

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2016 Legislative Session

Resolution No. CR-20-2016
Proposed by The Chairman (by request – County Executive)
Introduced by Council Members Turner, Davis, Glaros and Taveras
Co-Sponsors _____
Date of Introduction March 29, 2016

RESOLUTION

1 A RESOLUTION concerning

2 Loans to 2U, Inc., (“2U”) from the Maryland Economic Development Assistance Fund
3 (“MEDAF”) and Prince George’s County, Maryland (the “County”).

4 For the purpose of endorsing a loan not to exceed two million dollars (\$2,000,000) to 2U from
5 the Maryland Department of Commerce, formerly the Maryland Department of Business and
6 Economic Development, MEDAF program which, in conjunction with the conditional loan from
7 the County’s Economic Development Incentive Fund (“EDI Fund”) not to exceed one million
8 five hundred thousand dollars (\$1,500,000), will be used for eligible project costs associated with
9 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 2U, Inc., dated November 13, 2015, 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 million dollars (\$2,000,000) (“the
15 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 2U,
20 for eligible costs in connection with the following activities: (1) relocating and leasing 230,000
21 square feet of space over a three year period at the project site (the “Facility”) located at 7900
22 Harkins Road, New Carrollton; and (2) construction or acquisition, furniture, fixtures and

1 equipment costs; and

2 WHEREAS, it is expected that the project costs will total approximately fifteen million
3 dollars (\$15,000,000) which will be funded by: (1) the MEDAF Loan; (2) a conditional loan not
4 to exceed one million five hundred thousand dollars (\$1,500,000) (at least 10% match of the
5 MEDAF Loan is required under Section 5-319(d)(2)(ii) of the Act), from the EDI Fund, (the
6 “County Loan”); and (3) from private financing and the owner’s equity for the remainder of the
7 funds; and

8 WHEREAS, it is expected that the term of the MEDAF Loan will be ten (10) years from
9 the date of the disbursement, at an annual rate of three percent (3%) with payments of principal
10 and accrued interest, which payments may be deferred or forgiven if 2U employs at least six
11 hundred fifty (650) full-time permanent employees for the term of the MEDAF Loan; and

12 WHEREAS, 2U will employ at least six hundred fifty (650) full-time permanent employees
13 at the Facility at all times during the loan; thereafter employing at least one thousand six hundred
14 (1,600) full-time permanent employees at the Facility by December 31, 2020 and for the
15 remaining term of the MEDAF Loan; and

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

18 WHEREAS, the County Council and the County Executive have determined, based upon
19 the finding and determinations set forth herein, that it is in the best interests of the citizens and
20 residents of the County that the County Council and the County Executive endorse the MEDAF
21 Loan, as set forth in Exhibit “A”; and

22 WHEREAS, pursuant to the Prince George’s County Code Sec. 10-287, notice of intent to
23 award financial assistant from the EDI Fund was provided to the County Council on January 14,
24 2016.

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

29 BE IT FURTHER RESOLVED that the loan from MEDAF to 2U in an amount not to
30 exceed two million dollars (\$2,000,000) as set forth in Exhibit “A” or any revision thereof is
31 hereby endorsed by the County Council and the County Executive.

1 BE IT FURTHER RESOLVED that the County’s conditional loan to 2U in an amount not
2 to exceed one million five hundred thousand (\$1,500,000) from the EDI Fund on substantially
3 the same terms and conditions of the MEDAF Loan.

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

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

Adopted this 12th day of April , 2016.

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