

AN EMERGENCY ACT concerning  
Disposition and Leaseback of County Real Property  
(Duvall Wing – County Courthouse)

For the purpose of authorizing the disposition and leaseback of certain County-owned real property, specifically, the Duvall Wing of the County Courthouse, in order to effect the renovation and reconstruction of the facility.

WHEREAS, Prince George’s County, Maryland (the “County”) owns the land approximating 4.6 acres located at 14735 Main Street in Upper Marlboro, Maryland and the approximately 4-story, 151,420 square foot facility together with related site improvements located thereon and known as the Duvall Wing of the County Courthouse (collectively, the “Facility”); and

WHEREAS, the County intends to make certain renovation and reconstruction improvements in the Facility, which is part of the project identified in the County's 2003-2008 Capital Improvement Program as the Prince George's County Courthouse (#SQ300173) (hereinafter referred to as the "Duvall Project"); and

WHEREAS, the Facility is included in the 2002 Inventory of County-Owned Real Property and Improvements which was approved by CB-52-2002 and is more particularly identified in Attachment A which is attached hereto and incorporated by reference; and

WHEREAS, the County further intends to construct an addition to the Marbury Wing of the County Courthouse, which is also identified in the County's 2003-2008 Capital Improvement Program as part of the Prince George's County Courthouse (#SQ300173) (hereinafter referred to

1 as the “Marbury Project”); and

2 WHEREAS, in order to provide the greatest flexibility and opportunity to structure the  
3 financing of both the Duvall Project and the Marbury Project, and to achieve the most efficient  
4 use of available funds, the County has determined to solicit proposals for the projects both jointly  
5 and individually, including the possibility of a sale-leaseback or lease-leaseback transaction for  
6 the Duvall Project pursuant to which the County would sell or lease the Facility to another party  
7 (a “Developer”), such Developer would be responsible for undertaking or causing to be  
8 undertaken the improvements constituting the Duvall Project, and such Developer would lease  
9 the Facility, as so improved, back to the County for a term of years; and

10 WHEREAS, pursuant to any leaseback, the County’s obligation to make lease payments  
11 and any other payments provided for therein shall be subject to annual appropriation of sufficient  
12 funds for such purposes; and

13 WHEREAS, any transaction with a Developer could be structured such that upon expiration  
14 or earlier termination of the leaseback to the County either (i) the Developer will retain title to  
15 the Facility or (ii) provided that an event of default or event of non-appropriation by the County  
16 has not occurred under the leaseback, title to the Facility will be acquired by the County under a  
17 lease-purchase or similar arrangement; and

18 WHEREAS, in connection with a disposition and leaseback of the Facility to the County at  
19 the end of which title to the Facility is acquired by the County under a lease-purchase or similar  
20 arrangement, the Developer might issue or cause to be issued tax-exempt participation interests  
21 in the leaseback to the County in order to finance the Developer’s acquisition of the Facility and  
22 the improvements constituting the Duvall Project; and

23 WHEREAS, in the event the transaction is structured so that tax-exempt participation  
24 interests are offered in the County’s leaseback, the County will be required to covenant not to  
25 take any action or omit to take any action that will adversely affect the tax-exempt status of the  
26 interest component of such participation interests; and

27 WHEREAS, the County is authorized to enter into the contemplated transactions for the  
28 Duvall Project with County Council approval under the enumerated express powers granted to  
29 and conferred upon the County under Article 25A, Section 5(B) of the Annotated Code of  
30 Maryland, as amended; and

31 WHEREAS, in connection with the contemplated financing of the Duvall Project, it is not

1 necessary for the County to retain a fee simple interest in the Facility in order to provide for the  
 2 renovation and reconstruction thereof and the continued use by the County of the Facility  
 3 following such improvements for a public purpose of the County; and

4 WHEREAS, the County Executive requests that the County Council authorize the County  
 5 Executive or his duly authorized designee to take the actions necessary to evaluate the proposals  
 6 submitted, to determine the proposal that best serves the needs and public purposes of the  
 7 County, giving consideration to a multitude of factors including (without limitation) disposition  
 8 price, reconstruction and renovation period, term of years offered for any leaseback (including  
 9 any renewal terms, options to terminate, or options to purchase, if applicable), lease payment  
 10 amounts, operating and maintenance expenses that would be the responsibility of the County,  
 11 ongoing fees and charges in connection with any offering of participation interests in any  
 12 leaseback to the County, reputation of the respondents submitting proposals and any other parties  
 13 who or which would be involved in the transaction, and whether or not the remaining economic  
 14 life of the Facility upon expiration of the stated term of the leaseback (and any renewal terms)  
 15 would be such that acquisition of title to the Facility by the County upon such expiration would  
 16 continue to serve a public purpose of the County, and to effectuate and consummate the  
 17 transactions contemplated in the recitals to this Act with respect to the Facility and the Duvall  
 18 Project that is in the best interests of the County; now, therefore,

19 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,  
 20 Maryland that, the recitals to this Act are incorporated by reference herein and deemed a  
 21 substantive part of this Act, and terms used in this Act shall have the meanings given to such  
 22 terms in the recitals hereto, unless otherwise defined herein.

23 SECTION 2. BE IT FURTHER ENACTED that the County Executive or his duly  
 24 authorized designee is hereby authorized to take the actions necessary to evaluate the proposals  
 25 submitted to effectuate the Duvall Project (whether such proposals are submitted individually  
 26 with respect to the Duvall Project or jointly with respect to the Duvall Project and the Marbury  
 27 Project) and to determine the proposal that best serves the needs and public purposes of the  
 28 County in financing the Duvall Project, giving due consideration to the factors identified in the  
 29 recitals to this Act and to any other applicable factors.

30 SECTION 3. BE IT FURTHER ENACTED that the County Council hereby finds and  
 31 declares that in the event the County Executive or his duly authorized designee determines that

1 the proposal for the Duvall Project that best serves the needs of the County involves a sale-  
2 leaseback or lease-leaseback of the Facility, and whether or not title to the Facility will remain  
3 with a Developer or be acquired by the County under a lease-purchase or similar arrangement  
4 (subject to any rights the Developer may have upon an event of default or event of non-  
5 appropriation by the County) upon expiration or earlier termination of the leaseback, that such  
6 disposition will serve a public purpose of the County by alleviating budgetary pressures through  
7 shifting responsibility for initially funding the improvements constituting the Duvall Project to  
8 another party while retaining the right of the County to continue to use the Facility for a term of  
9 years deemed to be in the best interests of the County.

10 SECTION 4. BE IT FURTHER ENACTED that the County Executive or his duly  
11 authorized designee, on behalf of the County, is hereby authorized to prepare or cause to be  
12 prepared, negotiate, approve, complete, execute and deliver any and all documents deemed  
13 necessary or desirable in order to effectuate and consummate the financing of the Duvall Project,  
14 including (without limitation) any deed or lease from the County to a Developer with respect to a  
15 sale-leaseback or lease-leaseback of the Facility, any development agreement, construction  
16 contract or related construction documents, any documents relating to a leaseback of the Facility  
17 to the County, and any necessary tax and use certifications.

18 SECTION 5. BE IT FURTHER ENACTED that if the documents, certificates or  
19 instruments relating to the financing of the Duvall Project contemplate that representatives of the  
20 County shall be authorized to take certain actions, make certain determinations or grant certain  
21 consents or approvals on behalf of the County, the County Executive or his duly authorized  
22 designee is hereby authorized to provide for the identification of such authorized representatives  
23 in such documents, certificates or instruments, and such authorized representatives are hereby  
24 authorized and empowered to take such actions, make such determinations or grant such  
25 consents or approvals so provided for.

26 SECTION 6. BE IT FURTHER ENACTED that the appropriate officials and employees of  
27 the County are hereby authorized and directed, on behalf of the County, to take all such actions  
28 and to prepare or cause to be prepared, negotiate, approve, complete, execute and deliver any and  
29 all closing documents, certificates or instruments deemed necessary or desirable in connection  
30 with the transactions contemplated in the recitals to this Act.  
31

1       SECTION 7. BE IT FURTHER ENACTED that the County Executive or his duly  
2 authorized designee, on behalf of the County, is hereby authorized to prepare or cause to be  
3 prepared, negotiate, approve, complete, execute and deliver any and all documents with any  
4 other parties deemed necessary or desirable to effectuate the use and occupancy of or access to  
5 the Duvall Project, including without limitation, right-of-way, easement, or parking agreements.

6       SECTION 8. BE IT FURTHER ENACTED that the appropriate officials of the County are  
7 hereby authorized and directed to prepare or provide for the preparation of, and the publication  
8 of, any notices required by Article 25A, Section 5(B) of the Annotated Code of Maryland, as  
9 amended.

10       SECTION 9. BE IT FURTHER ENACTED that all documents or set of documents  
11 pertaining to the solicitation of proposals and any development agreement, deed, lease,  
12 construction contract or other document shall require that the construction portion of the project  
13 shall be considered a “public work” constructed by a “public body” and that the provisions of  
14 Subtitle 2, Division 14 of the County Code shall apply to the project as if the project were  
15 constructed directly by the County; that the Purchasing Agent shall establish a goal for the  
16 utilization of minority contractors on the project in accordance with the criteria contained in  
17 Section 10A-136 of the County Code; and that any party performing construction work shall be  
18 considered a “contractor” and shall be required to comply with the provisions of Subtitle 2,  
19 Division 14 and Subtitle 10A, Division 6, Subdivision 1 of the County Code.

20       SECTION 10. BE IT FURTHER ENACTED that the provisions of this Act shall be  
21 liberally construed in order to effectuate and consummate the transactions contemplated by the  
22 recitals to this Act.

23       SECTION 11. BE IT FURTHER ENACTED that in accordance with the provisions of  
24 Section 317 of the Charter, the County Council hereby declares that a public emergency exists  
25 affecting the public health, safety, or welfare; said emergency being the need to take the actions  
26 necessary to evaluate the proposals submitted at the earliest possible time to effectuate the  
27 Duvall Project (whether such proposals are submitted individually with respect to the Duvall  
28 Project or jointly with respect to the Duvall Project and the Marbury Project), to determine the  
29 proposal that best serves the needs and public purposes of the County in financing the Duvall  
30 Project, and based on such determinations to consummate the transactions contemplated by the  
31 recitals to this Act.

1       SECTION 12. BE IT FURTHER ENACTED that this Act shall take effect the date it  
2 becomes law.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2002, by an affirmative vote of two-thirds of the  
members of the full County Council.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Peter A. Shapiro  
Chair

ATTEST:

\_\_\_\_\_  
Redis C. Floyd  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
Wayne K. Curry  
County Executive

Map available in hard copy only

Map 9-A

MNCPPC OCC-ID:	980
Property Description:	Part of Parcel 59, consisting of the Duvall Wing of the Courthouse structure only
Location:	101 F-1 (Main Street)
Tax Account No.:	03-0229971
Date of Acquisition:	1950
Acquisition Price:	\$10.00
Proposed Sale Price:	Sale for not less than fair market value
2002 Assessment:	\$8,432,200
Area:	151,420 square feet
Disposition:	Sale not less than fair market value
Zoning:	CSC
Real Estate File No.	140-23