

MARYLAND STADIUM AUTHORITY



1994 ANNUAL REPORT

WILLIAM DONALD SCHAEFER
Governor

AUTHORITY MEMBERS

Herbert J. Belgrad
Chairman

William R. Brown, Jr.
Norman M. Glasgow
William K. Hellmann
Joshua I. Smith
W. Robert Wallis

Bruce H. Hoffman
Executive Director

Carol Salmon
Editor

COVER PHOTO (LEFT TO RIGHT)
WAYNE CHAPPELL, EXECUTIVE DIRECTOR, BACVA; HERBERT J. BELGRAD, CHAIRMAN, STADIUM
AUTHORITY; PEGGY DAIDAKIS, EXECUTIVE DIRECTOR, BALTIMORE CONVENTION CENTER; GOVERNOR
WILLIAM DONALD SCHAEFER; STATE TREASURER LUCILLE MAURER, MAYOR KURT L. SCHMOKE; U.S.
SENATOR PAUL S. SARBANES; HENRY A. ROSENBERG, JR., CHAIRMAN, BACVA; BRUCE H. HOFFMAN,
EXECUTIVE DIRECTOR, STADIUM AUTHORITY.

MARYLAND STADIUM AUTHORITY

1994 ANNUAL REPORT

THE WAREHOUSE AT CAMDEN YARDS

333 WEST CAMDEN STREET

SUITE 500

BALTIMORE, MARYLAND 21201


(410) 333-1560

FAX (410) 333-1888

**Table
of
Contents**

| | Page |
|---------------------------------------------------------------|------|
| LETTER TO THE GOVERNOR AND MARYLAND GENERAL ASSEMBLY | 3 |
| UPDATE 1994 | 4 |
| BALTIMORE CONVENTION CENTER EXPANSION PROJECT | 7 |
| MONTGOMERY COUNTY CONFERENCE CENTER | 10 |
| CAMDEN YARD DEVELOPMENT | 11 |
| MARYLAND STADIUM AUTHORITY MEMBERS | 12 |
| MARYLAND STADIUM AUTHORITY STAFF | |
| ADMINISTRATIVE OFFICE | 13 |
| FACILITIES MANAGEMENT | 14 |
| AUDITED FINANCIAL STATEMENT | 15 |
| PHOTOGRAPHY CREDITS | 27 |

MARYLAND STADIUM AUTHORITY



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

WILLIAM DONALD SCHAEFER
GOVERNOR

BRUCE H. HOFFMAN, PE
EXECUTIVE DIRECTOR

MEMBERS

HERBERT J. BELGRAD
CHAIRMAN

WILLIAM B. BRIDAN, JR.
NORMAN M. GLASSON, SR.
WILLIAM K. HELLMAN
JOSHUA I. SMITH
W. ROBERT WALLIS

**TO THE GOVERNOR AND MEMBERS OF THE
MARYLAND GENERAL ASSEMBLY:**

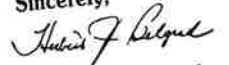
We are pleased to present to you the Fifth Annual Report prepared by the Maryland Stadium Authority.

The 1994 calendar year has been one with both successes and disappointments. The Convention Center Expansion project advanced steadily despite the unusually difficult winter. The Orioles were up and down in the standings before the season ground to a halt with the Major League Baseball strike. Excitement grew as plans were developed for a visit by the Pope to Oriole Park at Camden Yards only to have them put on hold by the one-year postponement of his visit. Funding was authorized by the Maryland General Assembly for feasibility studies for facilities in both Montgomery and Prince George's Counties. Oriole Park at Camden Yards continued to be an extremely popular spot for non-game events and the hopes of returning an NFL team to Maryland continued to flicker.

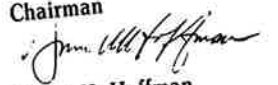
Oriole Park at Camden Yards continued to receive national recognition and awards and its design has served as the prototype for a new generation of baseball parks around the country. Our park has become a national tourist attraction throughout the year and requires that our maintenance and operations staff continue to maintain the same standards of excellence established during the design and construction phase of the project.

We look forward to working with our old friends and new colleagues in Annapolis to make 1995 an ever greater success. Thank you for your continuing support and confidence.

Sincerely,



Herbert J. Belgrad
Chairman



Bruce H. Hoffman
Executive Director

UPDATE - 1994



ORIOLE PARK AT CAMDEN YARDS
OPENING DAY, 1994

Although the Major League Baseball strike was a significant disappointment to baseball fans, players, owners and the Maryland Stadium Authority, many positive events did occur in 1994.

Late in 1993, sale of the Orioles was approved by the American League and the new owners' involvement began in earnest in 1994. The ownership group, headed by Peter Angelos, Principal Owner and Managing Partner, also includes Tom Clancy, noted best-selling author; Jim McKay, ABC Sports Commentator; Pam Shriver, tennis great; Barry Levinson, Oscar-winning director; Roger R. Blunt, Vice Chairman of the University of Maryland's Board of Regents; Stephen A. Geppi, President and CEO of Diamond Comics; George Stamas, a partner in the firm of Piper Marbury and Jack B. Dunn, IV whose grandfather was an infielder and pitcher for Baltimore's original American League franchise. This ownership group brought with it a commitment to make Baltimore baseball the best in the Nation. To this end, innovative promotions were launched resulting in ever-increasing fan support.

As the owner and manager of the Camden Yards complex, the Maryland Stadium Authority has as its objective the continuous maintenance of the facility in a first class condition. During the abbreviated 1994 season, Oriole Park at Camden Yards retained its reputation among baseball fans, players and the media as one of the best baseball parks in the world. Although disappointing, the early cancellation of the baseball season permitted the Authority's facility management staff an opportunity to get an early start on preparations for the 1995 season.



GOVERNOR WILLIAM DONALD SCHAEFER THROWS OUT THE "FIRST PITCH" ON OPENING DAY, 1994 - ORIOLE PARK AT CAMDEN YARDS

When baseball resumes, the Camden Yards stadium should be in better condition for its fourth season than when it first opened in April, 1992. Some improvements will be readily noticeable to the millions of fans such as the increased bleacher seating. In addition, more than 3,300 seats down both the left and right field foul lines have been turned to provide a more direct view of the center of the action in the infield. The long, right field escalator was re-designed and re-built following an equipment failure in June, 1994.



WORKERS ADJUST SEATS TO PROVIDE A MORE DIRECT VIEW OF INFIELD ACTION

Other improvements, which may not be as obvious, include fresh paint on the 15 miles of stadium railing, reinforced anchor supports on many of the upper deck seats, leveling of ornamental pavers on Eutaw Street, new trees around the perimeter of the ballpark and improved storm water drainage in the bleachers and the Orioles' dugout.

A major energy saving program was initiated in 1994 with the goal of reducing electrical consumption by at least 5 per cent. The most advanced, energy-efficient lighting system was installed throughout The Warehouse at Camden Yards and the facility's computerized energy management system was expanded to control the most critical energy sources.

Recycling efforts were expanded to achieve the State's mandated goal of recycling more than 20 per cent of stadium trash. The ballpark's concessionaire, ARAMARK, recycles aluminum cans; the offices of the Baltimore Orioles operate the office paper recycling program and the cleaning contractor, Harry M. Stevens, assembles glass and cardboard for sale to recycling contractors.

The Camden Yards parking lots, under the management of East Coast Parking/Central Parking Systems, are emerging as year-round activity centers. During the work week (Monday - Friday), the parking lots provide commuter parking for downtown offices and the University of Maryland Medical System employees. On the weekends, the lots have been filled with a variety of events including basketball tournaments (Hoop-It-Up), ethnic festivals (AFRAM) and circuses (Baltimore Fire Fighters) as well as model car races, sports car rallies, new car driving demonstrations and walk-a-thons.



THE ARTHRITIS FOUNDATION'S MINI GRAND PRIX IS ONE OF MANY EVENTS HELD ON THE PARKING LOT FACILITIES OF ORIOLE PARK AT CAMDEN YARDS

The availability of extensive, affordable parking, coupled with attractive facilities and a flexible and cooperative staff, have enhanced the reputation of the Warehouse at Camden Yards and the Club Level of Oriole Park at Camden Yards as an ideal location for indoor events. More than 300 events, ranging from wedding receptions and corporate seminars to trade expos and military re-enlistment ceremonies have been held within the ballpark's facilities during 1994.



NOLAN ROGERS LEADS ONE OF THOUSANDS OF TOURS CONDUCTED OF ORIOLE PARK AT CAMDEN YARDS

Tours of Oriole Park at Camden Yards have continued to increase and attracted more than 60,000 tourists during the 1994 Calendar Year - double that of previous years. The ballpark holds an appeal for a variety of groups and visitors to Baltimore. More than 20,000 students from over 200 schools in Maryland and the surrounding states have toured the ballpark in conjunction with class curricula. Convention and trade show participants as well as meeting planners produce a significant demand for ballpark tours as do individuals and groups holding special events in the facilities. The ballpark's reputation as the best in the nation continues to attract architects, sports executives, developers, journalists and celebrities from within and without the United States who are interested in an in-depth and behind-the-scenes view of the ballpark.



LOBBY OF NEW OFFICES OF THE MARYLAND STADIUM AUTHORITY IN THE WAREHOUSE AT CAMDEN YARDS

In October, 1994, the Maryland Stadium Authority's offices were moved from the World Trade Center to The Warehouse at Camden Yards. Located on the Fifth Floor of the Warehouse, the Stadium Authority's administrative staff is now housed on one floor with optimum visibility of its two major responsibilities: Oriole Park at Camden Yards to the east and the progress of the expansion of the Baltimore Convention Center to the west. This move will save an estimated \$140,000 in rental payments for this tightly managed organization.



NEW OFFICE OF EXECUTIVE DIRECTOR, BRUCE HOFFMAN, IN THE WAREHOUSE AT CAMDEN YARDS

BALTIMORE CONVENTION CENTER EXPANSION PROJECT



AERIAL VIEW OF BALTIMORE CONVENTION CENTER EXPANSION PROJECT

The 1994 Calendar Year marked significant progress on the Baltimore Convention Center Expansion Project. The expansion project which began in 1993 under the direction of the Maryland Stadium Authority and the Gilbane Building Company, is slated for completion in September, 1996. The renovation of the existing facility will then begin and the renovation is scheduled for completion in April, 1997. The first convention to use the entire facility will open on April 9, 1997.

The year began with the official groundbreaking ceremony on January 11th. Governor Schaefer, Mayor Schmoke and United States Senator Sarbanes joined Maryland Stadium Authority and Baltimore Convention Center officials in breaking ground for the \$151 million project.

In April, demolition of a familiar Baltimore landmark - Festival Hall - took place. Constructed in 1985, Festival Hall was an extension of the Baltimore Convention Center and the site of approximately 325 events and host to more than 1.6 million visitors in its nine years of existence. Potts and Callahan, one of the oldest continually operating excavation firms in Baltimore, did the demolition

work on this project, extending their working relationship with the Stadium Authority. This firm also excavated the infield for both Oriole Park at Camden Yards and Memorial Stadium.



EXCAVATION OF BALTIMORE CONVENTION CENTER EXPANSION (LOOKING WEST)

During 1994, the design of the expanded Convention Center was completed and nearly 90 per cent of all contracts issued. All major utilities which would have impeded construction were relocated, a task complicated by the need to avoid disruption to nearby businesses and residences. Flippo Construction Company, Inc. performed these relocation services.

The John Driggs Company was selected to demolish and excavate Hall E and Sharp Street. Approximately 225,000 cubic yards of earth were removed from the site in this phase of the project.



TOM PETERMAN OF THE LONG FOUNDATION COMPANY STANDS INSIDE CAISSON BEFORE INSTALLATION ON THE CONVENTION CENTER EXPANSION SITE

The expanded portion of the Convention Center will be supported primarily by caissons. Installed by the Long Foundation and Drilling Company, Inc. the 276 caissons range from 30 to 150 inches in diameter and were placed from 30 to 90 feet deep.

Other major contracts issued during 1994 and currently underway include:

* Elevators & Escalators - The two escalators that ran between the Sharp Street Lobby and Hall E were removed. The elevators are being refurbished for use in the new, expanded facility. Contractor: Montgomery Elevator Company.

* Concrete - Approximately 15,000 cubic yards of concrete were in place by December, 1994. Contractor: Miller, Long and Arnold.

* Structural Steel - Currently being fabricated and scheduled for arrival in Baltimore in late January, 1995. Contractor: Hirschfeld Steel Company, Inc. It is anticipated that a "truss-raising" ceremony will be held early in 1995.

* Electrical - Work is underway on re-feeding electrical boxes in Hall E. Contractor: Enterprise Electric Company.

* Mechanical - This contract will produce composite drawings for use by electrical and sprinkler contractors. During 1994, the major effort in this area was in relocation of existing Convention Center utilities. Contractor: The Poole and Kent Company.

* Sprinkler System - Work in this area will not begin until late 1995, following completion of electrical and mechanical contracts. Contractor: Chesapeake Sprinkler Company.

* Window Wall - The window wall is a unique feature of the Baltimore Convention Center. It employs the "Pilkington Glass System" (in use on the current Convention Center structure). Using this system, the walls are secured only at the top with each piece of glass being hung by a series of bolts. The wall is stiffened by "fins" and the individual pieces of glass are suspended perpendicular to the glass wall. Work on this contract is to begin in late summer, 1995. Contractor: Harmon/Chesapeake, A.J.V.



WORKERS ERECT HOWARD STREET FOUNDATION WALLS

* Building Exterior or "Skin" - To be bid in early 1995.

* Interior and Finish Work - To be bid in early 1995.

The Convention Center Expansion Project has a goal of 20 per cent Minority Business Enterprise (MBE) and 3 per cent Women's Business Enterprise (WBE) participation. Each individual contract has a specific MBE/WBE goal assigned. These goals are established as aggressively but as realistically as possible. To date, the project is meeting all established MBE/WBE goals.

Approximately 90 contractors and suppliers worked on the job in 1994 and of these contractors and suppliers, nearly 80 are Maryland firms. An average of 135 to 140 workers are currently employed on the project.

Throughout the construction phase of the expansion project, the Baltimore Convention Center is continuing operations. The loss of Festival Hall and Hall E have necessitated events being squeezed into spaces somewhat smaller than the optimum desired. Convention Center customers have been quite understanding and cooperative during the construction phase and contractors are attempting to work around event schedules to minimize inconvenience and disruption. Close cooperation and communication between the Convention Center's staff, the construction manager and the customers should assure the continued viability of the Baltimore Convention Center.

The expansion project has had an impact on the adjacent Otterbein community which includes the Old Otterbein Church, the Federal Reserve Bank and the Sheraton Hotel. The cooperation of all neighbors has greatly contributed to the continued success of this undertaking. During the utility relocation phase, traffic had to be re-routed and lanes restricted and closed. The impact on the Old Otterbein Church has been particularly momentous. At one point, excavation was taking place on three sides of the 200-year old Church and at year's end, there was a 30-foot deep excavation less than 15 feet from the Church's door. Special precautions were necessary to ensure that the Church did not slide into the huge hole or suffer damage from vibrations. Monitoring

mechanisms were attached to the Church and are checked on a regular basis, especially when construction is taking place immediately adjacent to the building.



THE OLD OTTERBEIN CHURCH IS ONE OF THE CONVENTION CENTER'S NEIGHBORS WHICH HAS CLOSELY COOPERATED WITH THE EXPANSION TEAM

Upon completion of the expansion project, the Convention Center will bring a new dimension to the downtown economy with the capability of handling both larger and multiple conventions during peak periods. This should increase annual convention activity by nearly 70 percent.

Sophisticated systems and the latest technological programs will be incorporated into the operation of the Convention Center, enabling the facility to meet the needs of the most basic to the extremely complex.

As the project advances, the interest is increasing within the convention industry about the many innovative features to be incorporated into the Baltimore facility. This interest will result in a marked increase in convention bookings for Baltimore and a subsequent boost to the Region's economy.

The Convention Center Expansion Project is continuing Baltimore's renaissance into the mid-1990's!

Members of The Maryland Stadium Authority

HERBERT J. BELGRAD Chairman

Herbert J. Belgrad was appointed Chairman of the Maryland Stadium Authority in September, 1986. Prior to this appointment, Mr. Belgrad was Chairman of the Maryland State Ethics Commission and served in numerous public service capacities. A former President of the Maryland State Bar Association and the Bar Association of Baltimore City, Mr. Belgrad is a partner in the firm of Kaplan, Heyman, Greenberg, Engleman & Belgrad, P.A. Mr. Belgrad is a graduate of Johns Hopkins University (B.A.), the University of Illinois (M.A.) and the University of Maryland School of Law (L.L.B.)



WILLIAM R. BROWN, JR.

William R. Brown, Jr. was appointed as a member of the Maryland Stadium Authority on July 1, 1993 when the Authority was expanded to seven members as a result of the added responsibilities associated with the Baltimore Convention Center expansion project. Mr. Brown serves as Director of Finance for the City of Baltimore. Prior to his appointment to that position in 1989, Mr. Brown served for 22 years as Director of Finance for the Prince George's County government. Mr. Brown is a past president of the Maryland Public Finance Officers' Association and has received the Distinguished Leadership Award from the Association of Government Accountants.



NORMAN M. GLASGOW

Norman M. Glasgow also became a member of the Maryland Stadium Authority on July 1, 1993 when the Authority's responsibilities were increased to include the Convention Center expansion. Mr. Glasgow is a Senior Principal with the Bethesda firm of Wilkes, Artis, Hedrick & Lane and has served as the Governor's appointee to the Baltimore Convention Center Authority, Re-Districting Advisory Committee, Task Force for Building Performance Standards, Salary Commission and numerous other associations and advisory committees. Listed in *Who's Who in American Law*, Mr. Glasgow is a graduate of the University of Maryland College of Business and Public Administration (B.S.) and the George Washington Law School.



BRUCE H. HOFFMAN Executive Director

Bruce H. Hoffman was named Executive Director of the Maryland Stadium Authority in February, 1989. Coming to Maryland from Albany, New York, Mr. Hoffman brought management experience gained as Director of Design and Construction for the New York State Facilities Development Corporation, a public benefit corporation that "fast tracked" design and construction projects. Additionally, Mr. Hoffman had hands-on experience as Past President of a New York based construction company. Mr. Hoffman received his B.S.C.E. from Clarkson University in Potsdam, New York and is a licensed professional engineer in Maryland and New York.



WILLIAM K. HELLMANN

William K. Hellmann was named a member of the Maryland Stadium Authority on July 1, 1987. Mr. Hellmann, a partner in the firm of Rummell, Klepper & Kahl, is a Registered Professional Engineer. Mr. Hellmann received his B.S.C.E. from the University of Maryland. He served as Secretary of the Maryland Department of Transportation (1984-87), as Chairman of the Governor's Transportation Revenue Committee (1990) and the Privatization Task Force (1992).



JOSHUA I. SMITH

Joshua I. Smith was named a member of the Maryland Stadium Authority in September, 1986. Mr. Smith is Chairman and Chief Executive Officer of the Maxima Corporation of Lanham, Maryland. A cum laude graduate of Central State University in Ohio, Mr. Smith is the recipient of numerous honorary degrees from colleges and universities throughout the United States. Mr. Smith actively serves on a myriad of state and federal boards and commissions.



W. ROBERT WALLIS

W. Robert Wallis was appointed to the Maryland Stadium Authority in July, 1987. Mr. Wallis has served in many capacities in Maryland State government, including Chairman of the Home Improvement Commission and as a member of the Maryland Food Market Authority. He is a retired editor of the *Aegis* in Harford County, Maryland and is now President of the 324 Corporation.

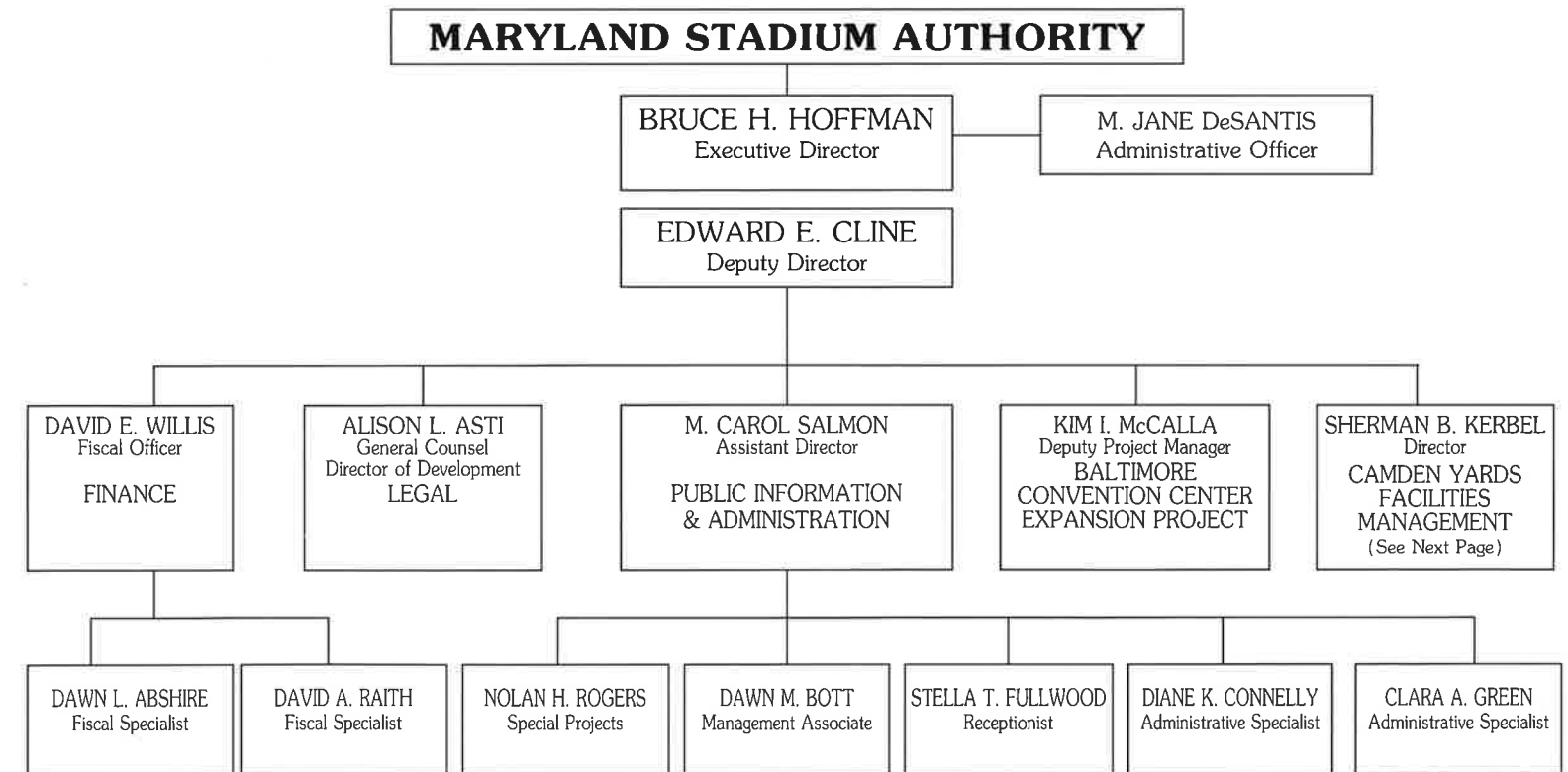


Administrative Staff



MARYLAND STADIUM AUTHORITY ADMINISTRATIVE STAFF
ROW 1: DIANE CONNELLY, DAWN BOTT, ALISON ASTI, JANE DeSANTIS, STELLA FULLWOOD
ROW 2: DAVID RAITH, CAROL SALMON, DAWN ABSHIRE, EDWARD CLINE, DAVID WILLIS, CLARA GREEN, BRUCE HOFFMAN, KIM McCALLA, NOLAN ROGERS

ORGANIZATION CHART

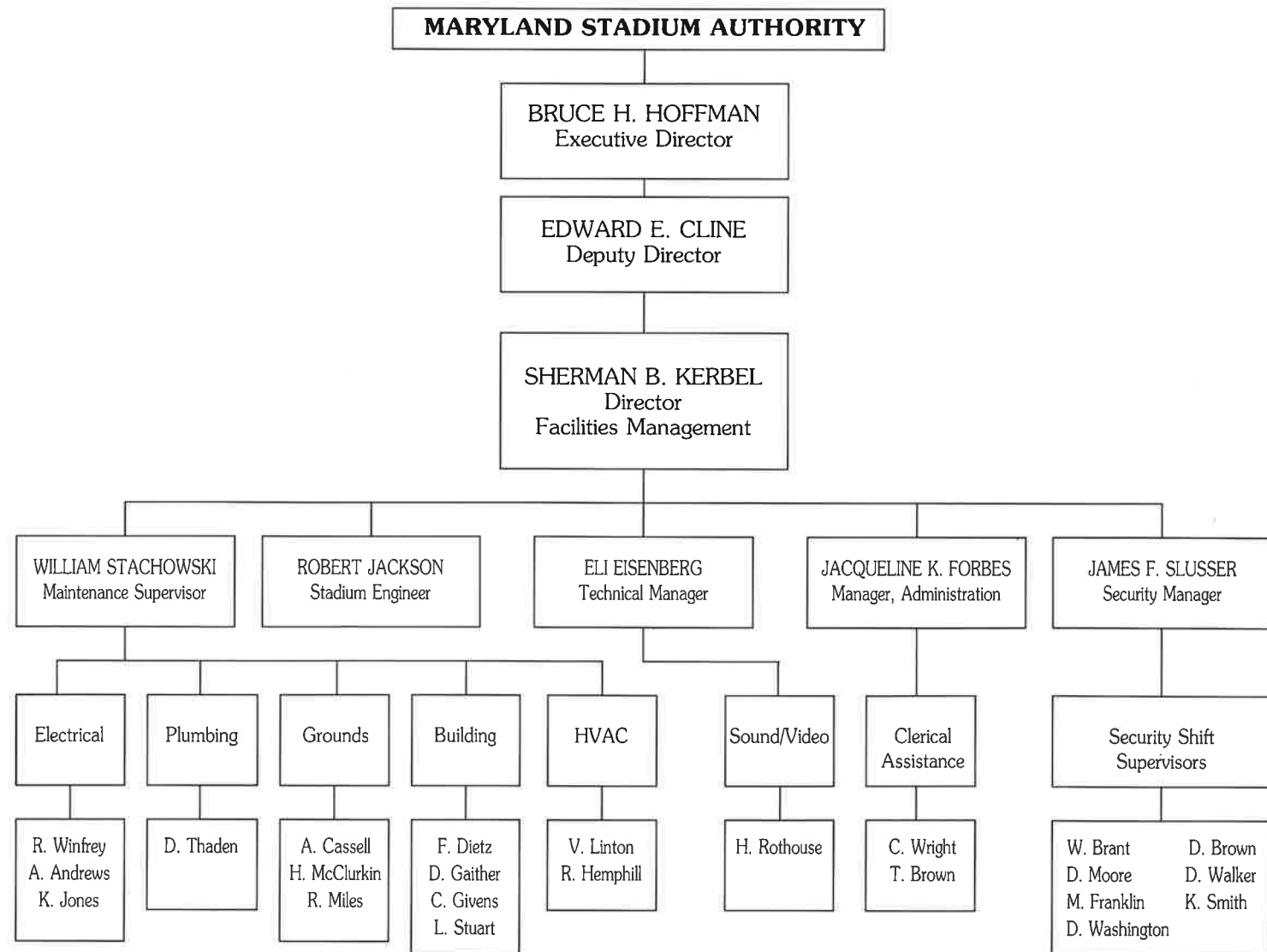


Facilities Management



ROW 1: LOU STUART, JACKIE FORBES, TONI BROWN, CAROLYN WRIGHT
 ROW 2: VOLA LINTON, DARRYL MATTHEWS, DANA MOORE
 ROW 3: RONALD MILES, RICK HEMPHILL, FRANK DIETZ, DAVID THADEN,
 ALONZO ANDREWS, KELVIN JONES, ALLEN CASSELL, CARDINAL GIVENS
 ROW 4: HOWARD ROTHOUSE, ELI EISENBERG, SHERMAN KERBEL, RAY WINFREY,
 DAVID WALKER, DELROY GAITHER, HUGH McCLURKIN, DANA BROWN,
 JIM SLUSSER, BILL STACHOWSKI

ORGANIZATION CHART



AUDITED FINANCIAL STATEMENT

MARYLAND STADIUM AUTHORITY

June 30, 1994 and 1993

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENTS
 AND SUPPLEMENTAL SCHEDULE
 for the years ended June 30, 1994 and 1993

MARYLAND STADIUM AUTHORITY

BALANCE SHEETS

June 30, 1994 and 1993

REPORT OF INDEPENDENT ACCOUNTANTS

Members of the Maryland
Stadium Authority

We have audited the accompanying balance sheets of the Maryland Stadium Authority as of June 30, 1994 and 1993 and the related statements of revenues, expenses, and changes in fund balances and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maryland Stadium Authority as of June 30, 1994 and 1993, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Statements of Cash Flows under Statement No. 9 of the Governmental Accounting Standards Board is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, in fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Baltimore, Maryland
September 30, 1994

| ASSETS | 1994 | 1993 |
|----------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Cash on deposit with State Treasurer | \$ 7,957,908 | \$ 3,990,357 |
| Restricted cash - Maryland Stadium Authority | 18,575,907 | 1,886,506 |
| Restricted cash - Convention Center | 34,021 | 42,667 |
| Escrow cash | — | 300,000 |
| Petty cash | 5,000 | 5,000 |
| Investments on deposit with Bond Trustee | 4,736 | 51,803 |
| Accounts receivable | 3,626,258 | 8,316,961 |
| Note receivable | 8,627,937 | 9,115,104 |
| Furniture and equipment, (net of accumulated depreciation of \$237,204 and \$209,744) | <u>17,021</u> | <u>44,481</u> |
| | <u>38,848,788</u> | <u>23,752,879</u> |
| Oriole Park at Camden Yards: | | |
| Land and land improvements | 106,137,684 | 107,123,566 |
| Building | 132,395,755 | 131,180,391 |
| Scoreboard and equipment | 4,888,151 | 4,660,194 |
| Property held for development | 4,796,933 | 4,194,440 |
| Less: accumulated depreciation | <u>(12,437,205)</u> | <u>(7,195,265)</u> |
| | <u>235,781,318</u> | <u>239,963,326</u> |
| Convention Center costs: | | |
| Construction in progress | 14,189,782 | 2,068,575 |
| Deferred financing costs, (net of accumulated amortization of \$877,617 and \$718,305) | <u>2,721,418</u> | <u>2,795,516</u> |
| Total assets | <u>\$ 291,541,306</u> | <u>\$ 268,580,296</u> |
| LIABILITIES AND FUND BALANCE | | |
| Lease revenue bonds payable | 134,275,000 | 135,965,000 |
| Lease revenue notes payable | 17,195,000 | 17,330,000 |
| Accounts payable and accrued expenses | 1,715,649 | 1,042,928 |
| Accounts payable - Convention Center | 1,063,715 | 490,804 |
| Accrued workers compensation costs | 9,434 | 30,146 |
| Interest payable | 489,672 | 494,725 |
| Escrow liability | — | 187,500 |
| Retentions payable | 52,315 | 367,576 |
| Retentions payable - Convention Center | 409,038 | — |
| Leases payable | <u>2,659,329</u> | <u>3,095,516</u> |
| Total liabilities | <u>157,869,152</u> | <u>159,004,195</u> |
| FUND BALANCE | | |
| Fund balance - Stadium | 120,921,104 | 107,955,663 |
| Fund balance - Convention Center | <u>12,751,050</u> | <u>1,620,438</u> |
| Total fund balance | <u>133,672,154</u> | <u>109,576,101</u> |
| Total liabilities and fund balance | <u>\$ 291,541,306</u> | <u>\$ 268,580,296</u> |

See accompanying notes.

**MARYLAND STADIUM AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCES**
for the years ended June 30, 1994 and 1993

| | <u>1994</u> | <u>1993</u> |
|--------------------------------------------|-----------------------|-----------------------|
| Revenues: | | |
| Maryland state lottery revenues | \$ 26,742,552 | \$ 21,616,402 |
| Interest income on investments | 568,391 | 190,056 |
| Interest on note receivable | 667,111 | 870,661 |
| Admission tax | 3,406,704 | 3,173,785 |
| Stadium rental | 5,395,239 | 4,930,268 |
| Contribution from the City of Baltimore | 1,000,000 | 1,000,000 |
| Parking receipts | 998,000 | 855,963 |
| Commissions and Royalties | 338,124 | 224,172 |
| Other income | 197,578 | 24,153 |
| Total revenues | <u>39,313,699</u> | <u>32,885,460</u> |
| Expenses: | | |
| Salaries and benefits | 1,845,535 | 1,907,286 |
| Stadium operations | 4,998,125 | 4,006,207 |
| Parking operations | 1,089,063 | 909,033 |
| Telephone | 30,673 | 38,688 |
| Travel/conference | 24,300 | 15,282 |
| Contractual services | 512,533 | 775,175 |
| Supplies and materials | 384,679 | 360,441 |
| Rent | 131,123 | 114,845 |
| Subscriptions | 19,909 | 10,617 |
| Depreciation and amortization | 5,428,712 | 4,849,254 |
| Postage and delivery | 16,246 | 16,900 |
| Advertising and printing | 37,578 | 6,095 |
| Interest expense | 11,823,760 | 12,036,866 |
| Miscellaneous | 6,022 | 10,497 |
| Total expenses | <u>26,348,258</u> | <u>25,057,186</u> |
| Excess of revenues over expenditures | <u>12,965,441</u> | <u>7,828,274</u> |
| Fund balance, beginning of year | 109,576,101 | 101,542,338 |
| Convention Center Capital Contribution | | |
| Contribution from the City of Baltimore | 100,000 | — |
| Contribution from private investor | — | 191,769 |
| Contribution from the State of Maryland | 11,030,612 | 13,720 |
| Fund balance, end of year | <u>\$ 133,672,154</u> | <u>\$ 109,576,101</u> |

**MARYLAND STADIUM AUTHORITY
STATEMENTS OF CASH FLOWS**
for the years ended June 30, 1994 and 1993

| | <u>1994</u> | <u>1993</u> |
|-------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Cash provided from operating activities: | | |
| Adjustments to reconcile the excess of revenues over expenses to net cash provided by operating activities: | | |
| Excess of revenues over expenses | \$ 12,965,441 | \$ 7,828,274 |
| Provision for depreciation and amortization | 5,428,712 | 4,849,254 |
| (Increase) decrease in accounts receivable | 4,690,703 | (3,585,904) |
| Increase (decrease) in accounts and interest payable and other liabilities | 1,032,367 | (595,011) |
| Net cash provided by operating activities | <u>24,117,223</u> | <u>8,496,613</u> |
| Cash flow from investing activities: | | |
| Expenditure incurred on furniture and fixtures | — | (14,588) |
| Expenditures incurred on construction project - Stadium | (1,059,932) | (1,330,150) |
| Expenditures incurred on construction project - Convention Center | (12,121,207) | (1,030,760) |
| (Increase) decrease in funds held by Trustee | 47,067 | (6,465) |
| (Increase) decrease in restricted cash | <u>(16,380,755)</u> | <u>(79,807)</u> |
| Net cash used in investing activities | <u>(29,514,827)</u> | <u>(2,461,770)</u> |
| Cash flow from financing activities: | | |
| Convention Center Capital Contributions | 11,130,612 | 205,486 |
| Decrease (increase) in note receivable | 487,167 | 13,906 |
| Capital lease payments | (436,187) | (340,414) |
| Increase (decrease) in Retentions Payable | 93,777 | (1,555,524) |
| Payment of bonds and notes payable | (1,825,000) | (1,705,000) |
| Payment of liquidity fee | <u>(85,214)</u> | <u>—</u> |
| Net used in financing activities | <u>9,365,155</u> | <u>(3,381,543)</u> |
| Net increase (decrease) in cash on deposit | 3,967,551 | 2,653,300 |
| Cash on deposit, beginning of year | 3,990,357 | 1,337,057 |
| Cash on deposit, end of year | <u>\$ 7,957,908</u> | <u>\$ 3,990,357</u> |
| Supplemental disclosure of cash flow information: | | |
| Total cash paid for interest (net of capitalized amounts) | <u>\$ 11,828,813</u> | <u>\$ 12,036,866</u> |

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS,
Continued**

1. Purpose:

The Maryland Stadium Authority ("Authority") was established by legislation, 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 in the Camden Yards area of Baltimore City. The amendment also established that the Authority is an independent unit in the Executive Branch of the State government.

Effective April 7, 1992, as established by legislation (Annotated Code 1957, Sections 13-701 through 13-1013 of the Financial Institutions Article), the Authority was given the powers to review and make recommendations on proposed Baltimore City Convention Center Facilities ("Center"), including the expansion and enhancement of the Center, with respect to location, purpose, design, function, capacity, parking, costs, funding mechanisms, and revenue alternatives. Under this plan, a separate Baltimore Convention Center Financing Fund has been established. However, no provision of the Act transfers to the Authority the control, management or operation of the Center. Under the Comprehensive Plan of Financing (the "Plan") submitted by the Authority under Section 13-712.1 of the Annotated Code of Maryland, \$20,000,000 is to be contributed to the Center through the State of Maryland's 1993 general obligation bond sale. In order to comply with the Plan, the Authority has submitted the first amendment to the Plan to support the Authority's efforts to issue approximately \$55,000,000 Convention Center Expansion Lease Revenue Bonds Series 1994. In addition, the City of Baltimore is required to contribute \$50,000,000 for the Center no later than the date of the Authority financing.

In an agreement entered into with Orioles, Inc. (the "Orioles"), the Authority has committed to finance, construct, own and operate a baseball stadium and lease it to the Orioles for thirty full baseball seasons. During the term of the lease, the Orioles will pay rent based in part on the collection and payment of amusement taxes to the State for the benefit of the City and the Authority, and a sharing arrangement with the Orioles based on the percentage of admission, concession, novelty, parking, advertising and other revenues of the Orioles, Inc. At June 30, 1994, the Stadium Authority recognized a receivable from the Orioles for \$2,660,162 based upon Orioles revenue through fiscal year 1994. The Orioles rent payment for the remaining 1994 season is due on January 31, 1995.

On May 1, 1989, the Authority entered into a lease agreement with the State of Maryland (the "State") whereby the State will lease the land and all facilities constructed thereon in accordance with the provisions of a Master Lease Agreement dated May 1, 1989. The State will in turn sublease the project to the Authority in accordance with the terms of a Sublease Agreement dated May 1, 1989. Under the terms of the Master Lease Agreement, the State shall pay basic and additional rent payments which are generally equal to the Authority's debt service payments and related financing costs. Under the terms of the Sublease Agreement, the Authority will remit to the State any excess revenues from the operation and lease of the facility to the Orioles.

2. Summary of Significant Accounting Policies:

A. Cash and Investments on Deposit:

Investment securities are reflected in the financial statements at cost which approximates market. Cash and investments are deposited with the State Treasurer and Bond Trustee.

A portion of the funds deposited with the State Treasurer are held in a restricted account and can only be expended upon appropriation by the State Legislature. The amount of restricted cash deposited with the State Treasurer was \$18,575,907 and \$1,886,506 at June 30, 1994 and 1993, respectively. Also restricted is \$34,021 held for the use of the Center. All cash and investments on deposit are considered cash equivalents as the money is available within a 90 day period.

2. Summary of Significant Accounting Policies: continued

B. Oriole Park at Camden Yards:

Buildings, land improvements, parking lots, and furniture and equipment are stated at cost and depreciated using the straight-line method over a five to thirty-five year estimated useful life.

C. Pension Plan:

The employees of the Authority participate in the State of Maryland's Employee Retirement and Pension Systems. The plan covers all full-time employees. Pension expense was \$117,264 and \$101,248 in 1994 and 1993, respectively.

D. Deferred Financing Costs:

Financing costs associated with the Sports Facilities Lease Revenue Notes and the Sports Facilities Lease Revenue Bonds have been deferred and will be amortized over the life of the bonds using the interest method.

3. Income From State and Municipal Sources:

Income earned from proceeds of three sports lotteries in 1994 and 1993 aggregating \$26,742,552 and \$21,616,401 for the years ended June 30, 1994 and 1993, respectively, were invested by the State Treasurer for the account of the Authority. During the year ended June 30, 1994, the Authority utilized \$13,291,307 of proceeds received from Maryland State lottery revenues to pay its debt service. The law allows the Authority to expend up to \$1 million of the lottery funds, plus interest thereon, annually for the operation of the Authority.

During 1994 and 1993, Baltimore City made annual contributions of \$1,000,000 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.

4. Accounts Receivable:

Accounts receivable consisted of the following at June 30:

| | <u>1994</u> | <u>1993</u> |
|-------------------|---------------------|---------------------|
| State of Maryland | \$ 649,673 | \$ 5,397,853 |
| Baltimore Orioles | 2,780,466 | 2,596,213 |
| Other | 196,119 | 322,895 |
| | <u>\$ 3,626,258</u> | <u>\$ 8,316,961</u> |

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS,**

Continued

9. Leases:

Capital leases

Leased property included in property, plant and equipment under capital leases consists of the following at June 30:

| | <u>1994</u> | <u>1993</u> |
|-------------------------------|--------------------|--------------------|
| Scoreboard and equipment | \$3,731,000 | \$3,731,000 |
| Less accumulated depreciation | <u>476,000</u> | <u>288,184</u> |
| | <u>\$3,255,000</u> | <u>\$3,442,816</u> |

The following is a schedule by years of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 1994:

| <u>Year Ending June 30,</u> | <u>Amounts</u> |
|-----------------------------------------------|--------------------|
| 1995 | 66,662 |
| 1996 | 678,420 |
| 1997 | 678,420 |
| 1998 | 678,420 |
| 1999 | 678,420 |
| Thereafter | <u>2,035,260</u> |
| Total minimum lease payments | 4,815,602 |
| Less: Amount representing interest | <u>2,156,273</u> |
| Present value of net minimum lease payment | <u>\$2,659,329</u> |

Operating leases

The Maryland Port Administration and the Authority entered into a lease agreement dated April 1994 pursuant to which the Authority leased office space in The World Trade Center for a period of 6 months at a monthly base rental of \$10,000.

10. Commitments:

At June 30, 1994, the Authority has an outstanding commitment for the acquisition of certain City owned property located at Camden Yards for approximately \$1,000,000. The Authority has also entered into various contracts in relation to the construction of the Center. As of June 30, 1994, approximately \$5,500,000 remain to be incurred on these contracts.

11. Subsequent Event:

On August 12, 1994, the Major League Baseball Players Association went on strike and suspended use of the stadium by the Orioles. As stipulated in the lease agreement with the Orioles, rent for the period of the strike is being abated.

12. Debt Refinancing:

On October 1, 1993, the Authority entered into certain Interest Rate Swap Agreements, a liquidity guarantee agreement, and a certain forward bond purchase and remarketing agreements for the purpose of realizing certain cost savings associated with the refunding of the Series 1989 C Notes and the Series 1989 D Bonds fixed rate debt. At the call date, December 15, 1998 and December 15, 1999 for Series 1989 C Notes and Series 1989 D Bonds, respectively, the Authority has agreed to issue variable rate debt in an amount sufficient to extinguish the existing fixed rate debt in the amount of \$137,680,000. A liquidity guarantee agreement was entered into which guarantees the Authority liquidity for the variable rate bonds, at a fixed fee, for the life of the bonds. A forward bond purchase and remarketing agreement was also entered into which guarantees the purchase and remarketing of the variable rate bonds.

At the call date, and thereafter, the Authority will make fixed rate payments equal to the debt service on the existing fixed rate debt for the sweep payment, liquidity fees and remarketing fees. The Authority will receive variable rate payments equal to the payment due of the new debt.

On April 1, 1996, the Authority will receive \$15,522,129 pursuant to the swap agreement as a premium on the swap agreement. This amount, along with liquidity fees and remarketing fees, will be amortized of the life of the new variable rate debt.

SUPPLEMENTAL SCHEDULE

MARYLAND STADIUM AUTHORITY
STATEMENTS OF CASH FLOWS UNDER STATEMENT NO. 9
OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD
for the years ended June 30, 1994 and 1993

| | <u>1994</u> | <u>1993</u> |
|-------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Cash provided from operating activities: | | |
| Adjustments to reconcile the excess of revenues over expenses to net cash provided by operating activities: | | |
| Excess of revenues over expenses | \$ 12,965,441 | \$ 7,828,274 |
| Provision for depreciation and amortization | 5,428,712 | 4,849,254 |
| (Increase) decrease in accounts receivable | 4,690,703 | (3,585,904) |
| Increase (decrease) in accounts and interest payable and other liabilities | <u>1,032,367</u> | <u>(595,011)</u> |
| Net cash provided by operating activities | <u>24,117,223</u> | <u>8,496,613</u> |
| Cash flow from capital and related financing activities: | | |
| Expenditure incurred on furniture and fixtures | — | (14,588) |
| Expenditures incurred on construction project - Stadium | (1,059,932) | (1,330,150) |
| Expenditures incurred on construction project - Convention Center | (12,121,207) | (1,030,760) |
| (Increase) decrease in funds held by Trustee | 47,067 | (6,465) |
| (Increase) decrease in restricted cash | (16,380,755) | (79,807) |
| Convention Center Capital Contributions | 11,130,612 | 205,486 |
| Increase (decrease) in note receivable | 487,167 | 13,906 |
| Capital lease payments | (436,187) | (340,414) |
| Increase (decrease) in Retentions Payable | 93,777 | (1,555,524) |
| Payment of bonds and notes payable | (1,825,000) | (1,705,000) |
| Payment of liquidity fee | <u>(85,214)</u> | <u>—</u> |
| Net used in capital and related financing activities | <u>(20,149,672)</u> | <u>(5,843,313)</u> |
| Net increase (decrease) in cash on deposit | 3,967,551 | 2,653,300 |
| Cash on deposit, beginning of year | <u>3,990,357</u> | <u>1,337,057</u> |
| Cash on deposit, end of year | <u>\$ 7,957,908</u> | <u>\$ 3,990,357</u> |
| Supplemental disclosure of cash flow information: | | |
| Total cash paid for interest (net of capitalized amounts) | <u>\$ 11,828,813</u> | <u>\$ 12,036,866</u> |

PHOTOGRAPHY CREDITS

| <u>PAGE</u> | <u>SECTION</u> | <u>SUBJECT</u> | <u>PHOTOGRAPHER</u> |
|-------------|-------------------|-----------------------|---------------------|
| Cover | | Convention Center | Rick Przybylowski |
| 4 | Update | Opening Day | Jerry Wachter |
| 4 | Update | Opening Day | Jerry Wachter |
| 5 | Update | Seat Relocation | Nolan Rogers |
| 5 | Update | Mini Grand Prix | Rebecca Holmes |
| 6 | Update | Tours | Nolan Rogers |
| 6 | Update | MSA Offices | Nolan Rogers |
| 6 | Update | MSA Offices | Nolan Rogers |
| 7 | Convention Center | Expansion Site | Rick Przybylowski |
| 7 | Convention Center | Excavated Site | Rick Przybylowski |
| 8 | Convention Center | Caissons | Rick Przybylowski |
| 8 | Convention Center | Wall Construction | Rick Przybylowski |
| 9 | Convention Center | Old Otterbein Church | Rick Przybylowski |
| 11 | Camden Yards | Warehouse | Nolan Rogers |
| 11 | Camden Yards | Warehouse | Nolan Rogers |
| 13 | Staff | Administrative Staff | Nolan Rogers |
| 14 | Staff | Facilities Management | Nolan Rogers |

