

Chapter 695

(House Bill 801)

AN ACT concerning

Maryland Stadium Authority – Baltimore Convention Facility – Renovation

FOR the purpose of ~~authorizing the Maryland Stadium Authority to provide for the renovation of the Baltimore Convention facility; altering the authority of the Board of Public Works to approve the issuance of certain bonds related to the Baltimore Convention facility without receiving authorization from the General Assembly; altering the requirement that the Authority, with certain exceptions, comply with certain requirements to finance certain activities; altering the contents required in a certain deed, lease, or written agreement with Baltimore City; altering the definition of “Baltimore Convention site”; providing that an agreement entered into between Baltimore City and the Authority in accordance with the provisions of this Act shall supersede certain prior agreements requiring the Maryland Stadium Authority and Baltimore City to enter into an agreement on certain elements of the expansion or renovation of the Baltimore Convention facility; specifying that the agreement include certain provisions; and generally relating to the Maryland Stadium Authority and the Baltimore Convention facility.~~

BY repealing and reenacting, without amendments,

Article – Economic Development
 Section 10–601(a) ~~and 10–628(a)~~
 Annotated Code of Maryland
 (2018 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Economic Development
 Section 10–601(l), ~~10–628(e), and 10–640~~
 Annotated Code of Maryland
 (2018 Replacement Volume)

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

Article – Economic Development

10–601.

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

(l) “Baltimore Convention site” means [the site of the Baltimore Convention Center located in Baltimore City at the address generally known as 1 West Pratt Street, identified in the State Department of Assessments and Taxation Real Property database

as tax identification number Ward 22, Section 01, Block 0682, Lots 001 and 001A] **ALL PROPERTIES WITHIN THE AREA BOUNDED BY THE 200 AND 300 BLOCKS OF SOUTH CHARLES STREET ON THE EAST, THE 100 AND 200 BLOCKS OF CONWAY STREET ON THE SOUTH, THE 200 AND 300 BLOCKS OF SOUTH HOWARD STREET ON THE WEST, AND THE 100 AND 200 BLOCKS OF WEST PRATT STREET ON THE NORTH.**

~~10-628.~~

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

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

~~(i) the Baltimore Convention facility — ~~[\$55,000,000]~~
~~\$600,000,000;~~~~

~~(ii) the Hippodrome Performing Arts facility — \$20,250,000;~~

~~(iii) the Montgomery County Conference facility — \$23,185,000;~~

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

~~(v) Baltimore City public school facilities — \$1,100,000,000.~~

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

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

~~10-640.~~

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

~~(b) The Authority shall provide to the fiscal committees of the General Assembly, at least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, a comprehensive financing plan for the relevant segment of the facility,~~

~~including the effect of the financing plan on financing options for other segments of the facility.~~

~~(e) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue and the financing plan.~~

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

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

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

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

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

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

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

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

~~(1) in which Baltimore City agrees to:~~

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

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

~~(2) that includes provisions that:~~

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

~~(ii) require:~~

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

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

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

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

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

~~B. after December 31, 2029; and~~

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

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

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

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

(a) The Maryland Stadium Authority and Baltimore City shall promptly enter into a written agreement to begin in fiscal year 2020 the planning and design of the expansion or renovation of the Baltimore Convention facility.

(b) The written agreement under subsection (a) of this section shall include a provision allocating the costs for planning and design as follows:

- (1) for the Authority, two-thirds of the cost; and
- (2) for Baltimore City, one-third of the cost.

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.