INTRODUCED Oct. 6, 2014

PUBLIC HEARING Oct. 2014

COUNCIL ACTION Oct. 31, 2014

EXECUTIVE ACTION Oct. 31, 2014

EFFECTIVE DATE Oct. 31, 2014

County Council of Howard County, Maryland

2014 Legislative Session

Legislative Day No. //

Resolution No. 121-2014

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION adopted pursuant to the Maryland Economic Development Revenue Bond Act providing for the issuance by Howard County, Maryland, of up to \$8,035,000 of its limited obligation bonds and the loan of the proceeds thereof to Glenelg Country School, Inc. to be used to (1) refund (a) the Howard County, Maryland Economic Development Revenue Bond (Glenelg Country School Facility) 2001 Issue and (b) Howard County, Maryland Economic Development Revenue Bond (Glenelg Country School Facility) 2008 Issue; and (2) finance the costs of projects on the school's campus, located in the County which include (a) the expansion and revitalization of the athletic facilities, including the construction of a two- story press box, grandstands and restoration of existing tennis courts and athletic center floors, (b) renovation and restoration of exterior and interior structural defects in existing buildings, including the Historic Manor House, and updating fire and safety concerns, and (c) costs of issuance and other related costs; reserving certain rights; providing for the issuance of bond anticipation notes for such purposes; authorizing the County Executive to specify, prescribe, determine, provide for or approve certain matters, details, documents or procedures; and specifying and describing various matters in connection therewith.

NOTE: [[text in brackets]] indicates deletions from existing language; TEXT IN SMALL CAPITALS indicates additions to existing language. Strike-out indicates material deleted by amendment; <u>Underlining</u> indicates material added by amendment.

1	Recitals		
2	The Maryland Economic Development Revenue Bond Act, Sections 12-101 to 12-		
3	118, inclusive, of the Economic Development Article of the Annotated Code of Maryland		
4	(the "Act"), provides that in order to accomplish the legislative policy of the Act, in addition		
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6	body (as defined in the Act) may issue and sell its bonds (as defined in the Act), as its		
7	limited obligations and not upon its faith and credit or pledge of its taxing power, at any		
8	time and from time to time, for the purposes of financing or refinancing any costs of the		
9			
10	in the Act) for one or more facility users (as defined in the Act) or of refunding outstanding		
11	bonds, including the necessary expenses of preparing, printing, selling, and issuing those		
12	bonds, the funding of reserves, and the payment of interest with respect to financing such		
13			
14	deems reasonable.		
15	The General Assembly of the State of Maryland (the "State"), in the Act, declares its		
16	legislative purpose to:		
17	(1) relieve conditions of unemployment in the State;		
18	(2) encourage the increase of industry and commerce and a balanced		
19	economy in the State;		
20	(3) assist in the retention of existing industry and commerce and in the		
21	attraction of new industry and commerce in the State through, among other things, port		
22	development and the control, reduction, or abatement of pollution of the environment and		
23	the utilization and disposal of wastes;		
24	(4) promote economic development;		
25	(5) protect natural resources and encourage resource recovery; and		
26	(6) generally promote the health, welfare, and safety of the residents of		
27	the State.		

1	The Act	provides that a public body may accomplish the acquisition and	
2	improvement of a facility from the proceeds of the sale of its bonds by one or more of the		
3	following methods	:	
4	(1)	by leasing the facility to a facility user;	
5	(2)	by selling the facility to a facility user under an installment sale	
6	agreement;		
7	(3)	by lending bond proceeds to a facility user to be used to finance a	
8	facility; or		
9	(4)	in such other manner as the County considers appropriate to	
10	accomplish the pu	rposes of the Act.	
11	The Act p	rovides that to implement the authority conferred upon it by the Act to	
12	issue bonds, the le	egislative body of any county (as defined in the Act) or municipality (as	
13	defined in the Ac	t), or the board of directors of any authority (as defined in the Act), shall	
14	adopt a resolution	pursuant to which it shall:	
15	(1)	specify and describe the facility;	
16	(2)	generally describe the public purpose to be served and the financing	
17	transaction;		
18	(3)	specify the maximum principal amount of the bonds that may be	
19 20	issued; and (4	impose any terms or conditions on the issuance and sale of the bonds	
21	it deems appropri	ate.	
22	The Act provides that the legislative body of any county or municipality, or the		
23	board of directors of any authority, by resolution may itself specify and prescribe, or may		
24	authorize (1) its finance board (as defined in the Act), by resolution, or (2) its chief		
25	executive (as d	defined in the Act), by executive order or otherwise, or (3) any other	
26	annronriate admi	nistrative officer who shall act by order or otherwise with the approval of	

its chief executive, to (a) specify, prescribe, determine, provide for or approve such matters, documents, and procedures that relate to the authorization, sale, security, issuance, delivery or payment of or for the bonds, (b) create security for the bonds, (c) provide for the administration of bond issues such as trust or other agreements with banks or trust companies that cover any countersignature on a bond, the delivery of a bond or the security for a bond.

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Howard County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the "County") received a letter of intent and accompanying application and exhibits dated August 9, 2014 (the "Letter of Intent"), from Glenelg Country School, Inc., a Maryland non-stock corporation (the "Facility Applicant"), pursuant to which the Facility Applicant requested the County to issue and sell the County's bonds (as defined in the Act), as its limited obligations and not upon its faith and credit or pledge of its taxing power, at any time or from time to time and in one or more series, in an aggregate principal amount not to exceed \$8,035,000, pursuant to and in accordance with the Act for the purpose of (1) refunding (a) the Howard County, Maryland Economic Development Revenue Bonds (Glenelg Country School Facility) 2001 Issue (the "2001 Bond") and (b) the Howard County, Maryland Economic Development Revenue Bonds (Glenelg Country School Facility) 2008 Issue (the "2008 Bond" together with the 2001 Bond, the "Prior Bonds"), and (2) finance the costs of projects on the school's campus, located in the County, which include (a) the expansion and revitalization of the athletic facilities, including the construction of a two- story press box, grandstands and restoration of existing tennis courts and athletic center floors, (b) renovation and restoration of exterior and interior structural defects in existing buildings, including the Historic Manor House, and updating fire and safety concerns (the "2014 Facility"), and (3) financing the issuance costs and other costs of the transaction. The proceeds of the Prior Bonds were used to finance a portion of the cost of construction, renovation and equipping of a facility located within the geographical

1	borders of the County and funding costs of issuance of the Prior Bonds and other costs
2	related to the transaction.
3	The Letter of Intent indicates that the facility financed with the 2001 Bond (the
4	"2001 Facility") includes:
5	(a) the construction of a new middle school facility located on the existing campus at
6	12793 Folly Quarter Road, in Glenelg, Maryland, Howard County (the "Campus"),
7	which construction includes classrooms, science labs, a library and computer rooms;
8	(b) the construction of a new performing arts center located on the Campus, which
9	construction includes a 350-seat theater;
10	(c) necessary or useful furnishings, equipment, and machinery; and
11-	(d) such interests in land as may have been necessary or suitable for the foregoing,
12-	including roads and rights of access, utilities and other necessary site preparation
13	facilities.
14	The Letter of Intent indicates that the facility financed with the 2008 Bond (the
15	"2008 Facility") includes:
16	(a) an approximately 25,000 square foot addition to the existing high school building
17	located on the Campus, which addition includes classrooms, science labs, a library
18	and computer rooms, and the renovation of the existing high school building;
19	(b) an approximately 35,000 square foot athletic facility located on the Campus;
20	(c) necessary or useful furnishings, equipment, and machinery; and
21	(d) such interests in land as may have been necessary or suitable for the foregoing
22	including roads and rights of access, utilities and other necessary site preparation
23	facilities.
24	The 2001 Facility, the 2008 Facility and the 2014 Facility are collectively referred to
25	as the "Facility."

The Facility Applicant intends to continue to use the Facility in connection with the Facility Applicant's operation of an independent, coeducational, non-sectarian college preparatory day school for students from pre-kindergarten through grade twelve.

The Letter of Intent further expresses the Facility Applicant's intention that the interest payable on such bonds will be excludible from the gross income of the owners thereof for purposes of federal income taxation pursuant to Sections 103 and 145 of the Internal Revenue Code of 1986, as amended (the "Code").

The County, based upon the findings and determinations and subject to the reservation of certain rights, all as set forth below, has determined to issue, sell and deliver, at any time or from time to time and in one or more series, its bonds (as defined in the Act) in an aggregate principal amount not to exceed \$8,035,000 (the "Bonds"), and to lend the proceeds of the Bonds of each series to the Facility Applicant upon the terms and conditions of one or more loan agreements (each, a "Loan Agreement") to be entered into between the County and the Facility Applicant, such proceeds to be used by the Facility Applicant for the purposes of (1) refunding the Prior Bonds and (2) financing the costs of the 2014 Facility, issuance costs and other costs of the transaction.

Now, therefore, in accordance with the Act:

- Section 1. Be it resolved by the County Council of Howard County, Maryland, That the words and terms used in this Resolution (including the Recitals set forth above) that are defined in the Act shall have the meanings indicated in the Act, unless the context clearly requires a contrary meaning.
- Section 2. And be it further resolved by the County Council of Howard
 County, Maryland, That acting pursuant to the Act, it is hereby found and determined as
 follows:
- 25 (1) The County is a "public body" and a "county" within the meaning of the Act.

1	(2)	The Facility Applicant is a "facility applicant" and w	rill be a	"facility
2	user" within the mean	ing of the Act.		

- 3 (3) The Facility is a "facility" within the meaning of the Act.
- 4 (4) The County Executive of the County (the "County Executive") is the 5 "chief executive officer" of the County within the meaning of the Act.
- 6 (5) The Letter of Intent is a "letter of intent" within the meaning of the 7 Act.
- 8 (6) The word "bonds," as defined in the Act, means a revenue bond or
 9 note issued and sold by a public body under the Act, and includes bond anticipation notes
 10 issued in anticipation of the issuance and sale of bonds.

- (7) The issuance and sale of the Bonds by the County, pursuant to the Act, for the sole and exclusive purpose of financing and refinancing the costs (to the fullest extent permitted by the Act) of the Facility will facilitate and expedite the financing and refinancing of the Facility.
- (8) The financing and refinancing of the Facility as provided in this Resolution will promote the declared legislative purposes of the Act by (a) sustaining jobs and employment by the creation or retention of a significant number of jobs, thus relieving conditions of unemployment in the State and in Howard County; (b) encouraging the increase of industry and commerce and a balanced economy in the State and in Howard County; (c) assisting in the retention of existing industry and commerce and in the attraction of new industry and commerce in the State and in Howard County by, among other things, the purchase of supplies and services from other businesses in Howard County; (d) promoting economic development in the State and in Howard County by stimulating the

- local economy; and (e) generally promoting the health, welfare and safety of the residents of the State and Howard County.
- (9) The Bonds of any series and the interest on them are limited obligations of the County the principal of, premium, if any, and interest on which are payable solely (except for bond anticipation notes) from revenues to be received in connection with the financing and refinancing of the Facility or from any other moneys made available to the County for such purpose. Neither the Bonds of any series nor the interest thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the County within the meaning of any constitutional or charter provision or statutory limitation and neither shall ever constitute or give rise to any pecuniary liability of the County.

- (10) Neither the proceeds of the Bonds of any series nor the payments of the principal of and premium, if any, and interest on the Bonds of any series will be commingled with the County's funds or will be subject to the absolute control of the County, but will be subject only to such limited supervision and checks as are deemed necessary or desirable by the County to ensure that the proceeds of the Bonds of any series are used to accomplish the public purposes of the Act and this Resolution. The transactions provided for hereby do not constitute any physical public betterment or improvement or the acquisition of property for public use or the purchase of equipment for public use. The public purposes expressed in the Act are to be achieved by facilitating the financing and refinancing of the Facility.
- Section 3. And be it further resolved by the County Council of Howard County, Maryland, that this Resolution, among other things, evidences the present intent of the County to issue, sell and deliver the Bonds in accordance with the terms and provisions of this Resolution. The County Executive of the County is hereby authorized, empowered, and directed to accept the Letter of Intent on behalf of the County in order to further

evidence the intent of the County to issue and sell the Bonds in accordance with the terms and provisions of this Resolution.

Section 4. And be it further resolved by the County Council of Howard County, Maryland, That the County shall issue, sell and deliver the Bonds, at any time or from time to time and in one or more series, in an aggregate principal amount not to exceed \$8,035,000, subject to the provisions of this Resolution. The County will lend the proceeds of the Bonds of any series to the Facility Applicant pursuant to the terms and provisions of a Loan Agreement, to be used by the Facility Applicant for the purpose of refinancing the 2001 Facility and the 2008 Facility by refunding the Prior Bonds, financing the costs of the 2014 Facility and funding costs of issuance of the Bonds, reserves and other costs related to the transaction.

Any Loan Agreement entered into with respect to the Bonds of any series will require that (1) the proceeds of the Bonds be used solely to (a) refund the Prior Bonds, and (b) finance the cost of the 2014 Facility, costs of issuance of the Bonds and other related costs of the transaction; and (2) the Facility Applicant makes, or cause to be made, payments which will be sufficient to enable the County to pay the principal of and interest and premium, if any, on the Bonds when and as the same become due and payable.

The Facility is specified and described in the Recitals set forth above. The public purpose to be served by the issuance and sale of the Bonds is described in Section 2 of this Resolution, in this Section and in the Recitals set forth above. The maximum principal amount of the Bonds that may be issued is \$8,035,000, provided that bond anticipation notes may be issued and sold as provided in Section 6 of this Resolution.

Section 5. And be it further resolved by the County Council of Howard County, Maryland, That the County reserves the right, in its sole and absolute discretion, to take any actions deemed necessary by the County in order to ensure that the County (1) complies with present federal and State laws and any pending or future federal or State legislation, whether proposed or enacted, which may affect or restrict the issuance of the

1 Bonds, and (2) issues the Bonds, within the limits imposed by such present laws or any such 2 pending or future legislation or any future local laws, to finance those facilities which the 3

County determines, in its sole and absolute discretion, will provide the greatest benefit to the

residents of the County and the State.

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Pursuant to the provisions of this Section 5, the County reserves the right in its sole and absolute discretion, to, among other things, (1) never issue the Bonds, (2) issue only a portion of the aggregate principal amount of the Bonds required by the Facility Applicant, (3) restrict the use of the proceeds of the Bonds, (4) delay indefinitely the issuance of the Bonds, or (5) take any other actions deemed necessary by the County, in its sole discretion, in order to ensure that the County achieves the goals set forth in the Act and in this Resolution.

Section 6. And be it further resolved by the County Council of Howard County, Maryland, That, as permitted by the Act, the provisions set forth in this Resolution for the issuance and sale of the Bonds are intended and shall be deemed to include provisions for the issuance and sale of bond anticipation notes without the adoption of any further resolution or other action by the legislative body of the County. Accordingly, the words "bonds" and "Bonds," as used in this Resolution, shall include such bond anticipation notes, unless the context clearly requires a contrary meaning. At no time shall the aggregate principal amount of any bond anticipation notes exceed the amount set forth in Section 4 of this Resolution. It is intended that the aggregate principal amount of issued and outstanding bond anticipation notes when added to the aggregate principal amount of issued and outstanding Bonds in anticipation of which such notes were issued, shall not exceed the aggregate principal amount set forth in Section 4 of this Resolution at any time. The County will agree to pay any bond anticipation notes issued pursuant to this Resolution and the interest and premium, if any, thereon from the proceeds of the Bonds in anticipation of the sale of which such notes are issued, and the County will agree to issue such Bonds when, and as soon as, the reason for deferring the issuance of the Bonds no longer exists. The

timely issuance of such Bonds, however, is dependent upon matters not within the control of the County, including (without limitation) the existence of a purchaser or purchasers for such Bonds at the time the reason for deferring the issuance of the Bonds no longer exists and the effectiveness of various actions taken by the Facility Applicant, their officers, agents and employees.

Section 7. And be it further resolved by the County Council of Howard County, Maryland, That the Bonds, or any bond anticipation notes authorized by this Resolution, may be issued at any time or from time to time and in one or more series, and each series of the Bonds shall be identified by the year of issue or by some other or additional appropriate designation; provided, however, that the Bonds must be issued within one year from the effective date of this Resolution as set forth in Section 13 hereof. The provisions in this Resolution providing for the issuance of the Bonds shall expire with respect to Bonds which have not been issued within such period, unless, either prior to or after such provisions expire, the County Council of Howard County, Maryland adopts, and the County Executive approves, a resolution supplemental hereto, which extends the period of time during which the Bonds may be issued.

Section 8. And be it further resolved by the County Council of Howard County, Maryland, That the Bonds shall be executed in the name of the County and on its behalf by the County Executive, by his manual or facsimile signature, and by the Director of Finance of the County, by his manual or facsimile signature, and the corporate seal of the County or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the Chief Administrative Officer of the County, by his manual or facsimile signature. At least one signature required or permitted to be placed on the Bonds must be manually subscribed. If the Bonds are required to be manually signed by a trustee, issuing agent, fiscal agent, registrar, or other agent or custodian, any other signature required or permitted to be placed on the Bonds may be executed by facsimile. Any Loan Agreement and, where applicable, all other documents as the County Executive deems necessary to

effectuate the issuance, sale and delivery of the Bonds of any series, shall be executed in the name of the County and on its behalf by the County Executive by his manual signature, and the corporate seal of the County or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the Chief Administrative Officer of the County by his manual signature. If any officer whose signature or countersignature or a facsimile of whose signature or countersignature appears on the Bonds of any series or any of the aforesaid documents ceases to be such officer before the delivery of the Bonds of such series or any of the other aforesaid documents, such signature or countersignature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. The County Executive, the Director of Finance of the County, the Chief Administrative Officer of the County and other officials of the County are hereby authorized and empowered to do all such acts and things and execute such documents and certificates as the County Executive may determine to be necessary to carry out and comply with the provisions of this Resolution, subject to the limitations set forth in the Act and any limitations set forth in this Resolution.

Section 9. And be it further resolved by the County Council of Howard County, Maryland, That, as permitted by the Act, the Bonds of any series shall be sold at private (negotiated) sale and at par, unless the County Executive deems it to be in the best interests of the County to sell the Bonds of any series at public sale or above or below par, in either or both of which events, the Bonds of such series shall be sold in such manner and upon such terms as the County Executive deems to be in the best interests of the County.

Section 10. And be it further resolved by the County Council of Howard County, Maryland, That prior to the issuance, sale and delivery of the Bonds of any series, regardless of the date on which such Bonds are issued, the County Executive, by executive order or otherwise:

(1) shall prescribe the form, tenor, terms and conditions of and security for the Bonds of such series;

- shall prescribe the principal amounts, rate or rates of interest, denominations, date, maturity or maturities (within the limits prescribed in the Act), and the time and place or places of payment of the Bonds of such series, and the terms and conditions and details under which the Bonds of such series may be called for redemption prior to their stated maturities;
- 6 (3) if necessary, may appoint a trustee, a bond registrar and a paying 7 agent or agents, for the Bonds of such series;

- (4) shall approve the form and contents of, and execute and deliver (where applicable), the Loan Agreement, and such other documents, including (without limitation) trust agreements, assignments, mortgages, deeds of trust, guaranties and security instruments to which the County is a party and which may be necessary to effectuate the issuance, sale and delivery of the Bonds of such series;
- (5) may prepare and distribute, in conjunction with representatives of the Facility Applicant and the prospective purchasers or underwriters for the Bonds of any series, both a preliminary and a final official statement in connection with the sale of the Bonds of any series, if such preliminary official statement and final official statement are determined to be necessary or desirable for the sale of the Bonds of such series, provided, however, that any such preliminary official statement shall be clearly marked to indicate that it is subject to completion and amendment;
- (6) may execute and deliver a contract or contracts for the purchase and sale of the Bonds of any series (or any portion thereof) in form and content satisfactory to the County Executive;
- (7) shall determine the time of execution, issuance, sale and delivery of the Bonds of such series and prescribe any and all other details of the Bonds of such series;
- (8) shall determine the method, and approve the terms, of the sale of the Bonds of such series, as provided in Section 9 of this Resolution;

- 1 (9) shall provide that the Facility Applicant shall pay directly, or cause to 2 be paid, all costs, fees and expenses incurred by or on behalf of the County in connection 3 with the issuance, sale and delivery of the Bonds, including (without limitation) costs of 4 printing (if any) and issuing the Bonds, legal expenses (including the fees of bond counsel) 5 and compensation to any person (other than full-time employees of the County) performing
- 7 (10) may provide for the issuance and sale (subject to the passage at the 8 time of an appropriate resolution authorizing the same) of one or more series of additional 9 bonds and one or more series of refunding bonds;

services by or on behalf of the County in connection therewith;

- (11) may provide for the funding of reserves for the Bonds, for the payment of working capital, and for the payment of interest on the Bonds in such amounts, or for such period, as the County Executive deems reasonable; and
- (12) may do any and all things necessary, proper or expedient in connection with the issuance, sale and delivery of the Bonds of such series and in order to accomplish the legislative policy of the Act and the public purposes of this Resolution, subject to the limitations set forth in the Act and any limitations prescribed by this Resolution.
- Section 11. And be it further resolved by the County Council of Howard County, Maryland, That subsequent to the issuance, sale and delivery of the Bonds of any series, regardless of the date on which such Bonds are issued, the County Executive, by executive order or otherwise, may execute and approve on behalf of the County any amendments to the documents executed on behalf of the County in connection with the issuance, sale and delivery of the Bonds pursuant to the provisions of such documents, subject to any approval by the County Council as may be required pursuant to federal tax law in order to preserve the tax-exempt status of any Bonds the interest on which is intended to be excludible from gross income for purposes of federal income taxation.

Section 12. And be it further resolved by the County Council of Howard
County, Maryland, That the provisions of this Resolution are severable, and if any
provision, sentence, clause, section or part hereof is held to be illegal, invalid or
unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or
unconstitutionality, or inapplicability shall not affect or impair any of the remaining
provisions, sentences, clauses, sections, or parts of this Resolution or their application to
other persons or circumstances. It is hereby declared to be the legislative intent that this
Resolution would have been passed if such illegal, invalid or unconstitutional provision,
sentence, clause, section or part had not been included herein, and if the person or
circumstances to which this Resolution or any part hereof are inapplicable had been
specifically exempted therefrom.
Section 13. And be it further resolved by the County Council of Howard

County, Maryland, That this Resolution shall take effect on the date of its approval by the

County Executive.

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on 2014.
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Sheila M. Tolliver, Administrator to the County Council
BY THE COUNCIL
This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on, 2014.
Sheila M. Tolliver, Administrator to the County Council
BY THE COUNCIL
This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on
Sheila M. Tolliver, Administrator to the County Council
BY THE COUNCIL
This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on, 2014.
Sheila M. Tolliver, Administrator to the County Council
BY THE COUNCIL
This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on, 2014.
Sheila M. Tolliver, Administrator to the County Council
BY THE COUNCIL
This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on, 2014.
Sheila M. Tolliver, Administrator to the County Council