

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2017 Legislative Session

Bill No. CB-67-2017

Chapter No. 11

Proposed and Presented by Council Members Davis, Franklin, Patterson, Turner,

Harrison and Glaros

Introduced by Council Members Davis, Franklin, Patterson, Turner, Harrison and Glaros

Co-Sponsors _____

Date of Introduction June 20, 2017

BILL

1 AN ACT concerning

2 The Issuance of Special Obligation Tax Increment Financing Bonds

3 for the CIS Project within the Town Center at Camp Springs Development District

4 For the purpose of providing that special obligation tax increment financing bonds may be issued
5 from time to time under the provisions of this Act, Sections 12-201 through 12-213, inclusive, of
6 the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax
7 Increment Financing Act"), CR-88-2012 of the County Council of Prince George's County,
8 Maryland (the "Formation Resolution"), and CR-38-2011 (the "TIF Criteria Resolution") in the
9 aggregate principal amount of Ten Million Dollars (\$10,000,000) in order for the County to
10 finance or reimburse the infrastructure improvements associated with a building to be leased to
11 the U.S. Citizenship and Immigration Services ("CIS") as more particularly described herein;
12 making certain findings and determinations, among others, concerning the public benefit and
13 purpose of such bonds; providing that such bonds authorized to be issued hereby shall be payable
14 solely from real property taxes deposited in the Tax Increment Fund (as defined in the Formation
15 Resolution), that such bonds will be subordinate to the previously issued bonds secured by the
16 Development District (as defined in the Formation Resolution) and that the bonds shall not
17 constitute a general obligation debt of the County or a pledge of the County's full faith and credit
18 or taxing power other than the taxes representing the levy on the Tax Increment (as defined in
19 the Formation Resolution); providing for a proposed agreement between the County and One
20 Town Center, LLC, a Delaware limited liability company or its assigns (the "Developer") and

1 any other governmental entity, if necessary, prior to the issuance and delivery of the bonds in the
2 form of a TIF proposal consistent with the requirements of this Act and the TIF Criteria
3 Resolution as well as other conditions for the issuance of the bonds and the financing or
4 reimbursing and construction of the infrastructure improvements); authorizing the County
5 Executive of the County to specify, prescribe, determine, provide for and approve certain details,
6 forms, documents or procedures in connection with such bonds issued hereunder and any other
7 matters necessary or desirable in connection with the authorization, issuance, delivery and
8 payment of such bonds consistent with the provisions of this Act; authorizing the County
9 Executive to take certain actions, to execute documents and make certain commitments on behalf
10 of the County in connection with the issuance and delivery of such bonds consistent with the
11 provisions of this Act; authorizing the execution and delivery of such bonds and such other
12 documents as may be necessary and desirable to effectuate the financing of the infrastructure
13 improvements and the issuance and delivery of such bonds; and generally providing for, and
14 determining various matters in connection with, the issuance, delivery and payment of such
15 bonds.

16 WHEREAS, the Formation Resolution designated the “Town Center at Camp Springs
17 Development District” and established a special fund designated the “Town Center at Camp
18 Springs Development District Tax Increment Fund”; and

19 WHEREAS, pursuant to CB-53-2013, the County Council authorized the issuance of
20 special obligation tax increment financing bonds in the aggregate principal amount of Eleven
21 Million One Hundred Thousand Dollars (\$11,100,000) to pay for the County’s financing or
22 reimbursement of the costs of certain infrastructure improvements within the Development
23 District (as defined in the Formation Resolution); and

24 WHEREAS, pursuant to CB-53-2013 and Executive Order No. 21-2014, the County issued
25 and delivered its Town Center at Camp Springs Special Obligation Developer Note Series
26 2014A in the aggregate principal amount of \$4,900,000 (the “2014A Note”) on June 30, 2014,
27 under a Development Agreement between the County and Residences at Town Center, LLC
28 dated June 30, 2014; and

29 WHEREAS, the County intends to issue and deliver its Town Center at Camp Springs
30 Special Obligation Developer Note Series 2017A in the aggregate principal amount of
31 \$6,200,000 (the “2017A Note”), as previously authorized pursuant to CB-53-2013 and a

1 corresponding executive order, under a development agreement between the County and an
2 affiliate of the Developer; and

3 WHEREAS, while the 2014A Note is and the 2017A Note will be secured by the Tax
4 Increment Fund, the 2014A Note will have a senior lien to the 2017A Note on such fund; and

5 WHEREAS, the County encompasses approximately 33 percent of the land area in the
6 Washington, D.C. metropolitan area and accounts for approximately 5 percent of federally
7 occupied office space in the Washington, D.C. metropolitan area; and

8 WHEREAS, pursuant to CR-87-2008, the County Council supported the location and
9 relocation of federal agencies to the County in order to address the growing disparity of federally
10 occupied office space in the County and other areas of the Washington, D.C. metropolitan area,
11 including other suburban jurisdictions in Maryland and northern Virginia, and resolved that the
12 County is prepared to employ economic incentives to facilitate the location and relocation of
13 federal agencies to the County; and

14 WHEREAS, the Developer intends to develop additional real property in the Development
15 District by constructing a 575,000-square foot commercial office space for a federal agency
16 tenant, a related 1,000-space parking facility to support the office space and related infrastructure
17 improvements (the "CIS Project") and to construct and install the infrastructure improvements in
18 the Development District described in Exhibit A attached hereto and made a part hereof (the
19 "Infrastructure") to serve the Development; and

20 WHEREAS, the Developer was declared to be the apparent successful offeror to the federal
21 General Services Administration (the "GSA") of a bid to lease the office space within the
22 Development District to a federal agency tenant for a term of no less than 15 years; and

23 WHEREAS, on May 25, 2017, the Developer executed and delivered a lease agreement to
24 the GSA for the CIS Project; and

25 WHEREAS, the GSA, following its final review, is expected to execute the lease
26 agreement, and the Developer is subsequently required to confirm that it has the financial
27 resources to successfully pursue the construction of the CIS Project; and

28 WHEREAS, the development and locating of a federal agency tenant in the County will
29 further economic development within the County and thus meet the public purposes
30 contemplated by the Tax Increment Act; and

31 WHEREAS, the County has the power under the Tax Increment Financing Act to finance

1 the Infrastructure constructed by the Developer through the issuance and delivery to the
 2 Developer of such bonds in compliance with the TIF Criteria Resolution; and

3 WHEREAS, the bonds will be issued and secured pursuant to the provisions of the Tax
 4 Increment Financing Act and the Formation Resolution; provided, however, that the bonds will
 5 have a subordinate lien on the Tax Increment Fund to the liens of the 2014A Note and 2017A
 6 Note, when issued; and

7 WHEREAS, to the extent that the taxes representing the levy on the Tax Increment in any
 8 given fiscal year of the County exceed the debt service required to be paid on the bonds in any
 9 such fiscal year, as well as any other payment required to be satisfied by the Tax Increment, such
 10 excess will be paid over at the end of each such fiscal year to the County for deposit in its
 11 general fund in such amounts and for such uses as set forth herein; and

12 WHEREAS, development of commercial office space for a federal agency tenant and
 13 related parking facilities in addition to residential units, retail, commercial and park facilities and
 14 related infrastructure improvements within the Development District will further economic
 15 development within the County and thus meet the public purposes contemplated by the Tax
 16 Increment Financing Act and the Formation Resolution; and

17 WHEREAS, prior to the issuance and sale of the bonds, the County Council must review a
 18 TIF proposal and certifications and approve the same by Resolution; and

19 WHEREAS, prior to the bonds being issued or sold, One Town Center, LLC, a Delaware
 20 limited liability company or its assigns, the County Executive and Bond Counsel shall certify
 21 that the provisions of CR-38-2011 have been complied with and that the Minority Business
 22 Enterprise (“MBE”) Plan has been approved by the Compliance Manager; now therefore,

23 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
 24 Maryland, as follows:

25 A. The words and terms used in this Act that are defined in the Tax Increment Financing
 26 Act or the Formation Resolution shall have the meanings indicated in the Tax Increment
 27 Financing Act and the Formation Resolution, as the case may be, unless the context clearly
 28 requires a contrary meaning.

29 B. It is hereby found and determined that the issuance of the Bonds (defined below) and
 30 the delivery of the Bonds to the Developer for the purpose of financing or reimbursing the costs
 31 of the Infrastructure, accomplish the public purposes of the Tax Increment Financing Act and the

1 Formation Resolution.

2 C. It is recognized that the total costs of Infrastructure shown to be financed or reimbursed
3 by the County with the issuance of the Bonds shall be as further specified in a development
4 agreement entered into with the County at the time of the issuance of the related Bonds.

5 D. In accordance with Section 12-204(b)(2)(i) of the Tax Increment Financing Act, it is
6 hereby found that the County Council has complied with the provisions of Sections 12-203 and
7 12-208(c) and (d) of the Tax Increment Financing Act by designating the Town Center at Camp
8 Springs Development District and receiving a certification of the Supervisor of Assessments,
9 pledging the division of property taxes.

10 E. Pursuant to the provisions of the Formation Resolution and in accordance with the Tax
11 Increment Financing Act, so long as the Bonds remain outstanding, the County shall deposit into
12 the Tax Increment Fund all real property taxes received by the County for any Tax Year after the
13 effective date of the Formation Resolution equal to that portion of the taxes payable to the
14 County representing the levy on the Tax Increment that would normally be paid to the County.
15 Monies in the Tax Increment Fund are pledged to the payment of the Bonds and County
16 administrative expenses related to the Development District; provided, however, that the pledge
17 is subordinate to the lien on the Tax Increment Fund by the 2014A Note and 2017A Note, when
18 issued. The balance remaining in the Tax Increment Fund at the end of any fiscal year of the
19 County after such payments shall be transferred to the general fund of the County.

20 F. The bonds may be issued in one or more series in the aggregate principal amount of
21 Ten Million Dollars (\$10,000,000) and shall bear interest at a maximum interest rate not to
22 exceed eight percent (8%) per annum (the "Bonds"). The Bonds shall be issued as a single
23 instrument in denomination equal to the aggregate principal amount of the Bonds issued. The
24 Bonds shall be delivered by the County to the Developer in consideration of the Developer's
25 construction of the Infrastructure. The Bonds, as well as County administrative expenses related
26 to the Development District, will be payable solely from the amounts levied and deposited in the
27 Tax Increment Fund. The Bonds are a special obligation of the County to be issued in
28 accordance with the TIF Criteria Resolution and do not constitute a general obligation debt of the
29 County or a pledge of the County's full faith and credit or taxing power except for the taxes
30 representing the levy on the Tax Increment as set forth in the Formation Resolution. In addition,
31 Bonds issued hereunder may be refunded by bonds issued under the Tax Increment Financing

1 Act.

2 G. No bonds shall be issued pursuant to this Act until such time as the County has
3 delivered a certificate of occupancy or use of occupancy permit for the CIS Project.

4 H. The Bonds shall be executed in the name of the County and on its behalf by the County
5 Executive, by manual or facsimile signature, the corporate seal of the County or a facsimile
6 thereof shall be impressed or otherwise reproduced thereon and attested by the Clerk of the
7 County Council or the Chief Administrative Officer by manual or facsimile signature. The TIF
8 proposal and, where applicable, all other documents as the County Executive deems necessary to
9 effectuate the issuance and delivery of the Bonds of any series, shall be executed in the name of
10 the County and on its behalf by the County Executive by manual signature, and the corporate
11 seal of the County or a facsimile thereof shall be impressed or otherwise reproduced thereon and
12 attested by the Clerk of the County Council or the Chief Administrative Officer by manual
13 signature. If any officer whose signature or countersignature or a facsimile of whose signature or
14 countersignature appears on the Bonds of any series or on any of the aforesaid documents ceases
15 to be such officer before the delivery of the Bonds of such series or any of the other aforesaid
16 documents, such signature or countersignature or such facsimile shall nevertheless be valid and
17 sufficient for all purposes, the same as if such officer had remained in office until delivery. The
18 County Executive, the Chief Administrative Officer, the Director of Finance, the Clerk of the
19 County Council and other officials of the County are hereby authorized and empowered to do all
20 such acts and things and execute such documents and certificates as the County Executive may
21 determine to be necessary to carry out and comply with the provisions of this Act, subject to the
22 limitations set forth in the Tax Increment Financing Act and this Act. Prior to the issuance of the
23 Bonds as required by the TIF Criteria Resolution, the Developer, County Executive, and bond
24 counsel to the County shall certify to the County Council that the provisions of the TIF Criteria
25 Resolution have been complied with and that the MBE Plan has been approved by the
26 Compliance Manager in conformance with the MBE Plan Guidelines promulgated by the
27 Compliance Manager.

28 I. Subject to the provisions of this Act, the County Executive by executive order:

29 (1) shall specify that the Bonds shall be issued from time to time, subject to Section G
30 hereof, in the aggregate principal amount of Ten Million Dollars (\$10,000,000) and further
31 specify the rate of interest on the Bonds;

1 (2) shall specify the manner and terms of the delivery of the Bonds to the Developer;

2 (3) shall specify the form and terms of the Bonds;

3 (4) shall prescribe the date, maturity or maturities (within the limits prescribed in the Tax
4 Increment Financing Act), and the time and place or places of payment of the Bonds, and the
5 terms and conditions and details under which the Bonds may be called for redemption prior to
6 their stated maturities;

7 (5) may appoint bond counsel and a financial advisor;

8 (6) shall approve the form and contents of the TIF proposal and such other documents to
9 which the County is a party and which may be necessary to effectuate the issuance and delivery
10 of the Bonds and the financing or reimbursement of the costs of the Infrastructure;

11 (7) shall determine the time of execution, issuance and delivery of the Bonds and prescribe
12 any and all other details of the Bonds;

13 (8) shall provide for the direct or indirect payment of all costs, fees and expenses incurred
14 by or on behalf of the County in connection with the issuance and delivery of the Bonds and the
15 financing of the Infrastructure, including (without limitation) costs of printing (if any) and
16 issuing the Bonds, the funding of reserves, legal expenses (including the fees of bond counsel)
17 and compensation to any person performing services by or on behalf of the County in connection
18 therewith; and

19 (9) shall do any and all things necessary, proper or expedient in connection with the
20 issuance and delivery of the Bonds and the financing or reimbursement of the costs of the
21 Infrastructure in order to accomplish the legislative policy of the Tax Increment Financing Act
22 and the public purposes of this Act, subject to the limitations set forth in the Tax Increment
23 Financing Act and any limitations prescribed by this Act.

24 This delegation of authority to the County Executive is subject to his discretion and to the
25 extent he does not exercise such discretion pursuant to the provisions of this Act, neither such
26 officer nor the County shall be subject to any liability.

27 SECTION 2. BE IT FURTHER ENACTED, that the Bonds and the construction costs of
28 the Infrastructure for which said Bonds are authorized and issued are not deemed to be
29 construction, monetary contributions or procurement for purposes of Subtitle 10A of the Prince
30 George's County Code and the Infrastructure funded in whole or part by said Bonds are
31 specifically exempted from the provisions of Subtitle 10A, provided, however, that Section 10A-

1 121 and Sections 2-247 through 2-253.05, of the Prince George’s County Code shall apply.

2 SECTION 3. BE IT FURTHER ENACTED, that the provisions of this Act are severable,
3 and if any provision, sentence, clause, section or part hereof is held or determined to be illegal,
4 invalid or unconstitutional or inapplicable to any person or circumstances, such illegality,
5 invalidity or unconstitutionality or inapplicability shall not affect or impair any of the remaining
6 provisions, sentences, clauses, sections or parts of this Act or their application to other persons or
7 circumstances. It is hereby declared to be the legislative intent that this Act would have been
8 passed if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause,
9 section or part had not been included herein, and as if the person or circumstances to which this
10 Act or any part hereof are inapplicable had been specifically exempted herefrom.

11

1 SECTION 4. BE IT FURTHER ENACTED, that this Act shall take effect 45 days from the
2 date it becomes law.

Adopted this 18th day of July , 2017.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Derrick Leon Davis
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
County Executive

In accordance with Section 411 of the Charter for Prince George's County:

The County Executive having failed to return this Bill within ten (10) days after the date of its presentation to him with either his approval or veto, this Bill became law on 8/14/2017.

To become effective:

EXHIBIT A

DESCRIPTION OF THE INFRASTRUCTURE IMPROVEMENTS

The improvements include, but are not limited to, parking facilities and such other related infrastructure improvements associated with the development and construction of a building to be leased by the federal government for the use of the U.S. Citizenship and Immigration Services within the Development District as may be authorized by the Tax Increment Financing Act.