

Resolution No.: 20- 16
Introduced: July 21, 2020
Adopted: July 21, 2020

**COUNTY COUNCIL
FOR FREDERICK COUNTY, MARYLAND**

By County Council

SUBJECT: Authorizing and empowering Frederick County, Maryland to issue, sell and deliver, at any one time or from time to time, its special obligation bonds (the “2020 Bonds”) in a principal amount not to exceed \$120,000,000 to refund certain outstanding special obligation bonds, to finance and refinance improvements within the Urbana Community Development Authority, to fund certain reserves with respect to the 2020 Bonds and to pay costs of issuing the 2020 Bonds; providing that the 2020 Bonds and the interest thereon shall never constitute a general obligation debt of or a pledge of the County’s full faith and credit or taxing powers; covenanting to continue to levy the Urbana Special Taxes as provided in prior County resolutions; authorizing and empowering certain County officers to prescribe the rate or rates of interest the 2020 Bonds are to bear, the form, tenor, terms and conditions of and security for the 2020 Bonds, and to prescribe, determine, provide for and approve various other matters, details, documents and procedures in connection with the authorization, issuance, security, sale and payment for the 2020 Bonds; and generally providing for the imposition and levy of a special tax and the issuance of special obligation bonds in accordance with the Community Development Authority Act.

R E C I T A L S:

Under the provisions of Chapter 517 of the Laws of Maryland of 1997 codified as Section 2-7-125 of “Article VI. Community Development Authorities” in Chapter 2-7 of the Public Local Laws of Frederick County as amended (the “Act”), Frederick County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the “County”) may create community development authorities, levy ad valorem or special taxes and borrow money by issuing and selling bonds for the purpose of financing the cost of the design, construction, establishment, extension, alteration, or acquisition of adequate storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, streets, sidewalks, lighting, parking, parks and recreation facilities, facilities for indoor and outdoor recreational and cultural uses, entrance areas, security facilities, guard houses, fencing, landscaping improvements, curbs and gutters, museums and cultural facilities, dams, flood mitigation uses, libraries, transit facilities, solid waste facilities, and other infrastructure improvements as necessary, whether situated within the community development authorities or outside the community development authorities. The bonds authorized by the Act are special obligations of the County payable from a special fund created by the County for the purpose of paying the debt service on the bonds and from other assets or revenues pledged by the County for that purpose.

Pursuant to Resolution No. 97-15 adopted on September 23, 1997 (the “Designation Resolution”), the County created a community development authority in order to encourage and promote the development of a mixed use commercial/residential community within Frederick County to be known as the “Urbana Community Development Authority (the “Urbana CDA”) which geographic area is more particularly described in the Designation Resolution. The County further determined to apply the special tax revenues and the proceeds of any Bonds issued under the Act to provide improvements for the benefit of the property within the Urbana CDA.

Pursuant to Resolution No. 97-20 adopted on December 11, 1997 (the “Authorizing Resolution”), the County (i) levied and imposed a tax on all property in the Urbana CDA (the “Urbana Special Taxes”) pursuant to the Frederick County Urbana Community Development Authority Rate and Method of Apportionment of Special Taxes (the “Rate and Method”), (ii) implemented the authority conferred upon it by the Act to issue bonds to finance improvements in the Urbana CDA, (iii) authorized the execution and delivery of such documents as shall be necessary to be delivered in connection with the issuance of bonds and the financing of the Project (as defined in the Authorizing Resolution), and (iv) specified certain other matters relating to the bonds and the Project.

Pursuant to Resolution No. 06-42 adopted on October 24, 2006, the County held a public hearing on the addition of property to the Urbana CDA, the modification of the Urbana CDA boundaries, and authorized the issuance of bonds (the “2006 Authorizing Resolution”). The properties included in the Urbana CDA pursuant to the Designation Resolution, the Authorizing Resolution and the 2006 Authorizing Resolution are sometimes referred to collectively herein as the “Original Properties.” The 2006 Authorizing Resolution was subsequently amended.

On September 23, 2010, pursuant to the 2006 Authorizing Resolution, the County issued its Special Obligation Bonds (Urbana Community Development Authority, Series 2010A (the “2010A Bonds”) and its Subordinate Special Obligation Bonds (Urbana Community Development Authority, Series 2010B (the “2010B Bonds” and, together with the 2010A Bonds, the “2010 Bonds”).

On October 28, 2013, the County received an Application to Add Property To Urbana Community Development Authority from Monocacy Land Company, LLC, Urbana Corporate Center, LLC and Natelli Holdings Three, LLC (collectively, the “Developer”) to add certain properties (the “2014 Additional Properties”) to the Urbana CDA. Pursuant to Amending Resolution No. 14-07 adopted on March 6, 2014, the 2014 Additional Properties were added to the Urbana CDA.

On October 5, 2018, the County received a Request to Annex Property To the Urbana CDA (the “Request”) from Natelli Communities (the “Developer”) to add certain properties (the “2019 Additional Properties”) to the Urbana CDA. Pursuant to Amending Resolution No. 19-07 adopted on April 16, 2019, the 2019 Additional Properties were added to the Urbana CDA.

The 2010A Bonds are outstanding as of the date hereof in the aggregate principal amount of \$61,030,000. The 2010B Bonds are outstanding as of the date hereof in the aggregate principal amount of \$16,919,000.

The County has determined that prevailing conditions in the tax-exempt bond market will enable the County to issue the 2020 Bonds and apply a portion of the proceeds thereof to refinance the 2010 Bonds to realize debt service savings.

The County has further determined to finance the costs of certain infrastructure improvements within the Urbana CDA and certain infrastructure improvements outside the Urbana CDA which are reasonably related to the infrastructure improvements within the Urbana CDA (the “Project”) through the issuance of the 2020 Bonds.

The 2020 Bonds issued pursuant to this Resolution will not be general obligations of the County, but will be special obligations of the County payable solely from special tax revenues of the County, as set forth herein, in the Designation Resolution and in the Authorizing Resolution, and certain other monies which may be made available for such purpose. Neither the 2020 Bonds nor the principal, interest or penalties 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 of statutory limitation and that neither shall ever constitute or give rise to any pecuniary liability of the County.

Except as may be required by the Maryland Constitution, the Designation Resolution, the Authorizing Resolution, this resolution, any order adopted in furtherance of this resolution, the designation and creation of Urbana CDA, the imposition and levy of an Urbana Special Tax and the issuance of the Bonds may not be subject to any referendum by reason of any other State or local law.

By this resolution, the County desires (i) to implement the authority conferred upon it by the Act to issue the 2020 Bonds, (ii) to authorize the execution and delivery of such documents as shall be necessary to be delivered in connection with the issuance of the 2020 Bonds and the financing of the Project, and (iii) to specify certain other matters relating to the 2020 Bonds and the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND:

SECTION 1. BE IT RESOLVED that the issuance and sale of the 2020 Bonds from time to time in one or more series in the aggregate principal amount not to exceed \$120,000,000, and bearing interest at the maximum rate of interest not to exceed 9%, all as may be determined by the County, are hereby authorized and approved. The 2020 Bonds are authorized hereby to be executed by the manual or facsimile signature of the County Executive and the seal of the County shall be affixed to the 2020 Bonds and attested by the Chief Administrative Officer. Such 2020 Bonds shall not be an indebtedness of the County for which the County is obligated to levy or pledge, or has levied or pledged, general or special taxes other than the Urbana Special Taxes. Pursuant to the Act, the 2020 Bonds are a special obligation of the County and may not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power.

The proceeds of the 2020 Bonds shall be used (1) to refund some or all of the outstanding 2010 Bonds; (2) to finance or refinance improvements to the Urbana CDA; (3) to fund debt service reserves or other reserves with respect to the 2020 Bonds; and (4) to pay costs of issuing the 2020 Bonds.

SECTION 2. BE IT FURTHER RESOLVED that pursuant to the Act, the Designation Resolution and the 2006 Authorizing Resolution, the County hereby covenants to continue to levy the Urbana Special Taxes upon all real or personal property within the Urbana CDA at such rate as shall provide adequate revenues to pay the principal of, interest and redemption premium, if any, on the 2020 Bonds, to replenish any debt service reserve fund, and to make payment of any ongoing expenses of or security for the 2020 Bonds. The Urbana Special Taxes shall be levied pursuant to the provisions of the Rate and Method, as interpreted from time to time by the County consistent with the terms thereof.

SECTION 3. BE IT FURTHER RESOLVED that the County Executive and the Director of Finance (together, the "Authorized Representative") are authorized to proceed with the sale of the 2020 Bonds.

SECTION 4. BE IT FURTHER RESOLVED that the Authorized Representative or other authorized officers of the County are authorized and directed to take any and all actions and to execute, attest, affix the County's seal to and deliver, and to file and record in any appropriate public offices (if applicable) all documents, instruments, certifications, forms (including but not limited to, appropriate IRS Forms in respect to the 2020 Bonds) financing statements, letters of

instructions, written requests, contracts, agreements and other papers, whether or not herein mentioned, as may be necessary or convenient to evidence the approvals of the County provided in this resolution and to consummate the transactions contemplated in this resolution or in any of the documents herein authorized and approved.

SECTION 5. BE IT FURTHER RESOLVED that prior to the issuance, sale and delivery of the 2020 Bonds, the County Executive by written order shall specify, prescribe, determine, provide for, or approve, for the purposes and within the limitations of the Act and this Resolution, all matters, details, forms, documents, and procedures pertaining to the sale, security, issuance, delivery, and payment of or for one or more series of the 2020 Bonds, including, without limitation, the following:

- (1) The actual principal amount of the 2020 Bonds to be issued,
- (2) The actual rate or rates of interest the 2020 Bonds are to bear,
- (3) The manner in which and terms upon which the 2020 Bonds are to be sold,
- (4) The manner in which and the times and places that the interest on the 2020 Bonds is to be paid,
- (5) The time or times that the 2020 Bonds may be executed, issued, and delivered,
- (6) The form and tenor of the 2020 Bonds and the denominations in which the 2020 Bonds may be issued,
- (7) The manner in which and the times and places that the principal of the 2020 Bonds is to be paid, within the limitations set forth in the Act and this Resolution,
- (8) Provisions pursuant to which any or all of the 2020 Bonds may be called for redemption prior to their stated maturity dates,
- (9) Provisions for obtaining insurance of 2020 Bonds or for the issuance of a guaranty, letter or credit, line of credit, or similar credit support for the 2020 Bonds,
- (10) The form and contents of, and provisions for the execution and delivery of, such financing documents as the County Executive shall deem necessary or desirable to evidence, secure or effectuate the issuance, sale and delivery of the 2020 Bonds, including (without limitation) any fiscal agent agreements, development agreements, funding agreements, security agreements, assignments, guarantees, financing agreements or escrow agreements;
- (11) The creation of security for the 2020 Bonds and the priority thereof for payment of series of 2020 Bonds, and provision for the administration of the 2020 Bonds, including (without limitation) the appointment of such trustees, escrow agents, fiscal agents, payment agents, registrars

or other agents as the County Executive shall deem necessary or desirable to effectuate the transactions authorized hereby;

(12) Provisions for the preparation and distribution of both a preliminary and a final official statement, placement memorandum, or offering circular in connection with the sale of any series of the 2020 Bonds, if such preliminary official statement and final official statement, placement memorandum, or offering circular are determined to be necessary or desirable for the sale the 2020 Bonds;

(13) The determination of the manner of sale of the 2020 Bonds which may be either a public or a private (negotiated) sale, and the form and contents of, and provisions for the execution and delivery of, any contract or contracts for the purchase and sale of the 2020 Bonds (or any portion thereof);

(14) To the extent that other obligated persons with respect to the 2020 Bonds have not assured compliance with, or to the extent that the offering of the 2020 Bonds is not exempt from the requirements of, Rule 15c2-12 of the United States Securities and Exchange Commission, the determination of the form and contents of any written agreement or contract required by law for the benefit of the holders of the 2020 Bonds under which agreement or contract the County will undertake to provide annual financial information, audited financial statements, material events notices, and other information to the extent required by such Rule; and

(15) The determination of, or the provision for, such other matters in connection with the authorization, issuance, execution, sale, delivery, and payment of the 2020 Bonds, the security for the 2020 Bonds, and the consummation of the transactions contemplated by this Resolution as may be deemed appropriate by the County Executive, including without limitation, establishing procedures for the execution, acknowledgment sealing, and delivery of such other and further agreements, documents, and instruments, and the authorization of the officials of the County to take any and all actions, as are or may be necessary or appropriate to consummate the transactions contemplated by this Resolution in accordance with the Act and this Resolution.

SECTION 6. OTHER ACTIONS. The County Executive, the Chief Administrative Officer, the Treasurer, the Director of Finance and all other officials of the County are hereby authorized and empowered to do any and all such things as shall be deemed necessary by them to facilitate the issuance of the Bonds and are hereby authorized and empowered to do all such things and execute such documents and certificates as may be determined by them to be necessary to carry out and comply with the provisions of the Act and this Resolution.

SECTION 7. PRIOR RESOLUTIONS RATIFIED AND CONFIRMED. The Designation Resolution, the Authorizing Resolution and all findings therein are hereby ratified and confirmed.

SECTION 8. FINDINGS WITH RESPECT TO THE RATE AND METHOD. The County hereby finds and determines that the Rate and Method shall be interpreted, to the extent reasonably and administratively possible, (1) to allocate in the first instance the debt service costs

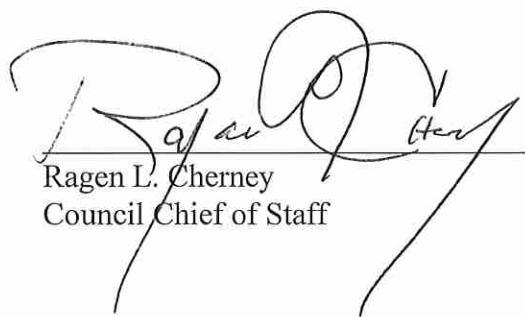
of the 2020 Bonds attributable to new costs of the Project to the Stone Barn and Woodlands properties, a substantial portion of which constitute 2014 Additional Properties and 2019 Additional Properties, and (2) to allocate in the first instance the interest rate savings attributable to the refunding of the 2010 Bonds to the Original Properties. In order to reflect the savings to the developed property in the Original Properties, the Urbana Special Taxes to be collected in any year may reflect the savings from the refunding of the 2010 Bonds. Notwithstanding the foregoing, all 2020 Bonds will ultimately be secured by all Urbana Special Taxes.

SECTION 9. EFFECTIVE DATE. This Resolution shall take effect from the date of its adoption.

Adopted this 21st day of July, 2020.

The undersigned hereby certifies that this Resolution was approved and adopted on the 21st day of July, 2020.

ATTEST:



Ragen L. Cherney
Council Chief of Staff

COUNTY COUNCIL OF
FREDERICK COUNTY, MARYLAND

By: 
M. C. Keegan-Ayer
President C.K.