
By: **Montgomery County Delegation**
Introduced and read first time: February 8, 1999
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County Conference Center**
3 **MC 903-99**

4 FOR the purpose of placing certain restrictions on the location of the Montgomery
5 County Conference Center; requiring a certain economic analysis; requiring that
6 the marketing, promotion, and operation of the Center target certain groups for
7 certain purposes; altering a certain definition; and generally relating to the
8 Montgomery County Conference Center.

9 BY repealing and reenacting, with amendments,
10 Article - Financial Institutions
11 Section 13-701(o) and 13-712.1(7)
12 Annotated Code of Maryland
13 (1998 Replacement Volume and 1998 Supplement)

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

16 **Article - Financial Institutions**

17 13-701.

18 (o) "Montgomery County Conference Center site" means a site in close
19 proximity to [the White Flint] A metro station in [the north Bethesda area of]
20 Montgomery County as determined by the Authority and Montgomery County,
21 PROVIDED THE SITE IS NOT LOCATED ON THE WEST SIDE OF ROCKVILLE PIKE IN
22 CLOSE PROXIMITY TO THE WHITE FLINT METRO STATION.

23 13-712.1.

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

1 (7) With respect to site acquisition and construction of the Montgomery
2 County Conference Center facility, has secured, as approved by the Board of Public
3 Works:

4 (I) AN ECONOMIC ANALYSIS BY AN INDEPENDENT FIRM
5 DEMONSTRATING THAT USE OF THE MONTGOMERY COUNTY CONFERENCE CENTER
6 SITE FOR THE MONTGOMERY COUNTY CONFERENCE CENTER WILL YIELD A
7 GREATER ECONOMIC BENEFIT TO MONTGOMERY COUNTY AND THE STATE THAN
8 REASONABLE ALTERNATIVE USES OF THE MONTGOMERY COUNTY CONFERENCE
9 CENTER SITE;

10 [(i)] (II) A lease or other written agreement with Montgomery
11 County pursuant to which:

12 1. Montgomery County agrees to contribute \$10,196,000 for
13 the capital costs of construction of the Montgomery County Conference Center not
14 later than the date of the Authority's bond issuance as authorized under §
15 13-712(a)(1) of this subtitle;

16 2. The Authority agrees to issue bonds as authorized under §
17 13-712(a)(1) of this subtitle and to contribute \$17,304,000 of the proceeds from the
18 sale of the bonds for the capital costs of the construction of the Montgomery County
19 Conference Center;

20 3. Montgomery County and the Authority agree that if the
21 actual capital costs for the construction of the Montgomery County Conference Center
22 are less than \$27,500,000, the savings will be allocated:

23 A. One-half to the Authority; and

24 B. One-half to Montgomery County;

25 4. Montgomery County and the Authority agree that if the
26 actual capital costs for the construction of the Montgomery County Conference Center
27 are more than \$27,500,000, the excess will be shared:

28 A. One-half by the Authority; and

29 B. One-half by Montgomery County;

30 5. Montgomery County agrees to purchase the land for the
31 Montgomery County Conference Center site as defined in § 13-701(o) of this subtitle,
32 on which the Montgomery County Conference Center will be constructed; and

33 6. Montgomery County and the Authority will each own a
34 50% leasehold interest as tenants in common in the Montgomery County Conference
35 Center facility for the duration of any bonds issued as authorized under §
36 13-712(a)(1) of this subtitle, with neither Montgomery County nor the Authority
37 entitled to sell, assign, mortgage, pledge, or encumber the Montgomery County

1 Conference Center facility (or any leasehold interest therein) without the prior
2 consent of the other, except for liens in favor of the Authority's respective bondholders;

3 [(ii)] (III) A deed, lease, or written agreement with Montgomery
4 County permitting the Authority to design, construct, and equip, or contract for the
5 design, construction, and equipping of the Montgomery County Conference Center
6 facility, and to pledge the Montgomery County Conference Center facility and the
7 Montgomery County Conference Center site or the leasehold interest therein, as
8 security for the Authority's bonds;

9 [(iii)] (IV) A written agreement with Montgomery County:

10 1. Whereby Montgomery County agrees:

11 A. To market, promote, and operate or contract for the
12 marketing, promotion, and operation of the Montgomery County Conference Center
13 facility in a manner which maximizes the Montgomery County Conference Center's
14 economic return to the community PROVIDED THE MARKETING, PROMOTION, AND
15 OPERATION SHALL TARGET LARGE MEETINGS AND OTHER EVENTS THAT CANNOT BE
16 ACCOMMODATED BY OTHER FACILITIES IN MONTGOMERY COUNTY; and

17 B. To maintain and repair or contract for the maintenance
18 and repair of the Montgomery County Conference Center facility so as to keep the
19 Montgomery County Conference Center facility in first class operating condition; and

20 2. That includes provisions that:

21 A. Protect the Authority's and Montgomery County's
22 respective investment in the Montgomery County Conference Center facility;

23 B. Require Montgomery County to contribute to a capital
24 improvement reserve fund in an amount sufficient to keep the Conference Center in
25 first class operating condition;

26 C. I. Require Montgomery County to be solely responsible
27 for all expenditures relating to the operation of the Conference Center facilities,
28 including net operating deficits (the amount by which expenditures exceed revenues)
29 that may be incurred; and

30 II. Allow Montgomery County to keep all operating profits
31 resulting from the operation of the Montgomery County Conference Center for all
32 years; and

33 D. Provide for remedies upon default which include the right
34 of the Authority, in the event of a material default by Montgomery County which has
35 not been corrected after a reasonable notice and cure period, to immediately assume
36 responsibility for maintenance and repairs of the Montgomery County Conference
37 Center facility and offset the costs of such maintenance and repairs against other
38 amounts owed by the Authority to Montgomery County, whether under the operating
39 agreement with Montgomery County or otherwise;

1 [(iv)] (V) An agreement between Montgomery County and the
2 Authority for the Authority to select through a cooperative procurement agreement
3 one or more contractors to develop, design, construct, operate, and manage the
4 Montgomery County Conference Center facilities during the period that the
5 Authority's Montgomery County Conference Center facilities bonds are outstanding;

6 [(v)] (VI) An agreement between Montgomery County and the
7 Authority that may allow for the establishment of a board of directors to manage the
8 Montgomery County Conference Center, that provides that the board of directors may
9 include representatives of the Authority, Montgomery County, the private developer,
10 and the community, and that provides that unless action is taken to create a joint
11 venture, corporation, or other legal entity, the board of directors is not a separate
12 legal entity; and

13 [(vi)] (VII) An agreement among Montgomery County, the Authority,
14 and a private developer for the acquisition, construction, and operation of a hotel
15 adjacent to the Montgomery County Conference Center and providing for a capital
16 commitment from such developer for such hotel and, as appropriate, shared facilities.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 1999.