

By: Delegate Barve

Introduced and read first time: February 2, 1996

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 1996

CHAPTER ____

1 AN ACT concerning

2 Economic Development - Montgomery County Conference Center

3 FOR the purpose of promoting economic development in this State by authorizing the
4 Maryland Stadium Authority to provide for the development and construction of
5 the Montgomery County Conference Center; altering the Authority's powers;
6 providing that certain lease payments to the Authority appropriated by the State for
7 certain facilities be maintained in certain funds; placing certain restrictions on the
8 issuance of certain bonds by the Authority; prohibiting the Authority from closing
9 on the sale of certain bonds or otherwise borrowing money in excess of a certain
10 amount with respect to the Montgomery County Conference Center facility unless
11 the Authority has secured certain deeds, leases, or written agreements with
12 Montgomery County and a private developer; establishing the Montgomery County
13 Conference Center Financing Fund; providing for the purposes, composition, and
14 investment of the Fund; requiring the Authority, in cooperation with the Office of
15 the Comptroller and the Department of Budget and Fiscal Planning, to submit an
16 annual report on the additional tax revenues generated by the Montgomery County
17 Conference Center facility; defining certain terms; altering certain definitions;
18 ~~specifying that certain bonds not be included as tax supported debt~~ prohibiting the
19 expenditure of certain funds until certain certification is received; making stylistic
20 changes; providing for the effective date of this Act; and generally relating to the
21 authority of the Maryland Stadium Authority to provide for the development and
22 construction of the Montgomery County Conference Center facility.

23 BY repealing and reenacting, with amendments,

24 Article - Financial Institutions

25 Section 13-701(h), 13-708(a)(7), 13-709(b), 13-711(d)(3), 13-712(a)(1)(i), and

26 13-712.1

27 Annotated Code of Maryland

2

1 (1992 Replacement Volume and 1995 Supplement)

2 BY adding to

3 Article - Financial Institutions

4 Section 13-701(m), (n), ~~and (o)~~, and (p), 13-712(a)(1)(v), 13-717.1, and

5 13-719(9)

6 Annotated Code of Maryland

7 (1992 Replacement Volume and 1995 Supplement)

8 Preamble

9 WHEREAS, More than 230 trade and professional associations, 17 federal
10 agencies, and many high technology companies are located in Montgomery County; and

11 WHEREAS, Many of these organizations are not able to hold large meetings and
12 conferences in the County because of a shortage of meeting space; and

13 WHEREAS, A 1995 study by an independent consulting firm done for the
14 Maryland Stadium Authority recommended Montgomery County as a favorable location
15 for a conference center in the State; and

16 WHEREAS, Montgomery County has identified a favorable site for the location of
17 a conference center; and

18 WHEREAS, Montgomery County has estimated the total public cost of the project
19 to be \$32 million which includes the cost of construction and the cost to purchase the land
20 for the site; and

21 WHEREAS, The State is committing \$17,604,000 in State funds to the construction
22 of the Montgomery County Conference Center which is based on:

23 (1) 50% of the construction costs of the conference center that are
24 estimated to be \$13,750,000;

25 (2) \$3,554,000, which is the estimated amount for the first 36 months of debt
26 service on the bonds to be issued by Montgomery County for its 50% share of the
27 conference center construction costs; and

28 (3) The bond administration fees and closing costs to be paid by the State
29 for bonds it will issue for the conference center, which are estimated to be \$300,000; now,
30 therefore,

31 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
32 MARYLAND, That the Laws of Maryland read as follows:

33 **Article - Financial Institutions**

34 13-701.

35 (h) "Convention Center facilities" means the Baltimore Convention Center
36 facilities, [and] the Ocean City Convention Center facilities, AND THE MONTGOMERY
37 COUNTY CONFERENCE CENTER FACILITIES.

3

1 (M) (1) "MONTGOMERY COUNTY CONFERENCE CENTER FACILITIES" MEANS
2 THE CONFERENCE CENTER FACILITY LOCATED AT THE MONTGOMERY COUNTY
3 CONFERENCE CENTER SITE AND USED FOR THE HOLDING OF CONFERENCES, TRADE
4 SHOWS, MEETINGS, DISPLAYS, OR SIMILAR EVENTS INCLUDING OFFICES, PARKING
5 LOTS, GARAGES, ACCESS ROADS, FOOD SERVICE FACILITIES, AND ANY OTHER
6 PROPERTY, STRUCTURE, FURNISHINGS, OR EQUIPMENT LOCATED AT THE
7 MONTGOMERY COUNTY CONFERENCE SITE AND FUNCTIONALLY RELATED TO THE
8 FACILITIES.

9 (2) "MONTGOMERY COUNTY CONFERENCE FACILITIES" DOES NOT
10 INCLUDE THE PRIVATELY OWNED HOTEL THAT IS PLANNED TO BE DEVELOPED
11 ADJACENT TO THE CONFERENCE CENTER.

12 (N) "MONTGOMERY COUNTY CONFERENCE CENTER FUND" MEANS THE
13 MONTGOMERY COUNTY CONFERENCE CENTER FINANCING FUND ESTABLISHED
14 UNDER § 13-717.1 OF THIS SUBTITLE.

15 (O) "MONTGOMERY COUNTY CONFERENCE CENTER SITE" MEANS A SITE IN
16 CLOSE PROXIMITY TO THE WHITE FLINT METRO STATION IN THE NORTH BETHESDA
17 AREA OF MONTGOMERY COUNTY AS DETERMINED BY THE AUTHORITY AND
18 MONTGOMERY COUNTY.

19 (P) "MONTGOMERY COUNTY" INCLUDES THE MONTGOMERY COUNTY
20 REVENUE AUTHORITY.

21 13-708.

22 (a) In addition to the powers set forth elsewhere in this subtitle, the Authority
23 may:

24 (7) Review and make recommendations on proposed convention center
25 facilities, including the expansion and enhancement of the Baltimore City Convention
26 Center and the Ocean City Convention Center AND THE DEVELOPMENT AND
27 CONSTRUCTION OF THE MONTGOMERY COUNTY CONFERENCE CENTER, with respect
28 to location, purpose, design, function, capacity, parking, costs, funding mechanisms, and
29 revenue alternatives, with specific recommendations on:

- 30 (i) The level of support from the private sector;
- 31 (ii) The type of support from the private sector;
- 32 (iii) Special taxing sources;
- 33 (iv) Projected revenues;
- 34 (v) Bonding authority and the source of debt service; and
- 35 (vi) The fiscal impact on the State of any alternatives;

36 13-709.

37 (b) The Authority may:

38 (1) Acquire by any of the means specified in § 13-711(a) of this subtitle a:

4

- 1 (i) Site at Camden Yards for a facility;
- 2 (ii) Baltimore Convention Center site or any interest therein; [and]
- 3 (iii) Ocean City Convention Center site or any interest therein; and
- 4 (IV) MONTGOMERY COUNTY CONFERENCE CENTER SITE OR ANY
- 5 INTEREST THEREIN; AND

6 (2) Construct or enter into a contract to construct [the] A facility on that

7 site.

8 13-711.

9 (d) (3) Lease payments to the Maryland Stadium Authority appropriated by the

10 State of Maryland shall be transferred to:

11 (i) If appropriated for a sports facility or other facility at Camden

12 Yards, the Maryland Stadium Authority Financing Fund;

13 (ii) If appropriated for a Baltimore Convention Center facility, the

14 Baltimore Convention Center Fund; [or]

15 (iii) If appropriated for an Ocean City Convention Center facility, the

16 Ocean City Convention Center Fund; OR

17 (IV) IF APPROPRIATED FOR A MONTGOMERY COUNTY

18 CONFERENCE CENTER FACILITY, THE MONTGOMERY COUNTY CONFERENCE

19 CENTER FUND.

20 13-712.

21 (a) (1) (i) Subject to the prior approval of the Board of Public Works and the

22 provisions of subparagraphs (ii), (iii), [and] (iv), AND (V) of this paragraph, the

23 Authority may at any time and from time to time issue bonds for any corporate purpose,

24 including the establishment of reserves and the payment of interest. In this subtitle the

25 term "bonds" includes notes of any kind, interim certificates, refunding bonds, or any

26 other evidence of obligation and "tax supported debt" of the State has the meaning

27 assigned to such term in § 8-104 of the State Finance and Procurement Article.

28 (V) UNLESS AUTHORIZED BY THE GENERAL ASSEMBLY, THE

29 BOARD OF PUBLIC WORKS MAY NOT GIVE APPROVAL TO AN ISSUANCE BY THE

30 AUTHORITY OF BONDS THAT CONSTITUTE TAX SUPPORTED DEBT OF THE STATE

31 FOR THE MONTGOMERY COUNTY CONFERENCE CENTER FACILITY IF, AFTER

32 ISSUANCE, THERE WOULD BE OUTSTANDING AND UNPAID MORE THAN ~~\$21,000,000~~

33 \$17,604,000 FACE AMOUNT OF SUCH BONDS, WHETHER TAXABLE OR TAX EXEMPT,

34 FOR THE PURPOSE OF FINANCING ACQUISITION, CONSTRUCTION, AND RELATED

35 EXPENSES FOR CONSTRUCTION MANAGEMENT, PROFESSIONAL FEES, AND

36 CONTINGENCIES OF THE MONTGOMERY COUNTY CONFERENCE CENTER, ~~PROVIDED~~

37 ~~THAT NOTHING IN THIS SUBPARAGRAPH SHALL PRECLUDE THE AUTHORITY FROM~~

38 ~~ISSUING ITS BONDS, WHETHER TAXABLE OR TAX EXEMPT, SECURED SOLELY BY THE~~

39 ~~LEASE OBLIGATION (OR SIMILAR UNDERTAKING) OF MONTGOMERY COUNTY, FOR~~

40 ~~THE PURPOSE OF FINANCING ACQUISITION, CONSTRUCTION, AND RELATED~~

~~1 EXPENSES FOR CONSTRUCTION MANAGEMENT, PROFESSIONAL FEES, AND
2 CONTINGENCIES OF THE MONTGOMERY COUNTY CONFERENCE CENTER, AND SUCH
3 BONDS BACKED SOLELY BY MONTGOMERY COUNTY SHALL NOT BE TAX-SUPPORTED
4 DEBT OF THE STATE.~~

5 13-712.1.

6 The Authority may not close on the sale of bonds which constitute tax supported
7 debt of the State, and may not otherwise borrow money in amounts exceeding \$35,000 per
8 year, to finance any segment of a facility unless the Authority:

9 (1) Has certified to the Legislative Policy Committee and the Board of
10 Public Works that the Authority has endeavored to maximize private investment in the
11 sports facility proposed to be financed and, with respect to a baseball or football stadium,
12 to maximize the State's ability to assure that the professional baseball and football
13 franchises will remain permanently in Maryland. This certification shall be supported by
14 a detailed report outlining these efforts;

15 (2) Has provided to the fiscal committees of the General Assembly, at least
16 30 days prior to seeking approval of the Board of Public Works for each bond issue or
17 other borrowing, a comprehensive financing plan for the relevant segment of the facility
18 and the effect of this financing plan on financing options for other segments of the
19 facility, including anticipated revenues from private investment where applicable;

20 (3) Has obtained the approval of the Board of Public Works of the proposed
21 bond issue and the plan for financing;

22 (4) Has secured, as approved by the Board of Public Works, either:

23 (i) With respect to site acquisition and the construction of a baseball
24 stadium, a long-term lease for a major league professional baseball team; or

25 (ii) With respect to site acquisition and the construction of a football
26 stadium, a franchise for a National Football League team and a long-term lease;

27 (5) With respect to site acquisition and construction of a Baltimore
28 Convention Center facility, has secured, as approved by the Board of Public Works:

29 (i) A lease or other written agreement with Baltimore City pursuant
30 to which:

31 1. Baltimore City agrees to pay \$50,000,000 for the capital costs
32 of the expansion of the Baltimore Convention Center not later than the date of the
33 Authority's bond issuance as authorized under § 13-712(a)(1) of this subtitle; and

34 2. Baltimore City and the Authority will each own a 50%
35 leasehold interest as tenants in common in the improvements comprising the existing
36 Baltimore Convention Center and the Baltimore Convention Center expansion for the
37 duration of any bonds issued as authorized under § 13-712(a)(1) of this subtitle, with
38 neither Baltimore City nor the Authority entitled to sell, assign, mortgage, pledge, or
39 encumber the Baltimore Convention Center facility (or any leasehold interest therein)
40 without the prior consent of the other, except for liens in favor of Baltimore City's and the
41 Authority's respective bondholders;

6

1 (ii) A deed, lease, or written agreement with Baltimore City permitting
2 the Authority to design and construct, or contract for the design and construction of, the
3 Baltimore Convention Center facility, and to pledge the Baltimore Convention Center
4 facility and the Baltimore Convention Center site or the leasehold interest therein, as
5 security for the Authority's bonds; and

6 (iii) A written agreement with Baltimore City:

7 1. Whereby Baltimore City agrees to operate the Baltimore
8 Convention Center facility in a manner which maximizes the Baltimore Convention
9 Center's economic return and to maintain and repair the Baltimore Convention Center
10 facility so as to keep the Baltimore Convention Center facility in first class operating
11 condition; and

12 2. That includes provisions that:

13 A. Protect the Authority's, the State's and the City's respective
14 investment in the Baltimore Convention Center facility;

15 B. Require the Authority and Baltimore City to each contribute
16 to operating deficits and a capital improvement reserve fund, for the period beginning
17 upon the completion of the expanded and renovated Baltimore Convention Center
18 facility and ending on June 30, 2008, as follows:

19 I. The Authority shall contribute two-thirds and Baltimore City
20 shall contribute one-third to annual operating deficits;

21 II. The Authority and Baltimore City shall each annually
22 contribute \$200,000 to the Capital Improvement Reserve Fund; and

23 III. Baltimore City shall be solely responsible for all operating
24 deficits and capital improvements:

25 1. Prior to the completion of the expanded and renovated
26 Baltimore Convention Center facility; and

27 2. After June 30, 2008; and

28 C. Provide for remedies upon default which include the right of
29 the Authority or the State, in the event of a material default by Baltimore City which has
30 not been corrected after a reasonable notice and cure period, to immediately assume
31 responsibility for maintenance and repairs of the Baltimore Convention Center facility
32 and offset the costs of such maintenance and repairs against other amounts owed by the
33 Authority or the State to Baltimore City, whether under the operating agreement with
34 Baltimore City or otherwise; [and]

35 (6) With respect to site acquisition and construction of an Ocean City
36 Convention Center facility, has secured, as approved by the Board of Public Works:

37 (i) A lease or other written agreement with Ocean City pursuant to
38 which:

7

1 1. Ocean City agrees to issue bonds not later than the date of
2 the Authority's bond issuance as authorized under § 13-712(a)(1) of this subtitle and to
3 contribute \$14,700,000 of the proceeds from the sale of the bonds for the capital costs of
4 the expansion of the Ocean City Convention Center;

5 2. The Authority agrees to issue bonds as authorized under §
6 13-712(a)(1) of this subtitle and to contribute \$14,700,000 of the proceeds from the sale
7 of the bonds for the capital costs of the expansion of the Ocean City Convention Center;

8 3. Ocean City and the Authority agree that if the actual capital
9 costs of the expansion of the Ocean City Convention Center are less than \$29,400,000, the
10 savings will be allocated:

11 A. One-half to the Authority; and

12 B. One-half to Ocean City;

13 4. Ocean City agrees to provide the Ocean City Convention
14 Center site, as defined in § 13-701(l) of this subtitle, for the expansion and renovation of
15 the Ocean City Convention Center; and

16 5. Ocean City and the Authority will each own a 50% leasehold
17 interest as tenants in common in the improvements comprising the existing Ocean City
18 Convention Center and the Ocean City Convention Center expansion for the duration of
19 any bonds issued as authorized under § 13-712(a)(1) of this subtitle, with neither Ocean
20 City nor the Authority entitled to sell, assign, mortgage, pledge, or encumber the Ocean
21 City Convention Center facility (or any leasehold interest therein) without the prior
22 consent of the other, except for liens in favor of Ocean City's and the Authority's
23 respective bondholders;

24 (ii) A deed, lease, or written agreement with Ocean City permitting
25 the Authority to design, construct, and equip, or contract for the design, construction, and
26 equipping of the Ocean City Convention Center facility expansion, and to pledge the
27 Ocean City Convention Center facility and the Ocean City Convention Center site or the
28 leasehold interest therein, as security for the Authority's bonds; and

29 (iii) A written agreement with Ocean City:

30 1. Whereby Ocean City agrees to market, promote, and operate
31 the Ocean City Convention Center facility in a manner which maximizes the Ocean City
32 Convention Center's economic return (which shall not be construed to require gambling
33 activities in the Ocean City Convention Center), and to maintain and repair the Ocean
34 City Convention Center facility so as to keep the Ocean City Convention Center facility in
35 first class operating condition; and

36 2. That includes provisions that:

37 A. Protect the Authority's and Ocean City's respective
38 investment in the Ocean City Convention Center facility;

39 B. Require the Authority and Ocean City to each contribute to
40 operating deficits and a capital improvement reserve fund, for the period beginning upon
41 the completion of the expanded and renovated Ocean City Convention Center facility and

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1 continuing during the period that the Authority's Ocean City ConventionCenter facility
2 bonds are outstanding, as follows:

3 I. The Authority shall contribute one-half and Ocean City shall
4 contribute one-half to annual operating deficits;

5 II. The Authority and Ocean City shall each annually contribute
6 \$50,000 to an appropriate Capital Improvement Reserve Fund; and

7 III. Ocean City shall be solely responsible for all operating
8 deficits and capital improvements prior to the completion of the expanded and renovated
9 Ocean City Convention Center facility and after the repayment of the Authority's Ocean
10 City Convention Center facility bonds; and

11 C. Provide for remedies upon default which include the right of
12 the Authority, in the event of a material default by Ocean City which has not been
13 corrected after a reasonable notice and cure period, to immediately assume responsibility
14 for maintenance and repairs of the Ocean City Convention Center facility and offset the
15 costs of such maintenance and repairs against other amounts owed by the Authority to
16 Ocean City, whether under the operating agreement with Ocean City or otherwise; AND

17 (7) WITH RESPECT TO SITE ACQUISITION AND CONSTRUCTION OF THE
18 MONTGOMERY COUNTY CONFERENCE CENTER FACILITY, HAS SECURED, AS
19 APPROVED BY THE BOARD OF PUBLIC WORKS:

20 (I) A LEASE OR OTHER WRITTEN AGREEMENT WITH
21 MONTGOMERY COUNTY PURSUANT TO WHICH:

22 1. MONTGOMERY COUNTY:

23 ~~A. AGREES TO PAY RENTAL OR OTHERWISE PROVIDE~~
24 ~~ANNUAL APPROPRIATIONS TO THE AUTHORITY TO SECURE THE PRINCIPAL~~
25 ~~AMOUNT OF THE AUTHORITY'S BONDS FOR THE MONTGOMERY COUNTY~~
26 ~~CONFERENCE CENTER THAT ARE NOT TAX SUPPORTED DEBT OF THE STATE; AND~~

27 ~~B. AGREES THAT THE COUNTY'S RENTAL OR OTHER~~
28 ~~APPROPRIATIONS BE MADE UNDER SUCH TERMS AND CONDITIONS AS THE~~
29 ~~AUTHORITY AND THE COUNTY DEEM APPROPRIATE TO ASSURE THE PROMPT AND~~
30 ~~FULL REPAYMENT OF THE AUTHORITY'S BONDS CONTRIBUTE \$10,196,000 FOR THE~~
31 ~~CAPITAL COSTS OF CONSTRUCTION OF THE MONTGOMERY COUNTY CONFERENCE~~
32 ~~CENTER NOT LATER THAN THE DATE OF THE AUTHORITY'S BOND ISSUANCE AS~~
33 ~~AUTHORIZED UNDER § 13-712(A)(1) OF THIS SUBTITLE;~~

34 2. THE AUTHORITY AGREES TO ISSUE BONDS AS
35 AUTHORIZED UNDER § 13-712(A)(1) OF THIS SUBTITLE AND TO CONTRIBUTE
36 \$17,304,000 OF THE PROCEEDS FROM THE SALE OF THE BONDS FOR THE CAPITAL
37 COSTS OF THE CONSTRUCTION OF THE MONTGOMERY COUNTY CONFERENCE
38 CENTER;

39 3. MONTGOMERY COUNTY AND THE AUTHORITY AGREE
40 THAT IF THE ACTUAL CAPITAL COSTS FOR THE CONSTRUCTION OF THE
41 MONTGOMERY COUNTY CONFERENCE CENTER ARE LESS THAN ~~\$32,000,000~~ \$27,500,000,

9

1 THE SAVINGS WILL BE ALLOCATED ~~;~~ ~~IN PROPORTION TO THEIR RESPECTIVE~~
2 ~~CONTRIBUTIONS; AND~~

3 A. ONE-HALF TO THE AUTHORITY; AND

4 B. ONE-HALF TO MONTGOMERY COUNTY;

5 4. MONTGOMERY COUNTY AND THE AUTHORITY AGREE
6 THAT IF THE ACTUAL CAPITAL COSTS FOR THE CONSTRUCTION OF THE
7 MONTGOMERY COUNTY CONFERENCE CENTER ARE MORE THAN \$27,500,000, THE
8 EXCESS WILL BE SHARED:

9 A. ONE-HALF BY THE AUTHORITY; AND

10 B. ONE-HALF BY MONTGOMERY COUNTY;

11 5. MONTGOMERY COUNTY AGREES TO PURCHASE THE
12 LAND FOR THE MONTGOMERY COUNTY CONFERENCE CENTER SITE AS DEFINED IN
13 § 13-701 (O) OF THIS SUBTITLE, ON WHICH THE MONTGOMERY COUNTY CONFERENCE
14 CENTER WILL BE CONSTRUCTED; AND

15 ~~4. 6.~~ MONTGOMERY COUNTY AND THE AUTHORITY WILL
16 EACH OWN A 50% LEASEHOLD INTEREST AS TENANTS IN COMMON IN THE
17 MONTGOMERY COUNTY CONFERENCE CENTER FACILITY FOR THE DURATION OF
18 ANY BONDS ISSUED AS AUTHORIZED UNDER § 13-712(A)(1) OF THIS SUBTITLE, WITH
19 NEITHER MONTGOMERY COUNTY NOR THE AUTHORITY ENTITLED TO SELL, ASSIGN,
20 MORTGAGE, PLEDGE, OR ENCUMBER THE MONTGOMERY COUNTY CONFERENCE
21 CENTER FACILITY (OR ANY LEASEHOLD INTEREST THEREIN) WITHOUT THE PRIOR
22 CONSENT OF THE OTHER, EXCEPT FOR LIENS IN FAVOR OF THE AUTHORITY'S
23 RESPECTIVE BONDHOLDERS;

24 (II) A DEED, LEASE, OR WRITTEN AGREEMENT WITH
25 MONTGOMERY COUNTY PERMITTING THE AUTHORITY TO DESIGN, CONSTRUCT,
26 AND EQUIP, OR CONTRACT FOR THE DESIGN, CONSTRUCTION, AND EQUIPPING OF
27 THE MONTGOMERY COUNTY CONFERENCE CENTER FACILITY, AND TO PLEDGE THE
28 MONTGOMERY COUNTY CONFERENCE CENTER FACILITY AND THE MONTGOMERY
29 COUNTY CONFERENCE CENTER SITE OR THE LEASEHOLD INTEREST THEREIN, AS
30 SECURITY FOR THE AUTHORITY'S BONDS; ~~AND~~

31 (III) A WRITTEN AGREEMENT WITH MONTGOMERY COUNTY:

32 1. WHEREBY MONTGOMERY COUNTY AGREES:

33 A. TO MARKET, PROMOTE, AND OPERATE OR CONTRACT
34 FOR THE MARKETING, PROMOTION, AND OPERATION OF THE MONTGOMERY
35 COUNTY CONFERENCE CENTER FACILITY IN A MANNER WHICH MAXIMIZES THE
36 MONTGOMERY COUNTY CONFERENCE CENTER'S ECONOMIC RETURN TO THE
37 COMMUNITY; AND

38 B. TO MAINTAIN AND REPAIR OR CONTRACT FOR THE
39 MAINTENANCE AND REPAIR OF THE MONTGOMERY COUNTY CONFERENCE CENTER
40 FACILITY SO AS TO KEEP THE MONTGOMERY COUNTY CONFERENCE CENTER
41 FACILITY IN FIRST CLASS OPERATING CONDITION; AND

10

1 2. THAT INCLUDES PROVISIONS THAT:

2 A. PROTECT THE AUTHORITY'S AND MONTGOMERY
3 COUNTY'S RESPECTIVE INVESTMENT IN THE MONTGOMERY COUNTY CONFERENCE
4 CENTER FACILITY;

5 B. REQUIRE ~~THE AUTHORITY AND~~ MONTGOMERY COUNTY
6 ~~TO EACH~~ CONTRIBUTE TO ~~OPERATING DEFICITS AND~~ A CAPITAL IMPROVEMENT
7 RESERVE FUND IN AN AMOUNT SUFFICIENT TO KEEP THE CONFERENCE CENTER IN
8 FIRST CLASS OPERATING CONDITION, FOR THE PERIOD BEGINNING UPON THE
9 ~~COMPLETION OF THE MONTGOMERY COUNTY CONFERENCE CENTER FACILITY AND~~
10 ~~CONTINUING DURING THE PERIOD THAT THE AUTHORITY'S MONTGOMERY~~
11 ~~COUNTY CONFERENCE CENTER FACILITY BONDS THAT CONSTITUTE TAX~~
12 ~~SUPPORTED DEBT OF THE STATE ARE OUTSTANDING, AS FOLLOWS:~~

13 ~~I. THE AUTHORITY SHALL CONTRIBUTE TWO THIRDS AND~~
14 ~~MONTGOMERY COUNTY SHALL CONTRIBUTE ONE THIRD TO ANNUAL OPERATING~~
15 ~~DEFICITS AND MONTGOMERY COUNTY SHALL BE ENTITLED TO OPERATING~~
16 ~~PROFITS; AND~~

17 ~~II. MONTGOMERY COUNTY SHALL BE SOLELY RESPONSIBLE~~
18 ~~FOR ALL OPERATING DEFICITS AND CAPITAL IMPROVEMENTS AFTER THE~~
19 ~~AUTHORITY'S REPAYMENT OF ITS BONDS FOR THE MONTGOMERY COUNTY~~
20 ~~CONFERENCE CENTER FACILITY THAT CONSTITUTE TAX SUPPORTED DEBT OF THE~~
21 ~~STATE;~~

22 C. I. REQUIRE MONTGOMERY COUNTY TO BE SOLELY
23 RESPONSIBLE FOR ALL EXPENDITURES RELATING TO THE OPERATION OF THE
24 CONFERENCE CENTER FACILITIES, INCLUDING NET OPERATING DEFICITS (THE
25 AMOUNT BY WHICH EXPENDITURES EXCEED REVENUES) THAT MAY BE INCURRED;
26 AND

27 II. ALLOW MONTGOMERY COUNTY TO KEEP ALL
28 OPERATING PROFITS RESULTING FROM THE OPERATION OF THE MONTGOMERY
29 COUNTY CONFERENCE CENTER FOR ALL YEARS; AND

30 C. D. PROVIDE FOR REMEDIES UPON DEFAULT WHICH
31 INCLUDE THE RIGHT OF THE AUTHORITY, IN THE EVENT OF A MATERIAL DEFAULT
32 BY MONTGOMERY COUNTY WHICH HAS NOT BEEN CORRECTED AFTER A
33 REASONABLE NOTICE AND CURE PERIOD, TO IMMEDIATELY ASSUME
34 RESPONSIBILITY FOR MAINTENANCE AND REPAIRS OF THE MONTGOMERY COUNTY
35 CONFERENCE CENTER FACILITY AND OFFSET THE COSTS OF SUCH MAINTENANCE
36 AND REPAIRS AGAINST OTHER AMOUNTS OWED BY THE AUTHORITY TO
37 MONTGOMERY COUNTY, WHETHER UNDER THE OPERATING AGREEMENT WITH
38 MONTGOMERY COUNTY OR OTHERWISE;

39 (IV) AN AGREEMENT BETWEEN MONTGOMERY COUNTY AND THE
40 AUTHORITY FOR THE ~~ACQUISITION OF THE MONTGOMERY COUNTY CONFERENCE~~
41 ~~CENTER SITE AND THE JOINT OWNERSHIP THEREOF~~ AUTHORITY TO SELECT
42 THROUGH A COOPERATIVE PROCUREMENT AGREEMENT ONE OR MORE
43 CONTRACTORS TO DEVELOP, DESIGN, CONSTRUCT, OPERATE, AND MANAGE THE

11

1 MONTGOMERY COUNTY CONFERENCE CENTER FACILITIES DURING THE PERIOD
2 THAT THE AUTHORITY'S MONTGOMERY COUNTY CONFERENCE CENTER FACILITIES
3 BONDS ARE OUTSTANDING;

4 (V) AN AGREEMENT BETWEEN MONTGOMERY COUNTY AND THE
5 AUTHORITY THAT MAY ALLOW FOR THE ESTABLISHMENT OF A BOARD OF
6 DIRECTORS TO MANAGE THE MONTGOMERY COUNTY CONFERENCE CENTER, THAT
7 PROVIDES THAT THE BOARD OF DIRECTORS MAY INCLUDE REPRESENTATIVES OF
8 THE AUTHORITY, MONTGOMERY COUNTY, THE PRIVATE DEVELOPER, AND THE
9 COMMUNITY, AND THAT PROVIDES THAT UNLESS ACTION IS TAKEN TO CREATE A
10 JOINT VENTURE, CORPORATION, OR OTHER LEGAL ENTITY, THE BOARD OF
11 DIRECTORS IS NOT A SEPARATE LEGAL ENTITY; AND

12 ~~(V)~~ (VI) AN AGREEMENT AMONG MONTGOMERY COUNTY, THE
13 AUTHORITY, AND A PRIVATE DEVELOPER FOR THE ACQUISITION, CONSTRUCTION,
14 AND OPERATION OF A HOTEL ADJACENT TO THE MONTGOMERY COUNTY
15 CONFERENCE CENTER AND PROVIDING FOR A CAPITAL COMMITMENT FROM SUCH
16 DEVELOPER FOR SUCH HOTEL AND, AS APPROPRIATE, SHARED FACILITIES.

17 13-717.1.

18 (A) (1) THERE IS A MONTGOMERY COUNTY CONFERENCE CENTER
19 FINANCING FUND.

20 (2) THE AUTHORITY SHALL USE THE MONTGOMERY COUNTY
21 CONFERENCE CENTER FUND AS A NONLAPSING, REVOLVING FUND FOR CARRYING
22 OUT THE PROVISIONS OF THIS SUBTITLE RELATING TO THE MONTGOMERY COUNTY
23 CONFERENCE CENTER FACILITY.

24 (B) THERE SHALL BE DEPOSITED IN THE MONTGOMERY COUNTY
25 CONFERENCE CENTER FUND:

26 (1) PROCEEDS FROM THE SALE OF BONDS RELATED TO THE
27 MONTGOMERY COUNTY CONFERENCE CENTER FACILITY;

28 (2) FUNDS APPROPRIATED FOR DEPOSIT TO THE MONTGOMERY
29 COUNTY CONFERENCE CENTER FUND;

30 (3) REVENUES COLLECTED OR RECEIVED FROM ANY SOURCE UNDER
31 THE PROVISIONS OF THIS SUBTITLE RELATED TO THE MONTGOMERY COUNTY
32 CONFERENCE CENTER FACILITY;

33 (4) INTEREST OR OTHER INCOME EARNED ON THE INVESTMENT OF
34 MONEYS IN THE MONTGOMERY COUNTY CONFERENCE CENTER FUND; AND

35 (5) ANY ADDITIONAL MONEYS MADE AVAILABLE FROM ANY SOURCES,
36 PUBLIC OR PRIVATE, FOR THE PURPOSES FOR WHICH THE MONTGOMERY COUNTY
37 CONFERENCE CENTER FUND HAS BEEN ESTABLISHED.

38 (C) (1) THE MONTGOMERY COUNTY CONFERENCE CENTER FUND IS A
39 CONTINUING, NONLAPSING FUND THAT SHALL BE AVAILABLE IN PERPETUITY FOR
40 THE PURPOSE OF IMPLEMENTING THE PROVISIONS OF THIS SUBTITLE RELATING TO
41 THE MONTGOMERY COUNTY CONFERENCE CENTER FACILITY.

12

1 (2) NO PART OF THE MONTGOMERY COUNTY CONFERENCE CENTER
2 FUND MAY REVERT OR BE CREDITED TO THE GENERAL FUND OR ANY OTHER
3 SPECIAL FUND OF THE STATE.

4 (D) THE AUTHORITY SHALL PAY ANY AND ALL EXPENSES INCURRED BY THE
5 AUTHORITY RELATED TO THE MONTGOMERY COUNTY CONFERENCE CENTER
6 FACILITY FROM THE MONTGOMERY COUNTY CONFERENCE CENTER FUND.

7 (E) (1) TO THE EXTENT DEEMED APPROPRIATE BY THE AUTHORITY, THE
8 RECEIPTS OF THE MONTGOMERY COUNTY CONFERENCE CENTER FUND SHALL BE
9 PLEDGED TO AND CHARGED WITH THE PAYMENT OF DEBT SERVICE ON AUTHORITY
10 BONDS FOR THE MONTGOMERY COUNTY CONFERENCE CENTER FACILITY AND ALL
11 REASONABLE CHARGES AND EXPENSES RELATED TO AUTHORITY BORROWING AND
12 THE MANAGEMENT OF AUTHORITY OBLIGATIONS RELATED TO THE MONTGOMERY
13 COUNTY CONFERENCE CENTER FACILITY.

14 (2) THE PLEDGE SHALL BE EFFECTIVE AS PROVIDED IN § 13-712(E) OF
15 THIS SUBTITLE AND ANY APPLICABLE AUTHORITY RESOLUTION.

16 (F) (1) THE MONTGOMERY COUNTY CONFERENCE CENTER FUND SHALL BE
17 INVESTED AND REINVESTED BY THE TREASURER IN THE SAME MANNER AS STATE
18 FUNDS.

19 (2) ANY INVESTMENT EARNINGS SHALL BE TRANSFERRED TO THE
20 CREDIT OF THE MONTGOMERY COUNTY CONFERENCE CENTER FUND.

21 13-719.

22 In addition to the duties set forth elsewhere in this subtitle, the Authority shall:

23 (9) SUBMIT ANNUALLY A REPORT PREPARED IN COOPERATION WITH
24 THE OFFICE OF THE COMPTROLLER AND THE DEPARTMENT OF BUDGET AND
25 FISCAL PLANNING ON THE ADDITIONAL TAX REVENUES GENERATED BY THE
26 MONTGOMERY COUNTY CONFERENCE CENTER FACILITY.

27 SECTION 2. AND BE IT FURTHER ENACTED, That ~~it is the intent of the~~
28 ~~General Assembly that bonds issued by the Maryland Stadium Authority on behalf of~~
29 ~~Montgomery County and to be repaid solely from rental or other payments provided by~~
30 ~~Montgomery County shall not be considered "tax supported debt" as defined in § 8-104~~
31 ~~of the State Finance and Procurement Article~~ the Maryland Stadium Authority may not
32 expend any funds authorized by this Act relating to the Montgomery County Conference
33 Center until the Maryland Stadium Authority has received certification from
34 Montgomery County that all necessary local approvals, including applicable local
35 planning and zoning approvals, for the Montgomery County share of the project have
36 been obtained.

37 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 June 1, 1996.