

SENATE BILL 799

C8

9lr2863
CF 9lr2860

By: **Senator Hayes (By Request – Baltimore City Administration)**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Stadium Authority – Baltimore Convention Facility – Renovation**

3 FOR the purpose of authorizing the Maryland Stadium Authority to provide for the
4 renovation of the Baltimore Convention facility; altering the authority of the Board
5 of Public Works to approve the issuance of certain bonds related to the Baltimore
6 Convention facility without receiving authorization from the General Assembly;
7 altering the requirement that the Authority, with certain exceptions, comply with
8 certain requirements to finance certain activities; altering the contents required in
9 a certain deed, lease, or written agreement with Baltimore City; altering the
10 definition of “Baltimore Convention site”; providing that an agreement entered into
11 between Baltimore City and the Authority in accordance with the provisions of this
12 Act shall supersede certain prior agreements; and generally relating to the Maryland
13 Stadium Authority and the Baltimore Convention facility.

14 BY repealing and reenacting, without amendments,
15 Article – Economic Development
16 Section 10–601(a) and 10–628(a)
17 Annotated Code of Maryland
18 (2018 Replacement Volume)

19 BY repealing and reenacting, with amendments,
20 Article – Economic Development
21 Section 10–601(l), 10–628(c), and 10–640
22 Annotated Code of Maryland
23 (2018 Replacement Volume)

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

26 **Article – Economic Development**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 10-601.

2 (a) In this subtitle the following words have the meanings indicated.

3 (l) "Baltimore Convention site" means [the site of the Baltimore Convention
4 Center located in Baltimore City at the address generally known as 1 West Pratt Street,
5 identified in the State Department of Assessments and Taxation Real Property database
6 as tax identification number Ward 22, Section 01, Block 0682, Lots 001 and 001A] **ALL**
7 **PROPERTIES WITHIN THE AREA BOUNDED BY THE 200 AND 300 BLOCKS OF SOUTH**
8 **CHARLES STREET ON THE EAST, THE 100 AND 200 BLOCKS OF CONWAY STREET ON**
9 **THE SOUTH, THE 200 AND 300 BLOCKS OF SOUTH HOWARD STREET ON THE WEST,**
10 **AND THE 100 AND 200 BLOCKS OF WEST PRATT STREET ON THE NORTH.**

11 10-628.

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

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

22 (i) the Baltimore Convention facility – **[\$55,000,000]**
23 **\$600,000,000;**

24 (ii) the Hippodrome Performing Arts facility – \$20,250,000;

25 (iii) the Montgomery County Conference facility – \$23,185,000;

26 (iv) the Ocean City Convention facility – \$17,340,000; and

27 (v) Baltimore City public school facilities – \$1,100,000,000.

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

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

32 10-640.

1 (a) Except as allowed by § 10–639 of this subtitle, to finance site acquisition [and],
2 construction, **AND RENOVATION**, the Authority shall comply with this section.

3 (b) The Authority shall provide to the fiscal committees of the General Assembly,
4 at least 45 days before seeking approval of the Board of Public Works for each bond issue
5 or other borrowing, a comprehensive financing plan for the relevant segment of the facility,
6 including the effect of the financing plan on financing options for other segments of the
7 facility.

8 (c) The Authority shall obtain the approval of the Board of Public Works of the
9 proposed bond issue and the financing plan.

10 (d) The Authority shall secure a lease or other written agreement with Baltimore
11 City, as approved by the Board of Public Works, under which:

12 (1) Baltimore City agrees to pay \$50,000,000 for the capital costs of the
13 expansion of the Baltimore Convention Center not later than the date of the Authority's
14 bond issuance as authorized under § 10–628 of this subtitle;

15 (2) Baltimore City and the Authority each own a 50% leasehold interest as
16 tenants in common in the improvements comprising the existing Baltimore Convention
17 Center and the Baltimore Convention Center expansion for the duration of any bonds
18 issued as authorized under § 10–628 of this subtitle; and

19 (3) Baltimore City and the Authority agree not to sell, assign, mortgage,
20 pledge, or encumber the Baltimore Convention facility, or any leasehold interest in the
21 facility, without the prior consent of the other, except for liens in favor of their respective
22 bondholders.

23 (e) The Authority shall secure a deed, lease, or written agreement with Baltimore
24 City, as approved by the Board of Public Works, authorizing the Authority to:

25 (1) design and construct, or contract for the design [and], construction, **OR**
26 **RENOVATION** of, the Baltimore Convention facility; and

27 (2) pledge the Baltimore Convention facility and the Baltimore Convention
28 site or the leasehold interest in the facility as security for the Authority's bonds.

29 (f) The Authority shall secure a written agreement with Baltimore City, as
30 approved by the Board of Public Works:

31 (1) in which Baltimore City agrees to:

32 (i) operate the Baltimore Convention facility in a manner that
33 maximizes the facility's economic return; and

1 (ii) maintain and repair the facility so as to keep it in first class
2 operating condition; and

3 (2) that includes provisions that:

4 (i) protect the respective investment of the Authority, the State, and
5 Baltimore City in the Baltimore Convention facility;

6 (ii) require:

7 1. for the period beginning on the completion of the expanded
8 and renovated Baltimore Convention facility and ending on December 31, 2029:

9 A. the Authority to contribute two-thirds and Baltimore City
10 to contribute one-third to annual operating deficits; and

11 B. the Authority and Baltimore City each to contribute
12 \$200,000 each year to a capital improvement reserve fund; and

13 2. Baltimore City to be solely responsible for all operating
14 deficits and capital improvements:

15 A. before the completion of the expanded and renovated
16 Baltimore Convention facility; and

17 B. after December 31, 2029; and

18 (iii) provide for remedies on default, including the right of the
19 Authority or the State, if a material default by Baltimore City is not corrected after a
20 reasonable notice and cure period, to:

21 1. immediately assume responsibility for maintenance and
22 repairs of the Baltimore Convention facility; and

23 2. offset the costs of the maintenance and repairs against
24 other amounts owed by the Authority or the State to Baltimore City, whether under the
25 operating agreement with Baltimore City or otherwise.

26 SECTION 2. AND BE IN FURTHER ENACTED, That an agreement entered into
27 between Baltimore City and the Maryland Stadium Authority in accordance with the
28 provisions of this Act shall supersede any prior agreements between Baltimore City and
29 the Maryland Stadium Authority required under Title 10, Subtitle 6 of the Economic
30 Development Article.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2019.