

Maryland Stadium Authority 2022 Financial and Annual Review





Camden Yards Sports Complex



<text> develop partnerships with local governments, universities, private enterprise and the community.

LA





Larry Hogan *Governor*

Michael J. Frenz Executive Director

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Letter from the Chairman and Executive Director

Since 1986, the Maryland Stadium Authority (MSA) has uplifted communities, inspired investments, and increased revenues to Maryland through the construction of sport, entertainment and education facilities across the state. MSA is headquartered in the Camden Yards Warehouse, adjacent to Oriole Park, our first and most famous project that ushered in a new era of stadium design and urban revitalization across the nation. By working in partnership with the Baltimore Orioles and Ravens, Oriole Park at Camden Yards and M&T Bank Stadium remain best-in-class facilities in terms of safety, amenities, and fan experience in Major League Baseball and the National Football League.

In 2022, the MSA advanced two departmental bills during the legislative session. HB896 increased the cap on Camden Yards Sports Complex debt from \$235 million to \$1.2 billion (\$600 million each for Oriole Park and M&T Bank Stadium), increased the cap on monies for debt service transferred from lottery funds to \$90 million from \$20 million, and stipulated that the term of any bonds issued could not exceed the term of the team lease where the money is to be spent. This offers a significant incentive for the teams to renew or extend their leases and remain in Baltimore, and provides the opportunity to expand the economic impact of games and other activities at the stadiums.

HB897 allows MSA to borrow up to \$200 million for minor league stadiums and other sports entertainment facilities in Maryland and creates a \$10 million fund to promote major sports events in Maryland. Amendments were added to our original bill to allow MSA to borrow up to \$400 million for Blue Line Corridor development in Prince George's County, and produce reports on cost and schedule for the racing facilities.

Both bills passed overwhelmingly in the House of Delegates and unanimously among those voting in the Senate. The bills were also strongly supported by business and political leaders across the state reflecting their belief in the importance of the bills to economic vitality in the state and MSA's ability to successfully carry out the programs these funds will support.

MSA's mission has expanded and evolved over the past 35 years to include numerous highly visible and successful economic and feasibility studies, construction projects, and programs. To date, MSA has completed \$4 billion of projects across the state that were delivered on-time and on-budget. Currently, MSA is involved in \$5 billion of projects. MSA does not advocate for involvement in these projects and studies, instead MSA accepts the tasks assigned by the legislature and executive branch. MSA's studies provide information, not recommendations, to local and state officials to assist in decisions about possible investments and benefits for their communities and constituents. Most notably these projects and studies include the Ocean City Convention Center expansion & improvements Phase 3, Department of Legislative Services Annapolis state government complex project, redevelopment of Pimlico Race Course and Laurel Park racing facilities,

and Hagerstown multi-use sports and events facility.

MSA also houses Maryland's Sports Commission, which is charged with enhancing the state's economy, image and quality of life through the attraction, promotion, retention and development of regional, national and international sporting events. With its partners, through its affiliated foundation, the Sports and Entertainment Corporation of Maryland, the Commission successfully promoted and executed the inaugural Maryland Cycling Classic and the second annual Maryland 5 Star equine event at Fair Hill. The Commission also administers the \$1 million Michael Erin Busch Fund that directly supports local communities' youth and amateur sports tourism efforts across the state. Similarly, the Commission administers the newly created \$10 million Major Sport and Entertainment Events Program.

As the 21st Century School Buildings Program, the \$1.1 billion partnership with Baltimore City Public Schools, wraps up MSA has been proud of our contribution to the education of Baltimore's children and the employment of its residents, thus creating opportunities for local businesses and inspiring neighborhood revitalization. To date, 26 of the 28 originally estimated buildings have opened, with the remainder opening in early 2023. Happily, as a result of savings through efficient program management and innovative bond financings, MSA realized \$60 million in program savings, and an additional \$65.6 million in bond transaction proceeds. This will allow for the renovation of the historic Frederick Douglass High School building resulting in 29 buildings constructed or renovated exceeding the original forecast of 28.

As a follow-on to the 21st Century School program, the Built to Learn Act authorizes MSA to issue up to \$2.2 billion in debt for the construction and renovation of public school facilities throughout the state. To date, the MSA Board of Directors has approved project MOUs between MSA and Anne Arundel, Wicomico, Carroll, Charles, Baltimore, Frederick, and Howard counties.

Whenever the MSA is asked to take additional work, our response is "we're here to serve." For over 35 years, it has been our sincere pleasure to serve the citizens of Maryland.

All the best, Thomas Kelso Chairman

Michael Frenz Executive Director



TABLE OF CONTENTS

FINANCIAL REVIEW	
Independent Auditors Report	1
Management's Discussion and Analysis	4
Financial Statements	
Statement of Net Position	13
Statement of Revenue, Expenses, and Change in Net Position	15
Statement of Cash Flows	16
Notes to the Financial Statements	17
Required Supplementary Information	
Schedule of Proportionate Share of Net Pension Liability	56
State of Maryland Employee's Retirement and Pension System	
Schedule of Contributions –	57
State of Maryland Employee's Retirement and Pension System	
Schedule of Contributions – Other Post-Employment Benefits	58
State of Maryland	
Notes to the Schedule of Proportionate Share of Net Pension Liability and	59
Schedule of Contributions State of Maryland Employee's Retirement Pension	
System	
Notes to the Schedule of Contributions Other Post-Employment Benefits –	59
State of Maryland	
Supplementary Information	
Combining Schedule of Contribution from Primary Government	61
Combining Schedule of Revenue, Expenses, & Changes in Net Position	62
ANNUAL REVIEW	
Mission	65
Administration	66
MSA Departments	69
Capital Projects Development Group	76
Maryland Sports Commission	86
The Sport and Entertainment Corporation of Maryland	90
Maryland Stadium Authority Staff & Board of Directors	96



2022 Financial Review

MARYLAND STADIUM AUTHORITY (A COMPONENT UNIT OF THE STATE OF MARYLAND) Financial Statements Together with the Independent Auditor's Report For the Year Ended June 30, 2022

MARYLAND STADIUM AUTHORITY (A COMPONENT UNIT OF THE STATE OF MARYLAND)

Financial Statements Together with the Independent Auditor's Report

For the Year Ended June 30, 2022



MARYLAND STADIUM AUTHORITY Table of Contents

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
Statement of Net Position	13
Statement of Revenue, Expenses, and Changes in Net Position	15
Statement of Cash Flows	16
Notes to the Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of Net Pension Liability State of Maryland Employee's Retirement and Pension System	56
Schedule of Contributions – State of Maryland Employee's Retirement and Pension System	57
Schedule of Contributions – Other Post-Employment Benefits State of Maryland	58
Notes to the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions State of Maryland Employee's Retirement Pension System	59
Notes to the Schedule of Contributions Other Post-Employment Benefits – State of Maryland	59
SUPPLEMENTARY INFORMATION	
Combining Schedule of Contributions from Primary Government	61
Combining Schedule of Revenue, Expenses, and Changes in Net Position	62



INDEPENDENT AUDITORS' REPORT

Board of Directors Maryland Stadium Authority Baltimore, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Maryland Stadium Authority, a component unit of the State of Maryland, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Maryland Stadium Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Maryland Stadium Authority, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Maryland Stadium Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 2 to the financial statements, effective July 1, 2021, Maryland Stadium Authority adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to- use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Maryland Stadium Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Maryland Stadium Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Maryland Stadium Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability and contributions and schedule of contributions other post-employment benefits, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maryland Stadium Authority's basic financial statements. The combining schedule of contributions from primary government and combining schedule of revenue, expenses and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule of contributions from primary government and combining schedule of revenue, expenses and changes in net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, on our consideration of the Maryland Stadium Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Maryland Stadium Authority's internal control over financial report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maryland Stadium Authority's internal control over financial reporting and compliance.

Clifton Larson Allen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland January 30, 2023

Overview of the Financial Statements and Financial Analysis

The Maryland Stadium Authority (the Authority), a component unit of the State of Maryland (the State), is honored to present the fiscal year 2022 financial statements with fiscal year 2021, for comparative purposes. The Authority's responsibilities include operation of the baseball and football stadiums, the B&O Warehouse, and Camden Station located at the Camden Yards Sports Complex, oversight of several convention centers, assistance in the construction of replacement and renovation of Baltimore City Public Schools, assistance in the financing of public schools throughout the State of Maryland, and construction management for various projects throughout the State.

There are three financial statements presented for the reader: The Statement of Net Position; the Statement of Revenue, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

The Authority's Statement of Net Position presents the assets and deferred outflows, liabilities and deferred inflows, and the net position of the Authority as of June 30, 2022. The Statement of Net Position provides the reader with a financial picture of the Authority's assets (current and noncurrent) and deferred outflows, liabilities (current and noncurrent) and deferred inflows, and net position (assets and deferred outflows minus liabilities and deferred inflows) or the financial position of the Authority at the end of the fiscal year.

From the information presented, the user of the Statement of Net Position is able to determine the assets available for the continuing operations of the Authority. The user is also able to determine what cash and cash equivalents are available and the amounts owed to and by the Authority. The purpose of the Statement of Net Position is to show the user what is available for the future needs of the Authority.

The net position is divided into three categories. The first category, "net investment in capital assets," reflects the Authority's investment in furniture, equipment, facility rights, and right to use asset, net of debt depreciation and amortization. The second category is net assets restricted for a specific purpose. The Authority restriction for debt service represents funds held by the Authority with the purpose of paying debt service on the outstanding bonds. Restriction for projects represents funds available for projects under contract with external entities. The final category, "unrestricted," is available funds held by the State's Comptroller's Office.



Management's Discussion and Analysis June 30, 2022

Statement of Net Position (continued)

Below is a comparison of the Statements of Net Position as of June 30, 2022, and 2021:

	2022	<u>*202</u> 1
ASSETS AND DEFERRED OUTFLOWS		
Current assets	\$ 1,390,322,785	\$ 786,290,288
Capital assets, Net	50,330,245	45,424,441
Other noncurrent assets	74,330,068	67,599,679
Deferred outflows	<u>10,011,19</u> 5	<u>12,097,10</u> 8
Total Assets and Deferred Outflows	<u>1,524,994,29</u> 3	911,411,516
LIABILITES AND DEFERRED INFLOWS		
Current liabilities	181,326,309	167,699,627
Noncurrent liabilities	2,254,200,563	1,534,125,312
Deferred inflows	<u>22,495,23</u> 2	<u>14,908,61</u> 1
Total Liabilities and Deferred Inflows	<u>2,458,022,10</u> 4	1,716,733,550
NET POSITION		
Net investment in capital assets	5,776,961	\$ (5,916,063)
Restricted for debt service	538,826,431	644,185,808
Restricted for Projects	700,863,201	-
Unrestricted	(2,178,494,404)	(1,443,591,779)
Total Net Position	(933,027,811)	(805,322,034)

*Restated for Implementation of GASB No. 87

During the fiscal year 2022, total assets and deferred outflows for the Authority increased from the prior year by approximately \$613.6 million, mainly due to:

ASSETS

Current assets increased approximately \$604.0 million, mainly due to the following:

- A decrease of \$8.6 million related to the operations at the Camden Yards Sports Complex and the administration of the Baltimore City Public Schools' program.
- An increase in funds for the Michael Erin Busch Youth and Amateur Sports Grant program of \$2.2 million.
- An increase in project advances of \$17.0 million.
- An increase of \$698.7 million in restricted investments from the Series 2021 and Series 2022A bonds which will be used for construction costs related to the Built to Learn program
- An increase of \$68.6 million in restricted investments from the Series 2022A bonds which will be used for construction costs related to the Hagerstown Multi-Use Stadium and Event Facility.

Statement of Net Position (continued) **ASSETS (continued)**

- A decrease of \$159.1 million in restricted investments from the Series 2016, Series 2018A, Series 2020A, Series 2020B and Series 2020C bond which were used for construction costs related to Baltimore City Public Schools and a refunding of certain maturities of Series 2016 and Series 2018A.
- A decrease in \$5.5 million in restricted investments for the Series 2019A and Series 2019B used for various capital projects at the Camden Yards Sports Complex, and a decrease of \$8.8 million in restricted investments for the Series 2019C bonds used for expansion of the Ocean City Convention Center and capitalized interest.

An increase in net accounts receivable and due from primary government of approximately \$1.2 million mainly due to the following:

- An increase of \$1.1 million in rent and reimbursement of expenses by the Baltimore Orioles.
- A decrease of \$0.9 million for the reimbursement of expenses related to the operations and maintenance of M & T Banks Stadium due from the Baltimore Ravens and reimbursement of electric.
- A decrease of \$1.8 million from the Town of Ocean City for their costs for the expansion of the Ocean City Convention Center.
- An increase of \$4.1 million in admission taxes (collected by the Comptroller's office) due to the increase in attendance at baseball, football, and other stadium events; and
- A decrease of \$1.3 million for the reimbursement of expenses for a Mass Vaccination site at M & T Bank Stadium from the University of Maryland Medical Center in FY 2021.

Lastly, the combined change in notes receivable and interest receivable increased by \$0.4 million.

Non-current assets increased approximately \$4.9 million, mainly due to the following:

- Non-current contract receivable increased approximately \$4.6 million with a reduction of \$11.2 million for the 2021 principal payment received, an increase of \$7.0 million from the use of the Funds from Series 2019A and Series 2019B for the Camden Yards Sports Complex and an increase of \$8.8 million from the use of funds from the Series 2019C bonds related to the Ocean City Convention Center expansion.
- Intangible assets increased by \$4.9 million as a result of capital improvements to the Camden yards Sports Complex of \$9.0 million, the Ocean City Convention Center of \$7.5 million, the Hagerstown Multi-Use Stadium and Event Facility of \$1.3, additions of furniture, fixtures and equipment of \$0.3 million, and a decrease of \$13.2 million for depreciation and disposals.
- Finally, prepaid expenses increased \$0.1 million and deferred outflows from pension and swap agreements decreased \$2.8 million and increased \$0.7 million, respectively.

Statement of Net Position (continued) LIABILITIES

During the fiscal year 2022, Total liabilities and deferred inflows as of June 30, 2022, increased approximately \$741.3 million, mainly due to:

- 1) Accounts payable, accrued expenses and project advances increased by \$3.6 million as a result of:
 - An increase of \$17.4 million from the Maryland Racing Commission to be used for the redevelopment of Laurel and Pimlico racetracks.
 - A decrease of \$8.5 million for project advances for Camden Yard.
 - An increase of \$8.5 million for project advances for the Hagerstown Multi-Use Stadium and Event Facility.
 - A decrease of \$0.4 million for other project advances.
 - A decrease of \$0.9 million related to the operating deficits for the Baltimore City and Ocean City Convention Centers; and
 - A decrease of \$12.5 million for construction expenditures related to Baltimore City Public Schools and operations.
- 2) There was an increase in the equipment, financing, revenue bonds and lease revenue bonds of approximately \$735.8 million, as a result of new debt and bond premium and discount totaling \$781.0 for the series 2021, 2020A for Built to Learn and 2022A Hagerstown Multi-Use Stadium and Event Facility bonds, \$32.2 million was used to make payments towards the outstanding principal on the bonds, and \$13.0 million in amortization of bond premiums and discounts.
- 3) Deferred inflows related to pension increased \$7.6 million with net pension liability decreasing by \$5.5 million.
- 4) There was an increase in interest payable of \$2.3 million.
- 5) The derivative liability decreased by \$2.6 million as a result of the change in the fair market values of derivatives and the maturity of the Series 2007 bonds.
- 6) Finally, deferred inflows related to lease receivables increased by \$0.1 million from a new lease receivable entered into during the fiscal year.



Summary Statement of Revenue, Expenses, and Changes in Net Position

Below is a comparison of the Summary Statements of Revenue, Expenses, and Changes in Net Position for the years ended June 30, 2022, and 2021:

	2022	*2021
Operating revenue	\$ 50,567,770	\$ 36,950,442
Operating expenses	52,795,795	45,536,638
Operating loss	(2,228,025)	(8,586,195)
Non operating expenses	(154,142,801)	(238,784,484)
Loss before contributions Contributions from primary and local governments	(156,370,826)	(247,370,680)
and other sources	28,665,049	19,803,308
Decrease in net position	(127,705,777)	(227,567,372)
Net position at beginning of year- restated	(805,322,034)	(577,754,662)
Net Position at End of Year	<u>\$ (933,027,811)</u>	\$ (805,322,034)

*Restated for Implementation of GASB No. 87

The changes in net position are based on the activity that is presented on the Statement of Revenue, Expenses, and Changes in Net Position.

The Statement of Revenue, Expenses, and Changes in Net Position presents the revenue and expenses for the Authority during fiscal year 2022. The revenue and expenses are presented in operating and non-operating categories.

At the end of fiscal year 2022, the Statement of Revenue, Expenses, and Changes in Net Position disclosed a \$127.7 million decrease to net position. The following information explains the decrease in net position.



Statement of Revenue, Expenses, and Changes in Net Position (continued) **OPERATING REVENUE**

Total operating revenue for the year was \$50.6 million, a large percentage of the revenue received by the Authority relates to the operation of the stadiums.

Operating revenue for fiscal year 2022 increased by approximately \$14.6 million over revenue in fiscal year 2021 due to:

- An increase in Baltimore Orioles' rent of \$2.8 million, due higher attendance for the first half of the 2022 season.
- An increase in Baltimore Ravens' contribution of \$3.2 million due to higher operating costs as a result of playing in front of fans in 2021.
- An increase in admission taxes of \$9.8 million higher attendance form baseball, football and at the Hippodrome Performing Arts Center.
- An increase in parking income of \$0.2 million was due to the warehouse employees beginning to return to the office.
- Lastly, an increase of \$0.3 million for commission for catered events

There was a \$1.7 million decrease in project fees mainly due to:

- a decrease of \$0.7 million in funding for the Baltimore City Demolition and Stabilization program,
- a decrease of \$0.5 million in funding for the Racing and Community Development, a decrease of \$1.8 million related to the construction of the Ocean City Convention Center,
- an increase of \$0.7 million for utility rebates related to Baltimore City Public Schools,
- an increase of \$0.6 million in reimbursement for costs related to a concert, project work and utility chargebacks collectively,

Camden Yards Revenue

Operating revenue generated at the Camden Yards Sports Complex for fiscal year 2022 totaled \$34.0 million. The Baltimore Orioles' rent is based upon a percentage of revenue stream formula, and the Baltimore Ravens pay 100% of the operating and maintenance expenses of the football stadium. This accounts for approximately \$15.4 million of the revenue for fiscal year 2022.

The teams are required to pay a 10% ticket charge to the State of which the Authority receives 8% and Baltimore City receives 2%. The revenue from the admission taxes for both teams was approximately \$10.5 million. Also included in admission taxes is a two-dollar (\$2) ticket charge for the Hippodrome Performing Arts Center for \$0.4 million for a total of \$10.5 million.

Located at the Camden Yards Sports Complex are the B&O Warehouse and Camden Station that were renovated for office and museum space. There currently are tenants renting more than 220,000 square feet that, combined with several cellular antenna sites, generate approximately \$3.7 million for fiscal year 2022.

Miscellaneous operating revenue from the Camden Yards Sports Complex include parking receipts from non-game days, other non-professional events, catering commissions, trademark revenue, utility revenues, construction management fees for other construction projects not part of the

Statement of Revenue, Expenses, and Changes in Net Position (continued)

Camden Yards Sports Complex, contributions to the Orioles Improvements Fund, contributions to Maryland's Sports Commission, contribution from the Maryland Department of Housing and Community Development (DHCD) for the demolition program and adjustments to capital assets, which totaled approximately \$4.4 million for fiscal year 2022.

The remaining operating revenue not derived from Camden yards was approximately \$16.6. The revenue is due from:

- \$0.4 million admission taxes of the total \$10.9 million admission taxes, was from the twodollar (\$2) ticket charge for the Hippodrome Performing Arts Center.
- \$16.2 in project fees of \$8.1 million from Ocean City Convention Center, \$6.0 million from Baltimore City Demolition and Stabilization project, \$0.9 million from Baltimore City Public Schools, \$0.5 million from the Racing and Community Development and \$0.02 million (collectively) from Montgomery County Conference Center and Hippodrome Performing Arts Center.

OPERATING EXPENSES

Net operating expenses increased by \$7.3 million for fiscal year 2022, due to the following changes in fiscal year 2022:

- Salaries and wages increased \$0.8 million in fiscal year 2022. There were some vacant positions filled, a cost-of-living increase, salary increases, and higher benefit costs increasing salaries and wages by \$0.7 million and worker compensation increased by \$0.1 million.
- Utilities were higher in 2022 by \$1.1 million. With the increases attendance at the baseball and football games and several tenant employees returning to work, the demand of utilities increased.
- Contractual services increased by \$8.7 million due to:
 - a decrease of \$1.0 million for the demolition and stabilization program for Baltimore City,
 - o an increase in HVAC repairs and maintenance of \$0.5 million,
 - o an increase in audio and visual repairs and maintenance of \$0.5 million,
 - \circ an increase of \$3.3 million in janitorial services,
 - o an increase of \$2.4 million in security services,
 - o an increase of \$0.2 million in elevator and escalator repairs and maintenance,
 - an increase of \$0.2 million in fire alarm repairs and maintenance,
 - o an increase of \$0.7 million in software acquisition and maintenance,
 - $\circ~$ an increase of \$0.1 million for both engineering and electrical repairs and maintenance,
 - $\circ~$ an increase of \$1.5 million for grants paid to youth an amateur sporting events in Maryland, and
 - an increase in plumbing supplies and maintenance of \$0.2 million.
- Insurance costs decreased by \$0.2 million in 2022 from lower premiums.

Statement of Revenue, Expenses, and Changes in Net Position (continued) **OPERATING EXPENSES (continued)**

- Depreciation expense decreased by \$3.3 million in fiscal year 2022. Additional improvements are fully depreciated.
- Supplies and materials increase by \$0.2 million because of fans returning to games.

NON-OPERATING REVENUE AND EXPENSES

Non-operating expenses decreased by \$83.6 million in fiscal year 2022. There was an increase in interest expense of \$11.2 million primarily related to the Series 2020A, 2020B, 2020C, 2021, 2022A for Built to Learn and 2022A for the Hagerstown Multi-Use Stadium and Event Facility bonds. The State's share of the operating deficit for the Baltimore Convention and Ocean City Convention Centers increased by \$1.2 million as a result primarily from the centers re-opening during fiscal year 2022. There was a decrease in overall architects, engineering, construction management and project management expenses related to Baltimore City Public Schools of \$99.6 million. Lastly, there was an increase in overall architects, engineering, construction management and project management expenses related to Built to Learn of \$3.6 million.

Non-operating revenue decreased by \$1.0 million for fiscal year 2022. Investment income decreased by \$9.4 million due to a decrease in proceeds available to invest for the Series 2018A, 2020A, and 2020B bond and the adjustment for the investment carrying value for the investments related to the Series 2016 and Series 2018A, which decreased \$12.6 and \$4.2, respectively due to a decrease in fair value. Contributions to the Built to Learn program increased \$10.0 million from a transfer of funds from the Baltimore City Public Schools program. Finally, there was a \$0.4 million increase in contributions from the State of Maryland, Baltimore City and Baltimore City Board of School Commissioners on the Baltimore City Public School construction project.

CONTRIBUTIONS FROM PRIMARY GOVERNMENTS

The Authority also received appropriations from the State to be used for several purposes. For the fiscal year an appropriation was issued for the outstanding contract receivables due from the State. The money received from the State in conjunction with \$1.0 million (annual contribution) from Baltimore City was used to pay debt service on the outstanding bonds issued by the Authority.

The Authority also has a contractual obligation to pay one-half of the operating deficit of the Ocean City Convention Center and two-thirds of the operating deficit of the Baltimore City Convention Center. Further, the Authority is required to contribute annually to an improvement fund for the Ocean City and Baltimore City Convention Centers in the amount of \$50,000 and \$200,000, respectively, but was eliminated as part of budget reductions for the State of Maryland for 2022.

In 2022, the total contributions for fiscal year 2022 from the State of Maryland was approximately \$28.7 million.

Statement of Cash Flows

The last statement presented is the Statement of Cash Flows. The statement presents detailed information about the activities involving cash, and the statement is broken down into five parts. The first part of the statement relates to the operating cash flows and shows the net cash used for operations the Camden Yards Sports Complex; the second relates to the cash flows resulting from noncapital financing activities; the third relates to cash flow from capital and related financing activities; the fourth relates to the cash flows from investing activities; and the fifth reconciles the net cash used to the operating loss on the Statement of Revenue, Expenses, and Changes in Net Position.

Below is a comparison of the Statements of Cash Flows for the years ended June 30, 2022, and 2021:

	 2022	 2021
Cash flows from:		
Operating activities	\$ 4,076,493	\$ (23,901,103)
Noncapital financing activities	617,236,776	410,424,365
Capital and related financing activities	(15,645,964)	(3,639,238)
Investing activities	 (595,157,467)	 (362,464,501)
Net increase in cash and cash equivalents Cash and cash equivalents, beginning of year	10,509,839 112,725,275	20,419,523 92,305,752
Cash and Cash Equivalents, End of Year	\$ 123,235,114	\$ 112,725,275

The drivers of the change in cash flow activities have been explained in other sections.

Capital and Right to Use Assets

The Authority had \$18.1 million in additions to capital and right to use assets in 2022.

Long Term Debt Administration

The Authority had an increase in debt during 2022 of \$687.6 million, net related premium and discount of \$93,4 million, due to the issuance of the Series 2021, 2022A for Built to Learn and 2022A for the Hagerstown Multi-Use Stadium and Event Facility bonds. Long term debt was reduced by \$32.2 million in principal payments, net premium and discount of \$12.9 million.

Economic Outlook

The Authority is not aware of any facts, decisions or conditions that will have a significant impact on the financial conditions during the fiscal year beyond those unforeseen situations that will have the same global effect on virtually all types of business operations.

The Authority has the support of the Maryland General Assembly for its current activities.

For fiscal year 2022, the Authority is saw an increase in admission tax receipts and Baltimore Orioles' rent, since the restrictions related to the Coronavirus were lifted.

Net Position

The Authority has a negative net position of \$933.0 million as a result of incurring debt related to construction for Baltimore City, Built to Learn, and the Hagerstown Multi-Use Stadium and Event Facility. As the Authority incurs the construction costs for Baltimore City and Built to Learn, the cost is expensed as non-operating expense (see Note 2). Baltimore City and the State are obligated to provide the Authority with funding to fund this debt.



Statement of Net Position June 30, 2022

ASSETS AND DEFERRED OUTFLOWS

Current Assets	
Cash and cash equivalents	\$123,235,114
Restricted investments	1,239,818,420
Accounts receivable, net	7,293,185
Due from primary government	4,983,324
Interest receivable	946,014
Note receivable, current portion	113,136
Lease receivable, current portion	2,583,592
Contracts receivable, current portion	11,350,000
Total Current Assets	1,390,322,785
Noncurrent Assets	
Prepaid expenses and other assets	213,754
Lease receivable, net of current portion	11,799,797
Contracts receivable, net of current portion	62,316,516
Capital assets:	
Furniture and equipment, net	525,358
Leased assets, net	25,537
Intangible assets, net	49,779,350
Net capital assets	50,330,245
Total Noncurrent Assets	124,660,313
Deferred Outflows	
Deferred outflows related to swap agreements	1,775,382
Deferred outflows related to pension	8,235,813
Total Deferred Outflows	10,011,195
Total Assets and Deferred Outflows	1,524,994,293

The accompanying notes are an integral part of this financial statement

Statement of Net Position June 30, 2022

LIABILITIES AND DEFERRED INFLOWS

LIABILITIES AND DEFERRED INFLOWS	
Current Liabilities	
Accounts payable and accrued expenses	41,852,731
Project advances	88,909,315
Interest payable	10,609,348
Lease liability, current portion	8,339
Bonds payable and contract purchase agreements, current portion	39,946,576
Total Current Liabilities	181,326,309
Noncurrent Liabilities	
Accrued expenses, net of current portion	1,673,229
Revenue, Contract Bonds payable and contract purchase agreements, net	161,235,701
Bonds payable on Baltimore City Public Schools construction, net of current	1,373,334,909
Bonds payable on Built to Learn construction, net of current	702,194,699
Net lease liability	17,476
Net pension liability	13,705,104
Interest rate swap liability	2,039,445
Total Noncurrent Liabilities	2,254,200,563
Deferred Inflows	
Deferred inflows related to swap advance amortization	417,798
Deferred inflows related to pension	8,572,666
Deferred inflows related to lease receivable	13,504,768
Total Deferred Inflows	22,495,232
Total Liabilities and Deferred Inflows	2,458,022,104
NET POSITION	
Net Position	
Investment in capital assets	5,776,961
Restricted for debt service	538,826,431
Restricted for construction projects	700,863,201
Unrestricted	(2,178,494,404)
Total Net Position	(\$933,027,811)



Statement of Revenue, Expenses and Changes in Net Position For the Year Ended June 30, 2022

Operating Revenue	
Baltimore Orioles' rent	\$4,739,098
Admission taxes	10,912,408
Baltimore Ravens' contributions	10,654,988
Warehouse rents	3,706,502
Catering commissions	333,661
Parking revenue	1,453,676
Capital project fees	18,767,437
Total Operating Revenue	50,567,770
Tour operating recente	50,501,11
Operating Expenses	
Salaries and wages	14,022,893
Telephone and postage	84,849
Travel	67,363
Utilities	5,145,107
Vehicle expense	13,085
Contractual services	24,696,815
Parking	1,370,005
Supplies and materials	592,407
Depreciation and amortization	6,207,122
Fixed charges	161,711
Miscellaneous	434,438
Total Operating Expenses	52,795,795
Operating Loss	(2,228,025)
Non Operating (Expenses) Revenue	
Contributions to others for operating deficit and capital improvements	(10,586,041)
Contributions for Baltimore City Public Schools construction	65,636,952
Contributions for Built to Learn construction	10,000,000
Expenses related to Baltimore City Public Schools	(144,122,550)
Expenses related to Built to Learn	(3,566,371)
Investment income and other	(1,349,584)
Change in fair market value of swaps	(0)
Interest expense	(70,155,207)
Total Non Operating Expenses	(154,142,801)
Loss before contributions	(156,370,826)
Contributions from Primary Governments	28,665,049
Change in net assets	(127,705,777)
Total net assets, beginning of year- restated	(805,322,034)
Total Net Asset, End of Year	\$ (933,027,811)
Tomi tor Hobey Linu of Tour	

The accompanying notes are an integral part of this financial statement

Statement of Cash Flows For the Year Ended June 30, 2022

Cash Flows from (used for) Operating Activities		
Receipts from Camden Yards	\$	49,456,992
Payments to employees and related disbursements	Ψ	(12,876,894)
Payments to suppliers		(32,503,604)
Net Cash Flows from (used for) Operating Activities		4,076,493
		· · ·
Cash Flows from (used for) Noncapital Financing Activities		
Contributions from primary governments		28,665,049
Contribution for Convention Center operating deficit and capital improvements		(12,045,123)
Contributions from Baltimore City Public Schools construction		65,636,952
Contributions from Built to Learn construction		10,000,000
Baltimore City Public Schools construction expenditures		(156,451,322)
Built to Learn construction expenditures		(3,566,371)
Project advances		17,059,658
Principal paid on bonds payable, contract purchase agreements and leases		(32,202,083)
Proceeds from debt issuance		781,015,958
Interest payments		(80,875,943)
Net Cash Flows from (used for) Noncapital Financing Activities		617,236,776
Cash Flows used for Capital and Related Financing Activities		
Purchases of capital and right to use assets		(18,136,210)
Loss on disposal of assets		7,028,189
Proceeds from contract receivables		2,490,246
Net Cash Flows used for Capital and Related Financing Activities		(15,645,964)
Cash Flows from (used for) Investing Activities		
Purchases of investments		(605,873,516)
Interest income and gains on investments		10,229,249
Proceeds from note receivable		486,801
Net Cash Flows from (used for) Investing Activities		(595,157,467)
The cush from the from (used for) investing freuvities		<u>(373,137,407)</u>
Net increase in cash and cash equivalents		10,509,839
Cash and cash equivalents, beginning of year		112,725,275
Cash and Cash Equivalents, End of Year	\$	123,235,114
Adjustments to Reconcile Net Operating Loss to Cash Flows from Operating Ac		
Operating loss	\$	(2,228,025)
Adjustments to reconcile operating loss to net cash flow from operating activities:		
Depreciation and amortization		6,207,122
Effects of changes in cash on operating assets and deferred outflows		
and liabilitie and deferred inflows:		
Net change in current and non-current assets and deferred outflows		(5,227,255)
Changes in due from primary government		4,116,476
Net change in current and non-current liabilities and deferred inflows	-	1,208,175
Net Cash From Operating Activities	\$	4,076,493

The accompanying notes are an integral part of this financial statement.

Notes to the Financial Statements June 30, 2022

1. NATURE OF OPERATIONS

The Maryland Stadium Authority (the Authority) was established by legislation and enacted by the State of Maryland (the State), effective July 1, 1986, (Annotated Code 1957, Sections 13-701 through 13-722 of the Financial Institutions Article), to select a site and develop financing alternatives for stadium facilities in the Baltimore Metropolitan area. Effective July 1, 1987, the law was amended (Chapter 123, 1987 Laws of Maryland) to enable the construction of new facilities, including baseball and football stadiums, in the Camden Yards area of Baltimore City (the City). The amendment also established that the Authority is an independent unit in the Executive Branch of the State government.

During the 2009 General Assembly session, the General Assembly moved the Authority from the Financial Institutions Article to the newly created Economic Development Article, Sections 10-601 to 10-658.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Authority is a component unit of the State. The Authority is governed by a Board, six members of which are appointed by the Governor of the State and one member is appointed by the Mayor of Baltimore City with the consent of the Maryland General Assembly.

Measurement Focus and Basis of Accounting

The Authority's financial statements are reported on the accrual basis of accounting and the economic resources measurement focus as specified by the Governmental Accounting Standards Board requirements for an enterprise fund.

The accompanying financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash Equivalents

The Authority considers all cash on deposit with the Treasury or financial institutions to be cash equivalents as well as all highly liquid investments with an original maturity of three months or less.

Investments

Investments are stated at fair value. Shares of money market mutual funds are valued at quoted market prices, which represent the net fair value of shares held by the Authority as of year-end.

Notes to the Financial Statements June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital and Right-to-Use Assets

Furniture and equipment are stated at cost and depreciated using the straight-line method over three to ten years. The capitalization threshold for all individual capital assets is \$1,000.

All intangible assets are capitalized at cost and amortized using the straight-line basis over the life of the related contracts.

Right to use intangible assets are recorded at the present value of the related lease agreement and amortized over the life the lease agreement.

Contract Receivable

Under the terms of the Master Agreement, principal and interest payments on the Authority's lease revenue bonds are paid by the State when due. The Authority has established a contract receivable equal to the future principal payments, less any unspent proceeds, on its outstanding debt.

Project Advances

The Authority is overseeing studies and projects for various state universities and local jurisdictions. Advances are received to pay for expenses incurred or to be incurred. Unexpended advances are not the property of the Authority and are recorded as liabilities. The liability of \$88.9 million relates to Baltimore City Public School construction (\$32.1 million), DHCD for the State in the Baltimore City Demolition and Stabilization program (\$4.0 million), Department of Natural Resources for the renovation of Fair Hill Special Event Zone (\$0.8 million), Racing and Community Development program (\$51.0 million), Hagerstown Multi-Use Stadium and Other Event Facility (\$0.9 million), and local jurisdictions funding of feasibility and market studies (\$0.1 million) as of June 30, 2022.

Operating Revenue

Operating revenue is the revenue generated from its primary business activities. The Authority's operating revenue is generated from operating the sports stadium.

Non-operating Revenue and Expenses

Non-operating revenue consists of investment income on accounts held by the Maryland State Treasurer and the trustees of the outstanding bonds, amortization of bond premiums and deposit of funds for the construction and revitalization of Baltimore City Public Schools.

Notes to the Financial Statements June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-operating Revenue and Expenses (continued)

Non-operating expenses consist of payments to the Baltimore City and the Ocean City Convention Centers for the State's share of the operating deficiencies and funding to the capital improvement account, interest expense on all outstanding bonds and expenditures from bond process for Baltimore City Public Schools construction and revitalization.

Net Pension Liability

Certain employees of the Authority are members of the Maryland State Retirement and Pension System (the System). Employees are members of the Employees' Retirement System of the State of Maryland (ERS). The ERS is part of the State of Maryland Retirement and Pension System which is considered a multiple employer cost sharing plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of ERS and additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflow and Deferred Outflow of Resources

The Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position

The Authority had deferred outflows of resources related to net pension liability of \$8.2 million and deferred inflows of resources related to net pension liability of \$8.6 million. (Note 15)

The Authority had a deferred outflows of resources related to the fair value of the interest rate swap in the amount of \$2.3 million, and a deferred inflows of resources related to the amortization of the cash advance for the swap agreement in the amount of \$1.8 million. (Note 12)

The Authority had a deferred inflow of resources related to the right-to-use lease receivable in the amount of \$13.5 million. (Note 14)

Notes to the Financial Statements June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Restricted Assets

When an expense is incurred, the Authority first applies resources available from the applicable restricted assets before applying resources from unrestricted assets. The Authority's assets are restricted in accordance with Sections 10-651, 10-652, 10-653, 10-654, 10-655, 10-656, and 10-657 of the Economic Development Article of the Annotated Code of Maryland.

New Pronouncements

The GASB issued Statement 87, Leases, that requires governments' financial statements to recognize certain lease assets and liabilities for leases that were previously classifies as operating leases and to have them recognized as inflows of resources and outflows of resources based on the payment provisions within the contract or lease agreement. This was effective June 1, 2021.

The beginning net position balance was restated as a result of the implementation, beginning net position increased \$998,112 from (\$806,320,146) to (\$805,322,034).

3. DEPOSITS AND INVESTMENTS

As of June 30, 2022, the Authority had cash on deposit in an internal pooled cash account with the Maryland State Treasurer (the Treasurer) in the amount of \$123,128,605. The Treasurer maintains these and other Maryland State agency funds on a pooled basis in accordance with the Annotated Code of the State of Maryland. The State Treasurer's Office invests pooled cash balances daily. The investment consisted of direct purchases of securities or repurchase agreements.

The carrying value and bank balance of other deposits as of June 30, 2022, was \$106,509, which was fully covered by Federal depository insurance.

As of June 30, 2022, the Authority had a balance of \$1,239,818,420 in funds held by trustees for various bond series. The Bank of New York held \$1,477,706, M&T Bank held \$90,781,924, and Zions Bank held \$1,147,558,790. As of June 30, 2022, \$986.5 million of these funds were invested in various money market mutual fund accounts which mature in less than a year. As of June 30, 2022, \$252.9 million of these funds were invested in U. S. Treasury Notes and Bonds and U. S. Treasury Zero Coupon Bonds which mature more than a year. The money market funds used by M&T Bank, Bank of New York, and Zions Bank are rated AAA by Moody's and AAA by S&P.

The Authority classifies its fair value measurements within the hierarchy as established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are

Notes to the Financial Statements June 30, 2022

significant unobservable inputs. The investments of the funds into money market accounts are Level 1 inputs and its fair value are quoted prices for identical assets in the active markets.

3. DEPOSITS AND INVESTMENTS (continued)

As of June 30, 2022, M&T Bank had the following investments and maturities:

	<u>Investment Maturities in Y</u> ears					
Investment Type	Value	L	<u>æs</u> sth <u>a</u> n1	<u> </u>	_	<u> </u>
MoneyMarket(level 1)	\$ 90,781,924	\$	90,781,924	\$	-	\$

As of June 30, 2022, the Bank of New York held the following investments and maturities:

	<u>Investment Maturities in Y</u> ears							
Investment Type		Value	<u> </u>	<u>es</u> sth <u>a</u> n1	<u>1-</u> 5	_	<u>6-1</u> 0	
Money Market (level 1)	\$	1,477,706	\$	1,477,706	\$	-	\$	-

As of June 30, 2022, the Zions Bank held the following investments and maturities:

		Inve	estment Maturiti	es in	Years	
Investment Type	<u>Valu</u> e		Less than 1		1-5	 <u>6-1</u> 0
Money Market (level 1)	\$ 894,652,612	\$	894,652,612	\$	-	\$ -
U.S. Treasury Notes (level 1)	\$ 11,347,598	\$	11,347,598	\$	-	\$ -
U.S. Treasury Zero Coupons Bonds (level 1)	\$ 241,558,580	\$	-	\$	211,499,996	\$ 30,058,584

The Authority is restricted by the trust indenture for each bond issuance as to the type of investments that can be utilized.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changes in interest rates.



Notes to the Financial Statements June 30, 2022

3. **DEPOSITS AND INVESTMENTS** (continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent, but not in the Authority's name.

None of the Authority's restricted investments are exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

The Authority is not exposed to any material amount of foreign currency risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in the securities of a single issuer.

4. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2022, consisted of the following:

Baltimore Orioles	\$2,780,488
Baltimore Ravens	2,507,890
Other	2,050,532
Subtotal	7,338,909
Less: Allowance for bad debts	(45,724)
Total	\$7.293.185

Notes to the Financial Statements June 30, 2022

5. NOTES RECEIVABLE

Under the Baltimore Orioles' lease, the Baltimore Orioles shall reimburse the Authority for amounts advanced to equip, furnish and renovate private suites in Oriole Park at Camden Yards. Private suite construction costs are repayable over a 30-year period plus additional furnishing and renovation costs over a five-year period, with annual interest of 5.0%. Interest income for the year ended June 30, 2022, was \$18,969.

Future notes receivable payments to be received as of June 30, 2022, were as follows:

For the Years Ending June 30,

2023	\$ 113,136
Total	\$ 113,136

6. CONTRACT RECEIVABLE

As of June 30, 2022, the contract receivable consisted of the following:

Total minimum contract payments to be received	\$ 236,648,862
Less: unearned interest income ranging from 2% to	
6.25%	 83,278,862
Principal balance on outstanding debt	153,370,000
Less: liquid assets to be used in construction	 (79,703,484)
Total	\$ 73,666,516

Future minimum contract payments to be received as of June 30, 2022, were as follows:

For the Years Ending June 30,

2023	\$	19,023,416
2024		19,029,598
2025		17,693,320
2026		16,688,402
2027		8,755,149
2033-2037		43,787,601
2038-2043		30,407,393
2044-2048		1 <mark>8,73</mark> 4,750
2049-2052		<u>18,738,000</u>
Total	\$	<u>\$236,648,862</u>
CONTRACT RECEIVABLE (continu	ed)	

6. CONTRACT RECEIVABLE (continued)

Notes to the Financial Statements June 30, 2022

Contract receivable activity for the year ended June 30, 2022, was as follows:

	Beginning	Principal	Ending
	Balance	Addition/(Reduction)	Balance
Camden Yards	\$52,692,024	(\$1,388,744)	\$51,303,280
Ocean City Convention Center	10,656,763	8,811,675	19,468,438
Montgomery County	4,239,018	(1,344,220)	2,894,798
Hippodrome	1,523,335	(1,523,335)	
Contract Receivable	\$69,111,140	\$4,555,376	\$73,666,516

7. CAPITAL AND RIGHT-TO-USE ASSETS

Furniture and equipment and intangible assets activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions R	Reductions	Ending Balance
Capital Assets:				
Furniture and equipment	\$ 20,444,482	\$ 273,560	\$ -	\$ 20,718,042
Less: accumulated depreciation	20,055,926	136,758		20,192,684
Capital Assets, Net	<u>388,55</u> 6	136,802		525,358
Right to Use Assets:				
Right to Use- Furniture and equipment	22,510	17,489	-	39,999
Less: accumulated amortization	7,086	<u> </u>	-	14,462
Right to Use Assets, Net	<u> 15,42</u> 4	<u> 10,11</u> 3		25,537
Intangible Assets:				
Facility rights	329,797,078	17,845,162	7,028,189	340,614,051
Less: accumulated amortization	<u>284,776,61</u> 8	<u>6,058,08</u> 2		290,834,700
Intangible Assets, Net	<u> 45,020,46</u> 0	<u>11,787,08</u> 0	7,028,189	49,779,351
Total Capital and Right to				
Use assets, net	<u>\$</u> 45,424,440	\$ 11,933,995	\$ 7,028,189	\$ 50,330,246

The facility rights relate to the Authority's rights in various facilities that the Authority constructed or renovated. These rights are intangibles and are being amortized over the terms of agreements with the respective facilities. The loss on disposal of capital assets is recorded as miscellaneous expenses on the accompanying statement of revenue, expenses, and changes in net position.

Notes to the Financial Statements June 30, 2022

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT

Bonds payable and contract purchase agreements as of June 30, 2022, consisted of the following:

Lease revenue bonds payable:

Lease revenue bonus payable.	
2004 Series: Issued \$8,730,000 in February 2004 at 3.0% to 5.21% per annum due in varying installations through December 15, 2024	h, \$ 2,220,000
2007 Series: Issued \$73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	
Series 2012: Issued \$12,940,000 in November 2012 at 4.00% to 5.00% per annum due in varying installments through June 15, 2024	
Series 2019A: Issued \$20,595,000 in May 2019 at 4% to 5% per annum, due in varying installments through March 1, 2026	
Series 2019B: Issued \$34,405,000 in May 2019 at 3.021% to 3.709% per annum due in varying installments through March 1, 2039	
Series 2019C: Issued \$20,915,000 in October 2020 at 1.200% to 2.460% per annum, due in varying installments through December 15, 2039	
Series 2022A: Issued \$57,555,000 in March 2022 at 4% to 5% per annum, due in varying installments through June 1, 2052	
	57,555,000
Lease revenue bonds payable	153,370,000
Revenue bonds payable:	
2013 Series: Issued \$8,635,000 in December 2013 at 2.90% annum, due in varyi installments through December 15, 2023	ing 1,915,000
2014 Series: Issued \$9,585,000 in December 2014 at 2.78% annum, due in varyi	ing
installments through December 15, 2024	3,165,000
Contract purchase agreements:	
2010 Master energy performance contract purchase agreement in January 2011 a 4.09% rate, due in varying installments through July 1, 2022	
	128,978
2010 Master energy performance contract purchase agreement in January 2011 a 6.11% rate, due in varying installments through July 1, 2022	<u>347,598</u>
Subtotal lease revenue bond, revenue bonds payable and contract purchase	150 076 576
agreements	158,926,576



Notes to the Financial Statements June 30, 2022

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

Subtotal lease revenue bond, revenue bonds payable and contract purchase agreements (previous page) Plus, unamortized premium (includes unamortized premiums related to series of	\$ 158,926,576
2004, 2012, 2019A, 2019C, and 2022A revenue bonds payable of \$0, \$10, \$138,402, \$946,255, \$2,950,339, and \$12,078,997 respectively, as of June 30, 2022) Less unamortized discount (includes unamortized discount relating to the 1996 revenue bonds payable of \$8,302, respectively, as of June 30, 2022)	16,114,003
Net Bonds Payable and Contract Purchase	
agreements	 175,032,277
Current portion	 13,796,576
Bonds payable and contract purchase agreement, net of current	 161,235,701
Baltimore City Revenue bonds payable:	
Revenue bonds payable on Baltimore City Public Schools construction:	
2016 Series: Issued \$320,000,000 in May 2016 at 5% annum, due in varying installments through May 1, 2046	287,080,000
2018A Series: Issued \$426,440,000 in January 2018 at 5% annum, due in varying installments through May 1, 2047	391,315,000
2020A Series: Issued \$194,035,000 in July 2020 at 5% annum, due in varying installments starting May 1, 2047 through May 1, 2050	194,035,000
Series 2020B: Issued \$33,995,000 in July 2020 at 5% annum, due in two installments, May 1, 2046, and May 1, 2047	33,915,000
Series 2020C: Issued 296,265,000 in July 2020 at various rates between 0.801% and 2.955% due in varying installments through May 1, 2046	283,285,000
Subtotal of Baltimore City Public Schools Revenue Bonds Plus, unamortized premium (includes unamortized premiums related to series of 2016, 2018A, 2020A, and 2020B revenue bonds payable of \$40,563,974,	1,189,630,000
\$54,809,803, \$92,093,213 and \$14,957,919, respectively, as of June 30, 2022)	202,424,909
Net Bond Payable and Contract Purchase Agreements	1,392,054,909
Current portion	18,720,000
Bonds payable on Baltimore City Public Schools construction, net current	 1,373,334,909

Notes to the Financial Statements June 30, 2022

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

Built to Learn Revenue bonds payable:

Revenue bonds payable on Built to Learn construction:

2021 Series: Issued \$256,955,000 in October 2021 at 2.75% to 5% annum, due in varying installments through June 1, 2051	256,955,000
2022A Series: Issues \$373,070,000 in February 2022 at 3% to 5% annum, due in varying installments through June 1, 2052	373,070,000
Subtotal of Built to Learn Revenue Bonds Plus, unamortized premium (includes unamortized premiums related to series of 2021 and 2022A revenue bonds payable of \$34,832,290 and \$44,992,307,	630,025,000
respectively, as of June 30, 2022)	79,824,596
Less unamortized discount (includes unamortized discount relating to the 2022A revenue bonds payable of \$224,898, respectively, as of June 30, 2022)	(224,898)
Net Bond Payable and Contract Purchase agreement	709,624,698
Current portion	7,430,000
Bonds payable on Built to Learn construction, net current	702,194,698
Total Net Bonds Payable and Contract Purchase agreement	\$ 2,276,711,884

On March 2, 2004, the Authority issued taxable Camden Station Lease Revenue Bonds, Series 2004 to renovate Camden Station located at the Camden Yards Sports Complex. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease Agreement. Interest is payable semiannually at rates varying from 3.0% to 5.21% per annum. The bonds mature in varying amounts through December 15, 2024.

On February 1, 2007, the Authority issued the Tax-Exempt Sports Facilities Lease Revenue Refunding Bonds Football Stadium Issue, Series 2007 to retire the Series 1996 Bonds. The Series 1996 Bonds were used to finance the construction of the football stadium at the Camden Yards Sports Complex. The interest rate for the Series 2007 Bonds is calculated weekly by the remarketing agent using the 30 Day USD LIBOR.

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide energy upgrades and enhancements to Oriole Park at Camden Yards and the B&O Warehouse. The energy upgrades and enhancements cost approximately \$6.0 million. The Authority is financing the costs under the State's Energy Performance Contract Lease-Purchase Agreement over 12 years. Interest is payable semiannually at the rate of 6.11% per annum. This financing is set to mature on July 1, 2022.

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide energy upgrades and enhancements to M&T Bank Stadium. The energy upgrades and enhancements cost approximately \$2.4 million. The Authority is financing costs under the State's Energy Performance Contract Lease-Purchase Agreement over 12 years.
Notes to the Financial Statements June 30, 2022

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

Interest is payable semiannually at the rate of 4.09% per annum. This financing is set to mature on July 1, 2022.

The Authority and the Baltimore Ravens agreed to purchase and install \$9.6 million worth of new audio and video equipment; \$5.6 million came from the Baltimore Ravens and \$4.0 million from the Authority. The Authority's share was financed under the State's Master Equipment Lease-Purchase Program in April 2012 and amortized over 10 years. Interest is payable semiannually at the rate of 5.35% per annum. During fiscal year 2017, the Baltimore Ravens decided to replace the audio and visual equipment with new state-of-the-art equipment fully funded by the Baltimore Ravens. As a result of this, the Authority was required to pay of the outstanding debt at that time, approximately \$1.5 million.

On March 16, 2011, the Authority issued the Ocean City Convention Center Expansion Lease Revenue Refunding Bond, Series 2011 in the amount of \$6.6 million. Proceeds were used to refund the outstanding balance of the Series 1995, \$6.5 million, along with \$125,000 for closing costs. Interest was payable semiannually at the rate of 2.25% per annum. The bond matured December 15, 2016. The approximate difference in the Series 1995 and Series 2011 debt service payment was \$0.4 million. This resulted in a present value savings at an interest rate of 2.25% of \$0.4 million.

On December 21, 2011, the Authority issued the Sports Facilities Lease Revenue Refunding Bonds (Baseball Stadium Issue) Series 2011A (Federally Taxable) and the Sports Facilities Lease Revenue Refunding Bonds (Baseball Stadium Issue), Series 2011B (Alternative Minimum Tax) of \$31.4 million and \$62.9 million respectively. The proceeds plus bond premium of \$7.7 million were used to refund the outstanding balance of the Series 1998A, \$11.0 million, the outstanding balance of the Series 1999, \$70.6 million, the termination fee to terminate the Interest Rate Swap Agreement with AIG Financial Corporation, \$19.7 million and issuance costs of \$0.7 million. The approximate difference in the Series 1998A and the Series 1999 compared with the Series 2011A and Series 2011B is \$1.9 million. This resulted in a present value savings at the interest rate of 2.09% of \$1.7 million.

On July 26, 2012, the Authority issued the Hippodrome Performing Arts Center Taxable Lease Revenue Refunding Bonds, Series 2012 of \$14.0 million. The proceeds of \$13.8 were used to refund the outstanding balance of the Series 2002 and \$0.2 million for issuance costs. Interest is payable semiannually at the rate of 0.65% to 2.50% per annum. This resulted in a present value savings at the interest rate of 2.02% of \$2.9 million. This bond matured June 15, 2022.

On November 8, 2012, the Authority issued the Montgomery County Conference Center Lease Revenue Refunding Bonds, Series 2012 of \$12.9 million. The proceeds plus bond premium of \$2.9 million were used to refund the outstanding balance of the Series 2003 with interest, \$15.6 million, and \$0.2 million for issuance costs. Interest is payable semiannually at the rate of 4.0% to 5.0% per annum. This resulted in a present value savings at the interest rate of 1.62% of \$2.5 million. The bond will mature June 16, 2024.

Notes to the Financial Statements June 30, 2022

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

On December 15, 2013, the Authority issued the Series 2013 Taxable Revenue and Refunding Bonds of \$8.6 million. The proceeds of \$8.5 million were used to refund the outstanding balance of the Series 2010 and the balance of \$0.1 million was used for issuance costs and debt service reserves. Interest is payable semiannually at the rate of 2.90% per annum. There were no savings related to this refunding. The bonds will mature December 15, 2023.

On December 10, 2014, the Authority issued the Series 2014 Taxable Revenue and Refunding Bonds of \$9.5 million. The proceeds of \$9.5 million along with \$0.5 million in the Series 2011 debt service reserve account were used to refund the outstanding balance of the Series 2011 of \$10.0 million and the balance of \$0.1 million was used for issuance costs. Interest is payable semiannually at the rate of 2.78% per annum. There were no savings related to this refunding. The bonds will mature December 15, 2024.

For the Taxable Revenue Bonds Series 2013 and 2014, principal and interest are payable primarily from lottery proceeds received by the Authority.

On May 5, 2016, the Authority issued the Series 2016 Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2016 of \$320.0 million. The proceeds of the \$320.0 million will be used for issuance costs and construction costs for the BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2046.

On May 5, 2016, the Authority issued the Series 2016 Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2016 of \$320.0 million. The proceeds of the \$320.0 million will be used for issuance costs and construction costs for the BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2046.

On February 7, 2018, the Authority issued the Series 2018A Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2018A of \$426.4 million. The proceeds of the \$426.4 million will be used for issuance costs and construction costs for the BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2047.

On May 7, 2019, the Authority issued the Series 2019A Maryland Stadium Authority Sports Lease Revenue Bonds, Tax-Exempt, Series 2019A of \$20,595,000. The proceeds will be used for issuance costs and various construction projects for M&T Bank Stadium. Interest is semiannually at the rate of 4% to 5% per annum. This bond will mature on March 1,2026.

On May 7, 2019, the Authority issued the Series 2019B Maryland Stadium Authority Sports Lease Revenue Bonds, Taxable, Series 2019B of \$30,405,000. The proceeds will be used for issuance costs and various construction projects at the B&O Warehouse at the Camden Yards Sports Complex. The first seven years is interest only with principal payments beginning

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

March 1, 2027. Interest is semiannually at the rate of 3.021% to 3.481% per annum. This bond will mature on March 1, 2039.

On October 31, 2019, the Authority issued the Series 2019C Maryland Stadium Authority Ocean City Convention Facility Expansion Lease Revenue Bonds, Tax-Exempt, Series 2019C of \$20,915,000. The proceeds will be used for issuance costs, capitalized interest, and to fund a portion of the expansion of the Ocean City Convention Center located in Ocean City, Maryland. The two years is interest only and will be funded with the capitalized interest. Interest is semiannually at the rate of 3% to 5% per annum. This bond will mature on December 15, 2039.

On July 21, 2020, the Authority issued the Series 2020A Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2020A of \$194.0 million. The proceeds of the \$194.0 million will be used for issuance costs and construction costs for the BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2050.

On July 21, 2020, the Authority issued the Series 2020B Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2020B of \$194.0 million. The proceeds of the \$34.0 million will be used for issuance costs and construction cost related to Northwood Elementary School under BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2047.

On July 21, 2020, the Authority issued the Series 2020C Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Refunding Revenue Bonds, Series 2020C (Federally Taxable) of \$296.3 million. The proceeds will be used to refund certain maturities in the amount of \$183.3 million of the Series 2016 and Series 2018A bonds. There were no savings related to this refunding. Proceeds related to the refunding of the Series 2016 and Series 2018 are deposited in an escrow account held by Zions Bank.

On October 19, 2021, the Authority issued the Series 2021 Maryland Stadium Authority Built to Learn Revenue Bonds, Series 2021 of \$257.0 million. The proceeds will be used for issuance costs, capitalized interest and construction costs related to the Built to Learn statewide public schools program. Interest is payable semiannually at varying rates from 2.75% to 5% per annum. This bond will mature June 1, 2051.

On March 2, 2022, the Maryland Stadium Authority issued series 2022A Maryland Stadium Authority Hagerstown Multi-Use Stadium and Events Facility Lease Revenue Bonds, Series 2022A of \$57.6 million. The proceeds will be used for issuance costs and construction costs related to the Hagerstown Multi-Use Stadium and Events Facility located in Hagerstown, Maryland. Interest is payable semiannually at varying rates from 4% to 5% per annum. This bond will mature June 1, 2052.

Notes to the Financial Statements June 30, 2022

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT S (continued)

On February 23, 2022, the Authority issued the Series 2022A Maryland Stadium Authority Built to Learn Revenue Bonds, Series 2022A of \$373.1 million. The proceeds will be used for issuance costs, capitalized interest and construction costs related to the Built to Learn statewide public schools program. Interest is payable semiannually at varying rates from 4.0% to 5% per annum. This bond will mature June 1, 2052.

Bonds payable balance includes total bond premium and discount of \$298,230,308 as of ended June 30, 2022.

Pledge Revenue for Debt Payment

Baltimore City Revenue funds: Series 2016, 2018A, 2020A, 2020B, 2020C

Baltimore City Schools established a construction financing fund (the financing fund) to pay the debt service on the bonds, debt service reserves, reasonable charges and expenses related to the bonds, including reasonable charges and expenses related to the Authority's administration of the financing fund. Funds deposited into the financing fund are pledged by to secure the Bonds. Under the 2013 Act, at least \$60,000,000 is to be deposited into the financing fund annually (commencing fiscal year 2017) to support the Bonds issued by the Authority to implement the program, until the bonds are no longer outstanding and unpaid. Deposits to the financing fund are made by or on behalf of the School Board, the City, and the State from the sources summarizes in the bond agreement.

The sources of deposit to the financing fund: City of Baltimore (minimum of \$10,000,000 annually from beverage container tax receipts, 10% of the casino rent, 25% of table game proceeds, and State intercept of City Income taxes), Baltimore City Board of School Commissioners (minimum of \$10,000,000 annually from revenues due to shifted recurring retire health costs and up to \$20,000,000 annually from the general state school fund) and the State of Maryland- State Lottery revenues (up to \$20,000,000 annually). The financing fund may not revert or be credited to the general fund, or any special fund of the State, the City, the School Board, or the Lottery Agency.

Built to Learn Revenue Funds: Series 2021, 2022A

Built to Learn established a construction financing fund (the financing fund) to pay the debt service on the bonds, debt service reserves, reasonable charges and expenses related to the bonds, including reasonable charges and expenses related to the Authority's administration of the financing fund. Funds deposited into the financing fund are pledged by to secure the Bonds. Under the 2021 Act, at least \$60.0 million, and increasing to \$125.0 million, from the State of Maryland's Education Trust Fund is to be deposited into the financing fund annually (commencing fiscal year 2023) to support the Bonds issued by the Authority to implement the program, until the bonds are no longer outstanding and unpaid.

Notes to the Financial Statements June 30, 2022

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

Debt service requirements as of June 30, 2022, were as follows:

For the Years Ending June 30,	Principal Maturities		Interest	_	Total
2023	\$ 39,946,576	\$	86,625,056		\$ 126,571,632
2024	44,860,000		84,228,923		129,088,923
2025	44,395,000		82,376,536		126,771,536
2026	44,525,000		80,138,389		124,663,389
2027	38,710,000		78,017,584		116,727,584
2028-2032	221,585,000		362,079,898		583,664,898
2033-2037	310,800,000		305,440,887		616,240,887
2038-2043	395,135,000		233,354,771		628,489,771
2044-2048	495,530,000		146,318,511		641,848,511
2049-2052	 343,095,000		38,259,250	_	381,354,250
Total	 <u>\$ 1,978,581,576</u>	\$ 1	1,496,839,805		\$ 3,475,421,381

Principal maturities are net of total premium and discount of \$298,130,309.

9. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2022, was as follows:

	B	Beginning								ounts Due thin One
	_	Balance		Additions	R	eductions En	ding	Balance		Year
Compensated absences	\$	1,363,004	\$	102,623	\$	-	\$	1,465,627	\$	85,000
Workers' compensation		260,000		195,921		109,921		346,000		53,400
Revenue and Contract bonds payable		115,823,213		69,633,997		14,067,163		171,390,047	1	3,320,000
Contract purchase agreements		1,491,417		-		1,014,841		476,576		476,576
Bonds payable on BCPS construction, net	1	,423,586,278		-		28,265,715	1	,395,320,563	1	8,720,000
Bonds payable on BTL construction, net		-		711,381,961		1,757,262		709,624,699		7,430,000
Interest rate swap liability		4,663,120		-		2,359,612		2,303,508		-
Lease Liability		<u>15,62</u> 3	_	17,434		7,242		<u>25,81</u> 5		8,153
Total	\$1	,547,202,655	\$	781,331,936	\$	47,581,756	\$2	,280,952,835	\$4	0,093,129

(32)

Notes to the Financial Statements June 30, 2022

10. LEASE LIABILITY

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On June 1, 2022, Maryland Stadium Authority entered into a 60-month lease as Lessee for the use of Canon. An initial lease liability was recorded in the amount of \$28,672. As of June 30, 2022, the value of the lease liability is \$28,175. Maryland Stadium Authority is required to make monthly fixed payments of \$400.00. Additionally, there are monthly other reasonably certain payments of \$98. The lease has an interest rate of 1.6500%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$28,672 with accumulated amortization of \$478 is included with Equipment on the Lease Class activities table found below.

On October 20, 2022, Maryland Stadium Authority entered into a 60-month lease as Lessee for the use of United Business Tech - Facilities Management. An initial lease liability was recorded in the amount of \$11,431 as of July 1, 2020. As of June 30, 2022, the value of the lease liability is \$4,642. Maryland Stadium Authority is required to make monthly fixed payments of \$255. Additionally, there are monthly other reasonably certain payments of \$39. The lease has an interest rate of 1.6500%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$11,431 with accumulated amortization of \$6,922 is included with Equipment on the Lease Class activities table found below.

On December 27, 2018, Maryland Stadium Authority entered into a 60-month lease as Lessee for the use of United Business Tech - BCPS. An initial lease liability was recorded in the amount of \$20,207. As of June 30, 2022, the value of the lease liability is \$11,396. Maryland Stadium Authority is required to make monthly fixed payments of \$270. Additionally, there are monthly other reasonably certain payments of \$118. The lease has an interest rate of 1.6500%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$20,207 with accumulated amortization of \$9,003 is included with Equipment on the Lease Class activities table found below.



Notes to the Financial Statements June 30, 2022

10. LEASE LIABILITY (continued)

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability				
Equipment				
Canon	\$ -	\$17,434	\$302	\$ 17,132
United Business Tech - Facilities				
Management	7,000	-	2,967	4,033
United Business Tech – 3 rd Floor	2,424	-	2,238	186
United Business Tech - BCPS	6,199	_	1,735	4,464
Total Lease Liability	\$15,523	\$17,434	\$7,242	\$ 25,815

Lease payment requirements as of June 30, 2022:

For the Years Ending					To	otal
June 30,	Principal Pay	ments	Interest Payme	nts	Payn	nents
2023	\$	8,339	\$	361	\$	8,700
2024		6,238		236		6,474
2025		4,394		149		4,543
2026		3,544		86		3,630
2027		3,300		27		3,327
_	\$	25,815	\$	859	\$	26,674

11. CONTRIBUTIONS FROM STATE AND MUNICIPAL SOURCES

Contributions from the primary government represent payments received from the State under the Master Lease and other agreements to fund debt service, operating deficits, and certain development costs for various Authority projects. The total of these contributions for fiscal year 2022 was approximately \$28.7 million. The Authority used \$4.6 million of contribution to assist with offsetting the reduction in revenues from the baseball and football teams.

Baltimore City made an annual contribution of \$1.0 million per the Annotated Code establishing the Authority. The City funds are invested with the State Treasurer for the purpose of retiring the Authority's debt incurred to construct Oriole Park at Camden Yards.

12. VALUATION OF INTEREST RATE SWAP AGREEMENT

Objective of the Interest Rate Swap. The Authority entered into two interest rate swaps for the purpose of hedging or fixing its interest expense associated with the Authority's Series 2007 bond issuances.

Notes to the Financial Statements June 30, 2022

12. VALUATION OF INTEREST RATE SWAP AGREEMENT (continued)

The Authority received \$3,313,500, on June 10, 1998, pursuant to the above swap agreements as premiums on the swap agreements. The swap premiums were used toward the cost of constructing the football stadium.

The table below sets forth a summary of changes in fair value for the year ended

Terms. The notional amounts of the swaps match the principal amounts of the associated bond issues. The Authority's swap agreements contain scheduled reductions to the outstanding notional amounts that match the scheduled principal reduction in the associated debt. The terms, including the fair values and credit ratings on the swap counter parties as of June 30, 2022, are as follows:

Associated Bond Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values As of June 30, 2022	Swap Termination Date	Counter- party Rating
Series 2007	\$22,405,000	0 12/05/08	5.69% to 5.80%	SIFMA*	(\$2,623,675)	3/1/2026	A2 /A+/A

* When Barclays Bank PLC became the replacement swap provider, the variable rate that the Authority receives changed from the rate paid on the associated tax-exempt variable rate bond issue to a rate based on changes on the SIFMA index.

The table below sets forth a summary of changes in the fair market value as of June 30, 2022.

	Change in F	air Value	Fair Value as of June 30, 2022		
	Classification	Fair Value	Classification	Amount	
Fair value hedge					
Pay fixed interest rate swap	Change in fair market value of swaps	\$(2,359,612)	Swap valuation liability	\$(2,039,445)	

Credit Risk. As of June 30, 2022, the Authority was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the value of the swaps become positive, the Authority would be exposed to credit risk in the amount equal to the swaps' fair value. Barclays Bank PLC, the counterparty to the swaps was rated A+ by Standard and Poor's, A2 by Moody's investors Service and A by Fitch as of June 30, 2022. If the Authority's ratings for debt secured by the master lease with the State fall below BBB+ or Baa1 by S&P and Moody's or are suspended, the fair value of the swaps will be fully collateralized by the Authority with cash or securities.

Notes to the Financial Statements June 30, 2022

12. VALUATION OF INTEREST RATE SWAP AGREEMENT (continued)

Collateral would be posted with an independent third-party custodian. The Authority was rated AA+ by Standard and Poor's, Aa2 by Moody's Investors Service and AA by Fitch as of June 30, 2022.

Basis Risk. Basis risk is the risk that the interest rate paid by the Authority on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable Counterparty. The swaps both hedge tax-exempt risk, and therefore as of June 30, 2022, with regard to tax-exempt interest risk, they are not exposed to basis risk since the Authority receives a variable rate based on the Securities Industry and Financial Markets Association (SIFMA) Swap Index to offset the variable rate the Authority pays on its bonds.

Termination Risk. The swap agreements provide for certain events that could cause the counterparties or the Authority to terminate the swaps. The swaps may be terminated by the counterparties or the Authority if the other party fails to perform under the terms of the swap agreements. If the swaps are terminated, the Authority would no longer have synthetic fixed

rate obligations. Also, if at the time of termination of one of its swaps, the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swaps' fair value.

The net swap payments are as follow as of June 30, 2022:

For the Years **Interest Rate** Ending June 30, Principal Interest Swaps, Net Total 6,717,702 2023 \$ 5,140,000 \$ 11,203 \$ 1,566,499 \$ 2024 5,435,000 8,633 1,289,844 6,733,477 2025 5,915 994,678 6,750,593 5,750,000 2026 6,432,378 6,080,000 3,040 349.338 Total \$ 22,405,000 \$ 28,791 \$ 4,200,359 \$ 26,634,150

Variable – Rate Bonds (1)(2)

Includes principal due on the bonds, interest due on the bonds and net swap payments (fixed rate interest paid less variable rate interest received based on the outstanding notional amount of the swap) on the football swap agreements and related bonds.

(1) As of June 30, 2017, the Authority's tax-exempt variable rate for debt service requirements bonds for the Series 2007 Bonds was 0.05%. SIFMA was 0.06%.

Notes to the Financial Statements June 30, 2022

13. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illness of employees; and natural disasters. The Authority participates in the State's various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and antitrust liabilities and certain employee health benefits.

The State allocates the cost of providing claims servicing and claim payments by charging a "premium" to the Authority based on a percentage of the Authority's estimated current year payroll or based on the average loss experienced by the Authority. This charge considers recent trends in actual claims experienced by the State as a whole and makes provisions for catastrophic losses.

There have been no significant reductions in insurance coverage from the prior year. Additionally, settlements have not exceeded insurance coverage for the past two fiscal years.

	 <u>202</u> 2		2021
Beginning of year liability	\$ 260,000	\$	467,000
Claims	195,921		-
Claim Payments	 (109,921)		(207,000)
End of year liability	\$ <u>346,00</u> 0 \$	5	260,000

14. LEASE RECEIVABLE

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Maryland Stadium is responsible to leasing space with the B&O Warehouse and Camden Station. These two assets do not show on the State of Net Position because they are assets of the State of Maryland.

Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

On December 1, 2021, Maryland Stadium Authority entered into a 127-month lease as Lessor for the use of office space by the Office of Legislative Affairs. A lease receivable was recorded as of December 1, 2021, in the amount of \$3,341,208. As of June 30, 2022, the value of the lease receivable is \$3,212,018. The lessee is required to make monthly fixed payments of \$26,518. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$3,157,047, and Maryland Stadium Authority recognized lease revenue of \$184,161 during the fiscal year. The lessee has extension option(s), each for 60 months.

On August 1, 2016, Maryland Stadium Authority entered into a 36-month lease as Lessor for the use of office space by Edward's Lifescience. A lease receivable was recorded as of July 1, 2021, in the amount of \$335,953. As of June 30, 2022, the value of the lease receivable is \$186,054. The lessee is required to make monthly fixed payments of \$13,520. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$163,253, and Maryland Stadium Authority recognized lease revenue of \$150,696 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

On April 1, 2017, Maryland Stadium Authority entered into a 120-month lease as Lessor for the use of office space by University of Maryland Faculty Physicians. A lease receivable was recorded as of July 1, 2021, in the amount of \$4,535,741. As of June 30, 2022, the value of the lease receivable is \$4,191,278. The lessee is required to make monthly fixed payments of \$36,620. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$3,913,986, and Maryland Stadium Authority recognized lease revenue of \$447,313 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On October 1, 2019, Maryland Stadium Authority entered into a 51-month lease as Lessor for the use of office space by Baltimore Orioles. A lease receivable was recorded as of July 1, 2021, in the amount of \$440,646. As of June 30, 2022, the value of the lease receivable is \$266,564. The lesse is required to make monthly fixed payments of \$12,860. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$257,102, and Maryland Stadium Authority recognized lease revenue of \$171,401.29 during the fiscal year.

On February 1, 2020, Maryland Stadium Authority entered into a 60-month lease as Lessor for the use of office space by Lawrence Law, LLC. A lease receivable was recorded as of July 1, 2021, in the amount of \$761,654. As of June 30, 2022, the value of the lease receivable is \$697,174. The lessee is required to make monthly fixed payments of \$7,866.00. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$581,189, and Maryland Stadium Authority recognized lease revenue of \$74,992, during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

On November 1, 2018, Maryland Stadium Authority entered into a 24-month lease as Lessor for the use of office space by RegelTec, Inc. A lease receivable was recorded as of July 1, 2021, in the amount of \$72,383. As of June 30, 2022, the value of the lease receivable is \$14,711. The lessee is required to make monthly fixed payments of \$4,635. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$14,178, and Maryland Stadium Authority recognized lease revenue of \$56,711 during the fiscal year. The lease has 2 extension option(s), each for 12 months.

On November 1, 2018, Maryland Stadium Authority entered into a 60-month lease as Lessor for the use of office space by Pennoni Associates Inc. A lease receivable was recorded as of July 1, 2021, in the amount of \$579,766. As of June 30, 2022, the value of the lease receivable is \$338,650. The lessee is required to make monthly fixed payments of \$19,742. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$324,355, and Maryland Stadium Authority recognized lease revenue of \$243,266 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On October 1, 2013, Maryland Stadium Authority entered into an 84-month lease as Lessor for the use of office space by Baltimore City Public Schools. A lease receivable was recorded as of July 1, 2021, in the amount of \$973,906. As of June 30, 2022, the value of the lease receivable is \$679,782. The lessee is required to make monthly fixed payments of \$25,665. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$669,683, and Maryland Stadium Authority recognized lease revenue of \$297,637 during the fiscal year. The lessee has 1 extension option each for 60 months which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On April 1, 2021, Maryland Stadium Authority entered into a 24-month lease as Lessor for the use of office space by Washington Vascular Specialist of Baltimore LLC. A lease receivable was recorded as of July 1, 2021, in the amount of \$149,895. As of June 30, 2022, the value of the lease receivable is \$71,060. The lessee is required to make monthly fixed payments of \$7,155. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$61,262, and Maryland Stadium Authority recognized lease revenue of \$81,683 during the fiscal year. The lessee has 3 extension option(s), each for 12 months.

On January 1, 2009, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by AboveNet. A lease receivable was recorded as of July 1, 2021, in the amount of \$7,768. As of June 30, 2022, the value of the lease receivable is \$4,699. The lessee is required to make monthly fixed payments of \$265. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$4,629, and Maryland Stadium Authority recognized lease revenue of \$3,086 during the fiscal year. The lessee has 3 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

On August 1, 2018, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by AT&T Corp. - License Agreement Oriole Park. A lease receivable was recorded as of July 1, 2021, in the amount of \$41,876. As of June 30, 2022, the value of the lease receivable is \$35,922. The lessee is required to make monthly fixed payments of \$550. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$34,302, and Maryland Stadium Authority recognized lease revenue of \$6,748 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On May 1, 1997, Maryland Stadium Authority entered into a 104-month lease as Lessor for the installation of telecommunications equipment by AT&T Wireless PCS - Old Cingular Lease. A lease receivable was recorded as of July 1, 2021, in the amount of \$851,810. As of June 30, 2022, the value of the lease receivable is \$770,267. The lessee is required to make monthly fixed payments of \$8,997. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$655,238, and Maryland Stadium Authority recognized lease revenue of \$98,286 during the fiscal year. The lessee has 3 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On November 1, 2013, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by AT&T Lease Site 4182. A lease receivable was recorded as of July 1, 2021, in the amount of \$726,639. As of June 30, 2022, the value of the lease receivable is \$653,099. The lessee is required to make monthly fixed payments of \$8,004.00. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$553,400, and Maryland Stadium Authority recognized lease revenue of \$86,619 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On November 26, 2014, Maryland Stadium Authority entered into a 62-month lease as Lessor for the installation of telecommunications equipment by Beers Enterprises. A lease receivable was recorded as of July 1, 2021, in the amount of \$5,972. As of June 30, 2022, the value of the lease receivable is \$4,040. The lessee is required to make annual fixed payments of \$2,070. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$2,775, and Maryland Stadium Authority recognized lease revenue of \$1,598 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.



Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

In 1995, Maryland Stadium Authority entered into a 201-month lease as Lessor for the use of space under the north warehouse parking lot by Chilled Water Agreement. A lease receivable was recorded as of July 1, 2021, in the amount of \$268,899. As of June 30, 2022, the value of the lease receivable is \$257,657. The lessee is required to make monthly fixed payments of \$1,641. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$236,791, and Maryland Stadium Authority recognized lease revenue of \$16,054 during the fiscal year. The lessee has 2 extension option(s), each for 120 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On February 7, 2014, Maryland Stadium Authority entered into a 103-month lease as Lessor for the use of office space by MLB Advance Media. A lease receivable was recorded as of July 1, 2021, in the amount of \$42,539. As of June 30, 2022, the value of the lease receivable is \$37,854. The lessee is required to make monthly fixed payments of \$500.00. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$32,640, and Maryland Stadium Authority recognized lease revenue of \$4,950 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On May 1, 2021, Maryland Stadium Authority entered into a 24-month lease as Lessor for the use of office space by The Moore Law Group, LLC. A lease receivable was recorded as of July 1, 2021, in the amount of \$31,617. As of June 30, 2022, the value of the lease receivable is \$12,028. The lesse is required to make monthly fixed payments of \$1,648. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$14,505, and Maryland Stadium Authority recognized lease revenue of \$17,406 during the fiscal year.

On January 1, 2017, Maryland Stadium Authority entered into a 120-month lease as Lessor for the use of office space by Snowden Lane Partners. A lease receivable was recorded as of July 1, 2021, in the amount of \$742,414. As of June 30, 2022, the value of the lease receivable is \$622,197. The lessee is required to make monthly fixed payments of \$10,302. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$589,764, and Maryland Stadium Authority recognized lease revenue of \$133,532 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On March 15, 2015, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Networks LLC. A lease receivable was recorded as of July 1, 2021, in the amount of \$421,562. As of June 30, 2022, the value of the lease receivable is \$379,480. The lessee is required to make monthly fixed payments of \$4,060. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$366,391, and Maryland Stadium Authority recognized lease revenue of \$48,600 during the fiscal year. The lessee has 2 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

On December 1, 2014, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Network LLC - Lightower. A lease receivable was recorded as of July 1, 2021, in the amount of \$81,075. As of June 30, 2022, the value of the lease receivable is \$72,689. The lessee is required to make monthly fixed payments of \$805. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$70,449, and Maryland Stadium Authority recognized lease revenue of \$9,499 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On December 1, 2014, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Network LLC - Lightower OPACY. A lease receivable was recorded as of July 1, 2021, in the amount of \$18,113. As of June 30, 2022, the value of the lease receivable is \$16,043. The lessee is required to make annual fixed payments of \$2,070. The lease has an interest rate of 0.0000%. The value of the deferred inflow of resources as of June 30, 2022, was \$15,896, and Maryland Stadium Authority recognized lease revenue of \$2,143 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On December 1, 2014, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Network LLC. A lease receivable was recorded as of July 1, 2021, in the amount of \$12,590. As of June 30, 2022, the value of the lease receivable is \$11,414. The lessee is required to make annual fixed payments of \$1,380. The lease has an interest rate of 1.6200%. The value of the deferred inflow of resources as of June 30, 2022, was \$10,976, and Maryland Stadium Authority recognized lease revenue of \$1,432 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On June 1, 2017, Maryland Stadium Authority entered into a 60-month lease as Lessor for the use of office space by Level 3 - M & T Bank. A lease receivable was recorded as of July 1, 2021, in the amount of \$160,195. As of June 30, 2022, the value of the lease receivable is \$135,238. The lessee is required to make annual fixed payments of \$24,000.00. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$129,608, and Maryland Stadium Authority recognized lease revenue of \$25,922 during the fiscal year. The lessee has 2 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.



Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

On March 21, 2003, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by T-Mobile - Sprint. A lease receivable was recorded as of July 1, 2021, in the amount of \$287,643. As of June 30, 2022, the value of the lease receivable is \$226,725. The lessee is required to make monthly fixed payments of \$4,725. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$219,585, and Maryland Stadium Authority recognized lease revenue of \$61,758 during the fiscal year. The lessee has 2 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On May 1, 2022, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by T-Mobile. A lease receivable was recorded as of July 1, 2021, in the amount of \$380,538. As of June 30, 2022, the value of the lease receivable is \$299,946. The lessee is required to make monthly fixed payments of \$6,251. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$291,313, and Maryland Stadium Authority recognized lease revenue of \$81,297 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On January 1, 1993, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Verizon. A lease receivable was recorded as of July 1, 2021, in the amount of \$302,147. As of June 30, 2022, the value of the lease receivable is \$154,589. The lessee is required to make monthly fixed payments of \$12,252. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$147,843, and Maryland Stadium Authority recognized lease revenue of \$147,843 during the fiscal year. The lessee has 4 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On September 1, 2011, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Verizon - DAS. A lease receivable was recorded as of July 1, 2021, in the amount of \$663,897. As of June 30, 2022, the value of the lease receivable is \$546,845. The lessee is required to make monthly fixed payments of \$8,795. Additionally, there are monthly other reasonably certain payments of \$1,309. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$524,923, and Maryland Stadium Authority recognized lease revenue of \$125,981 during the fiscal year. The lessee has 3 extension option(s), each for 60 months. which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On September 1, 2011, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Verizon - Macro. A lease receivable was recorded as of July 1, 2021, in the amount of \$549,650. As of June 30, 2022, the value of the lease receivable is \$483,702. The lessee is required to make monthly fixed payments of \$6,210. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$461,683, and Maryland Stadium Authority recognized lease revenue of \$76,840 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

On June 1, 2015, Maryland Stadium Authority entered into a 84-month lease as Lessor for the use of office space by Wolters Kluwer. A lease receivable was recorded as of July 1, 2021, in the amount of \$933,375. As of June 30, 2022, the value of the lease receivable is \$1,606. The lessee is required to make monthly fixed payments of \$82,124. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$0.00, and Maryland Stadium Authority recognized lease revenue of 844,609 during the fiscal year.

The lease receivable balance as of June 30, 2022:

Lease Receivable	Balance as of June 30, 2021	Additions	Reductions	Balance as of June 30, 2022
Office of Legislative Affairs	\$ -	\$ 3,341,208	\$ 129,191	\$ 3,212,017
Edward's Lifescience	335,953	-	149,898	186,055
University of Maryland Faculty Physicians	4,535,741	-	344,463	4,191,278
Baltimore Orioles	440,646	-	174,082	266,564
Lawrence Law, LLC	761,654	-	64,481	697,173
RegelTec, Inc.	72,383	-	57,672	14,711
Pennoni Associates Inc.	579,776	-	241,126	338,650
Baltimore City Public Schools	973,906	-	294,124	679,782
Washington Vascular Specialist of Baltimore LLC	149,895	-	78,835	71,060
AboveNet	7,768	-	3,069	4,699
AT&T Corp License Agreement Oriole Park	41,876	-	5,954	35,922
AT&T Wireless PCS - Old Cingular Lease	851,810	-	81,543	770,267
AT&T Lease Site 4182	726,639	-	73,539	653,100
Beers Enterprises	5,972	-	1,932	4,040
Chilled Water Agreement	268,899	-	11,242	257,657
MLB Advance Media	42,539	-	4,685	37,854
The Moore Law Group, LLC	31,617	-	19,532	12,085
Snowden Lane Partners	742,414	-	120,218	622,196
Harborlite Networks LLC	421,562	-	42,082	379,480
Harborlite Network LLC - Lightower	81,075	-	8,385	72,690
Harborlite Network LLC - Lightower OPACY	18,113	-	2,070	16,043
Harborlite Network LLC	12,590	-	1,176	11,414
Level 3 - M & T Bank	160,195	-	24,957	135,238
T-Mobile - Sprint	287,643	-	60,918	226,725
T-Mobile	380,538	-	80,591	299,947
Verizon	302,147	-	147,558	154,589
Verizon - DAS	663,897	-	117,052	546,845
Verizon - Macro	549,650	-	65,948	483,702
Wolters Kluwer	<u>933,37</u> 5	-	<u>931,76</u> 9	<u>1,60</u> 6
Total Lease Receivable	<u>\$ 14,380,27</u> 3	\$ 3, <u>341,20</u> 8	\$ 3,3 <mark>38,09</mark> 2	\$ <u>14,383,38</u> 9

Lease income for the year ended June 30, 2022, was \$3,706,502.

Notes to the Financial Statements June 30, 2022

14. LEASE RECEIVABLE (continued)

For the Years Ending June 30,	Principal Payments	Interest Payments	Total Payments
2023	\$ 2,583,592	\$ 217,455	\$ 2,801,047
2024	2,016,714	178,455	2,195,169
2025	1,671,263	148,252	1,819,515
2026	1,643,011	121,289	1,764,300
2027	1,409,065	95,827	1,504,892
2028 - 2032	4,944,427	179,218	5,123,645
2033 - 2037	115,317	3,631	118,948
	\$ 14,383,389	\$ 944,127	\$ 15,327,516

15. RETIREMENT PLANS

Maryland State Retirement and Pension System

Certain employees of the Authority are provided with pensions through the Employees' Retirement System of the State of Maryland (ERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Maryland State Retirement and Pension System (MSRPS). The State Personnel and Pensions Article of the Annotated Code of Maryland (the Article) grants the authority to establish and amend the benefit terms of ERS to the MSRPS Board of Trustees. The

System prepares a separate Annual Comprehensive Financial Report, which is publicly available that can be obtained at www.sra.maryland.gov/annual-financial-reports/.

Funding Policy

The Authority's required contribution is based upon a percentage of covered payroll based on the State's allocation of its annual cost. The entry age normal cost method is the actuarial cost method used. Both the Authority and covered employees are required by State statute to contribute to the System. The employees contribute from 2% to 5% of compensation, as defined, depending on the participant's plan. The Authority made its required contribution during fiscal years ended June 30, 2022, and 2021, of 2,189,364, and \$2,203,330, respectively.

Benefits Provided

A member of the Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

Notes to the Financial Statements June 30, 2022

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

Benefits Provided (continued)

An individual who is a member of the Employees' Pension System on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of the Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from the Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning July 1, 2011, any new member of the Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Employees' Pension System.

Exceptions to these benefit formulas apply to members of the Employees' Pension System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits.

The pension allowance for these members equals 0.8% of the member's AFC up to the social security integration level (SSIL), plus 1.5% of the member's AFC in excess of the SSIL, multiplied by the number of years of accumulated creditable service. For the purpose of computing pension allowances, the SSIL is the average of the social security wage bases for the past 35 calendar years ending with the year the retiree separated from service.

Early Service Retirement

A member of the Employees' Retirement System may retire with reduced benefits after completing 25 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree either attains age 60 or would have accumulated 30 years of creditable service, whichever is less. The maximum reduction for the Employees' Retirement System member is 30%.

Notes to the Financial Statements June 30, 2022

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

Early Service Retirement (continued)

An individual who is a member of either the Employees' Pension System on or before June 30, 2011, may retire with reduced benefits upon attaining age 55 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 62. The maximum reduction for these members of the Employees' Pension System is 42%. An individual who becomes a member of the Employees' Pension System on or after July 1, 2011, may retire with reduced benefits upon attaining age 60 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 65. The maximum reduction for these members of the Employees' Pension System is 30%.

Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 years of service receives a service allowance based on a minimum percentage (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating 5 years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

Contributions

The Article sets contribution requirements of the active employees, and the participating governmental units are established and may be amended by the MSRPS Board. Employees are required to contribute 7% of their annual pay. The Authority's contractually required contribution rate for ERS for the year ended June 30, 2022, was \$2,189,364, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to ERS from the Authority totaled \$2,189,364 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2022, the Authority reported a liability of approximately \$13.7 million for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Notes to the Financial Statements June 30, 2022

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued

The Authority's proportion of the ERS net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2022, the Authority's proportion for ERS was 0.1000 percent, which was slightly higher from its proportion measured as of June 30, 2021, of 0.0911 percent.

For the year ended June 30, 2022, the Authority recognized pension expense for ERS of approximately \$3,612,527 million. As of June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred		Deferred	
	(Dutflows of	Inflows of	
		<u>Resource</u> s		<u>Resource</u> s
Change of Assumptions	\$	2,363,839	\$	265,477
Net Difference Between Projected and Actual				
Earnings on Pension Plan Investments		329,559		7,544,716
Net Difference Between Actual and Expected				
Experience		-		914,743
Change in Proportion and Difference Between				
Contributions and Proportionate Share				
of Contributions		3,353,051		(152,270)
Contributions made Subsequent to the				
Measurement Date		2,189,364		
Total	\$	8,235,813	\$	8,572,666

The \$2,189,364 reported as deferred outflows of resources related to ERS resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the ERS net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:



Notes to the Financial Statements June 30, 2022

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Years Ending June 30,	 <u>Amoun</u> t
2023	\$ 180,885
2024	(885,457)
2025	(746,063)
2026	(1,333,809)
2027	 <u>258,22</u> 7
Total	\$ (2,526,217)

Information included in the MSRPS financial statements

Actuarial assumptions, long-term expected rate of return on pension plan investments, discount rate, and pension plan fiduciary net position are available at www.sra.maryland.gov/annual-financial-reports/.

The key assumptions used to perform the June 30, 2022; pension liability calculation was as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.25% general, 2.75% wage
Salary Increase	2.75% to 11.25%, including inflation
Discount Rate	7.40%
Investment Rate of Return	6.80%
Mortality	Public Sector 2010 Mortality Tables calibrated to
	MSRPS experience with generational projections
	using MP-2018 (2-dimensional) mortality improve-
	ments based on the MP-2018 fully generational
	mortality improvements scale.

The economic and demographic actuarial assumptions used in the June 30, 2021, valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2014-2018, after completion of the June 30, 2018 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2019. As a result, an investment return assumption of 6.80% and an inflation assumption of 2.25%-11.25% were used in the June 30, 2021, valuation.

Notes to the Financial Statements June 30, 2022

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued) Information included in the MSRPS financial statements (continued)

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System's investment consultant(s) and actuary(s).

For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

	Target	Long Term Expected Real
Asset Class	Allocation	Rate of Return
Public Equity	37%	4.70%
Private Equity	13%	6.50%
Rate Sensitive	19%	-0.40%
Credit Opportunity	9%	2.60%
Real Assets	14%	4.20%
Absolute Return	8%	2.00%
Total	100%	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2021.

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 26.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The single discount rate used to measure the total pension liability was 7.40%. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to the Financial Statements June 30, 2022

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The Authority's proportionate share of the ERS net pension liability calculated using the discount rate of 7.40 percent is \$13,705,104. Additionally, the Authority's proportionate share of the ERS net pension liability if it were calculated using a discount rate that is 1-percentage-point lower (6.40 percent) or 1-percentage-point higher (8.40 percent) is as follows:

	Discount	
1% Lower	Rate	1% Higher
 6.40%	7.40%	8.40%
\$ 23,341,710	\$ 13,705,104	\$ 5,711,600



Notes to the Financial Statements June 30, 2022

16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Members of the State Retirement and Pension System of Maryland (the State System) and their dependents are provided post-employment health care benefits through the State Employee and Retiree Health and Welfare Benefits Program (the "Plan"), which is administered by the Department of Budget and Management.

The Plan is a single-employer cost sharing defined benefit healthcare plan established by the State Personnel and Pensions Article, Section 2-501 through 2-516 of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug and dental insurance benefits to eligible state employees, retirees and their dependents. The State does not distinguish employees by employer/State agency. Instead, the State allocates the post-employment health care costs to all participating employers.

A separate actuarial valuation is not performed by the Authority. The Authority's only obligation to the Plan is its required annual contribution.

For the year ended June 30, 2022, the State has elected to maintain the entire net other postretirement benefit liability as a liability of the general fund of the State and has not allocated any balances to State entities including the Authority.

Plan Description

The Authority's employees are members of the Plan. Members may enroll and participate in the health benefits options if the retiree ended State service with at least 10 years of creditable service within five years before the age at which a vested retirement allowance would begin or if the retiree ended State service with at least 16 years of creditable service.

For employees hired after July 1, 2011, members may enroll and participate in the health benefits options if the retiree ended State service with at least 10 years of creditable service within five years before the age at which a vested retirement allowance would begin or if the retiree ended State service with at least 25 years of creditable service. For employees hired before July 1, 2011, they may participate in the Plan upon retirement if they retired directly from State service with at least five years of credited service.



Notes to the Financial Statements June 30, 2022

16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Funding Policy

The State is required by law to provide funding each year for the Plan for the State's share of the pay-as-you-go amount necessary to provide current benefits to active and retired employees and their dependents. Funds may also be separately appropriated in the State's budget for transfer to the OPEB Trust.

The Secretary of the Department of Budget and Management establishes the required contributions of members. The State subsidizes approximately 50% to 85% of covered medical, dental, prescription and hospitalization costs depending on the type of insurance plan. The State assesses a surcharge for post-employment health care benefits, which is based on health care insurance charges for current employees. Costs for post-retirement benefits are for State of Maryland retirees. For the year June 30, 2022, the Authority contributed \$787,804 for post-employment health care costs.

Former Authority employees who are receiving retirement benefits may participate in the State's health care insurance plans. These plans, which provide insurance coverage for medical, dental and hospital costs, are funded currently by the payment of premiums to the carriers and, under State policy, are contributory. Substantially, all employees become eligible for these benefits when they retire with pension benefits.

Financial information for the Plan is included in the State of Maryland Annual Comprehensive Financial Report, which can be obtained at https://marylandtaxes.gov/forms/CAFR/ACFR2021.pdf.

17. BALTIMORE CITY PUBLIC SCHOOLS

In April 2013, the Baltimore City Public Schools Construction and Revitalization Act of 2013 (the "BCPS Act") was passed. The General Assembly authorized the Authority to issue up to \$1.1 billion in debt as limited obligations of the Authority solely payable from and secured by the Baltimore City Public School Construction Financing Fund (the "Financing Fund") established under the BCPS Act. The bonds issued under the BCPS Act will not constitute a debt, liability, or pledge of the faith and credit of the taxing power of the State, the Authority or any other governmental unit.

Under the BCPS Act, the Authority will receive \$60 million annually to support up to \$1.1 billion in bonds. This funding is comprised of \$20 million annually from each of three (3) entities: The State, the City of Baltimore (the "City"), and Baltimore City Board of School Commissioners (the "BCBSC"). Sources of revenue include a portion of State Lottery revenue, a portion of state education aid currently committed to Baltimore City Public Schools and certain identified taxes and other revenue collected by or payable to the City. These revenues will be received as long as there is debt outstanding related to the BCPS Act.

Notes to the Financial Statements June 30, 2022

17. BALTIMORE CITY PUBLIC SCHOOLS (continued)

Each year, this revenue will appear on the Statement of Revenue, Expenses, and Changes in Net Position as non-operating revenue related to Baltimore City Public Schools. The expenditures paid from each bond series is recorded as non-operating expenses related to Baltimore City Public Schools for the fiscal year. The net difference between the non-operating revenue related to Baltimore City Public Schools and non-operating expenses related to Baltimore City Public Schools will carry to unrestricted net position. In the early years of the program, expenditures for construction will be at a much higher rate than the revenue received. Expenditures are projected to be spent over an eight (8) year period as the revenue will be collected for at least thirty (30) years. This created a large negative balance in unrestricted net position. As the non-operating revenue related to Baltimore City Public schools are received, the negative balance for unrestricted net position will slowly reduce over time.

18. LITIGATION

In the normal course of operations, certain claims have been brought against the Authority, which are in various stages of resolution. Management is not aware of any litigation for which the ultimate resolution of the claims will have a material adverse effect on the Authority's financial position.





REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information June 30, 2022

Schedule of Proportionate Share of Net Pension Liability - State of Maryland Employee's Retirement and Pension System

	2021	2020	2019	2018
The Authority's proportion of the ERS net Pension liability	0.10%	0.09%	0.09%	0.07%
The Authority's proportionate of the ERS net Pension liability	\$13,705,104	\$19,207,995	\$17,038,443	\$14,869,651
Authority's cover employee payroll	\$10,436,636	\$10,249,806	\$9,224,868	\$8,694,564
Contributions as a percentage of the covered- employee payroll	131.31%	187.40%	184.70%	171.02%
	2017	2016	2015	
The Authority's proportion of the ERS net Pension liability	0.06%	0.05%	0.05%	
The Authority's proportionate of the ERS net Pension liability	\$12,873,208	\$12,098,335	\$10,003,890	
Authority's cover employee payroll	\$7,450,095	\$6,521,455	\$6,212,028	
Contributions as a percentage of the covered- employee payroll	172.79%	185.52%	161.04%	

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2015, is not available.

See accompanying notes to the schedule



Required Supplementary Information June 30, 2022

Schedule of Contributions – State of Maryland Employee's Retirement and Pension System

	2022	2021	2020	2019
Contractually required contributions (ERS)	\$2,189,364	\$2,203,330	\$1,975,261	\$1,756,168
Contributions in relation to the contractually required contribution	\$2,189,364	\$2,203,330	\$1,975,261	1,756,168
Contribution deficiency (excess)	\$0_	\$0	\$0	\$0
Authority's covered employee payroll	\$10,588,522	\$10,436,636	\$10,249,806	\$9,224,868
Contributions as a percentage of covered- employee payroll	20.68%	21.11%	19.27%	19.04%
	2018	2017	2016	2015
Contractually required contributions (ERS)	\$1,651,950	\$1,450,627	\$1,080,764	\$1,014,618
Contributions in relation to the contractually required contribution	1,651,950	1,450,627	1,080,764	1,014,618
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Authority's covered employee payroll	\$8,694,564	\$7,450,095	\$6,521,455	\$6,212,028
Contributions as a percentage of covered- employee payroll	19.00%	19.47%	16.57%	16.33%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2015, is not available.

See accompanying notes to the schedule



Required Supplementary Information June 30, 2022

Schedule of Contributions – Other Post-Employee Benefits (OPEB)- State of Maryland

	2022	2021	2020	2019
Contractually required contributions (ERS) Contributions in relation to the	\$ 787,804	\$ 672,332	\$ 678,415	\$ 664,706
contractually required contribution	787,804	672,332	678,415	664,706
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
	2018	2017		
Contractually required contributions (ERS)	\$ 517,664	\$ 614,504		
Contributions in relation to the				
contractually required contribution	517,664	614,504		
Contribution deficiency (excess)	<u>\$ -</u>	\$ -		

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2017, is not available.

See accompanying notes to the schedule



Required Supplementary Information June 30, 2022

Notes to the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions State of Maryland Employee's Retirement and Pension System

NOTE 1 - CHANGES IN BENEFIT TERMS

There were no benefit changes during the years 2015 through 2022

NOTE 2 - CHANGES IN ASSUMPTIONS

Inflation assumptions changed as follows: 6/30/2021 2.60% 6/30/2020 2.60% 6/30/2019 2.60% 6/30/2018 2.60% 6/30/2017 2.65% 6/30/2016 2.70% 6/30/2015 2.70%

Investment return assumption changed as follows: 6/30/2021 6.80% 6/30/2020 7.40% 6/30/2019 7.40% 6/30/2018 7.50% 6/30/2017 7.50% 6/30/2016 7.55% 6/30/2015 7.65%

Notes to the Schedule of Contributions Other Post-Employment Benefits State of Maryland

Valuation date: Actuarially determined contributions amounts are calculated as of June 30 prior to the end of the fiscal year in which contributions are reported

Methods and assumptions use to determined contributions rates:

Actuarial cost method	Entry Age Actuarial Cost method
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value of asset



SUPPLEMENTARY INFORMATION



Combining Schedule of Contributions from Primary Government For the Year Ended June 30, 2022

The Authority receives Lottery and General Funds from the State of Maryland to be used in accordance with Economic Development Article, Sections 10-601 to 10-655. Listed below are the funds received for fiscal year 2022 and how they were used.

	Camden Yards	Baltimore City Convention Center	Ocean City Convention Center	Montgomery County Conference Center	Hippodrome Performing Arts Center
Source					
Lottery	\$15,233,032	\$-	\$-	\$ -	\$ -
General Funds		10,407,522	1,955,928	1,556,000	1,383,004
Total	15,233,032	10,407,522	1,955,928	1,556,000	1,383,004
Use					
Contract Receivable	8,375,000	-	-	1,345,000	1,383,004
Interest	6,858,032	-	-	211,000	-
Operating Deficits	-	10,407,522	1,955,928	-	-
Capital Improvements Fund	-	-	-	-	-
Total	15,233,032	10,407,522	1,955,928	1,556,000	1,383,004
Net	\$ -	\$ -	\$ -	\$ -	\$ -

The Authority receives Lottery and other contributions from the City of Baltimore and Baltimore City Public Schools Board of Commissioners to be used in accordance with Economic Development Article, Sections 10-656 to 10-657. Listed below were the funds received for fiscal year 2022.

	State of Maryland	Baltimore City	Baltimore City Public Schools	Total
Source				
Lottery	\$ 20,000,000	\$ -	\$ -	\$ 20,000,000
Beverage Container Tax, 50% of the 5% of table games proceeds, 10% of the participation rent from the VLT		15,636,952		15,636,952
Shifted retirees' health insurance	-	10,000,000	- /	10,000,000
General State Education Fund		-	20 <mark>,000,00</mark> 0	20,000,000
Total	<u>\$ 20,000,000 </u>	<u>\$ 25,636,952 </u> \$	20,000,000 \$	65,636,952

Combining Schedule of Revenue, Expenses, and Changes in Net Position For the Year Ended June 30, 2022 (continued)

Below illustrates the financial activities for each project the Authority is responsible for:

Operating Revenue	Total	Camden Yards	Baltimore City Convention Center	Ocean City Convention Center
Baltimore Orioles' rent	\$ 4,739,098	\$ 4,739,098	\$ -	\$ -
Admission Taxes	10,912,408	10,494,726	-	-
Baltimore Ravens' contributions	10,654,988	10,654,988	-	-
Warehouse rents	3,706,502	3,706,502	-	-
Catering commissions	333,661	333,661	-	-
Parking revenue	1,453,676	1,453,676	-	-
Capital project fees	18,767,437	2,614,283	-	8,811,675
Total Operating Revenue	50,567,770	33,996,934	-	8,811,675
Operating Expenses				
Salaries and wages	14,022,893	13,255,703		
Telephone and postage	84,849	84,849	-	-
Travel	67,363	67,284	-	-
Utilities			-	-
Vehicle expense	5,145,107 13,085	5,145,107	-	-
Contractual services		13,085	-	-
Parking	24,696,815	18,266,684	-	-
Supplies and materials	1,370,005	1,370,005	-	-
Depreciation and amortization	592,407	592,407	-	-
Fixed charges	6,207,122	5,707,809	-	496,569
Miscellaneous	161,711	160,211	-	-
Total Operating Expenses	434,438	434,438	-	- 496,569
		45,077,502		+70,507
Operating Income (Loss)	(2,228,025)	(11,100,648)	-	8,315,106
Non-Operating (Expenses) Revenue				
Contributions to others for operating deficit				
and capital improvements	(10,586,041)	-	(8,948,441)	(1,637,600)
Contributions for BCPS construction	65,636,952	-	-	-
Contributions for BTL construction	10,000,000	-	-	-
Expenses related to BCPS	(144,122,550)	-	-	-
Expenses related to Built to Learn	(3,566,371)	-	-	-
Investment income and other	(1,349,584)	448,091	-	308,884
Interest expense	(70,155,207)	(3,492,687)		(918,250)
Total Non-Operating Expenses	(154,142,801)	(3,044,596)	(8,948,441)	(2,246,966)
Gain (Loss) before contributions	(156,370,826)	(14,145,244)	(8,948,441)	6,068,140
Contributions from Primary Governments	28,665,049	14,953,965	10,407,522	1,955,928
Change in net assets	\$ (127,705,777)	\$ 808,721	\$ 1,459,081	\$ 8,024,068
	ψ (121,103,111)	φ 606,721	<u> </u>	φ 0,024,008

Combining Schedule of Revenue, Expenses, and Changes in Net Position For the Year Ended June 30, 2022 (continued)

Baltimore Orioles' rent S S S S S S S Admission Taxes 417,682 - <th>Operating Revenue</th> <th>Montgomery County Conference Center</th> <th>Hippodrome Performing Arts Center</th> <th>Baltimore City Public Schools</th> <th>Baltimore City Demolition and Stabilization</th>	Operating Revenue	Montgomery County Conference Center	Hippodrome Performing Arts Center	Baltimore City Public Schools	Baltimore City Demolition and Stabilization
Admission Taxes 417,682 - Baltimore Ravens' contributions - - Baltimore Ravens' contributions - - Carling promissions - - Parking revenue 780 21,665 877,858 5,989,092 Total Operating Revenue 780 439,347 877,858 5,989,092 Operating Expenses - - - - - Salaries and wages - <th>Baltimore Orioles' rent</th> <th>\$ -</th> <th>\$ -</th> <th>\$ -</th> <th>\$ -</th>	Baltimore Orioles' rent	\$ -	\$ -	\$ -	\$ -
Warehouse rents -	Admission Taxes	-		-	-
Catering commissions I <thi< th=""> <thi< th=""> I <thi< th=""></thi<></thi<></thi<>	Baltimore Ravens' contributions	-	-	-	-
Parking revenue 1 1 1 Capital project fees 780 21.665 877.858 5.989.092 Total Operating Revenue 780 439.347 877.858 5.989.092 Operating Expenses 5 5.989.092 6		-	-	-	-
Capital project fees 780 21.665 877.858 5.980.092 Total Operating Expenses 877.858 5.980.092 Salaries and wages .	0	-	-	-	-
Total Operating Revenue 1/80 21,000 677,858 5,989,092 Operating Expenses 5 5,989,092 9,999,992 9,992 <th></th> <th>-</th> <th>-</th> <th>-</th> <th>-</th>		-	-	-	-
1/80 439,347 617,858 5,389,092 Operating Expenses Salaries and wages - - 252 406,409 Telephone and postage -		780	21,665	877,858	5,989,092
Salaries and wages - - 252 406,409 Telephone and postage - - - - Travel - - - - - Utilities -	Total Operating Revenue	780	439,347	877,858	5,989,092
Telephone and postage - - - - Travel - - - - - Utilities - - - - - - Vehicle expense -	Operating Expenses				
Travel - - - - Utilities - - - - Vehicle expense - 250,000 - 5,582,683 Parking - - - - Supplies and materials - - - - Depreciation and amortization - - - - Fixed charges - 1,500 - - - Miscellaneous - - - - - - Total Operating Expenses - 251,500 252 5,980,092 -	Salaries and wages	-	-	252	406,409
Utilities -	Telephone and postage	-	-	-	-
Vehicle expense - - - - Contractual services 250,000 - 5,582,683 Parking - - - Supplies and materials - - - Depreciation and amortization - - - Fixed charges - 1,500 - - Miscellaneous - - - - Total Operating Expenses - 251.500 252 5.989,092 Operating Income (Loss) 780 187,847 877,606 - Non-Operating (Expenses) Revenue - - - - Contributions to others for operating deficit - - - - and capital improvements - - - - - Contributions for Baltimore City Public -	Travel	-	-	-	-
Contractual services 250,000 5,582,683 Parking 250,000 5,582,683 Supplies and materials 1 1 Depreciation and amortization 1 1 Fixed charges 1,500 - Miscellaneous - - Total Operating Expenses 251,500 252 5,989,092 Operating Income (Loss) 780 187,847 877,606 - Non-Operating (Expenses) Revenue - - - - Contributions to others for operating deficit - - - - and capital improvements - - - - - Contributions for Baltimore City Public - </th <th></th> <th>-</th> <th>-</th> <th>-</th> <th>-</th>		-	-	-	-
Parking - </th <th>•</th> <th>-</th> <th>-</th> <th>-</th> <th>-</th>	•	-	-	-	-
Supplies and materials		-	250,000	-	5,582,683
Depreciation and amortization - - - - Fixed charges 1,500 - - - Miscellaneous - - - - Total Operating Expenses - - - - Operating Income (Loss) 780 187,847 877,606 - Non-Operating (Expenses) Revenue - - - - Contributions to others for operating deficit - - - - and capital improvements - - - - - Contributions for Baltimore City Public - 65,636,952 - <th>-</th> <td>-</td> <td>-</td> <td>-</td> <td>-</td>	-	-	-	-	-
Fixed charges 1,500 - - Miscellaneous - - - Total Operating Expenses - - - Operating Income (Loss) 780 187,847 877,606 - Non-Operating (Expenses) Revenue - - - - Contributions to others for operating deficit - - - - and capital improvements - - - - - Contributions for Baltimore City Public -		-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses 251,500 252 5,989,092 Operating Income (Loss) 780 187,847 877,606 - Non-Operating (Expenses) Revenue - - - - Contributions to others for operating deficit - - - - and capital improvements - - - - - Contributions for Baltimore City Public - - - - - Schools' construction - - - - - - Public Schools - - - - - - - Investment income and other 134,199 (48) (5,579,374) - - Interest expense (209,198) (37,055) (53,334,100) - - Gain (Loss) before contributions (74,219) 150,744 (136,521,466) - Contributions from Primary Governments 211,000 (161,996) - - -		-	1,500	-	-
Operating Income (Loss) 780 187,847 877,606 . Non-Operating (Expenses) Revenue . <td< th=""><th></th><th></th><th>-</th><th>-</th><th></th></td<>			-	-	
Non-Operating (Expenses) Revenue Contributions to others for operating deficit and capital improvements - - - - Contributions for Baltimore City Public - - 65,636,952 - Schools' construction - - - - - Public Schools - - (144,122,550) - - Investment income and other 134,199 (48) (5,579,374) - Interest expense (209,198) (37,055) (53,334,100) - Gain (Loss) before contributions (74,219) 150,744 (136,521,466) - Contributions from Primary Governments 211,000 (161,996) -	Total Operating Expenses		251,500	252	5,989,092
Contributions to others for operating deficit and capital improvements -	Operating Income (Loss)	780	187,847	877,606	-
and capital improvements - </td <th>Non-Operating (Expenses) Revenue</th> <td></td> <td></td> <td></td> <td></td>	Non-Operating (Expenses) Revenue				
Contributions for Baltimore City Public - - 65,636,952 - Schools' construction - - - - - Public Schools - - (144,122,550) - - Investment income and other 134,199 (48) (5,579,374) - Interest expense (209,198) (37,055) (53,334,100) - Total Non-Operating Expenses (74,999) (37,103) (137,399,072) - Gain (Loss) before contributions (74,219) 150,744 (136,521,466) -	Contributions to others for operating deficit				
Schools' construction -	and capital improvements	-	-	-	-
Schools' construction -	Contributions for Baltimore City Public	-	-	65.636.952	-
Investment income and other 134,199 (48) (5,579,374) - Interest expense (209,198) (37,055) (53,334,100) - Total Non-Operating Expenses (74,999) (37,103) (137,399,072) - Gain (Loss) before contributions (74,219) 150,744 (136,521,466) - Contributions from Primary Governments 211,000 (161,996) - -	Schools' construction	-	-		-
Interest expense (209,198) (37,055) (53,334,100) - Total Non-Operating Expenses (74,999) (37,103) (137,399,072) - Gain (Loss) before contributions (74,219) 150,744 (136,521,466) - Contributions from Primary Governments 211,000 (161,996) - -	Public Schools	-	-	(144,122,550)	-
Interest expense (209,198) (37,055) (53,334,100) - Total Non-Operating Expenses (74,999) (37,103) (137,399,072) - Gain (Loss) before contributions (74,219) 150,744 (136,521,466) - Contributions from Primary Governments 211,000 (161,996) - -	Investment income and other	134,199	(48)	(5.579.374)	-
Total Non-Operating Expenses (74,999) (37,103) (137,399,072) - Gain (Loss) before contributions (74,219) 150,744 (136,521,466) - Contributions from Primary Governments 211,000 (161,996) - -	Interest expense				-
Contributions from Primary Governments	Total Non-Operating Expenses				
211,000 (101,770)	Gain (Loss) before contributions	(74,219)	150,744	(136,521,466)	-
	Contributions from Primary Governments	211,000	(161,996)		
	Change in net assets			\$ (136,521,466)	\$ -
MARYLAND STADIUM AUTHORITY

Combining Schedule of Revenue, Expenses, and Changes in Net Position For the Year Ended June 30, 2022 (continued)

Operating Revenue	Racing and Community Development	Michael Erin Busch Youth and Amateur Grant Program	Built To Learn	Hagerstown Multi-Use Stadium and Event Facility
Baltimore Orioles' rent	\$ -	\$ -	\$ -	\$ -
Admission Taxes	-	-	-	-
Baltimore Ravens' contributions	-	-	-	-
Warehouse rents	-	-	-	-
Catering commissions	-	-	-	-
Parking revenue	-	-	-	-
Capital project fees	452,084	-	-	
Total Operating Revenue	452,084		-	
Operating Expenses				
Salaries and wages	278,972	_	98	81,459
Telephone and postage		-		01,439
Travel	_	-	_	79
Utilities	-	-	-	0
Vehicle expense	-	-	-	0
Contractual services	289,609	_	-	307,839
Parking		-	-	0
Supplies and materials	-	-	-	0
Depreciation and amortization	-	_	2,744	0
Fixed charges	-	-		0
Miscellaneous				
Total Operating Expenses	568,581	-	2,842	389,377
Operating Income (Loss)	(116,497)	-	(2,842)	(389,377)
Non-Operating (Expenses) Revenue Contributions to others for operating deficit				
and capital improvements				
Contributions for Baltimore City Public	-	-	-	-
Schools' construction	-	-	- 10,000,000	-
Public Schools	-	-		-
	-	-	(3,566,371)	-
Investment income and other	247,509	1,823	3,013,240	76,092
Interest expense	247,509	-	(11,749,617)	(414,300)
Total Non-Operating Expenses	247,509	1,823	(2,302,748)	(338,208)
Coin (Loos) hofers or tributions				<u>, , , , , , , , , , , , , , , , , , , </u>
Gain (Loss) before contributions	131,012	1,823	(2,305,590)	(727,585)
Contributions from Primary Governments		1 200 (20		
Change in net assets	¢ 121.012	1,298,630 \$ 1,200,453	+ (2 205 500)	¢ (707 505)
	\$ 131,012	\$ 1,300,453	\$ (2,305,590)	\$ (727,585)



2022 ANNUAL REVIEW

MARYLAND STADIUM AUTHORITY (A COMPONENT UNIT OF THE STATE OF MARYLAND) An annual detailed report (January 2022 – January 2023) of the activities and financial status of the MSA to the Governor, and, in accordance with § 2-1257 of the State Government Article, the General Assembly (EC § 10-625) HB 897/Ch. 61, 2022



TABLE OF CONTENTS

Annual Review (January 2022 – January 2023)	
Mission	65
Administration	66
Capital Projects & Planning	69
Diversity, Equity, & Inclusion	70
Facilities	70
Internal Audit	72
Leasing	73
Procurement	73
Public Safety & Security	74
Capital Projects Development Group	76
Maryland Sports Commission	86
The Sport and Entertainment Corporation of Maryland	90
Maryland Stadium Authority Staff	96
Board of Directors	99
Photographs	100



MARYLAND STADIUM AUTHORITY

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.

OUR PRIORITIES

- Safety and Security
- Fiduciary Responsibility (Financial and Property Management)
- On-time and On-Budget Project Management
- Diversity of Stadium Events

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 Schools Program
- Oversee Project C.O.R.E.
- Oversee Pimlico and Laurel Racing Facilities Redevelopment
- Oversee Built to Learn Act 2020 Program
- Oversee Hagerstown Multi-Use Sports and Events Facility
- Oversee development and financing of the Blue Line Corridor
- Promote the use of sports-related facilities across Maryland to foster economic development through the Maryland Sports Commission
 - Administer the Michael Erin Busch Sports Fund Youth and Amateur Sports Grants Program
 - $\circ~$ Administer the Major Sport and Entertainment Events Program

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, Hagerstown Multi-Use Sports and Events Facility

- Baltimore City Public Schools: \$60 million annually for life of the bonds
- Project C.O.R.E.: Funded by MD Dept. Housing & Community Development
- Stadium debt: Up to \$90 million from Maryland Lottery (now approximately \$15 million)
- Built to Learn: \$125 million from Education Trust Fund
- Racing & Community Development Act: \$17 million from Maryland Lottery
- Michael Erin Busch Sports Fund Youth and Amateur Sports Grants Program: \$1 million from Maryland Lottery, \$500,000 admission & amusement tax
- Major Sport and Entertainment Events Program: \$10 million from Maryland Lottery

ADMINISTRATION

DEPARTMENTAL BILLS

In 2022, the MSA advanced two departmental bills during the legislative session. HB 896 (2022) Maryland Stadium Authority - Increase of Bond Authorization -Camden Yards increased the cap on Camden Yards Sports Complex debt from \$235 million to \$1.2 billion (\$600 million each for Oriole Park and M&T Bank Stadium), increased the cap on monies for debt service transferred from lottery funds to \$90 million from \$20 million, and stipulated that the term of any bonds issued could not exceed the term of the team lease where the money is to be spent. This offers a significant incentive for the teams to renew or extend their leases and remain in Baltimore, and provides the opportunity to expand the economic impact of games and other activities at the stadiums.

HB 897 (2022) Economic Development – Sports Entertainment Facilities and Events, Prince George's County Blue Line Corridor Facilities, and Racing Facilities allows MSA to borrow up to \$200 million for minor league stadiums and other sports entertainment facilities in Maryland and creates a \$10 million fund to promote major sports events in Maryland. Amendments were added to our original bill to allow MSA to borrow up to \$400 million for the Blue Line Corridor development in Prince George's County, begin design at Pimlico race track, and produce reports on cost and schedule at Laurel Park and Pimlico with a final report due January 1, 2023.

Both bills passed overwhelmingly in the House of Delegates and unanimously among those voting in the Senate. The bills were also strongly supported by business and political leaders across the state reflecting their belief in the importance of the bills to economic vitality in the state and MSA's ability to successfully carry out the programs these funds will support.

STADIUM USE AGREEMENTS NEGOTIATIONS

MSA works closely with the Baltimore Orioles and Baltimore Ravens so that Oriole Park at Camden Yards and M&T Bank Stadium will be upgraded to remain best-in-class facilities in terms of safety, amenities and fan experience.

MSA fully recognizes that discussing new agreements with both the Orioles and the Ravens simultaneously presents a once in a generation opportunity to upgrade and redevelop the Camden Yards Sports Complex holistically. MSA understands and appreciates the public interest as the MSA and these beloved teams work to renew their strong commitments to the State of Maryland and the City of Baltimore.

NEW STADIUM LEASE AGREEMENT FOR M&T BANK STADIUM BETWEEN MARYLAND STADIUM AUTHORITY AND BALTIMORE RAVENS

As previously mentioned, following the passage by the Maryland General Assembly of HB896 (2022), the MSA was pleased that the Baltimore Ravens expressed their desire to discuss an agreement, well in advance of its 2027 expiration, that would extend their commitment to remain in Baltimore and support investment in M&T Bank Stadium as it approaches its 25th year.

On December 14, 2022, general business terms of an agreement related to stadium renovations were presented and approved by the National Football League (NFL). On December 27, the MSA Board of Directors met to consider for approval a new stadium lease agreement that would reaffirm the team's strong commitment to the State of Maryland and the City of Baltimore. With the MSA Board of Directors' unanimous approval of the proposed agreement, it was then presented to the Maryland Board of Public Works (BPW) on January 4, 2023 and received unanimous approval.

Fans should be delighted to know that the proposed new stadium lease agreement with Baltimore Ravens at M&T Bank Stadium continues MSA's strong

partnership with the team through the end of 2037 NFL season with two 5-year options to extend. While fundamentally the same as the agreement presently in place, it offers greater protections to the MSA, additional revenue opportunities to the team that are in line with current stadium trends and opportunities to collaborate on improvements already underway that will enhance the fan experience as afforded by the HB896 (2022) legislation.

MAJOR SPORTS AND ENTERTAINMENT EVENTS PROGRAM

The MSA has operated and maintained the award-winning Camden Yards Sports Complex (CYSC) on behalf of the state of Maryland in partnership with two stellar professional teams for over 30 years. During that time, in an effort to enhance the complex as a year-round entertainment destination, MSA has entered into various agreements with the teams to successfully bring concerts, college and international sports events, television and motion picture film crews to Maryland. MSA's direct financial contributions to these events, similar to a convention center model, are offset by the strong fiscal benefits to the state through tax revenues, economic activity, job creation and media exposure while providing entertainment and event diversity for both Marylanders and out-oftown attendees.

Recent legislation not only demonstrates Maryland's serious commitment to the teams and their leagues as they enter into new long-term agreements with the state, but also creates the Major Sports and Entertainment Events Program. For the Program, the state will provide up to \$10 million a year in financial assistance to eligible recipients for the costs of advertising, promotions, and capital projects associated with attracting and organizing major sporting and entertainment events throughout the state. Moving forward, this new program will significantly reduce the need for MSA to contribute financially to events at the complex.

MSA strongly believes these continued efforts will further establish CYSC and Maryland as premier destinations for sports and entertainment and generate even greater economic benefits for the state, the city, and local jurisdictions, while providing business opportunities and enjoyment for citizens for years to come.

CAPITAL PROJECTS & PLANNING

WAREHOUSE IMPROVEMENT PROJECT

In an effort to obtain 100% occupancy and continue to offer workspace that is a win-win for tenants and their clients, the MSA completed the Warehouse Improvement Project which included public lobby renovations, new elevators, a new canopy on the east side of the building, lighting for exterior signage, façade lighting, signage upgrades, and HVAC upgrades.

LEFT FIELD PROJECT

Oriole Park at Camden Yards was considered one of the most homerun friendly ballparks in Major League Baseball (MLB). The Baltimore Orioles Baseball Operations and Analytics departments did extensive research on how to best narrow the cost to pitchers and the benefits to hitters and concluded that raising and moving back the left field wall was the best scenario for the desired outcome. The Orioles engaged design professionals and agreed to manage and pay for the Left Field Project, subject to reimbursement of the costs through credits against the rent due under the Orioles' lease of the ballpark.

MSA agreed with the Orioles that the Left Field Project was a reasonable alteration of the ballpark and received approval from its Board of Directors and Maryland's Board of Public Works to amend the Lease Agreement between the MSA and team to reimburse the Orioles for the actual cost of the project (but not in excess of \$3,500,000) by crediting a certain portion of such costs against the rent due for 2022 and future calendar years.

The Left Field Project generally consisted of the removal of certain seating from the seating bowl, demolition of a portion of the substructure of the seating bowl, relocation of the left foul pole, left field wall, and left field warning track to points farther from home plate, and the expansion of the grass playing field to the areas vacated by the foregoing project.

The Left Field Project was completed prior to March 31, 2022, Opening Day and celebrated as part of the 30th anniversary of the ballpark. While Oriole Park remains a hitter's ballpark, the team believes it will no longer be an outlier among the parks.

DIVERSITY, EQUITY, & INCLUSION

As a nation, we are continuing to confront social injustice during an already challenging time. Together, with compassion and civility, MSA continues to cultivate a culture of diversity and inclusion.

Throughout 2022, MSA's Equal Employment Opportunity Officer collaborated with Human Resources to offer in-person and online workshops for staff, participated in outreach events and served as the Minority Business Enterprise (MBE) Liaison to advocate for MBEs actively working on projects with the agency.

FACILITIES

The MSA operates and lovingly maintains the award-winning Camden Yards Sports Complex (CYSC), which includes the Warehouse, Oriole Park at Camden Yards, M&T Bank Stadium and historic Camden Station, on behalf of the state in partnership with the Baltimore Orioles and the Baltimore Ravens. The complex was a game changer for stadium construction with co-located baseball and football facilities with shared amenities in an urban destination with a transit hub. Maryland's world-class sports facilities inspired a generation of urban revitalization and historic preservation across the nation and continue to serve as catalysts for economic development for our state.

SPECIAL EVENTS

30TH ANNIVERSARY SEASON OF ORIOLE PARK AT CAMDEN YARDS

To recognize the tremendous impact of Oriole Park over the last 30 years, the Baltimore Orioles hosted a robust slate of festivities in tribute to The Ballpark That Forever Changed Baseball[™] and its impact on the team, the city, and the state. Opening Day included a large celebration to kick off the anniversary season, with festivities culminating on Saturday, August 6, where fans enjoyed a pregame ceremony, viewed unique memorabilia, and received an Oriole Park-themed giveaway item. MSA was extremely pleased with the team's performance and the fan attendance throughout the 30th anniversary season.

PAUL MCCARTNEY 'GET BACK' CONCERT

In February 2022, the Baltimore Orioles announced that legendary singersongwriter Paul McCartney would perform the second-ever major concert at Oriole Park at Camden Yards on Sunday, June 12, as part of his 2022 Got Back

tour. Presented by AEG and Orioles Entertainment, the sold-out performance was McCartney's first Baltimore concert in nearly 60 years, as he last visited in 1964 during The Beatles' first North American tour. The sold-out performance brought more than 40,000 visitors to downtown Baltimore for the weekend and was amongst the summer's largest events.

CHARM CITY MATCH - ARSENAL v EVERTON

As part of the joint Baltimore-Maryland and Washington D.C. 2026 bid to host FIFA World Cup matches, English Premier League teams Arsenal and Everton played in The Charm City Match at Baltimore's M&T Bank stadium on July 16, before a paid attendance crowd of nearly 40,000. The pre-season game between two of England's most decorated football clubs showcased the world-class hosting facilities of M&T Bank Stadium – home of the Baltimore Ravens NFL team. Fans of Arsenal and Everton enjoyed an authentic football experience with the stadium in the heart of the downtown city district serviced by excellent public transport and a wide variety of hospitality amenities, including great hotels, restaurants and bars. The Charm City Match was hosted in partnership with Elite Promotions and the Baltimore Ravens. Elite Promotions is an agency dedicated to facilitating best in class events with major venues and elite sports brands.

NAVY v NOTRE DAME

In November, the Naval Academy Midshipmen hosted the Notre Dame Fighting Irish in their annual, and nationally televised football matchup, at M&T Bank Stadium. The game, originally announced in May 2021, was scheduled as part of a partnership between the Naval Academy Athletics Association, Baltimore Ravens, and MSA. It marked the 23rd time that the City of Baltimore hosted the perennial game, but the first at M&T Bank Stadium since 2008. The Fighting Irish fended off a second half comeback by the Mids, capturing a 35-32 victory in front of more than 62,000 fans.

LOCAL EVENTS

In addition to NFL and MLB games, college sports and concerts, in 2022 the MSA with the professional teams hosted approximately 140 local events at the CYSC such as social occasions, business meetings, scholastic functions, group tours, festivals and family friendly fundraising events for nonprofits. Due to COVID-19, some 2021 events were rescheduled for 2022, held virtually [with an illumination] or outdoors. A sample of new and returning local events are below:

- 9/11 National Fallen Firefighter Foundation Stair Climb
- American Red Cross Blood Drives

- American Towman
- Armour Day All Star Games
- Armour Day Event at M&T Bank Stadium
- Baltimore Police Department Health Fair
- Baltimore Police Department Unity Bike Tour
- Baltimore Running Festival / Half Marathon & 5K
- Baltimore Station Stars, Stripes, and Chow Chili Cook Off
- Baxter Healthcare Corporation Demonstration
- Call Playbook Event at M&T Bank Stadium
- Celebration of Life (lot rental)
- Central Intercollegiate Athletic Association (CIAA) at Oriole Park suites
- Church of the Lord Jesus Christ (lot rental)
- Cristo Rey Jesuit (lot rental)
- Cystic Fibrosis Great Strides Walk
- Erin Levitas Foundation Stroll & Roll 5K
- Eye on the Ball (lot rental for Apple TV filming)
- Gary Landsman / FreedomCar (lot rental for photoshoot)
- GE Healthcare Demonstration
- Living Legacy Donate Life 5K
- Loyola University Graduation
- Making Strides Against Breast Cancer
- Maryland Auto Show
- Mid-Atlantic Nursery and Trade Show (lot rental)
- OktoberFest
- One Love Foundation Move for Love 5K
- Society of Behavioral Medicine's Fun Run
- The Family Tree Lace Up to End Child Abuse 5K
- The Links Inc. National Assembly Opening Reception on Eutaw Street
- U.S. Marine Corps Baltimore Recruiting Station's Change of Command Ceremony
- UMG El Macro Latin Festival
- Wallace Racing Group
- Whiting Turner (lot rental)

INTERNAL AUDIT

The Internal Audit staff reports functionally to the MSA's Board of Directors and administratively to the Executive Director. Internal Audit performs various financial compliance audits, construction closeout reviews, and revenue verification procedures

that are identified in a risk-based assessment and internal audit plan. It also reviews external audit reports, meets with the Board's Audit Committee and oversees MSA's compliance with state policies and internal controls.

LEASING

The Warehouse at Camden Yards is one of the most recognizable landmarks in Baltimore. Its exposed brick walls, wooden beams and front row ballpark views have attracted discerning tenants who appreciate leasing modern workspace in an architectural gem.

STADIUM PARTNERS

- Aramark
- Delaware North (through 2022 baseball season)
- SP+

WAREHOUSE AT CAMDEN YARDS TENANTS

- Baltimore Orioles
- Exit 10
- Interagency Commission on School Construction (IAC)
- Lawrence Law LLC
- Maryland's Sports Commission
- The Moore Law Group
- Office of Legislative Audits (OLA)
- Pennoni
- ReGelTec
- Snowden Lane/ Snowden Capital Advisors
- The Sports & Entertainment Corp of Maryland
- University of Maryland Orthopedics
- Washington Vascular Specialists

PROCUREMENT

On August 1, 2022, the MSA launched an online Procurement Portal to enable MSA to exclusively accept and evaluate bids and proposals electronically, as well as seamlessly communicate project information with interested vendors. The Portal will provide MSA

and its vendors with an easy to use, cost effective and transparent procurement tool to be utilized in conjunction with eMaryland Marketplace Advantage (eMMA) that will further enhance the modernization of the procurement functions at MSA.

PUBLIC SAFETY & SECURITY

While the safety and security of all who visit and work at the Camden Yards Sports Complex is our highest priority, MSA does not release specifics regarding recent investments, staffing, deployment strategies or security measures implemented in and around the complex. MSA constantly monitors local and national events, as well as international threats, and uses any incidents as an opportunity to reassess our security plans, and work closely with our federal, state and local law enforcement partners to keep our fans, tenants, contractors and employees safe.

EMERGENCY PREPAREDNESS

MSA works with federal, state and local first responders and private partner stakeholders to test emergency preparedness at the Camden Yards Sports Complex. Scenarios are used to evaluate response coordination plans, aid agreements and information sharing between public safety agencies and stadium partners during a potential crisis at the Camden Yards Sports Complex.

- On June 7, MSA with the Baltimore Ravens, hosted its first All Public Information Officers (PIO) stadium crisis communications exercise at M&T Bank Stadium.
- On July 13, MSA with the Baltimore Ravens, hosted a Cybersecurity and Infrastructure Security Agency (CISA) tabletop exercise with our stadium partners.

Throughout the year, MSA makes our facilities available to our federal, state and local law enforcement partners for approved training purposes.

MSA PARTNERS WITH LIBERTY DEFENSE AS A BETA CLIENT OF HEXWAVE

In 2022, MSA and Liberty Defense, a leading technology provider for concealed weapons and threat detection solutions, announced a beta test of Liberty's flagship product HEXWAVE[™] at the Camden Yards Sports Complex.

MSA's participation in this collaboration agreement with HEXWAVE is about testing an emerging threat technology that could enhance our existing systems

using a layered threat detection approach. MSA believes this emerging threat detection technology could be the future of keeping fans safe at events by detecting weapons in real-time without disrupting pedestrian flow.

HEXWAVE uses low-power radar imaging and artificial intelligence to detect all types of concealed weapons for walkthrough, high throughput people screening that responds to evolving threats and the need for socially distanced contactless security that keeps lines flowing. It can be used indoor and outdoor as part of a layered defense so that threats can be detected early, at the perimeter of the property or at checkpoints.



CAPITAL PROJECTS DEVELOPMENT GROUP



CAPITAL PROJECTS DEVELOPMENT GROUP

MSA's mission has expanded and evolved over the past 35 years to include numerous highly visible and successful economic and feasibility studies, construction projects, and programs. To date, MSA has completed \$4 billion of projects across the state that were delivered on-time and on-budget. MSA is actively involved in \$5 billion of projects. MSA does not advocate for these projects and studies, MSA follows the mission as assigned by the legislature and executive branch. MSA's studies provide information, not recommendations, to local and state officials to assist in the decision making process about investment and benefits for their communities and constituents.

SCHOOL CONSTRUCTION PROGRAMS

21st Century School Buildings Program

The 21st Century School Buildings Program (Program) is a partnership between the MSA, Baltimore City Public Schools, the City of Baltimore, and the Interagency Commission on Public School Construction (IAC). This Program is the result of the tireless efforts by community and faith leaders, parents and teachers, students and alumni, with city and state officials who successfully advocated for this historic school construction program which has now inspired a statewide effort.

The MSA is the Program partner that finances, procures, and builds futurefocused, adaptable, sustainable and high-quality schools in communities throughout the City of Baltimore. MSA was authorized to issue up to \$1.1 billion for the 21st Century Schools program in Baltimore. The success of the program realized substantial savings via effective management and bond issuances, allowing for an additional high school to be funded in 2022. Overall, the program is substantially complete with 26 building projects completed that houses 30 schools. Additionally, as a result of efficient project and program management, combined with efficient and creative financing, the MSA was able to achieve additional funding capacity to add another school building to the program in 2022, the Frederick Douglass High School Building.

Together, with our Program partners, MSA contributes to the education of Baltimore's children, the employment of its citizens, while creating opportunities for local businesses and inspiring neighborhood revitalization.

SUMMER 2017

Fort Worthington Elementary / Middle School Frederick Elementary School

SPRING 2018

Dorothy I Height Elementary / Middle School Wildwood Elementary / Middle School

SUMMER 2018

Forest Park High School Arundel Elementary School Historic Cherry Hill Elementary / Middle School Pimlico Elementary Middle School Robert Poole Building (Academy for College and Career Exploration & Independence School)

SUMMER 2019

Arlington Elementary School Fairmont Harford Building (The REACH! Partnership School at Lake Clifton Park)

WINTER 2020

Bay-Brook Elementary / Middle School John Ruhrah Elementary / Middle School Calvin M. Rodwell Elementary / Middle School

SUMMER 2020

Mary E. Rodman Elementary School

WINTER (January) 2021

Walter P. Carter Elementary / Middle School Lois T. Murray Elementary / Middle School Medfield Heights Elementary School

SUMMER 2021

Harford Heights Building (*Harford Heights Elementary School & Sharp-Leadenhall Elementary School*) Billie Holiday Elementary School Robert W. Coleman Elementary School

Katherine Johnson Global Academy Govans Elementary School Patterson Building (Patterson High School & Claremont Middle/High School)

WINTER (December) 2021

Northwood Elementary School

WINTER (December) 2022

Highlandtown Elementary / Middle School Montebello Elementary / Middle School

IN PROGRESS

Cross Country Elementary / Middle School Commodore John Rogers Elementary / Middle School Frederick Douglass High School/ Joseph C. Brisco Academy

BUILT TO LEARN ACT

The Built to Learn Act (BTL) authorized the MSA to issue up to \$2.2 billion in debt for the construction of public school facilities throughout the state. Program funds are allocated to counties based on statutory percentages with a matching requirement.

To date, the Interagency Commission on School Construction (IAC) has identified \$1.73 billion in projects, of which \$772 million is projected to be funded by BTL bonds with some IAC Capital Improvement Program (CIP) funding included. Debt service for the program is supported by the Educational Trust Fund. MSA's role on individual school projects will vary from a high level oversight of LEA managed projects to direct MSA contractual administration. As of August 2022, MSA has issued \$699.3 million in BTL bonds to finance 31 projects in 10 Local Education Agency (LEAs). Of note, the first series of bonds was issued in October 2021 for \$257 million with the second series issued in February 2022 for \$373.1 million.

To date, the MSA Board of Directors has approved Project MOUs between the MSA and the following LEAs as required: Anne Arundel, Baltimore County, Carroll, Charles, Frederick, Howard and Wicomico counties.

PROJECTS

DEPARTMENT OF LEGISLATIVE SERVICES ANNAPOLIS STATE GOVERNMENT COMPLEX

In March 2019, the MSA Board of Directors approved a request from the President of the Senate and Speaker of the House to manage all aspects, including procurement of professional services and all phases of planning and design, of the renovation and/or replacement of the Department of Legislative Services (DLS) building and connected underground tunnels located in the Annapolis State Government Complex.

The highly visible \$120 million project is located on Lawyers Mall between Government House, the official residence of the Governor, the State House and nearby Senate and House offices. Demolition of the DLS building structure to grade was completed in October 2022 with demolition to building foundations to be completed by March 2023.

MSA, the City of Annapolis and Maryland Department of General Services each have significant projects underway in the area and have hosted virtual meetings with updates and published community newsletters to keep neighbors informed. MSA's work takes place during normal business hours and is expected to be completed in December 2024.

FAIR HILL SPECIAL EVENT ZONE

The United States Equestrian Federation's recommendation to allocate the designation of a 5 Star Eventing competition to Maryland at the recently upgraded Fair Hill Special Event Zone by MSA resulted from a multi-year, state-wide, public and private sector collaboration successfully organized by Maryland's Sports Commission. Learn more about the Maryland 5 Star at Fair Hill on page 92.

HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY

In October 2022, Governor Larry Hogan and the MSA broke ground on the new Multi-Use and Sports Facility in the heart of downtown Hagerstown. The facility—a project long sought by local leaders—will serve as the home of a new professional baseball team in the Atlantic League as well as other sports, cultural,

and community events.

In 2021, the Governor enacted legislation that authorizes MSA to issue bonds to finance and construct the facility, to be owned and operated by the Hagerstown-Washington County Industrial Foundation (CHIEF) and leased by an Atlantic League team. The governor's supplemental budget provided \$8.5 million toward this effort, and another \$1.5 million was designated in the FY23 capital budget. The MSA has completed property acquisition for the \$69.5 million project scheduled to be completed during mid-2024.

City, county, and state officials, along with ownership group Downtown Baseball LLC, see the facility as a catalyst for downtown revitalization, as well as further economic development and tourism for Washington County and western Maryland.

OCEAN CITY CONVENTION CENTER, PHASE III

In February 2022, MSA joined Maryland Governor Hogan, Eastern Shore Delegation members and Ocean City officials for an official ribbon cutting ceremony and tour at the Roland E. Powell Convention Center. The MSA, Ocean City's partner in the convention center for over 25 years, oversaw the design and construction of the third and final phase of the project. The ceremony was followed by a tour of the additional 30,000 square-foot multi-purpose exhibit hall, a new 15,000 square-foot bayside gallery, a business center, and additional support spaces.

Phases one and two of the Ocean City Convention Center project consisted of the new bayside ballroom, dockside exhibit hall, and the Performing Arts Center. The new, 30,000 square-foot exhibit hall connects to existing main exhibit halls A and B with a movable partition. This will allow the center to host a single large event, or up to three simultaneous smaller events. The addition is expected to generate up to 30 new events for the convention center and support over 500 jobs.

The state of Maryland contributed 60% of the funding for the project, which cost \$37.5 million. The remaining 40% was funded by the Town of Ocean City through the existing prepared food and beverage tax. This project broke ground on April 22, 2020, and was completed in January 2022.

PRINCE GEORGE'S COUNTY BLUE LINE CORRIDOR SPORTS AND ENTERTAINMENT FACILITIES

During the 2022 legislative session, the General Assembly authorized MSA to issue \$400 million in bonds to finance the planning, design, and construction of certain Prince George's County Blue Line Corridor sports and public assembly facilities. In April 2022, the MSA Board of Directors approved a request by the Prince George's County Executive MSA's assistance with respect to the feasibility, design, development, and construction of proposed sports and public assembly facilities to include the following:

- Central Library, Cultural Center and Magnet Charter School
- Basketball / Volleyball Fieldhouse
- Central Avenue Market Hall
- Wayne K. Curry Civic Plaza
- FedEx Field (stadium demolition)

In December 2022, the MSA successfully negotiated and its Board of Directors approved a Memorandum of Understanding (MOU) which will dictate roles and responsibilities of both parties. In January 2023, the Maryland Board of Public Works (BPW) approved the MOU that formally begins the process to issue up to \$400 million in bonds for economic development along the Prince George's County Blue Line Corridor. Of note, with the exception of the stadium demolition at FedEx Field, Prince George's County anticipates that all other proposed facilities would be constructed on land owned by the county and/or of public and quasi-public partners, all of whom were partners in creating the Blue Line Corridor vision.

PROJECT C.O.R.E.

Project C.O.R.E., or Creating Opportunities for Renewal and Enterprise, is a City-State partnership to demolish, deconstruct or stabilize vacant and derelict buildings in Baltimore and replace them with green space, residential or commercial use projects, parks and other redevelopment that serves the needs of the community.

Operating under an MOU with the Maryland Department of Housing and Community Development and the Baltimore City Department of Housing and Community Development, MSA has agreed to oversee the demolition of vacant

structures throughout the city of Baltimore. To date, MSA has received 1,267 notices to proceed with demolition and has demolished 999 structures. The remainder are either in demolition or hazardous materials remediation. The state has dedicated \$75 million to this program, with the city of Baltimore providing \$18.5 million.

REDEVELOPMENT OF PIMLICO RACE COURSE AND LAUREL PARK RACING FACILITIES

With the enactment of the Racing and Community Development Act of 2020 (RCDA 2020), the Maryland Stadium Authority (MSA) was authorized to finance up to \$375 million for the planning, design, and construction of the Pimlico and Laurel Park Racing Facilities. Previously, MSA managed the Pimlico Race Course studies that examined the present conditions of Pimlico, and envisioned an ideal venue for the Preakness Stakes with year-round non-racing use of the facility for the benefit of the community.

Immediately upon the enactment of the legislation, MSA initiated the preliminary planning stages of procuring and engaging professionals to partner on this historic, highly complex, multi-jurisdictional, multi-year project. The project will primarily include construction and improvements of the racecourses, stables and clubhouses, at sites in both the City of Baltimore and Anne Arundel County.

Throughout 2021, the MSA worked with the Maryland Jockey Club (MJC) and the horse industry to more fully program both the Laurel Park and Pimlico Racing Facilities. It became apparent in the summer of 2021 that the stakeholders desired significant changes to the Laurel Park program. The program at Pimlico had minor changes, but remained true to the 2020 plan that resulted in the RCDA 2020.

The complexity of the two intertwined projects, Laurel and Pimlico, also increased costs as the logistics of accommodating day to day equine training/housing for year round racing, proved to be more complex and expensive than originally anticipated.

The increased program desires at Laurel, the cost of transition, and the current economy (including inflationary forecasts and the expectation of reduced revenues from MSA's bond deals) have led to Laurel Park being substantially over budget. The legislature reacted to this information and included direction to the

MSA in HB897 Economic Development - Sports Entertainment Facilities and Events, Prince George's County Blue Line Corridor Facilities, and Racing Facilities in the 2022 session. HB897 (2022) requires MSA to evaluate Laurel Park from two perspectives. Firstly, report on the program, cost and schedule of an MJC owned and operated facility. This is the work that was essentially completed in 2021. Secondly, report on the program, cost and schedule of a horse industry owned and operated facility. This work is complete and the preliminary and final reports are available on the DLS website:

https://mlsd.ent.sirsi.net/client/en_US/default/search/results?qu=hb897&te=I LS

MSA does not recommend entering design as directed under HB897 (2022) until the MJC Land Conveyance, Pimlico Development Agreement, the MJC Covenants and Restrictions Agreement with the City, and the MJC Covenants and Restrictions Agreement with LifeBridge are finalized. MSA will not begin an 18 month design effort on the project until the three agreements and land transfer are agreed to with the respective parties.

A schedule for the facilities will be established after the three agreements mentioned above are executed and the budget deficit identified in the final report is resolved.

HB897 (2022) also introduced Maryland Economic Development Corporation (MEDCO) into the Laurel Park project. The Bill requires a report on the feasibility and a cost/benefit analysis of a nonprofit/governmental purchase and operation of the Laurel Park property.

Studies

COPPIN STATE UNIVERSITY PROPOSED PUBLIC SAFETY BUILDING

In April 2022, the MSA Board of Directors approved a recommendation to award an architectural/engineering services contract to Manns Woodward Studios, Inc. to provide preliminary design for a public safety building to be located on the campus of Coppin State University. The Governor and General Assembly have identified this project as a priority for the city of Baltimore, and to that end allocated \$450 thousand from the fiscal year 2021 capital budget to pay for this preliminary design study.

FROSTBURG STATE UNIVERSITY - I-68 REGIONAL RECREATION COMPLEX

In May 2022, the MSA Board of Directors approved a request from the President of Frostburg State University (FSU) for the MSA to provide planning and design management services related to the development of the I-68 Recreation Complex, relocation and enhancement of sports fields and improvements to the existing physical education center. FSU has committed to pay the full cost of this next phase of the project, which is important to the region, by using \$5 million in funds provided by the Governor's Supplemental Budget. The parties are currently negotiating the study MOU.

HISTORIC ST. MARY'S CITY FORT MARKET AND ECONOMIC STUDY

In May 2021, the MSA Board approved a request by Historic St. Mary's City Commission (HSMCC) for the use of the MSA's on-call market, economic, and business consultant, Crossroads Consulting Services LLC to perform the study. The study intends to provide objective, research-based information to assist Historic St. Mary's City while making decisions regarding potential economic and fiscal benefits associated with the recent discovery of the St. Mary's Fort. The total cost of the study is \$188,840 to be fully funded by HSMCC. Crossroads is currently studying the potential economic impact of the project.

MLS NEXT PRO PROPOSED NEW MULTI-USE SOCCER STADIUM

In May 2022, business and advisory services were requested by the Maryland Secretary of Commerce related to a proposed multi-use soccer stadium to be located in the Baltimore metropolitan area. The \$50,000 study, equally funded by MSA and DC United, will include market and economic analysis, as well as site analysis. The stadium will be operated by DC United and will house an MLS Next Pro team as part of a new league. The study kicked-off in October 2022.

OCEAN CITY INDOOR FIELDHOUSE & OUTDOOR FIELD COMPLEX

In April 2022, the MSA Board of Directors approved a request from the Mayor of the Town of Ocean City (TOC) for the MSA to manage a Phase 2 feasibility study for a proposed new indoor fieldhouse and outdoor field complex in or near Ocean City. The Mayor and Council and Ocean City Tourism Commission have identified sports tourism as a top priority in their respective strategic plans. The Phase 2 study included an update to the market and economic analysis released

in November 2019, a site evaluation of the current site location under consideration, and a cost estimate of construction. The TOC fully funded the cost of the study of \$49,000. The study was released by MSA in November 2022.



MARYLAND SPORTS COMMISSION

MISSION: To enhance Maryland's economy, image and quality of life through the attraction, promotion, retention and development of regional, national and international sporting events

MARYLAND SPORTS COMMISSION

The 2022 calendar year was a milestone year for the Maryland Sports Commission (Maryland Sports), its partners throughout TEAM Maryland, and for the non-profit organization, the Sport and Entertainment Corporation of Maryland (Sport Corp). After two years of uncertainty due to the ongoing COVID-19 pandemic, 2022 saw a return to a more familiar landscape for the entire sport tourism industry.

The first iteration of the new look, Maryland Sports Youth & Amateur Sports Grant and Michael Erin Busch Fund (Grant & Fund), were awarded to Destination Marketing Organizations (DMOs), Convention and Visitors Bureaus (CVBs), and Events Rights Holders for sport tourism events statewide for the 2022 Fiscal Year. The Grant & Fund touched more than 60 youth and amateur sport tourism events throughout the state of Maryland. Maryland Sports awarded more than \$1 million dollars in grant funding on events that saw more than half a million attendees visit the state between July 1, 2021 and June 30, 2022 for the specific reason of sport tourism.

During the latter half of 2022, Maryland Sports opened the application for Fiscal Year 2023 submissions for the Grant & Fund. Early applications for consideration totaled more than 70 events with total requested funding exceeding more than \$2.24 million dollars. Early estimates suggest that the total number of attendees visiting the state for the 2023 Fiscal Year for events touched by the Grant & Fund to be more than 660,000 people, with a large percentage of those events happening during the second half of the 2022 calendar year. The Grant & Fund portal will continue to accept submissions for Fiscal Year 2023 through the early part of 2023.

Maryland Sports also played an instrumental role in the 2022 General Assembly passage of House Bill 897 (2022) - Sports Entertainment Facilities and Events, Prince George's County Blue Line Corridor Facilities, and Racing Facilities (Major Events Fund) legislation. This legislation will allow Maryland Sports to utilize state funding to help recruit, retain, secure, and execute major, large-scale sport tourism events in the state of Maryland.

TEAM MARYLAND

Along with TEAM Maryland partner Visit Baltimore, Maryland Sports welcomed the CIAA Basketball Tournament to the Baltimore Arena (rebranded in late 2022 as CFG Bank Arena) for the first time in tournament history. Maryland Sports was part of the multi-year planning and partnership efforts to help secure the

event in the state for the first of three years. In addition to attending women's and men's tournament play, Maryland Sports participated in several ancillary events around town during the duration of the event including speakers series focusing on Diversity, Equity, and Inclusion.

Our partnership with Visit Baltimore also played an instrumental role in the bid process for, and awarding of, the 2028 and 2032 AAU Junior Olympic Games as well as execution for the inaugural Maryland Cycling Classic supported by UnitedHealthcare. Visit Baltimore staff played a key role in working with Maryland Sports and Sport Corp. to help build partnerships with local businesses and community based organizations for a number of efforts including the 2026 Baltimore-Maryland 2026 World Cup Bid.

Throughout the year, Maryland Sports, along with TEAM Maryland, attended and sponsored numerous trade and industry conferences in an effort to promote Maryland as a premier sport tourism destination. This included the Sports ETA Symposium in Fort Worth, Texas in May, TEAMS in Oklahoma City, Oklahoma in October, and US Sports Congress in Richmond, Virginia in early December. TEAM Maryland representatives from Visit Howard County, Visit Annapolis and Anne Arundel County, and Wicomico County Parks and Recreation also hosted a Maryland Sports Commission sponsored networking event during the SPORTS Relationships Conference in Savannah, Georgia. Maryland Sports also attended several statewide conferences and events including Maryland Tourism Day in Annapolis in February and the Maryland Tourism and Travel Summit in November.

TEAM Maryland continued to grow as Allegany County was added as a new DMO to the marketing initiative. TEAM Maryland also saw the formation of its internal leadership team, made up of DMO representatives from across the state of Maryland, and chaired by Matt Libber of the Maryland SoccerPlex in Montgomery County. Working with sport tourism consulting group, the Collective Best, TEAM Maryland committee leaders began hosting regularly scheduled virtual meetings to discuss and implement strategies to increase the effectiveness of the initiative from a holistic perspective. Several actionable items came about from those meetings including new approaches to collectively market TEAM Maryland to Events Rights Holders and the entirety of the sport tourism industry. In addition to the work of the leadership council, TEAM Maryland enjoyed individual successes and recognition on a number of fronts in the sport tourism industry space as a whole.

Some of the events touched by Maryland Sports and TEAM Maryland include:

- NCAA Women's Lacrosse National Championships (Baltimore County)
- World Lacrosse Women's World Championship (Baltimore County)
- Next Collegiate League HBCU Crown Classic (Baltimore City & Prince George's County)
- 2022 Major League Quidditch Championships (Howard County)
- 2022 Maryland State Governor's Cup (Harford County)
- Military Bowl presented by Peraton (Annapolis)
- USSSA East National Championships (Wicomico & Worcester Counties, Ocean City)
- 2022 Bay Bridge Run (Anne Arundel & Queen Anne's Counties)
- Big East Conference Soccer Championships (Montgomery County)
- The Baltimore Running Festival (Baltimore)
- USA Volleyball Men's Collegiate Beach Challenge 2022 at Stevenson University (Baltimore County)

MARYLAND SPORTS SPELLING BEE

The Maryland Sports Spelling Bee returned in March with competitors representing counties from across the state, as well as Baltimore City. Held virtually for the second year in a row, the "Final Four" format turned into a "Final Six" format as three young spellers ended in a three-way tie for the final spot. In the end, it was Miles Hubbert of Chestertown who went on to compete in the Scripps National Spelling Bee at the Gaylord National in Prince George's County, Maryland.

USA CYCLING MARATHON MOUNTAIN BIKE NATIONAL CHAMPIONSHIPS

It was also the second year for the USA Cycling Marathon Mountain Bike National Championships in Frederick, Maryland. Twenty-six national champions from across the country were crowned after the day's races at the grueling Gambrill State Park and Frederick Watershed. Maryland Sports staff held bimonthly meetings with staff from USA Cycling, Visit Frederick, the City of Frederick, Maryland Department of Natural Resources, and MORE (Mid-Atlantic Off Road Enthusiasts), along with volunteers from the area to ensure a successful and memorable event.

Towards the end of 2022, Maryland Sports staff began the process of conceptualizing a new website for MarylandSports.us. Having served more than a decade as an event and venue database, Maryland Sports envisioned a revamped website which focuses on highlighting sport tourism hosting capabilities along with enhanced storytelling features and connection to currently established platforms like the TEAM Maryland page hosted by PlayEasy. The new Maryland Sports webpage is expected to launch in early 2023.

TERRY HASSELTINE - MARYLAND TOURISM PERSON OF THE YEAR

Maryland Sports Executive Director Terry Hasseltine was a fixture on local, state and national media throughout 2022 for his work, especially related to major events under the umbrella of The Sport Corp. In September, he was featured as part of a front page exclusive in *The Baltimore Sun* newspaper regarding the Maryland Cycling Classic Supported by UnitedHealthcare. In November, Hasseltine was recognized by his peers in the state's tourism space as he was named Maryland Tourism Person of the Year at the Maryland Tourism and Travel Summit in Ocean City, hosted by the Maryland Tourism Coalition (MTC). Hasseltine is one of only 40 people ever to be chosen for the award. His selection came following a nomination process, and highlighted a successful calendar year for Hasseltine and the Maryland Sports Commission. Hasseltine's selection was based on a number of major accomplishments in the sport tourism space over the past year, as well as his history as a leader in the industry.

THE SPORT AND ENTERTAINMENT CORPORATION OF MARYLAND

2022 was a banner year for the Sport and Entertainment Corporation of Maryland (The Sport Corp.). The Sport Corp. entered 2022 off the heels of an incredibly successful 2021 following the inaugural Maryland 5 Star at Fair Hill and FIFA site visit. In addition to event marketing, promotion and execution, The Sport Corp. began the formal process of identifying potential members to serve on the organizational Board of Directors. The announcement of a Board of Directors is expected in early 2023. Additionally, The Sport Corp. announced in November 2022 that it would be establishing the Propel Program, an apprenticeship program aimed at providing tangible sport tourism working experience to college students of historically marginalized communities.

BALTIMORE-MARYLAND 2026 WORLD CUP BID

The Baltimore-Maryland 2026 World Cup Bid entered its final stretch as an announcement date was set for June 2022 for the final host cities to be announced as part of an international, prime time television event. Throughout the first half of the year, staff continued to work with its internal committee to fundraise and identify key partnerships to help advance the bid effort. In the final weeks of the bid, Baltimore-Maryland merged with the Washington, D.C. candidacy to pitch a dual city host committee. However, the effort fell short as Baltimore-Washington was not selected as a host city for 2026.

Despite this, the Baltimore-Maryland 2026 Legacy initiative continues on through the Maryland State Youth Soccer Association's (MSYSA) Let's Play! Program. This program is an after school initiative where students at select schools around the state of Maryland are taught the fundamentals of the sport of soccer and the importance of participating in a team sport and promoting an active and healthy lifestyle.

The Baltimore-Maryland 2026 Legacy also partnered with Football for Peace (FfP), a United Nations recognized non-profit organization that uses the sport of soccer to help overcome conflict and injustice at the local and global levels. This partnership culminated with the announcement of a partnership and the execution of the youth ambassador program during the Arsenal and Everton Exhibition - "The Charm City Match" - at M&T Bank Stadium in July.

MARYLAND CYCLING CLASSIC SUPPORTED BY UNITED HEALTHCARE

More than 50,000 people lined the streets between Sparks, Baltimore County and the Inner Harbor, Baltimore to catch a glimpse of the inaugural Maryland Cycling Classic (MCC) supported by UnitedHealthcare. Following two years of delays, the Sport Corp. along with Maryland Sports, Medalist Sports, and KOM Marketing executed one of the most memorable large-scale sporting events in Downtown Baltimore in recent memory. Featuring three days of events leading up to race day, the events saw spectators and competitors come to Maryland from around the world.

MCC officials worked closely with State of Maryland, Baltimore County, and Baltimore City officials for nearly three years in preparation for the inaugural event which was postponed in 2020 and 2021 due to the pandemic. Despite two years of setbacks, the Sport Corp. was able to use that time to successfully determine appropriate logistical strategies necessary to run an event of this magnitude, covering more than 120 miles in total, with rolling lane closures, across two of the most populous jurisdictions in the state of Maryland.

The more than five hour race was broadcast regionally as part of a media partnership with Sinclair Broadcasting based in Baltimore, and streamed globally via the Tour Tracker app. With a robust multimedia marketing campaign, the Maryland Cycling Classic garnered more than 2 billion total impressions across multiple platforms during the week leading up to race weekend. The success of this campaign was the result of partnerships with local, regional, national and international, as well as, industry specific outlets. The campaign also included multiple onsite activations during events including the Flower Mart Criterium and the WTMD radio First Thursdays Concert Series at Canton Waterfront Park in the months and weeks leading up to race weekend.

110 cyclists from 16 teams traversed the unrelenting rolling terrain with few level gradients to relax on a winding outer circuit that routed close to the Pennsylvania state line and featured the historic Sagamore Farms. The upper course was defined by Prettyboy Reservoir with the course ascending and descending around the 80-square-mile body of water. The inner loop around the reservoir featured lush, tree-covered roads with short punchy climbs but nothing overly long, an ideal mix for attacks and breakaway attempts. American Quinn Simmons won the KOM and fell off on the finishing circuits but was a dominant player in the race after following up on a great performance in July's Tour de France.

In a last-minute shootout involving four heavy-hitter world-class riders, Belgian cyclist Sep Vanmarcke of Team Israel-Premier Tech, used his Classics savvy to win the first-ever Maryland Cycling Classic supported by UnitedHealthcare. America's top-ranked professional road cycling race took riders through a tough, hilly 121.7-mile (196 kilometer) course starting at Kelly Benefits in Sparks, Md. and finishing along East Pratt Street and Market Place in Baltimore's famous Inner Harbor District in front of thousands of cheering fans.

It was clear in the final circuit that one of the four riders in the lead group would take the top step of the podium with lots of jockeying for position in the last lap. EF Education-EasyPost rider Andrea Piccolo (ITA), managed to bridge to the finish to help Neilson Powless (USA), the top American finisher in this year's Tour de France, take the victory, but was outsmarted by Vanmarcke in the last 750-meter straightaway. The Belgian timed his attack perfectly to overtake Nickolas Zukowsky (CAN) of Human Powered Health, who came in second, while Powless of EF Education-EasyPost was nudged into third place.

Preparations and discussions are also underway for 2023 as preliminary conversations regarding overall race logistics have begun with various departments within Baltimore City and Baltimore County government. It is also anticipated that UnitedHealthcare will return as title sponsor for the second year in a row.

MARS MARYLAND 5 STAR AT FAIR HILL PRESENTED BY BROWN ADVISORY

The MARS Maryland 5 Star at Fair Hill presented by Brown Advisory returned to the Fair Hill Special Event Zone in Cecil County for its second year. Backed by MARS Equestrian and Brown Advisory as Title and Presenting Sponsors, respectively, competitors from seven countries participated across the four days of events. Combined competitors (horse and human) totaled 178 in the respective disciplines of: CCI5*, CCI3*, and Young Event Horse 5 & 4 competitions. In the end, it was the world's top rider, Tim Price of New Zealand, who captured victory in year two in the CCI5* competition, with American Tamie Smith coming in second place. American Eliza Wallace & Renkum Corsair won the CCI3* and USEF CCI3*-L Eventing National Championships. The Dutta Corp. USEA Young Event Horse East Coast Championships presented by Dubarry of Ireland Young Event Horse winners were Boyd Martin and Sky Moon (5YO) and Diego Farje and Shmick (4YO).

Three-Day Eventing is the ultimate test of horse and rider. The sport originated as a cavalry test and consists of three phases, Dressage, Cross-Country and Show Jumping. It is also one of the few sports where men and women compete alongside one another as equals, even at the Olympic-level. Nearly 25,000 spectators visited Fair Hill between Thursday and Sunday, with the busiest days being Saturday and Sunday for Cross Country and Show Jumping, respectively. More than 100 vendors total witnessed the pinnacle of the Olympic sport of eventing, also known as equestrian triathlon.

In the months and weeks leading up to the competition, MSA staff worked closely with The Sport Corp. to ensure competition surfaces and courses were sound and ready for the world class competition. The Fair Hill Special Event Zone serves as the world-class venue for the MARS Maryland 5 Star at Fair Hill presented by Brown Advisory. It features an Ian Stark-designed cross-country course, as well as state of the art dressage and show jumping arenas within the historic turf track's infield. Fair Hill is a 5,656-acre Maryland Department of Natural Resources Management Area, conveniently located between Baltimore and Philadelphia, with proximity to Delaware. Fair Hill is known for its pristine terrain, woodlands, and natural beauty. The property was formerly owned by William duPont, Jr., an avid equestrian and racecourse developer, then it was purchased by the State of Maryland in 1975.

In addition to the competition and retail vendors specific to the event, this year's MARS Maryland 5 Star at Fair Hill presented by Brown Advisory saw the return of the Beer, Wine & Spirits Showcase powered by Grow & Fortify. The showcase presented an opportunity for fans to sample locally sourced products from a number of Maryland-based breweries, wineries, and distilleries. The Maryland Fresh Food Fest also returned for its second year in a row, which featured seasonal fruits and vegetables, as well as locally sourced dairy products, meats and seafood. It also presented an opportunity for spectators to engage and interact with local growers from across the state.

And what's sure to be a fan favorite for the years to come was the Inaugural Maryland Corgi Cup presented by Major League Eventing which took place on Sunday morning. 50 Corgis competed on the steeplechase track between the Main Arena & Grandstands for the title of top pup. The action packed races featured different heats and was open to the furry friends regardless of age (or speed).

EVERTON V. ARSENAL "CHARM CITY" MATCH AT M&T BANK STADIUM

The Sport Corp. and Maryland Sports played an instrumental role in what came to be known as, "The Charm City Match", an exhibition match between professional soccer's English Premier League Clubs, Arsenal and Everton, on July 16, 2022 at M&T Bank Stadium. The match in Baltimore was one of Arsenal's three preseason matches held in the United States with the other two in Florida. Arsenal defeated Everton in the friendly exhibition, 2-0.

Prior to this particular matchup, teams from the English Premier League had last played in Baltimore a decade ago when Liverpool and Tottenham faced off at M&T Bank Stadium in front of a sold-out crowd during the summer of 2012. Other past notable friendlies at the stadium included Chelsea vs. AC Milan in 2009 and Manchester City vs. Inter Milan in 2010.

The Sport Corp. and Maryland Sports staff remained active in the leadup to the announced match, assisting with welcoming and logistics of Arsenal staff during their April site visit. The spring visit included facility inspections at M&T Bank Stadium and Retriever Soccer Park on the campus of the University of Maryland, Baltimore County (UMBC).

On matchday, the Sport Corp. partnered with Hearst Radio (98 Rock) and Abbey Burger Bistro in the Federal Hill community of Baltimore City to host a prematch activation. The Sport Corp. enjoyed successful partnerships with both Hearst Broadcasting and Abbey Burger Bistro throughout the 2026 World Cup bid effort. The pre-match activation shutdown a portion of Marshall Street, and included an on-site broadcast by 98 Rock, which also serves as the official radio broadcast home of the Baltimore Ravens.

AAU JUNIOR OLYMPIC GAMES BALTIMORE 2028 & 2032 ANNOUNCEMENT

In May, the Amateur Athletic Union (AAU) announced Baltimore, Maryland as the host for the 2028 & 2032 Junior Olympic Games. The Sport Corp. worked with Maryland Sports and Visit Baltimore to host AAU officials in early 2022 prior to the announced selection. Joined by Baltimore Mayor Brandon M. Scott, a past AAU athlete, Sport Corp. and Maryland Sports took part in a press conference announcing the selection on the campus of Morgan State University. Morgan State University along with the Baltimore Convention Center will serve as two of the primary venues for Junior Olympic Games competition. While Visit

Baltimore took the lead on the bid effort to secure the event, the 2028 & 2032 AAU Junior Olympic Games will fall under the umbrella of the Sport Corp in regards to overall event execution, marketing, and promotion.

PROPEL PROGRAM

In November, The Sport Corp. announced the creation of the Propel Program. The program will seek highly qualified candidates to develop hands-on skills in the sport tourism industry, while also acting as an instrument of diversity within the industry. The purpose of the Propel Program is to provide access, support, and training for students from underrepresented and historically marginalized communities with the goal of accelerating their path towards a career in the sport tourism industry. The multi-tiered program will begin as a collaboration between Sport Corp and Maryland's four Historically Black Colleges and Universities (HBCU): Bowie State University, Coppin State University, Morgan State University, and the University of Maryland Eastern Shore. The program has a start date tentatively scheduled for the Spring 2023 semester.


MARYLAND STADIUM AUTHORITY STAFF

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Schools Program Eric Johnson

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MARYLAND STADIUM AUTHORITY STAFF

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Oriole Park at Camden Yards Matthew Kastel

Taufai Calloway Chris Jackson Carlos Jibaja Patrick Kmieciak Darryl Matthews Hugh McClurkin John McKinney Jeff Muse Christopher Rosenbalm Kyle Rosenberger Rob Shepherd Richard Wade Alvenia Williams Reginald Winfrey

<u>M&T Bank Stadium</u> *Jim Pantazis* James J. Bell Jerone Evans Chris Fahnestock Yvette Green Kenneth Howard Lauren Layfield Chip Linsebigler Henry Mejia Rob Propst Eugene Smith

TECHNOLOGY Joe March

Tony Burroughs Karl Evans Robert Ford Faith Gambrill Jeremy Parrish Joe Rinaolo Jason Saylor Vince Steier Darin Stone

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MARYLAND STADIUM AUTHORITY STAFF

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PROCUREMENT John Samoryk Sandra Fox Theresa Masilek

PUBLIC SAFETY & SECURITY Vernon Conaway, Jr. *Robert Baldwin* <u>Oriole Park at Camden Yards</u> Christopher Parr Herman Bumpers Sade Henderson Darnell Holley Kenneth Robinson Christian Smith

<u>M&T Bank Stadium</u> Walter Dacuycuy Donnie Beatty James K. Bell Victoria Burroughs Matthew Orem William Paijean Matthew Ryan Jim Willis

<u>Warehouse at Camden Yards</u> Willie Mason Tameka Boyd-Eggleston Jeremy Faw January Rogers Carlos Rouse

Retirements James Archer Mary Buckingham Al Ringham



MARYLAND STADIUM AUTHORITY BOARD OF DIRECTORS

BOARD OF DIRECTORS Thomas E. Kelso

Chairman Leonard J. Attman William (Bill) H. Cole IV Joseph C. Bryce Michael G. Huber Gary L. Mangum Manervia W. Riddick Jodi C. Stanalonis





CAMDEN YARDS SPORTS COMPLEX





The MSA is extremely grateful for the support of HB 896 (2022) - Maryland Stadium Authority - Increase of Bond Authorization - Camden Yards and HB 897 (2022) Economic Development – Sports Entertainment Facilities and Events, Prince George's County Blue Line Corridor Facilities, and Racing Facilities throughout the 2022 legislative session. These bills received final passage with widespread support from both parties and every section of the state and were signed into law by Maryland's Governor and the presiding officers. Photos courtesy of Office of Governor Larry Hogan.



CAMDEN YARDS SPORTS COMPLEX





Photos Left to Right: Erin Levitas Foundation Stroll & Roll; U.S. Marine Corps Baltimore Recruiting Station's Change of Command Ceremony; MSA and Baltimore Ravens leadership meets with Governor Hogan after New Stadium Lease Agreement for M&T Bank Stadium receives unanimous and final approval from the Maryland Board of Public Works (photo courtesy of Office of Governor Larry Hogan).

(101)



21ST CENTURY SCHOOL BUILDINGS PROGRAM



Photos top to bottom: State and City of Baltimore leadership and program partners at ribbon-cutting for Montebello Elementary / Middle School; completed school exterior.



21ST CENTURY SCHOOL BUILDINGS PROGRAM





Photos Left to Right: State and City of Baltimore leadership and 21st Century School Schools Buildings program partners at ribbon-cutting for Highlandtown Elementary / Middle School (EMS); new playground at Highlandtown EMS, a renovation / addition project; MSA team and project partners gather for topping off ceremony for Cross Country EMS School.

(103)



CAPITAL PROJECTS DEVELOPMENT GROUP



Photos top to bottom: State leadership, local officials, MSA, Atlantic League, and Downtown Baseball ownership group gather for groundbreaking ceremony for the new Hagerstown Multi–Use Sports and Events Facility; State leadership, local officials, and MSA gather for the ribbon-cutting for the Ocean City Convention Center, Phase III.



MARYLAND SPORTS COMMISSION



The Baltimore-Maryland 2026 World Cup Bid included the successful execution of the Arsenal and Everton Exhibition - "The Charm City Match" - at M&T Bank Stadium in July. The Naval Academy Midshipmen hosted the Notre Dame Fighting Irish in their annual, and nationally televised football matchup, at M&T Bank Stadium in November.



MARYLAND SPORTS COMMISSION



Through the Maryland Sports Youth & Amateur Sports Grant and Michael Erin BuschFund, Maryland Sports awarded more than \$1 million dollars in grant funding on events that saw more than half a million attendees visit the state between July 1, 2021 and June 30, 2022 for the specific reason of sport tourism.



THE SPORT & ENTERTAINMENT CORPORATION



Top to bottom: Inaugural Maryland Cycling Classic and MARS Maryland 5 Star at Fair Hill presented by Brown Advisory welcome international athletes and thousands of fans.



<text> develop partnerships with local governments, universities, private enterprise and the community.

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www.MDStad.com





Camden Yards Sports Complex

