

# HOUSE BILL 1282

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By: **Delegate Griffith**

Introduced and read first time: February 13, 2009

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Stadium Authority – Prince George’s**  
3 **County Soccer Stadium**

4 FOR the purpose of authorizing the Maryland Stadium Authority to review certain  
5 matters and make certain recommendations relating to the Prince George’s  
6 County Soccer Stadium; authorizing the Authority to acquire by certain means  
7 a Prince George’s County Soccer Stadium site or an interest in the site;  
8 requiring the Authority to transfer certain lease payments to the Prince  
9 George’s County Soccer Stadium Financing Fund under certain circumstances;  
10 providing for the application of certain provisions; requiring the Authority to  
11 submit a certain annual report to the Governor and the General Assembly;  
12 prohibiting the Board of Public Works from approving an issuance by the  
13 Authority of certain bonds under certain circumstances; requiring the  
14 Authority, with certain exceptions, to comply with certain requirements to  
15 finance certain site acquisition and construction activities; requiring the  
16 Authority to provide a financing plan containing certain information to the  
17 fiscal committees of the General Assembly by a certain time; requiring the  
18 Authority to obtain the approval of the Board of Public Works for certain  
19 matters; requiring the Authority to carry out certain tasks and secure certain  
20 agreements containing certain terms to carry out the Authority’s duties under  
21 this Act; prohibiting the Authority from hiring a contractor for certain purposes  
22 without a certain party’s approval; prohibiting the Authority from transferring  
23 by certain means the Authority’s interest in certain property under certain  
24 conditions; establishing the Prince George’s County Soccer Stadium Financing  
25 Fund; providing that the Fund is continuing and nonlapsing; requiring the  
26 Authority to use the Fund for certain purposes; providing for the composition of  
27 the Fund; authorizing the Authority to pledge or to charge the Fund for certain  
28 purposes; requiring the State Treasurer to invest the Fund in a certain way;  
29 prohibiting any portion of the Fund from reverting or being credited to the  
30 General Fund or any special fund of the State; defining certain terms; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 generally relating to the financing and construction of the Prince George's  
2 County Soccer Stadium.

3 BY repealing and reenacting, with amendments,  
4 Article – Economic Development  
5 Section 10–601(k), (x), and (y), 10–613(b), 10–618, 10–620(d), 10–621, 10–625,  
6 and 10–628(c)  
7 Annotated Code of Maryland  
8 (2008 Volume)

9 BY repealing and reenacting, without amendments,  
10 Article – Economic Development  
11 Section 10–620(a)(1) and 10–628(a)  
12 Annotated Code of Maryland  
13 (2008 Volume)

14 BY adding to  
15 Article – Economic Development  
16 Section 10–601(x), (y), and (z), 10–645, and 10–656  
17 Annotated Code of Maryland  
18 (2008 Volume)

#### 19 Preamble

20 WHEREAS, The owners of the D.C. United professional soccer team have  
21 committed to move the team to Prince George's County, and to invest significant  
22 private funds to pay a portion of the cost of a new soccer stadium in the county; and

23 WHEREAS, D.C. United is a member of the Major League Soccer (MLS)  
24 league, and cities around the country are competing for new MLS franchises to be  
25 located in their communities; and

26 WHEREAS, A 2008 study conducted by an independent consulting firm on  
27 behalf of the Maryland Stadium Authority concluded that a new soccer stadium for  
28 D.C. United in Prince George's County would:

29 (1) Create more than 1,000 new permanent full-time job equivalents;

30 (2) Generate more than \$5,000,000 in new annual tax revenue for the  
31 county and the State;

32 (3) Generate \$65,000,000 to \$80,000,000 of new economic activity in  
33 the county and State each year; and

34 (4) Provide the State with a new world-class sports and  
35 entertainment facility that would support the athletic programs of the University of  
36 Maryland and attract diverse attendees to MLS, women's professional soccer, and  
37 other sporting and community events, including concerts and festivals; and

1 WHEREAS, The county desires that the State, through the Maryland Stadium  
2 Authority, issue bonds for the purpose of making a contribution toward the capital  
3 costs of constructing a new soccer stadium; and

4 WHEREAS, The State recognizes the benefits of making such a contribution;  
5 and

6 WHEREAS, The county has identified a favorable site for the location of a  
7 soccer stadium; now, therefore,

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

10 **Article – Economic Development**

11 10–601.

12 (k) “Facility” means:

13 (1) a structure or other improvement developed at Camden Yards;

14 (2) a convention facility;

15 (3) the Hippodrome Performing Arts facility; [or]

16 (4) a sports facility; **OR**

17 (5) **THE PRINCE GEORGE’S COUNTY SOCCER STADIUM.**

18 (X) (1) **“PRINCE GEORGE’S COUNTY SOCCER STADIUM” MEANS THE**  
19 **SOCCER STADIUM IN PRINCE GEORGE’S COUNTY TO BE USED PRIMARILY FOR**  
20 **PROFESSIONAL, COLLEGIATE, AND AMATEUR SOCCER GAMES, CONCERTS,**  
21 **COMMUNITY EVENTS, OR OTHER ATHLETIC OR CULTURAL EVENTS.**

22 (2) **“PRINCE GEORGE’S COUNTY SOCCER STADIUM” INCLUDES**  
23 **PARKING LOTS, ADJACENT PRACTICE FACILITIES, ACCESS ROADS,**  
24 **INFRASTRUCTURE, AND ANY OTHER PROPERTY, STRUCTURE, IMPROVEMENTS,**  
25 **FURNISHINGS, OR EQUIPMENT THAT IS FUNCTIONALLY RELATED TO PRINCE**  
26 **GEORGE’S COUNTY SOCCER STADIUM.**

27 (Y) **“PRINCE GEORGE’S COUNTY SOCCER STADIUM FINANCING FUND”**  
28 **MEANS THE FUND ESTABLISHED UNDER § 10–656 OF THIS SUBTITLE.**

29 (Z) **“PRINCE GEORGE’S COUNTY SOCCER STADIUM SITE” MEANS A SITE**  
30 **IN PRINCE GEORGE’S COUNTY DESIGNATED BY THE AUTHORITY.**

1            [(x)] (AA) (1) “Sports facility” means:

2                            (i) a stadium primarily for professional football, major league  
3 professional baseball, or both, in the Baltimore metropolitan region, as defined in §  
4 13–301 of this article;

5                            (ii) practice fields or other areas where professional football or  
6 major league professional baseball teams practice or perform; and

7                            (iii) offices for professional football and major league professional  
8 baseball teams or franchises.

9                            (2) “Sports facility” includes parking lots, garages, and any other  
10 property adjacent and directly related to an item listed in paragraph (1) of this  
11 subsection.

12            [(y)] (BB) “Tax supported debt” has the meaning stated in § 8–104 of the  
13 State Finance and Procurement Article.

14 10–613.

15            (b) The Authority may review and make recommendations on proposed  
16 convention center facilities and the Hippodrome Performing Arts facility, including the  
17 expansion and enhancement of the Baltimore City Convention Center and the Ocean  
18 City Convention Center [and], the development and construction of the Montgomery  
19 County Conference Center and the Hippodrome Performing Arts Center, **AND THE**  
20 **DEVELOPMENT, CONSTRUCTION, AND FINANCING OF THE PRINCE GEORGE’S**  
21 **COUNTY SOCCER STADIUM**, with respect to location, purpose, design, function,  
22 capacity, parking, costs, funding mechanisms, and revenue alternatives, with specific  
23 recommendations on:

24                            (1) the level of support from the private sector;

25                            (2) the type of support from the private sector;

26                            (3) special taxing sources;

27                            (4) projected revenues;

28                            (5) bonding authority and the source of debt service; and

29                            (6) the fiscal impact on the State of any revenue alternatives.

30 10–618.

1 (a) Contracts to acquire any facility site, to construct the facility, or for  
2 construction on the facility site require the prior approval of the Board of Public  
3 Works.

4 (b) The Authority may:

5 (1) acquire by any of the means specified in § 10-620(a) of this  
6 subtitle:

7 (i) a site at Camden Yards for a facility;

8 (ii) a Baltimore Convention site or an interest in the site;

9 (iii) an Ocean City Convention site or an interest in the site;

10 (iv) a Montgomery County Conference site or an interest in the  
11 site; [and]

12 (v) a Hippodrome Performing Arts site or an interest in the site;  
13 and

14 **(VI) A PRINCE GEORGE'S COUNTY SOCCER STADIUM SITE**  
15 **OR AN INTEREST IN THE SITE; AND**

16 (2) construct or enter into a contract to construct a facility on a site it  
17 acquires under this subsection.

18 10-620.

19 (a) (1) Subject to annual appropriations and this subtitle, the Authority  
20 may acquire in its own name, by gift, purchase, or condemnation, any property or  
21 interest in property necessary or convenient to construct or operate a facility.

22 (d) (1) The exercise of authority under this subsection is subject to the  
23 prior approval of the Board of Public Works.

24 (2) On request of the Authority, the State, a unit of the State, or a  
25 political subdivision may lease, lend, grant, or otherwise convey to the Authority,  
26 property, including property devoted to public use, as necessary or convenient for the  
27 purposes of this subtitle.

28 (3) The State may lease or sublease a facility, or an interest in a  
29 facility, from or to the Authority, whether or not constructed or usable.

30 (4) Lease payments to the Authority appropriated by the State shall  
31 be transferred to:

1 (i) the Baltimore Convention Fund if appropriated for a  
2 Baltimore Convention facility;

3 (ii) the Camden Yards Fund if appropriated for a sports facility  
4 or other facility at Camden Yards;

5 (iii) the Hippodrome Performing Arts Fund if appropriated for a  
6 Hippodrome Performing Arts facility;

7 (iv) the Montgomery County Conference Fund if appropriated  
8 for a Montgomery County Conference facility; [or]

9 (v) the Ocean City Convention Fund if appropriated for an  
10 Ocean City Convention facility; **OR**

11 **(VI) THE PRINCE GEORGE'S COUNTY SOCCER STADIUM**  
12 **FINANCING FUND IF APPROPRIATED FOR THE PRINCE GEORGE'S COUNTY**  
13 **SOCCER STADIUM.**

14 10-621.

15 (a) **THIS SECTION DOES NOT APPLY TO THE PRINCE GEORGE'S COUNTY**  
16 **SOCCER STADIUM.**

17 **(B)** Except as provided in [subsection (b)] **SUBSECTIONS (A) AND (C)** of this  
18 section, proceeds derived from the sale of permanent seat licenses at a professional  
19 sports stadium constructed in the State by the Authority for a professional sports team  
20 that relocates from another jurisdiction to the State may be used only for:

21 (1) amounts that are owed to a national sports league or association as  
22 a result of the costs of the relocation of a professional sports team from another  
23 jurisdiction to the State;

24 (2) the design and construction costs of necessary training facilities;

25 (3) the reasonable costs of moving and relocation, including:

26 (i) the physical movement of property;

27 (ii) land and air travel costs;

28 (iii) employee severance costs; and

29 (iv) employee relocation costs;

30 (4) amounts owed to the other jurisdiction and other interested parties  
31 claiming rights because of the relocation of the professional sports team to the State,

1 including any amounts paid to the other jurisdiction or interested parties to resolve  
2 the claims;

3 (5) the repayment of bonds or other indebtedness incurred by or for  
4 the benefit of the team in connection with facilities that the relocated professional  
5 sports team used or occupied in the other jurisdiction;

6 (6) payments to the Authority; or

7 (7) other reasonable costs and expenses incurred or losses sustained  
8 because of the relocation.

9 [(b)] (C) Proceeds derived from the sale of personal seat licenses that exceed  
10 the costs described in subsection [(a)] (B) of this section:

11 (1) may not accrue directly to the benefit of an individual or private  
12 entity; and

13 (2) shall be held by the Authority for stadium construction and  
14 maintenance of the professional sports stadium in the State the relocated professional  
15 sports team uses.

16 10-625.

17 The Authority shall submit:

18 (1) an annual detailed report of the activities and financial status of  
19 the Authority to the Governor, and, in accordance with § 2-1246 of the State  
20 Government Article, the General Assembly; and

21 (2) annual reports on the additional tax revenues generated by each of  
22 the following facilities, prepared in cooperation with the Office of the Comptroller and  
23 the Department of Budget and Management:

24 (i) the Baltimore Convention facility;

25 (ii) the Hippodrome Performing Arts facility;

26 (iii) the Montgomery County Conference facility; [and]

27 (iv) the Ocean City Convention facility; **AND**

28 (v) **THE PRINCE GEORGE'S COUNTY SOCCER STADIUM.**

29 10-628.

1 (a) Except as provided in subsections (b) and (c) of this section and subject to  
2 the prior approval of the Board of Public Works, the Authority may issue bonds at any  
3 time for any corporate purpose of the Authority, including the establishment of  
4 reserves and the payment of interest.

5 (c) (1) Unless authorized by the General Assembly, the Board of Public  
6 Works may not approve an issuance by the Authority of bonds, whether taxable or tax  
7 exempt, that constitute tax supported debt if, after issuance, there would be  
8 outstanding and unpaid more than the following face amounts of the bonds for the  
9 purpose of financing acquisition, construction, renovation, and related expenses for  
10 construction management, professional fees, and contingencies in connection with:

- 11 (i) the Baltimore Convention facility – \$55,000,000;
- 12 (ii) the Hippodrome Performing Arts facility – \$20,250,000;
- 13 (iii) the Montgomery County Conference facility – \$23,185,000;
- 14 [and]
- 15 (iv) the Ocean City Convention facility – \$17,340,000; **AND**
- 16 (v) **THE PRINCE GEORGE’S COUNTY SOCCER STADIUM –**  
17 **\$178,000,000.**

18 (2) (i) The limitation under paragraph (1)(i) of this subsection  
19 applies to the aggregate principal amount of bonds outstanding as of June 30 of any  
20 year.

21 (ii) Refunded bonds may not be included in the determination of  
22 an outstanding aggregate amount under this paragraph.

23 **10-645.**

24 (A) **IN THIS SECTION, “PRINCE GEORGE’S COUNTY” INCLUDES THE**  
25 **PRINCE GEORGE’S COUNTY REVENUE AUTHORITY OR ANOTHER UNIT**  
26 **PERFORMING COUNTY FUNCTIONS DESIGNATED BY PRINCE GEORGE’S**  
27 **COUNTY.**

28 (B) **EXCEPT AS ALLOWED BY § 10-639 OF THIS SUBTITLE, TO FINANCE**  
29 **SITE ACQUISITION AND CONSTRUCTION OF ANY SEGMENT OF THE PRINCE**  
30 **GEORGE’S COUNTY SOCCER STADIUM, THE AUTHORITY SHALL COMPLY WITH**  
31 **THIS SECTION.**

32 (C) **THE AUTHORITY SHALL PROVIDE TO THE FISCAL COMMITTEES OF**  
33 **THE GENERAL ASSEMBLY, AT LEAST 30 DAYS BEFORE SEEKING APPROVAL**  
34 **FROM THE BOARD OF PUBLIC WORKS FOR EACH BOND ISSUE OR PROPOSED**



1 OTHER BORROWING, A COMPREHENSIVE FINANCING PLAN FOR THE RELEVANT  
2 SEGMENT OF THE PRINCE GEORGE'S COUNTY SOCCER STADIUM, INCLUDING:

3 (1) CAPITALIZED INTEREST DURING CONSTRUCTION; AND

4 (2) THE EFFECT OF THE FINANCING PLAN ON FINANCING  
5 OPTIONS FOR OTHER SEGMENTS OF THE PRINCE GEORGE'S COUNTY SOCCER  
6 STADIUM.

7 (D) THE AUTHORITY SHALL OBTAIN THE APPROVAL OF THE BOARD OF  
8 PUBLIC WORKS FOR THE PROPOSED BOND ISSUE OR OTHER BORROWING AND  
9 THE FINANCING PLAN.

10 (E) THE AUTHORITY SHALL:

11 (1) ISSUE BONDS AS AUTHORIZED UNDER § 10-628 OF THIS  
12 SUBTITLE;

13 (2) SERVE AS PROJECT MANAGER OVERSEEING THE  
14 CONSTRUCTION OF THE PRINCE GEORGE'S COUNTY SOCCER STADIUM;

15 (3) OWN A SUFFICIENT PORTION OF THE PRINCE GEORGE'S  
16 COUNTY SOCCER STADIUM SITE OR PRINCE GEORGE'S COUNTY SOCCER  
17 STADIUM TO SECURE ANY BONDS ISSUED UNDER § 10-628 OF THIS SUBTITLE  
18 FOR THE DURATION OF THE BOND TERM;

19 (4) SECURE A LEASE OR OTHER WRITTEN AGREEMENT WITH  
20 PRINCE GEORGE'S COUNTY, AS APPROVED BY THE BOARD OF PUBLIC WORKS,  
21 AUTHORIZING THE AUTHORITY TO:

22 (I) DESIGN, CONSTRUCT, AND EQUIP THE PRINCE  
23 GEORGE'S COUNTY SOCCER STADIUM; OR

24 (II) SUBJECT TO SUBSECTION (F) OF THIS SECTION,  
25 CONTRACT TO HAVE THESE SERVICES PERFORMED; AND

26 (5) SECURE A WRITTEN AGREEMENT WITH PRINCE GEORGE'S  
27 COUNTY AND THE OWNERS OF THE PRIMARY PROFESSIONAL SOCCER TEAM  
28 PLAYING AT THE PRINCE GEORGE'S COUNTY SOCCER STADIUM IN WHICH:

29 (I) PRINCE GEORGE'S COUNTY OR THE OWNERS AGREE TO  
30 PURCHASE LAND FOR THE PRINCE GEORGE'S COUNTY SOCCER STADIUM SITE  
31 AND TO CONVEY OR LEASE THAT LAND TO THE AUTHORITY AS NEEDED TO  
32 SECURE FINANCING FOR THE PRINCE GEORGE'S COUNTY SOCCER STADIUM;

1                   **(II) THE ALLOCATION OF REVENUE FROM EVENTS AT THE**  
2 **PRINCE GEORGE'S COUNTY SOCCER STADIUM IS SET FORTH; AND**

3                   **(III) THE OWNERS ARE REQUIRED TO PAY SUFFICIENT RENT**  
4 **FOR THE USE OF THE PRINCE GEORGE'S COUNTY SOCCER STADIUM TO:**

5                   **1. CONTRIBUTE TO THE CAPITAL COSTS OF**  
6 **CONSTRUCTION OF THE PRINCE GEORGE'S COUNTY SOCCER STADIUM; AND**

7                   **2. PAY FOR THE MAINTENANCE AND OPERATION**  
8 **COSTS OF THE PRINCE GEORGE'S COUNTY SOCCER STADIUM.**

9                   **(F) THE AUTHORITY MAY NOT HIRE A CONTRACTOR TO DESIGN,**  
10 **CONSTRUCT, OR EQUIP THE PRINCE GEORGE'S COUNTY SOCCER STADIUM**  
11 **UNDER SUBSECTION (E)(4)(I) OF THIS SECTION WITHOUT THE APPROVAL OF**  
12 **THE OWNERS OF THE PRIMARY PROFESSIONAL SOCCER TEAM PLAYING AT THE**  
13 **STADIUM.**

14                   **(G) EXCEPT AS LIENS IN FAVOR OF THE AUTHORITY'S BONDHOLDERS,**  
15 **THE AUTHORITY MAY NOT SELL, ASSIGN, MORTGAGE, PLEDGE, OR ENCUMBER**  
16 **ANY PORTION OF THE PRINCE GEORGE'S COUNTY SOCCER STADIUM SITE OR**  
17 **THE PRINCE GEORGE'S COUNTY SOCCER STADIUM WITHOUT THE PRIOR**  
18 **CONSENT OF THE OWNERS OF THE PRIMARY PROFESSIONAL SOCCER TEAM**  
19 **PLAYING AT THE STADIUM.**

20 **10-656.**

21                   **(A) THERE IS A PRINCE GEORGE'S COUNTY SOCCER STADIUM**  
22 **FINANCING FUND.**

23                   **(B) THE PRINCE GEORGE'S COUNTY SOCCER STADIUM FINANCING**  
24 **FUND IS A CONTINUING, NONLAPSING FUND THAT SHALL BE AVAILABLE IN**  
25 **PERPETUITY TO IMPLEMENT THIS SUBTITLE CONCERNING THE PRINCE**  
26 **GEORGE'S COUNTY SOCCER STADIUM.**

27                   **(C) THE AUTHORITY SHALL:**

28                   **(1) USE THE PRINCE GEORGE'S COUNTY SOCCER STADIUM**  
29 **FINANCING FUND AS A REVOLVING FUND FOR IMPLEMENTING THIS SUBTITLE**  
30 **CONCERNING THE PRINCE GEORGE'S COUNTY SOCCER STADIUM; AND**

31                   **(2) PAY ANY AND ALL EXPENSES INCURRED BY THE AUTHORITY**  
32 **RELATED TO THE PRINCE GEORGE'S COUNTY SOCCER STADIUM.**

1           **(D) THE PRINCE GEORGE'S COUNTY SOCCER STADIUM FINANCING**  
2 **FUND CONSISTS OF:**

3                   **(1) FUNDS APPROPRIATED FOR DEPOSIT TO THE PRINCE**  
4 **GEORGE'S COUNTY SOCCER STADIUM FINANCING FUND;**

5                   **(2) PROCEEDS FROM THE SALE OF BONDS CONCERNING THE**  
6 **PRINCE GEORGE'S COUNTY SOCCER STADIUM;**

7                   **(3) REVENUE COLLECTED OR RECEIVED FROM ANY SOURCE**  
8 **UNDER THIS SUBTITLE RELATED TO THE PRINCE GEORGE'S COUNTY SOCCER**  
9 **STADIUM;**

10                   **(4) INTEREST OR OTHER INCOME EARNED ON THE INVESTMENT**  
11 **OF THE PRINCE GEORGE'S COUNTY SOCCER STADIUM FINANCING FUND; AND**

12                   **(5) ANY ADDITIONAL MONEY MADE AVAILABLE FROM ANY PUBLIC**  
13 **OR PRIVATE SOURCE FOR THE PURPOSES ESTABLISHED FOR THE PRINCE**  
14 **GEORGE'S COUNTY SOCCER STADIUM FINANCING FUND.**

15           **(E) (1) TO THE EXTENT CONSIDERED APPROPRIATE BY THE**  
16 **AUTHORITY, THE RECEIPTS OF THE PRINCE GEORGE'S COUNTY SOCCER**  
17 **STADIUM FINANCING FUND SHALL BE PLEDGED TO AND CHARGED WITH THE**  
18 **FOLLOWING RELATED TO THE PRINCE GEORGE'S COUNTY SOCCER STADIUM:**

19                           **(I) THE PAYMENT OF DEBT SERVICE ON AUTHORITY**  
20 **BONDS;**

21                           **(II) ALL REASONABLE CHARGES AND EXPENSES RELATED**  
22 **TO AUTHORITY BORROWING; AND**

23                           **(III) THE MANAGEMENT OF AUTHORITY OBLIGATIONS.**

24                   **(2) THE PLEDGE IN PARAGRAPH (1) OF THIS SUBSECTION SHALL**  
25 **BE EFFECTIVE AS PROVIDED IN § 10-634 OF THIS SUBTITLE.**

26           **(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY IN THE**  
27 **PRINCE GEORGE'S COUNTY SOCCER STADIUM FINANCING FUND IN THE SAME**  
28 **MANNER AS STATE FUNDS.**

29                   **(2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE**  
30 **PRINCE GEORGE'S COUNTY SOCCER STADIUM FINANCING FUND.**

1                   **(3) NO PART OF THE PRINCE GEORGE'S COUNTY SOCCER**  
2 **STADIUM FINANCING FUND MAY REVERT OR BE CREDITED TO THE GENERAL**  
3 **FUND OR ANY SPECIAL FUND OF THE STATE.**

4                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 June 1, 2009.