

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2003 Legislative Session

Bill No. CB-17-2003

Chapter No. 10

Proposed and Presented by The Chairman (by request – County Executive)

Introduced by Council Members Shapiro and Harrington

Co-Sponsors _____

Date of Introduction April 8, 2003

BILL

1 AN ACT concerning

2 The Disposition by Lease for Public Purposes of the Upper Marlboro Justice Center Site at
3 Water Street and Judges Drive in Connection with the Issuance by Industrial Development
4 Authority of Prince George’s County, Maryland of Certain Economic Development Refunding
5 Revenue Bonds and/or Revenue Bonds Described Herein

6 For the purpose of authorizing, in accordance with County Code Section 2-111.01, the County
7 Executive to provide for (i) amendments to extend the term, among other purposes, of the
8 existing lease by Prince George’s County, Maryland to the Industrial Development Authority of
9 Prince George’s County, Maryland (the “Authority”) of the land on which the Prince George’s
10 County Justice Center (also known as the Upper Marlboro Justice Center) is located or (ii) the
11 disposition of the Upper Marlboro Justice Center site by separate lease to the Authority in
12 connection with a proposed expansion of certain facilities currently located thereon, in either
13 such case in connection with the issuance and sale by the Authority of certain refunding revenue
14 bonds and/or revenue bonds identified herein and in accordance with the parameters set forth in
15 this Act; and generally relating to any such disposition by lease.

RECITALS

16
17 Pursuant to CR-41-1989, adopted and effective on March 28, 1989, the County Council of
18 Prince George’s County, Maryland (the “Council”) approved the disposition by lease of a
19 property identified therein as the Upper Marlboro Justice Center Site and further described on
20 Exhibit A attached hereto and incorporated by reference herein, to the Industrial Development
21 Authority of Prince George’s County, Maryland.

1 The Authority, in accordance with Sections 14-101 through 14-109 of Article 41 of the
2 Annotated Code of Maryland (the “Enabling Act”) and CR-25-1987, which was adopted by the
3 Council on April 14, 1987, approved by the County Executive of Prince George’s County,
4 Maryland (the “County Executive”) on April 24, 1987 and effective on April 24, 1987 and
5 provided for the creation of the Authority and certain procedures and processes governing the
6 Authority (the “Authorizing Resolution”), a resolution adopted by the Authority on January 26,
7 1989, CR-40-1989, adopted by the Council on March 28, 1989, approved by the County
8 Executive on April 12, 1989 and effective on April 12, 1989, and CR-41-1989, issued and sold
9 its revenue bonds in the aggregate principal amount of \$55,825,825 and designated “Industrial
10 Development Authority of Prince George’s County, Maryland Lease Revenue Bonds (Upper
11 Marlboro Justice Center Project), Series 1989” (the “Series 1989 Bonds”) to provide funds for
12 the acquisition (within the meaning of the Enabling Act) and lease of the facilities known as the
13 “Prince George’s County Justice Center” (also known as the “Upper Marlboro Justice Center”)
14 located at Water Street and Judges Drive, Upper Marlboro, Maryland, and identified as a four-
15 story court house and multi-service center building with approximately 350,000 square feet of
16 gross floor area, together with an associated parking garage providing for approximately 985
17 parking spaces, the provision of approximately 124 additional surface parking spaces and related
18 site improvements, located on the land described on Exhibit A hereto (collectively, as the same
19 were contemplated and are presently existing, the “Facilities”).

20 In accordance with the Enabling Act, the Authorizing Resolution, a resolution adopted by
21 the Authority on February 1, 1993, and CR-9-1993, adopted by the Council on February 2, 1993,
22 approved by the County Executive on February 2, 1993 and effective on February 2, 1993, the
23 Authority issued and sold its refunding revenue bonds in the aggregate principal amount of
24 \$52,360,000 and designated “Industrial Development Authority of Prince George’s County,
25 Maryland Refunding Lease Revenue Bonds (Upper Marlboro Justice Center Project), Series
26 1993” (the “Series 1993 Bonds”) to refinance a portion of the costs of acquisition of the
27 Facilities by refunding a portion of the then-outstanding Series 1989 Bonds. The Series 1993
28 Bonds were issued and secured on a parity basis with the outstanding Series 1989 Bonds.

29 In connection with the issuance, sale and delivery of the Series 1989 Bonds, and pursuant to
30 the authority of CR-41-1989, Prince George’s County, Maryland (the “County”) entered into a
31 Ground Lease dated as of June 1, 1989 with the Authority (the “Ground Lease”), pursuant to

1 which the County leased the land on which the Facilities are located to the Authority for an
2 approximately 40-year term commencing on June 30, 1989 and ending on July 1, 2029 (unless
3 terminated earlier in accordance with the Ground Lease) for an annual rent of Ten Dollars (\$10).
4 The Authority leased the Facilities (and subleased the underlying land) to the County pursuant to
5 a Lease Agreement dated as of June 1, 1989 (as supplemented and amended in connection with
6 the issuance of the Series 1993 Bonds, the "Lease Agreement"), for a term of approximately 20
7 years ending on June 30, 2019 (subject to earlier termination in accordance with the provisions
8 thereof). The Authority also delivered a leasehold Deed of Trust dated as of June 1, 1989 (as
9 supplemented and amended in connection with the issuance of the Series 1993 Bonds, the "Deed
10 of Trust"), for the benefit of the trustee for the holders of the Series 1989 Bonds and any
11 Additional Bonds (as defined therein).

12 A portion of the Facilities is currently subleased by the County to the State.

13 Upon the expiration or earlier termination of the Ground Lease, title to the Facilities and all
14 other improvements located on the Upper Marlboro Justice Center site will pass to the County
15 and all interest in the underlying land will revert to the County, subject to any rights the State
16 may have under its sublease with the County.

17 The County desires to provide for (i) the refunding of all or a portion of the outstanding
18 Series 1993 Bonds and (ii) the financing of an expansion of a portion of the Facilities. The
19 planned expansion of the Facilities includes a proposed approximately 90,000 square foot, four-
20 story expansion of the existing court house and multi-service center building to be
21 interconnected to the existing Marbury Wing at its west end, together with related improvements,
22 including (without limitation) landscaping and sidewalk improvements (collectively, the
23 "Expansion"). It is contemplated that the Expansion will be located on the same land that is
24 currently subject to the existing Ground Lease and will not be separated physically from the
25 existing court house and multi-service center that constitutes a portion of the Facilities, and that
26 the Expansion will become a physically inseparable part of the Facilities and will be leased by
27 the Authority to the County.

28 The State has agreed to increase the base rent that it pays under its sublease with the County
29 in order to assist over time in the financing of the Expansion.

30 The Authority adopted a resolution on February 28, 2003, authorizing and providing for (i)
31 the issuance of refunding revenue bonds from time to time in a maximum aggregate principal

1 amount not to exceed Thirty-Five Million Dollars (\$35,000,000) for the purpose of refunding
2 all or a portion of the outstanding Series 1993 Bonds (the “Refunding Bonds”) and (ii) the
3 issuance of revenue bonds from time to time in a maximum aggregate principal amount not to
4 exceed Thirty Million Dollars (\$30,000,000) for the purpose of financing (including by
5 reimbursing prior project expenditures) an expansion of a portion of the Facilities (the
6 “Financing Bonds”). In accordance with the Authorizing Resolution, a separate resolution
7 approving the issuance, sale and delivery of such Refunding Bonds and such Financing Bonds
8 has been submitted (or will be timely submitted) for adoption by the Council and approval by the
9 County Executive.

10 The last maturity of the outstanding Series 1989 Bonds and Series 1993 Bonds comes due
11 on June 30, 2019. It is anticipated that any Refunding Bonds and/or Financing Bonds issued by
12 the Authority may mature later than June 30, 2019 (subject to the limitations of the Enabling
13 Act) and, in connection with the issuance of such Refunding Bonds and/or Financing Bonds, that
14 the Authority and the County may extend the term of the existing Ground Lease and make
15 additional amendments thereto, and, in connection with the issuance of any Financing Bonds and
16 the acquisition of the Expansion, that the Authority and the County may enter into new ground
17 leases, provided that any such new ground lease documentation does not violate the provisions of
18 the existing Ground Lease and the existing Lease Agreement (as the same may be amended).
19 The amendment or amendment and restatement of the existing Ground Lease, including (without
20 limitation) to extend the term thereof, in connection with the issuance of any Refunding Bonds
21 and/or Financing Bonds, or the entry into any separate ground lease in connection with the
22 issuance of any Financing Bonds with respect to the Expansion, is in the nature of a disposition
23 by lease contemplated by County Code Section 2-111.01. The current lease of the land
24 underlying the Facilities by the County to the Authority, which enables the related leaseback of
25 such land and the Facilities to the County pursuant to the existing Lease Agreement, and the
26 contemplated activities described in this Act with respect to the underlying land, the Facilities
27 and the Expansion, serve the public purpose of encouraging the increase of industry and
28 commerce and a balanced economy in the County and the State, assisting in the retention of
29 existing industry and commerce in the County and the State, and generally promoting the health,
30 welfare and safety of the residents of the County and the State by providing for office,
31 administrative and courtroom space for use by various governmental agencies, departments,

1 divisions, boards and commissions.

2 SECTION 1. NOW, THEREFORE, BE IT ENACTED by the County Council of Prince
3 George's County, Maryland, that the Recitals to this Act are incorporated by reference herein
4 and deemed a substantive part of this Act.

5 SECTION 2. BE IT FURTHER ENACTED that in connection with the issuance, sale and
6 delivery of any Refunding Bonds and/or any Financing Bonds, the County Executive, in
7 accordance with Section 2-111.01 of the County Code, is hereby authorized to provide (whether
8 by amendments to, or amendments and restatements of, the existing Ground Lease, and/or by
9 entry into separate ground leases, provided such separate documents do not violate the provisions
10 of the existing Ground Lease and the existing Lease Agreement, as amended) for the lease by the
11 County to the Authority of the land on which the Facilities and/or the Expansion are located, as
12 applicable, provided that (i) the term of any amendment to, or amendment and restatement of, the
13 existing Ground Lease or of any new ground lease may not exceed the latest maturity of any
14 Refunding Bonds or any Financing Bonds by more than thirty (30) years, and (ii) the rent
15 payable by the Authority under any amendment to, or amendment and restatement of, the
16 existing Ground Lease or under any new ground lease may not be less than Ten Dollars (\$10) per
17 year. The County Executive shall cause notice of any proposed disposition in addition to, or in
18 extension of the term of, the existing Ground Lease to be given in accordance with Section 2-
19 111.01 of the County Code prior to the delivery of any Refunding Bonds or any Financing
20 Bonds, as applicable.

21 The land which is currently subject to the existing Ground Lease and which may be subject
22 to any amendment to, or amendment and restatement of, the existing Ground Lease or subject to
23 any separate ground lease as contemplated in this Section 2 is described on Exhibit A, which
24 Exhibit A is attached to this Act and incorporated by reference herein.

25 SECTION 3. BE IT FURTHER ENACTED that the provisions of this Act are severable,
26 and if any provision, clause, section or part hereof shall be held to be illegal, invalid or
27 unconstitutional or inapplicable to any person, entity or circumstances, such illegality, invalidity
28 or unconstitutionality or inapplicability shall not affect or impair any of the remaining
29 provisions, sentences, clauses, sections or parts of this Act or their application to other persons,
30 entities or circumstances. It is hereby declared to be the legislative intent that this Act would
31 have been adopted if such illegal, invalid or unconstitutional provision, sentence, clause, section

1 or part had not been included herein and if the person, entity or circumstances to which this Act
2 or any part hereof is inapplicable had been specifically exempted herefrom.

3 SECTION 4. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)
4 calendar days after it becomes law.

Adopted this 6th day of May, 2003.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Peter A. Shapiro
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Jack B. Johnson
County Executive

Exhibit A available in hard copy only