

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 13-11**

RESOLUTION NO. 58-2013

Title of Resolution: Approval - Refinancing Bond – Town of Elkton - YMCA

Synopsis: A Resolution approving the issuance and sale by the Town of Elkton of its economic development revenue bonds in an approximate principal amount not to exceed \$2,230,000, and the loan of the proceeds thereof to the Young Men’s Christian Association of Cecil County, Inc. (YMCA) to be used to refinance certain tax-exempt bonds and other loans which financed the costs of the acquisition and improvement of certain facilities in Cecil County, Maryland.

Introduced by: _____ Council President on behalf of the County Executive _____

Introduced and ordered posted on: June 4, 2013

Public hearing scheduled on: July 2, 2013 **at:** 7:00 p.m.

Scheduled for consideration on: July 2, 2013

PUBLIC HEARING

Notice of time and place of public hearing and title of Resolution having been posted by June 7, 2013 at the County Administration Building, 200 Chesapeake Blvd., Elkton and having been published according to the Charter on June 12 and 19, 2013, a public hearing was held on July 2, 2013, and concluded on July 2, 2013.

By: _____
Council Manager

1 **WHEREAS**, Sections 12-101 through 12-118, inclusive, of the Economic Development Article of the
2 Annotated Code of Maryland, being the Maryland Economic Development Revenue Bond Act (the “Act”),
3 empowers any public body (as defined in the Act) to issue and sell bonds (as defined in the Act), as its
4 limited obligations and not upon its faith and credit or pledge of its taxing power, and to loan the
5 proceeds of the sale of such bonds to one or more facility users (as defined in the Act) to finance or
6 refinance any costs of the acquisition and improvement (as defined in the Act) of a facility or facilities (as
7 defined in the Act) for one or more facility users or to refund outstanding bonds.

8
9 **WHEREAS**, the Act states the declared legislative purpose of the General Assembly of Maryland to (1)
10 relieve conditions of unemployment in the State of Maryland (the “State”); (2) encourage the increase of
11 industry and commerce and a balanced economy in the State; (3) assist in the retention of existing
12 industry and commerce in, and the attraction of new industry and commerce to, the State through,
13 among other things, the development of ports, the control or abatement of environmental pollution and
14 the use and disposal of waste; (4) promote economic development; (5) protect natural resources and
15 encourage resource recovery; and (6) promote the health, welfare and safety of the residents of the
16 State.

17
18 **WHEREAS**, the Town of Elkton (the “Town”), has received a request from the Young Men’s Christian
19 Association of Cecil County, Inc. (the “YMCA”), a Maryland non-stock corporation and a 501(c)(3)
20 organization within the meaning of Section 150(a)(4) of the Internal Revenue Code of 1986, as amended
21 (the “Code”), and a “facility applicant” and a “facility user” as defined in the Act, for the Town to issue and
22 sell its bonds pursuant to the Act in an aggregate principal amount not to exceed \$2,230,000 (the
23 “Bonds”) and to loan the proceeds of the sale thereof to the YMCA, for the purpose of (1) refunding the
24 outstanding principal amount of the County Commissioners of Cecil County, Maryland Economic
25 Development Revenue Bond (Young Men’s Christian Association of Cecil County, Inc. Facility), Series 2000
26 A (the “Refunded County Bond”), (2) refinancing certain other loans owed to the Columbia Bank (the
27 “Prior Loans”), all of which financed all or a portion of the costs of acquisition and improvement of certain
28 facilities owned and operated by the YMCA in Cecil County, Maryland located at 25 YMCA Boulevard,
29 Elkton, Cecil County, Maryland (the “Facilities”), and (3) paying bond issuance costs.

31 **WHEREAS**, Section 147(f) of the Code provides that prior to the issuance and sale of the Bonds by the
32 Town, the elected legislative body or chief elected executive officer of the county or municipality in which
33 the Facilities refinanced with the proceeds of the Bonds are located shall conduct a public hearing relating
34 to the Bonds and the Facilities and thereafter approve the Bonds and the refinancing of the Facilities.

35
36 **WHEREAS**, the YMCA has requested Cecil County, Maryland (the “County”) approve the refinancing of the
37 Facilities and the issuance and sale of the Bonds by the Town.

38
39 **WHEREAS**, the Bonds will be limited obligations of the Town and will not be an obligation or liability of the
40 County, the State or any other political subdivision or public body of the State.

41
42 **WHEREAS**, the County has held a public hearing concerning the issuance of the Bonds and the location
43 and nature of the Facilities following reasonable public notice (within the meaning of Section 147(f) of the
44 Code).

45
46 **WHEREAS**, the County has determined, based upon the findings and determinations hereinafter set forth,
47 that it is in the best interests of the citizens of the County that the County approve the refinancing of the
48 Facilities and the issuance and sale of the Bonds by the Town in an aggregate principal amount not to
49 exceed \$2,230,000.

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51 **NOW, THEREFORE, BE IT HEREBY RESOLVED** by the County Council of Cecil County, Maryland that:
52 Section 1: Capitalized terms used in this Resolution shall have the meanings given such terms in the
53 Recitals.

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55 Section 2: It is hereby found and determined that the Facilities and the refinancing by the Town of the
56 acquisition and improvement thereof will promote the declared legislative purposes of the Act, and thus
57 will (i) sustain jobs and employment, thereby relieving conditions of unemployment in the State and the
58 County; (ii) encourage the increase of industry and commerce and a balanced economy in the State and
59 the County; (iii) assist in the retention of existing industry and commerce in the State and the County; (iv)
60 promote economic development; and (v) promote the health, welfare and safety of the residents of the

61 County and the State. Accordingly, it is in the interests of the public welfare of the citizens of the County
62 and the State that the County approve the refinancing by the Town of the acquisition and improvement of
63 the Facilities within the geographical boundaries and jurisdiction of the County.

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65 Section 3: The County hereby approves:

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67 (a) the refinancing of the Facilities; and

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69 (b) the issuance and sale by the Town of the Bonds in an aggregate principal amount not to exceed
70 \$2,230,000, the proceeds of which will be used by the Town to make a loan to the YMCA for the
71 purpose of, among others, refinancing the Refunded Bond and the Prior Loans.

72
73 Section 4: The Bonds and the interest thereon are not debts or charges against the general credit or
74 taxing powers of the Town or the County within the meaning of any constitutional or charter provision or
75 statutory limitation and may not give rise to any pecuniary liability of the Town or the County. The Bonds
76 and the interest thereon shall be limited obligations of the Town, payable by the Town solely from the
77 revenues derived from loan repayments (both principal and interest) made to the Town by the YMCA on
78 account of the loan and from any other monies made available to the Town for such purposes.

79
80 Section 5: The Bonds shall be authorized, issued, sold and delivered without direct or indirect cost
81 to the County, and to that end, the YMCA shall pay all necessary expenses of preparing, printing, selling
82 and issuing the Bonds and all other costs contemplated and permitted by the Act, including without
83 limitation, any and all costs, fees and expenses (including, without limitation, attorneys' fees) incurred by
84 or on behalf of the County in connection with this Resolution or the publication of notices of any public
85 hearings to be held in connection herewith, whether or not the proposed financing is consummated.

86
87 Section 6: The passage of this Resolution shall not in any way indicate the approval of, or constitute any
88 commitment for approval by, the County or any of its officers or employees of, any license, permit,
89 application, or any other request to the County with respect to the Facilities.

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91 Section 7: No further action by the County is necessary to effect the refinancing by the Town of the
92 acquisition and improvement of the Facilities or the completion of the transactions contemplated in this
93 Resolution, including without limitation, the issuance and sale of the Bonds.

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95 Section 8: This Resolution takes effect from the date of its adoption.

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98 INTRODUCED: June 4, 2013

99
100 ADOPTED: _____

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103 _____
104 President of the Council
105

106 ATTEST:
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109 _____
110 Council Manager

111
112
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114 By the Executive:
115
116
117 _____
118 County Executive

_____ Date