

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2017 Legislative Session

Resolution No. CR-54-2017
Proposed by The Chairman (by request – County Executive)
Introduced by Council Members Glaros, Davis, Franklin, Taveras, Patterson and Lehman
Co-Sponsors _____
Date of Introduction June 20, 2017

RESOLUTION

1 A RESOLUTION concerning

2 Loans to Southland Industries Inc. (“Southland”) from the Maryland Economic
3 Development Assistance Fund (“MEDAF”).

4 For the purpose of endorsing a loan not to exceed two hundred twenty eight thousand dollars
5 (\$228,000) to Southland from the Maryland Department of Commerce, formerly the Maryland
6 Department of Business and Economic Development MEDAF program, which, in conjunction
7 with the conditional loan from the County’s Economic Development Incentive Fund (“EDI
8 Fund”) not to exceed one hundred fifty-five thousand dollars (\$155,000), will be used for eligible
9 project costs associated with a new facility in the County and capital expenditures.

10 WHEREAS, the Maryland Department of Commerce (“Commerce”) and the Prince
11 George’s County Economic Development Corporation (“EDC”) have issued a joint proposal
12 letter to Southland dated April 8, 2016, outlining a non-binding expression of intent to offer
13 incentives for its expansion project, copy attached as Exhibit “A” and incorporated herein by
14 reference, to provide a loan in an amount not to exceed two hundred twenty eight thousand
15 dollars (\$228,000) (“the MEDAF Loan”); and

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

19 WHEREAS, the proceeds of the MEDAF Loan are expected to be used to reimburse
20 Southland for eligible costs in connection with the following activities: (1) lease 115,000 square
21 foot of space for the purpose of operating an engineering and metal fabrication facility in Prince
22 George’s County (the “Facility”); and (2) land purchase and costs of construction, furniture,

1 fixtures and equipment costs; and

2 WHEREAS, it is expected that the project costs will total approximately \$3 million which
3 will be funded by: (1) the MEDAF Loan; (2) a conditional loan not to exceed two hundred
4 twenty eight thousand dollars (\$228,000) (at least 10% match of the MEDAF Loan is required
5 under Section 5-319(d)(2)(ii) of the Act), from the EDI Fund, (the "County Loan"); and (3) from
6 private financing and the owner's equity for the remainder of the funds; and

7 WHEREAS, it is expected that the term of the MEDAF Loan will be ten (10) years from
8 the date of the disbursement, at an annual rate of three percent (3%) with payments of principal
9 and accrued interest, which payments may be deferred or forgiven if Southland employs at least
10 one hundred thirty five (135) full-time permanent employees for the term of the MEDAF Loan;
11 and

12 WHEREAS, Southland will employ at least one hundred thirty five (135) full-time
13 permanent employees at the Facility by December 31, 2018; thereafter employing at least that
14 amount at the Facility for the remaining term of the MEDAF Loan; and

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

17 WHEREAS, the County Council and the County Executive have determined, based upon
18 the findings and determinations set forth herein, that it is in the best interest of the citizens and
19 residents of the County that the County Council and the County Executive endorse the MEDAF
20 and County Loans, as set forth in Exhibit "A"; and

21 WHEREAS, pursuant to the Prince George's County Code Sec. 10-287, notice of intent to
22 award financial assistance from the EDI Fund was provided to the County Council on October 9,
23 2015.

24 NOW, THEREFORE, BE IT RESOLVED by the County Council and the County
25 Executive of Prince George's County, Maryland, that the recitals in the WHEREAS clauses to
26 this Resolution are hereby incorporated herein by reference and deemed a substantive part of this
27 Resolution.

28 BE IT FURTHER RESOLVED that the loan from MEDAF to Southland in an amount not
29 to exceed two hundred twenty eight thousand dollars (\$228,000) as set forth in Exhibit "A" or
30 any revision thereof is hereby endorsed by the County Council and County Executive.

31 BE IT FURTHER RESOLVED that the County's conditional loan to Southland in an

1 amount not to exceed one hundred fifty-five thousand dollars (\$155,000) from the EDI Fund on
2 substantially the same terms and conditions of the MEDAF Loan.

3 BE IT FURTHER RESOLVED that the County Executive or his designee are hereby
4 authorized and empowered to execute on behalf of the County such documents, instruments and
5 certificates as are necessary or appropriate to consummate the MEDAF Loan and the County
6 Loan.

7 BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of
8 its adoption.

Adopted this 20th day of June, 2017.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Derrick Leon Davis
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

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