

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

2007 Legislative Session

Resolution No. CR-38-2007

Proposed by The Chairman (by request – County Executive)

Introduced by Council Members Turner and Dean

Co-Sponsors _____

Date of Introduction June 5, 2007

RESOLUTION

1 A RESOLUTION concerning

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

5 For the purpose of endorsing a loan not to exceed \$200,000 to Capital Lighting from MEDAF
6 and authorizing a loan by the County to Capital Lighting not to exceed \$20,000 for eligible
7 Project costs associated with leasing or purchasing a facility in the County and capital
8 expenditures.

9 WHEREAS, the Maryland Department of Business and Economic Development and Prince
10 George’s County Economic Development Corporation have entered into a joint conditional letter
11 of commitment with Capital Lighting dated October 18, 2006, copy attached as Exhibit “A” and
12 incorporated herein by reference, to provide a loan from MEDAF in an amount not to exceed
13 \$200,000 (the “MEDAF Loan”); and

14 WHEREAS, the MEDAF Loan is authorized under the Maryland Economic Development
15 Assistance Authority and Fund statute set forth in Sections 5-1401 through 5-1411 of Article
16 83A of the Annotated Code of Maryland, as amended (the “Act”); and

17 WHEREAS, the proceeds of the MEDAF Loan are expected to be used to reimburse
18 Capital Lighting for eligible costs of relocating its present business operations to the County
19 consisting of the following activities: (1) negotiation and execution of a lease or purchase
20 agreement for approximately 200,000 square feet of space in the County (the “Facility”); (2)
21 construction of leasehold improvements and acquisition and installation of equipment; and (3)
22 relocation and consolidation of operations currently located in Alexandria and Newington,

1 Virginia to the County; and

2 WHEREAS, it is expected that project costs will total approximately \$8 million which will
3 be funded by (1) the MEDAF Loan; (2) a County loan not to exceed \$20,000 (10% of the
4 MEDAF Loan as required under Section 5-1405(f)(2)(ii) of the Act, from the County's Incentive
5 Leverage Fund, managed by the Prince George's County Economic Development Corporation
6 (the "County Loan"); and (3) approximately \$7.78 million from Capital Lighting; and

7 WHEREAS, it is expected that the term of the MEDAF Loan to Capital Lighting will be for
8 three (3) years at an annual rate of three percent (3%) with payments of principal and accrued
9 interest from the date of disbursement until March 31, 2010, which payments may be deferred or
10 forgiven if Capital Lighting (1) employs at least 137 permanent, full-time employees at the
11 Facility by December 31, 2007; (2) retains these employees through December 31, 2010; and (3)
12 maintains its corporate headquarters at the Facility through December 31, 2010; and

13 WHEREAS, under Sections 5-1405(f)(1) and (2)(ii) of the Act, a formal resolution of the
14 governing body of the County is required to endorse the MEDAF Loan, and to authorize the
15 County Loan; and

16 WHEREAS, the County Council and County Executive have determined, based upon the
17 findings and determinations set forth herein, that it is in the best interests of the citizens and
18 residents of the County that the County Council and County Executive endorse the MEDAF
19 Loan and authorize the County Loan, as set forth in the attached Letter of Commitment.

20 NOW, THEREFORE, BE IT RESOLVED by the County Council and the County
21 Executive of Prince George's County, Maryland, that the recitals in the WHEREAS clauses to
22 this resolution are hereby incorporated herein by reference and deemed a substantive part of this
23 resolution.

24 BE IT FURTHER RESOLVED that the loan from the Maryland Economic Development
25 Assistance Fund to Capital Lighting in an amount not to exceed \$200,000 as set forth in the
26 attached Letter of Commitment or any revision thereof, is hereby endorsed by the County
27 Council and County Executive.

28 BE IT FURTHER RESOLVED that the County Loan from the County to Capital Lighting
29 in an amount not to exceed \$20,000 from the County's Incentive Leverage Fund, managed by the
30 Prince George's County Economic Development Corporation, on substantially the same terms
31 and conditions of the MEDAF Loan, is hereby approved.

1 BE IT FURTHER RESOLVED that the County Executive and/or other appropriate officials
2 of the County are hereby authorized and empowered to execute on behalf of the County such
3 documents, instruments and certificates as are necessary or appropriate to consummate the
4 MEDAF Loan and the County Loan.

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

Adopted this 2nd day of July, 2007.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Camille A. Exum
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
JACK B. JOHNSON
County Executive

Exhibit "A" available in hard copy only