

Resolution No: 17-227
Introduced: July 19, 2011
Adopted: July 26, 2011

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Authority to issue revenue bonds in an amount not to exceed \$43,850,000 for affordable housing projects and a live entertainment venue in Silver Spring, Maryland

Background

The subject is fully stated below:

This resolution will authorize Montgomery County, pursuant to and in accordance with Chapter 20 of the Montgomery County Code, as amended, and Section 5(P)(2) of Article 25A of the Annotated Code of Maryland (2005 Replacement Volume and 2010 Supplement) to issue and sell obligations of Montgomery County in an amount not to exceed \$43,850,000 at one time or from time to time, in one or more series, as revenue bonds or limited obligations and not upon the faith and credit of Montgomery County, in order to provide funding for affordable housing projects and a live entertainment venue in Silver Spring, Maryland, a cultural and recreational facility; to provide that the County Executive may provide for the date of maturity, fix the rate or rates of interest, fix the denomination and provide for the manner of sale of such obligations; to make certain covenants with respect to the obligations; to provide that the County Executive and other County officials must take all necessary, proper or convenient action to effect the issuance, sale and delivery of the obligations; and generally to provide for and determine various matters in connection with the obligations.

1. The County Executive of Montgomery County, Maryland (the "County Executive") and the County Council of Montgomery County, Maryland (the "County Council") recognize that there is a significant need for quality housing in Montgomery County, Maryland (the "County") for households of limited income. The County Council enacted the Montgomery County housing policy, codified at Sections 25B-1 *et seq.* of the Montgomery County Code, as amended, and its policy with respect to displacement of tenants from rental housing, codified at Sections 53A-1 *et seq.* of the Montgomery County Code, as amended, to address the issue of the diminishing stock of affordable housing.

2. The County has determined that it is advisable to have the option to issue obligations to finance affordable housing projects (the "Housing Project") either as revenue bonds under Section 5(P)(2) of Article 25A of the Annotated Code of Maryland (2005 Replacement Volume and 2010 Supplement) and Sections 20-47 to 20-54 of the Montgomery County Code, as amended, payable solely from the funds or revenues received from or in connection with the Housing Project or as limited obligation certificates, subject to annual appropriation by the County Council, and not upon the faith and credit or taxing power of the County.
3. Further, the County Executive and the County Council recognize the need for cultural and recreational facilities in the County and desire to provide a portion of the funding to finance the costs of constructing and equipping a live entertainment venue in Silver Spring, Maryland (the "Cultural and Recreational Facility Project"). Montgomery County and Live Nation Worldwide, Inc. ("Live Nation") entered into a lease agreement dated as of January 17, 2008, as amended (the "Lease"), whereby the County will lease the Cultural and Recreational Facility Project to Live Nation, and Live Nation will pay lease payments to the County under such Lease.
4. Financing for the Cultural and Recreational Facility Project includes \$4,000,000 in aid from the State of Maryland, which is required to be matched by the County.
5. The County has determined that it is advisable to have the option to issue obligations for the purpose of financing the County's portion of the Cultural and Recreational Facility Project by entering into a conditional purchase agreement, financing lease agreement or funding agreement and selling certificates of participation or limited obligation certificates subject to annual appropriation by the County Council, each representing proportional interests in the payment of purchase or lease installments under such agreement.

Action

The County Council for Montgomery County, Maryland approves the following:

Section 1. All terms used herein with an initial capital letter shall have the meanings given such terms in the Background section of this Resolution.

Section 2. The County Council hereby authorizes the issuance, sale and delivery of revenue bonds under the authority of Section 5(P)(2) of Article 25A of the Annotated Code of Maryland (2005 Replacement Volume and 2007 Supplement) (the "State Revenue Bond Act") and the authority of Sections 20-47 to 20-54 of the Montgomery County Code, as amended, (the "County Revenue Bond Act") (the "Revenue Bonds") and limited obligation certificates (the "Housing Certificates"), subject to annual appropriation by the County Council, and not upon the faith and credit or taxing power of Montgomery County, Maryland (the "County") in an aggregate principal amount not to exceed Forty Million Dollars (\$40,000,000) at one time or from time to time, and in one or more series, in order to provide funding for the acquisition and/or renovation of real property for the purpose of financing affordable housing projects (the "Housing Project"), including any costs of issuance. The proceeds of any Revenue Bonds issued hereunder must be

applied only to (i) pay the costs of the Housing Project, including the costs of issuance of any Revenue Bonds issued hereunder or (ii) any fund created for the payment of the Revenue Bonds.

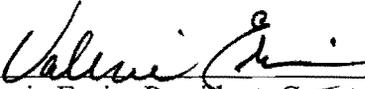
Section 3. In accordance with the provisions of the State Revenue Bond Act and Section 20-54 of the County Revenue Bond Act, the payment of principal of and interest on the Revenue Bonds is payable solely from the funds or revenues received from or in connection with the Housing Project. The Revenue Bonds do not constitute an indebtedness of Montgomery County or a pledge of its faith and credit or taxing power.

Section 4. The County Council hereby authorizes the issuance, sale and delivery of certificates of participation or limited obligation certificates (the "Cultural and Recreational Facility Certificates"), subject to annual appropriation by the County Council, and not upon the faith and credit or taxing power of the County, in an aggregate principal amount not to exceed Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) at one time or from time to time, and in one or more series, in order to provide funding for the Cultural and Recreational Facility Project, including any costs of issuance, and may enter into a conditional purchase agreement, financing lease agreement or funding agreement as provided by the County Executive pursuant to an executive order. The Revenue Bonds, the Housing Certificates and the Cultural and Recreational Facility Certificates shall be referred to collectively as the "Obligations".

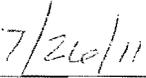
Section 5. The County Executive by executive order or otherwise must specify, prescribe, determine, provide for, or approve all matters, forms, documents, or procedures that the County Executive deems appropriate to effect the authorization, sale, security, issuance, delivery, and payment of or for the Obligations, subject to certain limitations, and is hereby authorized to determine all matters in connection with the Obligations (and as authorized under Section 20-51 of the County Revenue Bond Act with regard to any Revenue Bonds), including but not limited to, the dates of maturity, the rates of interest, the denominations, the form of obligations and the manner of sale of the Obligations. The maturity date of the Revenue Bonds shall in no event exceed fifty (50) years from the date of their issuance.

Section 6. The members of the County Council, the County Executive, the Chief Administrative Officer of the County, the County Attorney, the Director of Finance of the County and the Clerk of the Council, for and on behalf of Montgomery County, are hereby authorized and empowered to do all things, execute all instruments, and otherwise take all such action as maybe necessary, proper or convenient to carry out the authority conferred by this Resolution, including (without limitation) the execution of certificates of the County, elections, statements and reports, subject to the limitations set forth in this Resolution.

Section 7. This Resolution shall take effect upon approval of the President for the County Council.

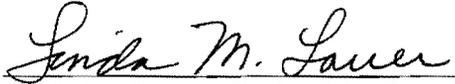


Valerie Ervin, President, County Council



Date

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council