

SENATE BILL 299

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2002 Regular Session
2r0999
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By: **Senator Sfikas**

Introduced and read first time: January 24, 2002

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Creation of a State Debt - Baltimore City - Patterson Park Community**
3 **Development**

4 FOR the purpose of authorizing the creation of a State Debt not to exceed \$950,000,
5 the proceeds to be used as a grant to the Board of Directors of Patterson Park
6 Community Development Corporation for certain development or improvement
7 purposes; providing for disbursement of the loan proceeds, subject to a
8 requirement that the grantee provide and expend a matching fund; requiring
9 the grantee to grant and convey a certain easement to the Maryland Historical
10 Trust; and providing generally for the issuance and sale of bonds evidencing the
11 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 - Patterson Park Community Development Loan of 2002 in a total principal
17 amount equal to the lesser of (i) \$950,000 or (ii) the amount of the matching fund
18 provided in accordance with Section 1(5) below. This loan shall be evidenced by the
19 issuance, sale, and delivery of State general obligation bonds authorized by a
20 resolution of the Board of Public Works and issued, sold, and delivered in accordance
21 with §§ 8-117 through 8-124 of the State Finance and Procurement Article and
22 Article 31, § 22 of the Code.

23 (2) The bonds to evidence this loan or installments of this loan may be sold as
24 a single issue or may be consolidated and sold as part of a single issue of bonds under
25 § 8-122 of the State Finance and Procurement Article.

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

1 grantee") for the acquisition, planning, design, construction, repair, renovation, and
2 reconstruction of approximately 75 properties in the Patterson Park region of
3 Baltimore City, extending north to Fayette Street and Pulaski Highway and east to
4 Haven Street. The targeted properties include 15 small alley houses which would be
5 purchased and combined into larger houses; 30 properties on blocks with high drug
6 activity which would be purchased and renovated at one time; and 30 properties
7 already owned by the grantee which would be renovated to attract mixed income
8 buyers and renters.

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

13 (5) Prior to the payment of any funds under the provisions of this Act for the
14 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
15 matching fund. No part of the grantee's matching fund may be provided, either
16 directly or indirectly, from funds of the State, whether appropriated or
17 unappropriated. No part of the fund may consist of in kind contributions. The fund
18 may consist of real property or funds expended prior to the effective date of this Act.
19 In case of any dispute as to the amount of the matching fund or what money or assets
20 may qualify as matching funds, the Board of Public Works shall determine the matter
21 and the Board's decision is final. The grantee has until June 1, 2004, to present
22 evidence satisfactory to the Board of Public Works that a matching fund will be
23 provided. If satisfactory evidence is presented, the Board shall certify this fact and
24 the amount of the matching fund to the State Treasurer, and the proceeds of the loan
25 equal to the amount of the matching fund shall be expended for the purposes provided
26 in this Act. Any amount of the loan in excess of the amount of the matching fund
27 certified by the Board of Public Works shall be canceled and be of no further effect.

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

31 (i) On the land or such portion of the land acceptable to the Trust;
32 and

33 (ii) On the exterior and interior, where appropriate, of the historic
34 structures.

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

37 (c) The easement must be in form and substance acceptable to the Trust
38 and any liens or encumbrances against the land or the structures must be acceptable
39 to the Trust.

40 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
41 June 1, 2002.