
By: **Chairman, Rules and Executive Nominations Committee**
(Departmental - Stadium Authority)

Introduced and read first time: February 18, 2000

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Stadium Authority - Montgomery County Conference Center**

3 FOR the purpose of increasing the authorized bond issuance by the Maryland
4 Stadium Authority and the contributions of the Maryland Stadium Authority
5 and Montgomery County toward financing acquisition, construction, and related
6 expenses for construction management, professional fees, and contingencies of
7 the Montgomery County Conference Center in order to account for the
8 additional \$6 million in construction costs due to the passage of time since the
9 original authorization.

10 BY repealing and reenacting, with amendments,
11 Article - Financial Institutions
12 Section 13-712(a) and 13-712.1(7)
13 Annotated Code of Maryland
14 (1998 Replacement Volume and 1999 Supplement)

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

17 **Article - Financial Institutions**

18 13-712.

19 (a) (1) (i) Subject to the prior approval of the Board of Public Works and
20 the provisions of subparagraphs (ii), (iii), (iv), and (v) of this paragraph, the Authority
21 may at any time and from time to time issue bonds for any corporate purpose,
22 including the establishment of reserves and the payment of interest. In this subtitle
23 the term "bonds" includes notes of any kind, interim certificates, refunding bonds, or
24 any other evidence of obligation and "tax supported debt" of the State has the
25 meaning assigned to such term in § 8-104 of the State Finance and Procurement
26 Article.

27 (ii) 1. Unless authorized by the General Assembly, the Board of
28 Public Works may not give approval to an issuance of bonds for sports facilities at

1 Camden Yards which constitute tax supported debt of the State, if after issuance
 2 there would be outstanding and unpaid \$235 million face amount of bonds which
 3 constitute tax supported debt of the State, whether taxable or tax exempt, for the
 4 purposes of financing site acquisition and preparation, relocation, demolition and
 5 removal, construction and related expenses for construction management,
 6 professional fees, and contingencies of baseball and football stadiums or a multiuse
 7 stadium.

8
 9 2. To exceed the following limits set forth below, the
 10 Authority shall obtain the authorization of the Board of Public Works and notify the
 11 Legislative Policy Committee with accompanying justification:

12 A. \$85 million in bonds which constitutes tax supported debt
 13 of the State for the purposes of site acquisition and preparation, relocation,
 14 demolition and removal at, and construction and related expenses for construction
 15 management, professional fees, and contingencies for Camden Yards;

16 B. \$70 million in bonds which constitutes tax supported debt
 17 of the State for the purposes of site work, construction and related expenses for
 18 construction management, professional fees, and contingencies of a baseball stadium;

19 C. \$80 million in bonds which constitutes tax supported debt
 20 of the State for the purposes of site work, construction and related expenses for
 21 construction management, professional fees, and contingencies of a football stadium;
 22 and

23 D. \$195 million in bonds which constitutes tax supported
 24 debt of the State for the purposes of the site acquisition and preparation, relocation,
 25 demolition and removal, construction and related expenses for construction
 26 management, professional fees, and contingencies of a multiuse stadium.

27 (iii) Unless authorized by the General Assembly, the Board of Public
 28 Works may not give approval to an issuance by the Authority of bonds which
 29 constitute tax supported debt of the State for Baltimore Convention Center facilities
 30 if, after issuance, there would be outstanding and unpaid more than \$55 million face
 31 amount of such bonds, whether taxable or tax exempt, for the purpose of financing
 32 acquisition, construction, renovation, and related expenses for construction
 33 management, professional fees, and contingencies of Baltimore Convention Center
 34 facilities.

35 (iv) Unless authorized by the General Assembly, the Board of Public
 36 Works may not give approval to an issuance by the Authority of bonds that constitute
 37 tax supported debt of the State for Ocean City Convention Center facilities if, after
 38 issuance, there would be outstanding and unpaid more than \$17,340,000 face amount
 39 of such bonds, whether taxable or tax exempt, for the purpose of financing
 40 acquisition, construction, renovation, and related expenses for construction
 41 management, professional fees, and contingencies of Ocean City Convention Center
 42 facilities.

1 (v) Unless authorized by the General Assembly, the Board of Public
2 Works may not give approval to an issuance by the Authority of bonds that constitute
3 tax supported debt of the State for the Montgomery County Conference Center facility
4 if, after issuance, there would be outstanding and unpaid more than [\$17,604,000]
5 \$23,185,000 face amount of such bonds, whether taxable or tax exempt, for the purpose
6 of financing acquisition, construction, and related expenses for construction
7 management, professional fees, and contingencies of the Montgomery County
8 Conference Center.

9 (2) The bonds of any issue shall be payable solely from the property or
10 receipts of the Authority, including, without limitation:

11 (i) Taxes, fees, charges, or other revenues payable to the Authority;

12 (ii) Payments by financial institutions, insurance companies, or
13 others pursuant to letters or lines of credit, policies of insurance, or purchase
14 agreements;

15 (iii) Investment earnings from funds or accounts maintained
16 pursuant to a bond resolution or trust agreement;

17 (iv) Proceeds of refunding bonds; and

18 (v) Any other source authorized by law.

19 (3) Bonds shall be authorized by a resolution of the Authority and may
20 be secured by a trust agreement by and between the Authority and a corporate
21 trustee or trustees, which may be any trust company or bank having the powers of a
22 trust company within or without the State. Bonds shall:

23 (i) Be issued at, above, or below par value, for cash or other
24 valuable consideration, and mature at a time or times, whether as serial bonds or as
25 term bonds or both, not exceeding 40 years from their respective dates of issue;

26 (ii) Bear interest at the fixed or variable rate or rates determined
27 by the method provided in the resolution or trust agreement;

28 (iii) Be payable at a time or times, in the denominations and form,
29 either coupon or registered or both, and carry the registration and privileges as to
30 conversion and for the replacement of mutilated, lost, or destroyed bonds as the
31 resolution or trust agreement may provide;

32 (iv) Be deemed a "security" within the meaning of § 8-102 of the
33 Commercial Law Article of the Code, whether or not it is either one of a class or series
34 or by its terms is divisible into a class or series of instruments and negotiable for all
35 purposes although payable from a limited source, notwithstanding any other law;

36 (v) Be payable in lawful money of the United States at a designated
37 place;

1 (vi) Be subject to the terms of purchase, payment, redemption,
2 refunding, or refinancing that the resolution or trust agreement provides;

3 (vii) Be executed by the manual or facsimile signatures of the
4 officers of the Authority designated by the Authority which signatures shall be valid
5 at delivery even for one who has ceased to hold office; and

6 (viii) Be sold in the manner and upon the terms determined by the
7 Authority including private (negotiated) sale and be exempt from the provisions of §§
8 8-206 and 8-208 of the State Finance and Procurement Article.

9 13-712.1.

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

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

16 (i) A lease or other written agreement with Montgomery County
17 pursuant to which:

18 1. Montgomery County agrees to contribute [\$10,196,000]
19 \$13,196,000 for the capital costs of construction of the Montgomery County Conference
20 Center not later than the date of the Authority's bond issuance as authorized under §
21 13-712 (a)(1) of this subtitle;

22 2. The Authority agrees to issue bonds as authorized under §
23 13-712(a)(1) of this subtitle and to contribute [\$17,304,000] \$20,304,000 of the
24 proceeds from the sale of the bonds for the capital costs of the construction of the
25 Montgomery County Conference Center;

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

29 A. One-half to the Authority; and

30 B. One-half to Montgomery County;

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

34 A. One-half by the Authority; and

35 B. One-half by Montgomery County;

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

4 6. Montgomery County and the Authority will each own a
5 50% leasehold interest as tenants in common in the Montgomery County Conference
6 Center facility for the duration of any bonds issued as authorized under §
7 13-712(a)(1) of this subtitle, with neither Montgomery County nor the Authority
8 entitled to sell, assign, mortgage, pledge, or encumber the Montgomery County
9 Conference Center facility (or any leasehold interest therein) without the prior
10 consent of the other, except for liens in favor of the Authority's respective
11 bondholders;

12 (ii) A deed, lease, or written agreement with Montgomery County
13 permitting the Authority to design, construct, and equip, or contract for the design,
14 construction, and equipping of the Montgomery County Conference Center facility,
15 and to pledge the Montgomery County Conference Center facility and the
16 Montgomery County Conference Center site or the leasehold interest therein, as
17 security for the Authority's bonds;

18 (iii) A written agreement with Montgomery County:

19 1. Whereby Montgomery County agrees:

20 A. To market, promote, and operate or contract for the
21 marketing, promotion, and operation of the Montgomery County Conference Center
22 facility in a manner which maximizes the Montgomery County Conference Center's
23 economic return to the community; and

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

27 2. That includes provisions that:

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

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

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

37 II. Allow Montgomery County to keep all operating profits
38 resulting from the operation of the Montgomery County Conference Center for all
39 years; and

1 D. Provide for remedies upon default which include the right
2 of the Authority, in the event of a material default by Montgomery County which has
3 not been corrected after a reasonable notice and cure period, to immediately assume
4 responsibility for maintenance and repairs of the Montgomery County Conference
5 Center facility and offset the costs of such maintenance and repairs against other
6 amounts owed by the Authority to Montgomery County, whether under the operating
7 agreement with Montgomery County or otherwise;

8 (iv) An agreement between Montgomery County and the Authority
9 for the Authority to select through a cooperative procurement agreement one or more
10 contractors to develop, design, construct, operate, and manage the Montgomery
11 County Conference Center facilities during the period that the Authority's
12 Montgomery County Conference Center facilities bonds are outstanding;

13 (v) An agreement between Montgomery County and the Authority
14 that may allow for the establishment of a board of directors to manage the
15 Montgomery County Conference Center, that provides that the board of directors may
16 include representatives of the Authority, Montgomery County, the private developer,
17 and the community, and that provides that unless action is taken to create a joint
18 venture, corporation, or other legal entity, the board of directors is not a separate
19 legal entity; and

20 (vi) An agreement among Montgomery County, the Authority, and a
21 private developer for the acquisition, construction, and operation of a hotel adjacent
22 to the Montgomery County Conference Center and providing for a capital
23 commitment from such developer for such hotel and, as appropriate, shared facilities.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
25 effect July 1, 2000.