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**Written Testimony Maryland Stadium Authority
Fiscal Year 2023 Operating Budget**

Senate Budget and Taxation Committee

Education, Business & Administration Subcommittee
Chair, Senator Nancy J. King

House Appropriations Committee

Education & Economic Development Subcommittee
Chair, Delegate Benjamin S. Barnes

Written Testimony:

Michael J. Frenz, Executive Director, Maryland Stadium Authority

Good afternoon, Madame/Mr. and members of the committee.

I am Michael Frenz, the Executive Director of the Maryland Stadium Authority (MSA), joining me today virtually are our Chairman, Thomas Kelso, CFO, David Raith, Executive VP of the Capital Projects Development Group that manages the 21st Century Schools Buildings program, Gary McGuigan and Terry Hasseltine, the Executive Director of Maryland Sports, the state's sports commission.

The MSA has received and reviewed the analysis and recommendations in advance of this budget hearing. We would like to take a moment to thank Patrick Frank for his thorough analysis. In addition to my brief remarks, MSA has provided the committees additional information that complements the analysis.

MSA continues to work with the Orioles and Ravens in order to ensure that the stadiums remain best-in-class facilities in terms of safety and fan experience. The Orioles have publicly stated their intention to remain in Baltimore, and to that end, agreed to extend the Oriole Park lease to year-end 2023. In order to address the long-term future of the stadiums, legislation will be introduced to increase the debt cap from \$235 million to \$1.2 billion, with \$600 million allocated to each stadium. To service the debt, the amount allocated from lottery proceeds will be capped at \$90 million from the current \$20 million. These improvements are designed to increase the economic impact of the stadiums for the State, the City, and the teams.

Companion legislation will be introduced to create a \$200 million fund to promote the development of sports entertainment facilities across the state, including minor league stadiums where renovations will be necessary in order to

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maintain affiliations with major league teams. These minor league teams provide economic benefits to communities and promote synergies between the Orioles and their Maryland-based affiliates.

Because of our longstanding reputation for on-time, on-budget project delivery, MSA has been asked to take on numerous additional projects of increasing complexity, with respect to both scope and scale. Notable recent projects include the Pimlico and Laurel racetrack improvements, the Built to Learn Act statewide school construction program, the Department of Legislative Services building, and the Hagerstown multiuse sports and events facility. Despite additional operational and financial complexity engendered by these and other projects, MSA is pleased that our most recent Office of Legislative Audits fiscal compliance audit resulted in no findings warranting mention, for the second consecutive time.

MSA, through its Maryland Sports Commission affiliate, continues its efforts with the Baltimore-Maryland 2026 World Cup Host Committee, inaugural Maryland Cycling Classic and the highly praised Maryland 5 Star equine event at Fair Hill. Maryland Sports also recently completed its allocation of the \$1 million Michael Erin Busch sports grant funds to 57 organizations across the state.

Whenever the MSA is asked to take on projects and studies our response is “we’re here to serve.” It is our sincere pleasure to serve the citizens of Maryland as we plan, finance, build, and manage innovative educational and entertainment facilities for the benefit of present and future generations.

Thank you and we would be delighted to answer any questions you may have.



Maryland Stadium Authority

Fiscal Year 2023 Operating Budget

House Appropriations Committee

Education & Economic Development Subcommittee

Chair, Delegate Benjamin S. Barnes

February 3, 2022

Senate Budget and Taxation Committee

Education, Business & Administration Subcommittee

Chair, Senator Nancy J. King

February 4, 2022



Status of Pimlico and Laurel Park Improvements

- **Track at Laurel Park**

MSA should be prepared to brief the committees on the track at Laurel Park. This should include if adding the silica sand was sufficient or if other costs will need to be incurred to provide a long-term solution to reduce fatalities. The authority should also be prepared to discuss if costs associated with reducing fatalities will increase the total cost of renovations at Laurel Park.

- **MSA Response**

MSA has not conducted a thorough review of the current track conditions. MSA was not a participant in the past corrective actions necessitated by the track closures. The track and horse safety at Laurel Park is the responsibility of the Stronach Group. The original concept for Laurel Park was to introduce a third artificial surface to the current race course with minor disturbance to the existing track. The project is in an early stage with the focus on program and transition.



Maryland Stadium Authority (MSA)

Mission

- To plan, finance, build and manage sports and entertainment facilities in Maryland.
- Provide enjoyment, enrichment, education, and business opportunities for citizens.
- Develop partnerships with local governments, universities, private enterprise and the community.





MSA - What We Do

1. Operate and maintain Camden Yards Sports Complex real estate assets on behalf of the State of Maryland.
2. Oversee feasibility studies and construction projects for local municipalities or state agencies upon request.
3. Oversee 21st Century Schools Program.
4. Oversee Project C.O.R.E..
5. Oversee Pimlico and Laurel Racing Facilities Redevelopment.
6. Oversee Built to Learn Act 2020 Program.
7. Promote the use of sports-related facilities across Maryland to foster economic development through the Maryland Sports Commission.





Lease between MSA & the Orioles



- The original lease term was extended to year-end 2023. The team has stated publicly that it remains committed to remaining in Baltimore.
- Legislation will be introduced that will increase the cap on Camden Yards Sports Complex debt to \$1.2 billion from \$235 million. The \$1.2 billion will be evenly allocated between the stadiums. The cap on debt service from lottery will increase to \$90 million from \$20 million.
- Additional legislation will be introduced to create a \$200 million fund to promote the development of sports entertainment facilities across the state, including minor league stadiums where renovations will be necessary in order to maintain affiliations with major league teams. These minor league teams provide economic benefits to communities and promote synergies between the Orioles and their Maryland-based affiliates.





Camden Yards Sports Complex

- Since 1992, there has been approximately \$15.9 billion in total spending at the Camden Yards Sports Complex, with \$9.2 billion attributed to the Baltimore Orioles and \$6.7 billion attributed to the Baltimore Ravens.
- Based on tax revenues of a \$1 billion, less \$670 million in debt service in bonds issued to build the Camden Yards Sports Complex, the State of Maryland has earned a \$330 million return on its investment.

	Orioles	Ravens
Approximately 85 million visitors	70 million	15 million
Approximately \$15.9 billion in total spending	\$9.2 billion	\$6.7 billion
Approximately 4,000 jobs each year	2,400	1,600
Approximately \$8.3 billion in employee earnings	\$4.8 billion	\$3.5 billion
Approximately \$1.0 billion in state revenues	\$0.6 billion	\$0.4 billion
Approximately \$670 million in debt service	\$0.45 billion Oriole Park at Camden Yards	\$0.22 billion M&T Bank Stadium





Capital Projects Development Group

PROJECTS

Completed Projects:

- Fair Hill Special Event Zone
- Ocean City Convention Center Expansion & Improvements, Phase 3

In Progress:

- Department of Legislative Services Annapolis State Government Complex
- Redevelopment of Pimlico and Laurel Park Racing Facilities
- Hagerstown MiLB Ballpark Multi-Use Sports and Events Facility

STUDIES

Completed Studies:

- Ocean City Indoor Fieldhouse and Outdoor Field Complex Study
- Baltimore Convention Center Modernization Effort

In Progress:

- Prince George's County Proposed Tennis Center
- Historic St. Mary's City Fort Market and Economic
- Frostburg State University Recreation Complex
- Coppin State University Proposed New Public Safety Building





Public School Construction

- MSA finances, procures, and builds high-quality schools throughout the City of Baltimore. The MSA is currently scheduled to deliver 28 school buildings that will be home to 32 schools, maximizing the original program projection of 23 to 28 school buildings.
- Together with its program partners, Baltimore City, City Schools and the IAC, the MSA has now delivered 24 modernized school buildings on-time and under-budget. Another three school buildings are under construction and one is in procurement.
- The Baltimore City Schools program promotes local employment with **1,117** positions filled by city residents, introduces a school internship initiative, and realizes a **32.2%** MBE achievement with over **\$362** million in contracts awarded to minority and women owned businesses.
- As this program nears completion, the \$2.2 billion statewide school construction program under the Built to Learn Act is ramping up. The program MOU was executed in the summer of 2021 and the first project MOU was approved in February 2022.





Maryland Sports

Maryland's Sports Commission continues connecting TEAM Maryland county and city partners to sport tourism industry partners to develop new business, awarding grant funds when available and pursuing new economic activity through sports tourism for the state.

Events of Profile:

The following events received support, leadership and operational resources from Maryland Sports and/or the Sport and Entertainment Corporation of Maryland:

- Baltimore-Maryland 2026 FIFA World Cup Host Destination
- Governor's Challenge
- Maryland 5 Star at Fair Hill
- Maryland Cycling Classic
- Maryland Sports Spelling Bee

Michael Erin Busch Fund /Youth and Amateur Sports Grant:

\$1 million Michael Erin Busch Fund /Youth and Amateur Sports Grant program funds have been allocated to 57 organizations across the state.





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