

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

Resolution No. CR-22-2016
Proposed by The Chairman (by request – County Executive)
Introduced by Council Members Davis, Turner, Glaros, and Taveras
Co-Sponsors _____
Date of Introduction March 29, 2016

RESOLUTION

1 A RESOLUTION concerning

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

4 For the purpose of endorsing a loan not to exceed two hundred fifty thousand dollars (\$250,000)
5 to FlexEl from the Maryland Department of Commerce formerly the Maryland Department of
6 Business and Economic Development MEDAF program which, in conjunction with the
7 conditional loan from the County’s Economic Development Incentive Fund (“EDI Fund”) not to
8 exceed two hundred fifty thousand dollars (\$250,000), will be used for eligible project costs
9 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 FlexEl dated April 30, 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 hundred fifty thousand dollars
15 (\$250,000) (“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 FlexEl
20 for eligible costs in connection with the following activities: (1) lease a new 10,932 square foot
21 research and development and manufacturing facility in Prince George’s County (the “Facility”);
22 and (2) land purchase and costs of construction, furniture, fixtures and equipment costs; and

1 WHEREAS, it is expected that the project costs will total approximately \$10 million which
2 will be funded by: (1) the MEDAF Loan; (2) a conditional loan not to exceed two hundred fifty
3 thousand dollars (\$250,000) (at least 10% match of the MEDAF Loan is required under Section
4 5-319(d)(2)(ii) of the Act), from the EDI Fund, (the “County Loan”); and (3) from private
5 financing and the owner’s equity for the remainder of the funds; and

6 WHEREAS, it is expected that the term of the MEDAF Loan will be ten (10) years from
7 the date of the disbursement, at an annual rate of three percent (3%) with payments of principal
8 and accrued interest, which payments may be deferred or forgiven if FlexEl employs at least
9 sixty (60) full-time permanent employees for the term of the MEDAF Loan; and

10 WHEREAS, FlexEl will employ at least sixty (60) full-time permanent employees at the
11 Facility by December 31, 2020; thereafter employing at least that amount at the Facility for the
12 remaining term of the MEDAF Loan; and

13 WHEREAS, under Sections 5-319(d)(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

15 WHEREAS, the County Council and the County Executive have determined, based upon
16 the finding and determinations set forth herein, that it is in the best interest of the citizens and
17 residents of the County that the County Council and the County Executive endorse the MEDAF
18 and County Loans, as set forth in Exhibit “A”; and

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

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

26 BE IT FURTHER RESOLVED that the loan from MEDAF to FlexEl in an amount not to
27 exceed two hundred fifty thousand dollars (\$250,000) as set forth in Exhibit “A” or any revision
28 thereof is hereby endorsed by the County Council and County Executive.

29 BE IT FURTHER RESOLVED that the County’s conditional loan to FlexEl in an amount
30 not to exceed two hundred fifty thousand dollars (\$250,000) from the EDI Fund on substantially
31 the same terms and conditions of the MEDAF Loan.

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

BE IT FURTHER RESOLVED that this Resolution shall become effective as of the date of 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