Bonds and any refunding revenue bonds
27 contemplated hereby under the currently existing bond and security documentation (as the same
28 may be amended), whether with or without obtaining bondholder consent, then any such revenue
29 bonds may be issued on such a parity basis.

30 The State has agreed to increase the base rent that it pays under its sublease with the County
31 in order to assist over time in the financing of the Expansion.

1 Pursuant to its authority under Section 14-104(d) of the Enabling Act and the Authorizing
2 Resolution, the Authority on February 28, 2003, passed a resolution (the "Authority Resolution")
3 attached as Exhibit A authorizing the issuance and sale of (i) its refunding revenue bonds to
4 refinance a portion of the costs of acquisition of the Facilities by refunding all or a portion of the
5 outstanding Series 1993 Bonds and (ii) its revenue bonds to finance (including by reimbursing
6 prior project expenditures) all or a portion of the costs of acquisition of the Expansion. The
7 Council has determined to approve the issuance and sale of (i) such refunding revenue bonds and
8 (ii) such revenue bonds by the Authority.

9 SECTION 1. NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince
10 George's County, Maryland, that the Recitals to this Resolution are incorporated by reference
11 herein and deemed a substantive part of this Resolution.

12 SECTION 2. BE IT FURTHER RESOLVED that, acting pursuant to the Enabling Act and
13 the Authorizing Resolution, the Council hereby approves the Authority's issuance and sale of its
14 refunding revenue bonds (the "Refunding Bonds") in a maximum aggregate principal amount not
15 to exceed Thirty-Five Million Dollars (\$35,000,000) for the purpose of refinancing a portion of
16 the cost of the acquisition by the Authority of the Facilities by refunding all or a portion of the
17 outstanding Series 1993 Bonds. The approval of the issuance of the Refunding Bonds contained
18 herein is conditioned upon debt service savings on a present value basis being realized as a result
19 of the issuance of the Refunding Bonds.

20 SECTION 3. BE IT FURTHER RESOLVED that the Authority is hereby authorized to
21 issue, sell and deliver the Refunding Bonds at any time and from time to time in one or more
22 series, in the maximum aggregate principal amount not to exceed Thirty-Five Million Dollars
23 (\$35,000,000), for the purpose of refinancing a portion of the costs of the acquisition of the
24 Facilities, including (without limitation) the expenses of preparing, printing, selling and issuing
25 the Refunding Bonds and the funding of any reserves in connection with the Refunding Bonds.
26 The principal of, premium, if any, and interest on the Refunding Bonds shall be payable solely
27 from the revenues to be received in connection with the financing or refinancing of the Facilities
28 and/or the Expansion (as the case may be) and from any other moneys made available to the
29 Authority for such purpose.

30 SECTION 4. BE IT FURTHER RESOLVED that the Authority is hereby authorized to
31 specify, prescribe, determine, provide for and approve, all within the limitations of this

1 Resolution and the Enabling Act, all matters, details, forms, documents and procedures
2 pertaining to the sale, security, issuance, delivery and payment of or for the Refunding Bonds
3 and the refunding of the Series 1993 Bonds determined to be refunded thereby. The County
4 Executive, Chief Administrative Officer or Deputy Chief Administrative Officer is hereby
5 authorized on behalf of the County to direct the Authority as to the amounts and maturities of the
6 Series 1993 Bonds that are to be refunded with the proceeds of the Refunding Bonds and the date
7 or dates on which principal of, premium, if any, and interest on such Series 1993 Bonds are to be
8 paid and to take any other actions on behalf of the County that she or he deems necessary or
9 desirable to accomplish the transactions contemplated by this Resolution and the Authority
10 Resolution.

11 SECTION 5. BE IT FURTHER RESOLVED that, acting pursuant to the Enabling Act and
12 the Authorizing Resolution, the Council hereby approves the Authority's issuance and sale of its
13 revenue bonds (the "Financing Bonds") in a maximum aggregate principal amount not to exceed
14 Thirty Million Dollars (\$30,000,000) for the purpose of financing (including by reimbursing
15 prior project expenditures) all or a portion of the cost of the acquisition by the Authority of the
16 Expansion. The Expansion shall include any land or interests in land, buildings, structures,
17 machinery, equipment, furnishings and other real or personal property as may be a part thereof
18 and as may be permitted by the Enabling Act, provided that the land on which any structures are
19 to be built may be leased to the Authority by the County.

20 SECTION 6. BE IT FURTHER RESOLVED that the County contemplates that the
21 acquisition of the Expansion may be proceeded with prior to the issuance of the Financing
22 Bonds.

23 SECTION 7. BE IT FURTHER RESOLVED that the Authority is hereby authorized to
24 issue, sell and deliver the Financing Bonds at any time and from time to time in one or more
25 series, in the maximum aggregate principal amount not to exceed Thirty Million Dollars
26 (\$30,000,000), for the purpose of financing (including by reimbursing prior project expenditures)
27 all or a portion of the costs of the acquisition (within the meaning of the Enabling Act) of the
28 Expansion, including (without limitation) the expenses of preparing, printing, selling and issuing
29 the Financing Bonds, the funding of any reserves in connection with the Financing Bonds, and
30 the payment of interest with respect to financing such acquisition in such amounts and for such
31 period as the Authority deems reasonable. The principal of, premium, if any, and interest on the

1 Financing Bonds shall be payable solely from the revenues to be received in connection with the
2 financing or refinancing of the Facilities and/or the Expansion (as the case may be) and from any
3 other moneys made available to the Authority for such purpose.

4 The authority to issue the Financing Bonds is intended to and shall include the authority to
5 issue refunding revenue bonds. References herein to the "Financing Bonds" shall include
6 refunding revenue bonds where appropriate. In the event any refunding revenue bonds are
7 issued, the outstanding principal amount of any "refunded bonds" (as hereinafter defined) shall
8 not be taken into account in determining the aggregate principal amount of Financing Bonds
9 issued, sold and delivered. The term "refunded bonds" means any Financing Bonds (i) for the
10 payment of which (both principal and interest) provision has been made from the proceeds
11 (including any earnings on the investment thereof) of bonds issued by the Authority or (ii) which
12 have been paid from such proceeds, whether such provision for payment, or such payment, is
13 made at or prior to the maturity of such bonds.

14 Any Financing Bonds may be issued on a basis subordinate to the outstanding Series 1989
15 Bonds, outstanding Series 1993 Bonds and any Refunding Bonds, on a basis such that any such
16 Financing Bonds are secured only by the County's pledge (on an annual appropriation basis) to
17 pay rent under a lease of the Facilities and/or Expansion (as the case may be), or on such parity
18 or other basis as the Authority may determine best serves the interests of the Authority and the
19 County with the advice of counsel, the financial advisor, other professionals participating in the
20 transaction, and representatives of the Authority and the County participating in the transaction.

21 SECTION 8. BE IT FURTHER RESOLVED that the Authority is hereby authorized to
22 specify, prescribe, determine, provide for and approve, all within the limitations of this
23 Resolution and the Enabling Act, all matters, details, forms, documents and procedures
24 pertaining to the sale, security, issuance, delivery and payment of or for the Financing Bonds.

25 SECTION 9. BE IT FURTHER RESOLVED that the appropriate officials of the County
26 are hereby authorized to take any and all action necessary or appropriate to effect the issuance,
27 sale and delivery of the Refunding Bonds and the Financing Bonds, including (without
28 limitation) preparing or causing to be prepared, negotiating, approving, executing and delivering
29 customary closing documents and certifications.

30 SECTION 10. BE IT FURTHER RESOLVED that no Refunding Bonds or Financing
31 Bonds approved and authorized hereby shall be issued after December 31, 2003.

1 SECTION 11. BE IT FURTHER RESOLVED that this Resolution shall take effect upon its
2 approval by the County Executive.

Adopted this 6th day of May, 2003.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Peter A. Shapiro
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

Date: _____ BY: _____
Jack B. Johnson
County Executive

Exhibit A available in hard copy only