

(iv) Smallwood State Park (Charles County):

Construct comfort station, parking, utilities, and site improvements.....

309,000
300,000

(v) Rocky Gap State Park:

Design and construct a golf course.

The General Assembly believes that a project of this complexity and magnitude should be subject to the approval by the Board of Public Works of all major components of the project and that final approval should not be provided at a departmental level. Therefore, the legislature recommends that the Memorandum of Understanding dated February 28, 1989 and amended March 8, 1989 between the State of Maryland and Barker-Patrinely Group, Inc. and Benchmark Management Company be further amended to provide for this legislative intent and that the ground lease, still to be negotiated, contain the following items: (1) approval by the Board of Public Works of the commitments of the developers for the primary debt and the equity investment; (2) approval by the Board of Public Works of the management agreement; (3) receipt of payment bonds and performance bonds satisfactory to the Board of Public Works; and (4) the right of first refusal by the Board of Public Works at the time of a sale of the tenant's interest in the ground lease.

Further provided, pursuant to the preceding statements, that prior to approval by the Board of Public Works of the ground lease, the management agreement, the financial commitments for the primary debt and equity investment, the loan agreement with the Maryland Industrial Commercial Redevelopment Fund and the agreement relating to payment in lieu of taxes, and prior to authorization to construct the golf course, the Board of Public Works must be satisfied that the hotel/conference center will be built. During negotiations on the documents, the leadership of the budget committees and the Director of the Department of Fiscal Services shall be apprised, on a periodic basis, of the status of the major components.

Further provided, in the event of the sale of the project and assignment of the ground lease, the MICRF Loan documents shall include a provision requiring the prepayment in full of the MICRF Loan (and only if), after taking into consideration the net sales proceeds (as defined in the Memorandum of Understanding and assuming a full repayment of the MICRF Loan), the lessee will receive a sum which will generate an internal rate of return of at least 45% on the total project costs calculated in accordance with