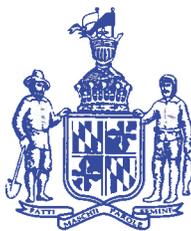


MARYLAND STADIUM AUTHORITY

MARTIN O'MALLEY
GOVERNOR



MEMBERS

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KALIOPE PARTHEMOS
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MICHAEL J. FRENZ
EXECUTIVE DIRECTOR

THE WAREHOUSE AT CAMDEN YARDS
333 WEST CAMDEN STREET, SUITE 500
BALTIMORE, MARYLAND 21201-2435
(410) 333-1560 FAX (410) 333-1888

September 24, 2013

Honorable Martin O'Malley, Governor
State House
Annapolis, MD 21401

Honorable Peter V. R. Franchot, Comptroller
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, MD 21401

Honorable Nancy K. Kopp, Treasurer
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, MD 21401

Honorable Edward J. Kasemeyer
Chairman of the Senate, Budget and Taxation Committee
3W Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Honorable Norman H. Conway
Chair, Appropriations Committee
House Office Building, Room 121
6 Bladen Street
Annapolis, Maryland 21401

**RE: Baltimore City Public Schools
Annual Report-First Report**

Dear Governor O'Malley, Comptroller Franchot, Treasurer Kopp, Senator Kasemeyer and Delegate Conway:

The law enacted this legislative session requiring an annual report by October 1, 2013 of each year. Please consider this as the first annual report.

The Maryland Stadium Authority (MSA), Interagency Committee on School Construction (IAC), the Baltimore City Board of School Commissioners (School Board), and the Mayor and City Council of Baltimore (City) have been engaged in negotiations of the Memorandum of Understanding (MOU) since the legislature adjourned in mid April. A copy of the proposed MOU is attached for your reference. The parties, working in

good faith, arrived at a final negotiation of the MOU in mid-September that addresses the sixteen business points identified in the law. The MOU was approved by the School Board and the City this week and is scheduled to be heard by the IAC and MSA Boards within a week. The plan is to submit this item on the October 16, 2013 Board of Public Works (BPW) meeting as an agenda item.

If all governing bodies approve the MOU, the next steps include:

- Hiring and training of staff – Fall 2013
- Completion of Plan Year 1 school feasibility studies-End of 2013
- Procurement for Plan Year 1 schools-Spring 2014
- Plan Year 1 school construction-Late 2015/early 2016
- Plan Year 1 anticipated construction completion-Summer 2017

Although there are a great deal of variables including the exact scope of schools, escalation rates and bond rates, we estimate that the program can support 30-35 replacement and renovated schools to be completed by Summer 2020.

Please let me know if we can provide further information to you with respect to this study.

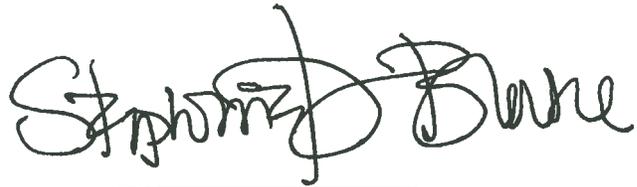
Sincerely,



Michael J. Frenz
MSA



Tisha Edwards
School Board



Mayor Stephanie Rawlings-Blake



Dr. David Lever
IAC

MJF:lmj
Enclosure

cc: The Honorable Thomas V. "Mike" Miller, Jr.
The Honorable Michael E. Busch
The Honorable T. Eloise Foster
The Honorable Dominick Murray
Mr. Matthew Gallagher
Mr. Warren Deschenaux
Mr. Matthew Klein
Ms. Jody Sprinkle
Maryland Stadium Authority Chairman and Board Members
Mr. Gary A. McGuigan
Mr. Eric Johnson
Mr. Teresa Garraty