



Maryland Stadium Authority

Fiscal Year 2026 Operating Budget
Response to Department of Legislative Services Analysis

Senate Budget and Taxation Committee
Education, Business & Administration Subcommittee
Chair, Senator Nancy J. King
January 24, 2025

House Appropriations Committee
Education & Economic Development Subcommittee
Chair, Delegate Stephanie Smith
January 23, 2025



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Governor

Michael J. Frenz
Executive Director

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Written Testimony:

Michael J. Frenz, Executive Director, Maryland Stadium Authority

Good afternoon, Madame Chairs and members of the committees.

I am Michael Frenz, the Executive Director of the Maryland Stadium Authority (MSA), joining me today are our Chair, Craig Thompson, CFO, Dawn Abshire, Executive Vice President of the Capital Projects Development Group, Gary McGuigan, Vice President of Capital Projects and Planning for the Camden Yards Sports Complex Phillip Hutson, and the Executive Director of Maryland Sports, the state's sports commission, Terry Hasseltine.

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 and thoughtful analysis. In addition to my brief remarks, MSA has provided the committees additional information that complements the analysis.

MSA continues to work with the Baltimore Orioles and Ravens to ensure that the stadiums remain best-in-class facilities in terms of safety and fan experience. Since the enactment of HB 896 (2022) Maryland Stadium Authority - Increase of Bond Authorization - Camden Yards and subsequent approval of long-term agreements with each team which reaffirmed both teams strong commitments to Maryland and unlocked funds from state legislation, we have been collaborating on game-changing upgrades to enhance the fan experience while making much needed infrastructure investments to extend the life of the stadiums.

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In August 2024, MSA and Baltimore Ravens were delighted to deliver the first phase of the \$430 million renovations projects of M&T Bank Stadium including newly constructed and upgraded social spaces, with the modernization of elevators and escalators and other improvements throughout the facility. The next phase of construction projects is already well underway.

In July 2024, the MSA Board of Directors approved the recommendations to award the contracts for the Architectural / Engineering Design Services Renovation Projects at Oriole Park at Camden Yards. In January 2025, with the Maryland Board of Public Works (BPW) approval, MSA is authorized to issue bonds in a principal aggregate amount not to exceed \$135 million with the proceeds to finance the initial phase of capital projects at the ballpark.

Similarly, HB 897 (2022) Economic Development – Sports Entertainment Facilities and Events, Prince George’s County Blue Line Corridor Facilities, and Racing Facilities successfully created 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. We are delighted to report that already five minor league teams have taken steps to utilize the funds and MSA’s services. Likewise, MSA looks forward to next steps with Prince George’s County on the Blue Line Corridor development.

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 projects completed in 2024 include the Hagerstown multi use sports and events facility which opened its doors and welcomed fans for the Flying Boxcars first ever homestand in May. Of particular importance to legislators and their staff, the brand new Department of Legislative Services building scheduled for completion by December celebrated its ribbon-cutting at the beginning of session.

MSA is also entrusted to finance, procure, and then construct state-of-the-art schools. In December 2024, BPW approved the last construction contract for the 21st Century School Buildings Program, which will deliver 34 schools in 29 new or fully renovated buildings, exceeding the original estimate of 23 to 28 buildings. The two final schools are currently under construction. With respect to the statewide Built to Learn Act program, MSA has negotiated 15 memoranda of understanding encompassing 38 school projects with Local Education Authorities at a total value of \$2.2 billion. Finally, in late-summer 2024, Prince George’s

County Public Schools Phase 2 Blueprint Schools Program stakeholders and project partners, hosted four groundbreaking ceremonies. In addition to investing in the next generation of Marylanders education, these new schools are creating opportunities for local employment and businesses, revitalizing neighborhoods, inspiring civic pride, and providing catalysts for economic development.

MSA, through its Maryland Sports affiliate, promoted and executed 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 numerous 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 people 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.

Legislative Services/Analysis Issue & Response

DLS recommends - Reduce funds for Stadium debt service to reflect recent bond sales and revised estimates. After adjusting estimates for the Ravens Stadium 2023B variable loan and the Oriole Park January 2025 private placement, estimated fiscal 2026 totals \$59.25 million. The allowance totals \$59.51 million. The bonds are supported by lottery revenues. Unspent appropriations are deposited into the General Fund.

MSA believes the debt service amount should remain at \$59.5 million due to the uncertain nature of variable rate debt of the football 2023b.



Legislative Services/Analysis Issue & Response

DLS recommends deleting the deficiency for Preakness Stakes FY2025 appropriation. The unspent lottery funds would be deposited into the General Fund to help reduce the general fund deficit and the overall structural deficit. Since the RCDFE has a substantial fund balance, those funds could be used to support the Preakness Stakes, but this would require a statutory change.

See letter from Maryland Sports Commission



Legislative Services/Analysis Issue & Response

DLS recommends that MSA adopt policies to avoid subsidizing ongoing events through the MSEEPPF.

To address the structural budget deficit, DLS recommends restructuring the MSEEPPF to limit annual appropriations to the fund and annual spending from the fund to \$5.0 million beginning in fiscal 2027. This will require an amendment to § 9-120(b)(1)(x) of the State Government Article in the Budget Reconciliation and Financing Act to effectuate. So that new grants are not crowded out by large ongoing grants, DLS also recommends that grants for the Annual Maryland 5 Star at Fair Hill be deleted.

See letter from Maryland Sports Commission



Reconciliation & Financing Act

Recommended Actions

1. Major Sports and Entertainment Event Program Fund spending increased to over \$10 million annually by its third year. The State has a long-term structural deficit. Substantial reductions are required. Reducing to annual appropriations to \$5 million and limiting annual spending to \$5 million beginning in fiscal 2027 reduces out-year spending by more than \$5 million annually. To address the long-term structural deficit, the Department of Legislative Services recommends that the Budget Reconciliation and Financing Act amend § 9-120(b)(1)(x) of the State Government Article to reduce the annual appropriations to \$5 million and limit annual spending to \$5 million annually.

See letter from Maryland Sports Commission



Fiscal Year 2026 Operating Budget Response to Department of Legislative Services Analysis

The Maryland Sports Commission, a division of Maryland Stadium Authority (MSA), was established in 2008 to promote the use of Maryland sporting venues for sports tourism purposes. During FY2024, Maryland Sports was involved in over 320 events, which generated over \$225 million in direct spending on Maryland's economy, primarily through youth and amateur sports.

The establishment of the Sport and Entertainment Corporation of Maryland (SECMD), an affiliated foundation of MSA through Maryland Sports Commission, in FY2020 was to enhance Maryland's overall impact and competitive ability in hosting and incubating Maryland's investments year over year through public and private partnerships. This initiative, however, had a significant setback in its early development due to the pandemic and is really only get underway here in FY2025. SECMD's new Board of Directors has established the necessary governance, fiduciary thresholds, and necessary leadership engagement for the organization to Move Maryland Forward Through Sports and Live Events.

The Maryland Sports Commission, and its affiliated foundation SECMD, have become more competitive regionally, nationally and internationally on large scale, high profile and high economic impact generating events because of the development of the Major Sports and Entertainment Event Program Fund (MSEEPF). We have been able to strengthen our relationships with our professional franchises, major venues, domestic and international governing bodies and events rights holders because of our ability to strategically be involved with event recruitment, hosting, resource development and centralizing a one-stop state resource allocation.

Per the analyst's recommendation to cut the \$2.5 million allocations to the Maryland 5 Star. The Maryland 5 Star needs the financial backing in its nascent stages and has become a signature equine event for Maryland in such relatively short time. This investment is critical for Maryland for the following factors:

- The event is only one of seven high profile equine eventing events in the world;
- It establishes significant synergies with Preakness in equine sports;
- The event has experienced significant growth in attendance, television viewership and sponsorship in its short history;
- The recent addition of Chief Commercial Officer to the Sport and Entertainment Corporation of Maryland will eventually obviate need for sports grant.

***MISSION:** Enhance Maryland's economy, image & quality of life through the attraction, promotion, retention and development of regional, national & international sporting events.*



Finally, the grant program contains policies and procedures to ensure that the most deserving applicants are awarded and approved in an equitable and transparent manner.

The following events and or organizations have chosen to stay in or selected Maryland due to the MSEEPPF:

- Army-Navy Game
- BMW Championship (Western Golf Association and PGA of America)
- Naismith Hall of Fame Tip-Off Classic
- FEI and USA Equestrian Federations: Maryland 5 Star and Washington International Horse Show
- UCI and USA Cycling: Maryland Cycling Classic
- English Premiere League Summer Series and International Soccer Friendlies
- 2037 Ryder Cup
- Military Bowl
- CIAA Men's and Women's Basketball Tournament
- Oceans Calling and Country Calling Music Festivals
- Neutral Site Football Games
- PGA and PGA of America Championships 2026-2034 (Men's, Women's, Senior's Junior's and Adaptive)
- And others

Events we are currently under considerations and the MSEEPPF is what is helping us remain competitive:

- CIAA Extension
- 2031 Men's World Rugby World Cup
- 2031 Women's FIFA World Cup
- 2033 Women's World Rugby World Cup
- NFL Draft
- MLB All-Star Game
- EPL Morning Live
- Major League Cricket
- 2026 FIFA World Cup Training Sites and activations

The loss or cutting of resources to the MSEEPPF would cripple Maryland's sports tourism industry and set us back many years in reputational damage as well as diminishing our competitive ability. Now is the time to be investing in sports tourism as it has once again proven to be recession proof and resilient coming off the pandemic. The sports tourism market was the first to recover and continues to grow at a pace of approx. 3.5% annually while other tourism and business markets have struggle to rebound. Our

MARYLAND SPORTS

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surrounding competitors Virginia, Ohio, Pennsylvania, North and South Carolina and Delaware have all developed and invested in recent years to expand their focus on sports tourism. If we cut or defund the MSEEPPF we will be leaving an entire industry segment behind, sports tourism.

As it pertains to the \$1.5 million set aside for the 150th Preakness Festival, those funds have been received, or encumbered and or applied against the initiative to date. The goal of the Preakness Festival is to grow a sustainable economic and civic pride event each year going forward by leveraging the visibility of Preakness Stakes 150, and building forward toward Preakness 152 when the state's investment and ownership comes to fruition. This is an economic development through tourism and small businesses for all of Maryland in collaboration with the Maryland Thoroughbred Racetrack Operation Authority (MTROA).

In closing, Maryland must keep the momentum we have established and funded at a competitive pace. In my opinion, Maryland should be increasing the contribution to MSEEPPF during this time as the rewards on Maryland's economy, image and quality of life far exceed the relatively small investment.

Respectfully,



Terrance (Terry) Hasseltine
Executive Director

MARYLAND SPORTS

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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

- Operate and maintain Camden Yards Sports Complex real estate assets on behalf of the State of Maryland
- Oversee feasibility studies and projects for local municipalities or state agencies upon request
- Oversee 21st Century School Buildings Program
- Oversee Project C.O.R.E. / Baltimore Vacants Reinvestment Initiative
- Oversee Redevelopment of Pimlico Race Course and New Training Facility
- Oversee Built to Learn Act 2020 Program
- Oversee development and financing of the Blue Line Corridor
- Promote the use of sports-related facilities across Maryland to foster economic development through Maryland's Sports Commission
 - Administer the Michael Erin Busch Sports Fund Youth and Amateur Sports Grants Program
 - Administer the Major Sport and Entertainment Events Program





MSA – How We Are Funded

- Self-funded through stadium operations
- General funds: Debt service and operating deficiencies for Baltimore City and Ocean City Conventions Center, Hippodrome Theatre, Montgomery County Conference Center
- Baltimore City Public Schools: \$60 million annually for life of the bonds
- Project C.O.R.E.: / Baltimore Vacants Reinvestment Initiative funded by Maryland Department of Housing & Community Development
- Stadium debt: Up to \$90 million from Maryland Lottery
- Built to Learn: \$125 million from Education Trust Fund
- Racing & Community Development Act: At least \$17 million from Maryland Lottery
- Michael Erin Busch Sports Fund Youth and Amateur Sports Grants Program: \$1 million from Maryland Lottery
- Major Sport and Entertainment Events Program: \$10 million from Maryland Lottery





Camden Yards Sports Complex

- From 1992 to 2022, 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.

<i>1992 to 2022</i>	Orioles / MLB	Ravens / NFL
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





Renovation Projects M&T Bank Stadium

- In December 2023, MSA and the Baltimore Ravens announced a multi-year renovation (2024-2026) project that utilizes an estimated \$430 million of the \$600 million of state funds allotted for improvements to enhance M&T Bank Stadium and ensure the facility, remains a world-class NFL and year-round entertainment venue well into the future.
- To maximize year-round use, substantial development on the exterior plaza areas expands pre- and post-game entertainment, includes a concert venue and flagship retail store, with fan experience and infrastructure improvements on every level of the facility.
- In August 2024, MSA and the Baltimore Ravens, delivered the first phase of the renovations projects of M&T Bank Stadium including new field-level seats, The Blackwing with luxury suites, relocated press box, upgraded club level, elevator / escalator modernization, newly constructed Miller Lite Gatehouse and roof deck social spaces.
- The next phase, with construction already underway, includes necessary infrastructure improvements, a high-end social area below the concourse with views and interactions with the players as they enter the field, and transformation of the North Plaza.





Renovation Projects

Oriole Park at Camden Yards

- In July 2024, the MSA Board of Directors approved the recommendations to award the contract for the Architectural / Engineering Design Services Renovation Projects at Oriole Park at Camden Yards to Populous, Inc. and the Construction Management Services Renovation Projects at Oriole Park at Camden Yards to Gilbane – WarrenBuilds (Joint Venture). Both contracts received final approval from BPW.
- In October 2024, the MSA Board of Directors approved the Comprehensive Financing Plan for Oriole Park at Camden Yards for the Capital Improvement Projects Program.
- In January 2025, the MSA submitted the Baseball Stadium Bonds Series 2025 before the Maryland Board of Public Works for their review and approval, authorizing MSA issuing bonds in a principal aggregate amount not to exceed \$135 million with the proceeds to finance the initial phase of capital projects at Oriole Park at Camden Yards.
- The first of the multi-phase, multi-year improvements to the ballpark include upgrading the audio-visual systems with designing and constructing a new video board, installing a new sound system, and supporting control room technologies. Additional infrastructure projects include steel painting and the much-needed chiller plant replacement.





Capital Projects Development

PROJECTS

Completed

- Hagerstown Multi-Use Sports and Events Facility (Meritus Park)
- Department of Legislative Services Annapolis State Government Complex

In Progress:

- Baltimore Convention Center Capital Infrastructure Improvements and Design Study
- MiLB HB897 Sports and Entertainment Facilities and Events
 - Arthur W. Perdue Stadium, Wicomico, MD
 - Prince George's Stadium, Bowie, MD
 - Nymeo Field at Harry Grove Stadium, Frederick, MD
 - Regency Furniture Stadium, Waldorf, MD
 - Leidos Field at Ripken Stadium, Aberdeen, MD
- Prince George's County Blue Line Corridor Sports and Entertainment Facilities – Feasibility Study & Design/Build Services
 - Civic Plaza at Wayne K. Curry Building
- Project C.O.R.E. / Baltimore Vacants Reinvestment Initiative
- Redevelopment of Pimlico and New Training Facility





Capital Projects Development

STUDIES

Completed:

- Anne Arundel County Proposed Arts and Conference Center Market and Economic Study

In Progress:

- Frostburg State University– I-68 Regional Recreation Complex Planning and Design Services
- Hagerstown Community College Cost Estimate and Economic Study
- Major League Soccer (MLS) Next Pro Proposed New Multi-Use Soccer Stadium, Phase 2 Preliminary Design
- Northwest Baltimore County Sports Tourism Facility Study
- Ocean City Convention Center Space Master Plan and Parking Demand Study
- St. Mary's County Potential Sports Complex, Phase 2 - Preliminary Design
- Town of Ocean City Sports Complex Phase 2-Preliminary Design





Public School Construction

21st Century School Buildings Program

- In the \$1.1 billion 21st Century School Buildings Program (Program), MSA leads the partnership in financing, procuring, and building future-focused, adaptable, sustainable, high-quality educational facilities in communities throughout the City of Baltimore.
- In December 2024, BPW approved the last construction contract for this Program, which will deliver 34 schools in 29 new or fully renovated buildings.
- The Program has also achieved an MBE participation of 33.3% (\$443 mil), and local hiring commitments of 1,619 new positions to date.
- Furthermore, the program has received over \$4mil in energy efficiency & sustainable design rebates, while achieving \$1.7mil in forecasted annual operating savings.
- The two final schools are currently under construction: Commodore John Rogers Elementary, and the historic Frederick Douglass High School Building.





Public School Construction

Built to Learn Act 2020

- Inspired by the success of the 21st Century School Buildings Program in Baltimore, the Built to Learn Act was enacted in 2020 to construct or renovate public school facilities throughout the state.
- To date, MSA has negotiated 15 memoranda of understanding encompassing 38 school projects with Local Education Authorities at a total value of \$2.2 billion.

Prince George's County Public Schools Phase 2 Blueprint Schools Program

- In late-summer 2024, Prince George's County Public Schools Phase 2 Blueprint Schools Program stakeholders and partners hosted four groundbreaking ceremonies.
- The innovative Phase 2 Program uses collaborative public-private partnership (P3) funding sources that includes State funding, and involves both MSA and the IAC.





Maryland Sports Commission

The Maryland Sports Commission continues connecting TEAM Maryland county and city partners to sports 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:

- Maryland 5 Star at Fair Hill
- Maryland Cycling Classic
- Maryland Sports Spelling Bee
- CIAA
- Governor's Challenge
- Bay Bridge Run

Michael Erin Busch Fund /Youth and Amateur Sports Grant:

\$1 million available to support its private sector event partners, rights holders and sports governing bodies to conduct amateur sporting events such as games, exhibitions, tournaments, and other sports competition-related events.

Major Sport and Entertainment Events Program

\$10 million a year in financial assistance to eligible recipients for the costs of attracting, hosting and organizing major sporting and entertainment events through Maryland Sports, and its non-profit arm, the Sport and Entertainment Corporation of Maryland.





MARYLAND STADIUM AUTHORITY

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