

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2004 Legislative Session

Resolution No. CR-35-2004

Proposed by The Chairman (by request – County Executive)

Introduced by Council Member Knotts

Co-Sponsors _____

Date of Introduction May 27, 2004

RESOLUTION

1 A RESOLUTION concerning

2 Loans to Freeman Decorating Services, Inc. ("Freeman") from the Maryland Economic
3 Development Assistance Fund ("MEDAF") and Prince George's County, Maryland
4 (the "County")

5 For the purpose of endorsing a loan not to exceed \$100,000 to Freeman from MEDAF and
6 authorizing a loan by the County to Freeman not to exceed \$10,000 to acquire land and construct
7 a building in Lanham, Maryland.

8 WHEREAS, the Maryland Department of Business and Economic Development has
9 entered into a conditional letter of commitment with Freeman dated November 10, 2003, copy
10 attached as Exhibit "A" (with Extension Letter dated May 3, 2004) and incorporated herein by
11 reference, to provide a loan from MEDAF in an amount not to exceed \$100,000 (the "MEDAF
12 Loan"); and

13 WHEREAS, the MEDAF Loan is authorized under the Maryland Economic Development
14 Assistance Authority and Fund statute set forth in Section 5-1401 through 5-1411 of Article 83A
15 of the Annotated Code of Maryland, as amended (the "Act"); and

16 WHEREAS, the proceeds of the MEDAF Loan will be used to reimburse Freeman for
17 eligible costs of relocating its present business operations to the County consisting of the
18 following activities (the "Project"): acquisition of approximately 12 acres of land in the
19 Washington Business Park, 10101 Business Parkway, Lanham, Maryland, and construction of an
20 office and warehouse building of approximately 160,000 square feet; and

21 WHEREAS, Project costs will total approximately \$11,110,000 which will be funded by
22 (1) the MEDAF Loan; (2) a County loan not to exceed \$10,000 (10% of the MDEAF Loan as

1 required under Section 5-1405(f)(2)(ii) of the Act) from the County's Incentive Leverage Fund,
2 managed by the Prince George's County Economic Development Corporation (the "County
3 Loan); and (3) approximately \$11,000,000 from Freeman; and

4 WHEREAS, the term of the MEDAF Loan to Freeman will be for five (5) years at an
5 annual rate of three percent (3%) with payments of principal and accrued interest commencing
6 December 31, 2005, which payments may be deferred or forgiven if Freeman (1) employs at
7 least sixty (60) permanent, full-time employees at the Project location by December 31, 2005; (2)
8 retains these employees through December 31, 2008; and (3) maintains its County facility
9 through December 31, 2008; and

10 WHEREAS, under Sections 5-1405(f)(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 the attached Letter of Commitment.

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 Freeman Decorating Services, Inc., in an amount not to exceed \$100,000 as
23 set forth in the attached Letter of Commitment (the "MEDAF Loan"), is hereby endorsed by the
24 County Council and County Executive.

25 BE IT FURTHER RESOLVED that a loan from the County to Freeman Decorating
26 Services, Inc., in an amount not to exceed \$10,000 from the County's Incentive Leverage Fund,
27 managed by the Prince George's County Economic Development Corporation, on substantially
28 the same terms and conditions of the MEDAF Loan (the "County Loan"), is hereby approved.

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

1 MEDAF Loan and the County Loan.

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

Adopted this 27th day of July, 2004.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Tony Knotts
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

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

Exhibit A available in hard copy only