

SENATE BILL 893

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B2

2001 Regular Session
11r3003
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By: **Senator Mitchell**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 6, 2001

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Town Theater**

3 FOR the purpose of authorizing the creation of a State Debt not to exceed \$1,000,000,
4 the proceeds to be used as a grant to the Board of Directors of Centerpoint
5 Development, L.L.C. for certain development or improvement purposes;
6 requiring the grantee to grant and convey a certain easement to the Maryland
7 Historical Trust; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide documentation that the grantee is the
9 owner or lessee of the property and that the grantee provide and expend a
10 matching fund; and providing generally for the issuance and sale of bonds
11 evidencing the loan.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That:

14 (1) The Board of Public Works may borrow money and incur indebtedness on
15 behalf of the State of Maryland through a State loan to be known as the Baltimore
16 City - Town Theater Loan of 2001 in a total principal amount equal to the lesser of (i)
17 \$1,000,000 or (ii) the amount of the matching fund provided in accordance with
18 Section 1(5) below. This loan shall be evidenced by the issuance, sale, and delivery of
19 State general obligation bonds authorized by a resolution of the Board of Public
20 Works and issued, sold, and delivered in accordance with §§ 8-117 through 8-124 of
21 the State Finance and Procurement Article and Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 8-122 of the State Finance and Procurement Article.

25 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
26 and first shall be applied to the payment of the expenses of issuing, selling, and
27 delivering the bonds, unless funds for this purpose are otherwise provided, and then
28 shall be credited on the books of the Comptroller and expended, on approval by the
29 Board of Public Works, for the following public purposes, including any applicable
30 architects' and engineers' fees: as a grant to the Board of Directors of Centerpoint

1 Development, L.L.C. (referred to hereafter in this Act as "the grantee") for the
2 planning, design, repair, renovation, reconstruction, and capital equipping of the
3 Town Theater, located at 311 through 317 Fayette Street in Baltimore, Maryland.

4 (4) An annual State tax is imposed on all assessable property in the State in
5 rate and amount sufficient to pay the principal of and interest on the bonds, as and
6 when due and until paid in full. The principal shall be discharged within 15 years
7 after the date of issuance of the bonds.

8 (5) (a) Prior to the payment of any funds under the provisions of this Act for
9 the purposes set forth in Section 1(3) above, the grantee shall:

10 (i) provide documentation to the Board of Public Works that the
11 grantee is the owner of the property located at 311 through 317 Fayette Street in
12 Baltimore, Maryland, or that the grantee holds a leasehold interest on the property,
13 located at 311 through 317 Fayette Street in Baltimore, Maryland, that will extend
14 for at least 15 years after the date of the issuance of the bonds; and

15 (ii) provide and expend a matching fund.

16 (b) No part of the grantee's matching fund may be provided, either
17 directly or indirectly, from funds of the State, whether appropriated or
18 unappropriated. The fund may consist of real property. No part of the fund may
19 consist of in kind contributions or funds expended prior to the effective date of this
20 Act. In case of any dispute as to the amount of the matching fund or what money or
21 assets may qualify as matching funds, the Board of Public Works shall determine the
22 matter and the Board's decision is final.

23 (c) The grantee has until June 1, 2003, to present evidence satisfactory
24 to the Board of Public Works that the grantee is the owner or lessee of the property
25 and that a matching fund will be provided. If satisfactory evidence is presented, the
26 Board shall certify these facts and the amount of the matching fund to the State
27 Treasurer, and the proceeds of the loan equal to the amount of the matching fund
28 shall be expended for the purposes provided in this Act. Any amount of the loan in
29 excess of the amount of the matching fund certified by the Board of Public Works
30 shall be canceled and be of no further effect.

31 (6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey
32 to the Maryland Historical Trust a perpetual preservation easement to the extent of
33 its interest:

34 (i) On the land or such portion of the land acceptable to the Trust;
35 and

36 (ii) On the exterior and interior, where appropriate, of the historic
37 structures.

38 (b) If the grantee or beneficiary of the grant holds a lease on the land
39 and structures, the Trust may accept an easement on the leasehold interest.

1 (c) The easement must be in form and substance acceptable to the Trust
2 and any liens or encumbrances against the land or the structures must be acceptable
3 to the Trust.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 June 1, 2001.