

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

1996 Legislative Session

Resolution No. CR-67-1996

Proposed by The Chairman (by request - County Executive)

Introduced by Council Members Del Giudice and Wilson

Co-Sponsors

Date of Introduction November 12, 1996

RESOLUTION

A RESOLUTION concerning

Maryland Industrial Land Act

For the purpose of approving the borrowing by the County of an amount not to exceed Two Million Dollars from the Department of Business and Economic Development of the State of Maryland in accordance with the Maryland Industrial Land Act for certain acquisition of land and buildings, formerly utilized as a Volkswagen facility, as part of the expansion of operations of Hargrove, Inc.'s in Lanham, Maryland, and providing for the terms and conditions of the borrowing.

WHEREAS, Prince George's County, Maryland (the "County"), wishes to borrow from the Department of Business and Economic Development of the State of Maryland (the "Department") as a general obligation and upon the full faith and credit of the County in accordance with the Maryland Industrial Land Act, a sum of money not to exceed Two Million Dollars (\$2,000,000) (the "Loan"), to use such money for the purpose of acquiring certain industrial land and existing buildings formerly utilized as a Volkswagen facility for the expansion of operations of Hargrove, Inc. in Lanham, Maryland (the "Project"); and to evidence such borrowing by executing a Promissory Note and Loan Agreement between the County and the Department or such other evidences of indebtedness of the County as may be hereafter required by the Department; and to authorize the County Executive and/or other appropriate officials of the Borrower to execute any and all documents that may be necessary to consummate the Loan; and

WHEREAS, Article 83-A, Sections 5-701 through 5-715, inclusive, in particular Section

5-704 of the Annotated Code of Maryland, as amended (the "Act"), provides, among other things, that any political subdivision of the State of Maryland is fully enabled and empowered to borrow money from the Department and to execute a loan agreement as evidence and security for such borrowing for the purpose of defraying the project costs of land and building acquisition where such borrowing is approved by the Department; and

WHEREAS, the County has submitted an application to the Department for approval for the financing of the acquisition of the Project; and

WHEREAS, the County has received a letter of commitment and approval dated October 28, 1996, from James T. Brady, Secretary of Business and Economic Development (the "Letter of Commitment"), approving the Loan for the financing of the Project, and a secured "reloan" to Hargrove, Inc.; and

WHEREAS, the County has determined, based upon the findings and determinations hereinafter set forth, that it is in the best interest of the citizens of Prince George's County, Maryland, that the County accept the Letter of Commitment, and to participate in the financing of the Project as described generally in said Letter of Commitment; now, therefore,

SECTION 1. BE IT RESOLVED by the County Council of Prince George's County, Maryland, that it is hereby found and determined as follows:

(a) The financing of the Project will fulfill and accomplish the purposes of the Act, which are to attract industry and to create new employment opportunities in the State of Maryland by acquiring and developing industrial sites, resulting in new and expanded industrial enterprises; to provide enlarged opportunities for gainful employment by the people of Maryland; and, accordingly, it has been determined to be in the best interest of the citizens of Prince George's County, Maryland, for the County to participate in the financing of the Project.

(b) The Project to be constructed will serve a manufacturing, processing, or other industrial establishment that has been constructed or will be constructed.

SECTION 2. BE IT FURTHER RESOLVED that the County be and is hereby fully authorized and empowered to borrow from the Department a sum of money not to exceed Two Million Dollars (\$2,000,000) for a period not to exceed twenty-seven (27) years at an

interest rate of 5.096 percent per annum and to evidence and secure the Loan by executing and delivering a Promissory Note and a Loan Agreement between the County and the Department, or such other evidences of indebtedness as the Department may hereafter determine.

SECTION 3. BE IT FURTHER RESOLVED that the County shall cause the proceeds of the Loan to be used for the purposes of defraying the costs of acquiring certain industrial land and building for the expansion of Hargrove, Inc. in Lanham, Maryland (hereinafter defined as the "Project"), and to make a secured "reloan" of said proceeds to Hargrove, Inc., all as more fully described in the County's application to the Department.

SECTION 4. BE IT FURTHER RESOLVED that, as described generally in the Letter of Commitment and as contemplated by the Act:

(a) The Loan shall be secured by a Promissory Note and a Loan Agreement and the County shall pledge its full faith and credit for the repayment of the Loan and the interest thereon.

(b) In the event of overrun, the limit of the Department's obligation shall be \$2,000,000.

SECTION 5. BE IT FURTHER RESOLVED that in connection with the borrowing and the Project described in this Resolution, the County Executive and/or other appropriate officials of the County are hereby authorized and empowered to execute on behalf of the County such documents, instruments, and certificates as are necessary or appropriate to consummate the loan, and "reloan", and the Project including, but not limited to, the Promissory Note, Loan Agreement, leases, mortgages, deeds of trust, notes, bonds, or other evidences of indebtedness, assignments, insurance agreements, security agreements, and any and all necessary financing statements, in strict accord with all of the terms, conditions and contingencies as set forth in the aforesaid letter from the Department dated October 28, 1996.

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

Adopted this 26th day of November, 1996.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY:

Stephen J. Del Giudice
Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council