

Annual



Maryland
Stadium Authority

Report

2008



A NEW MARYLAND STADIUM



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.

VISION

The Maryland Stadium Authority (MSA) is more than the name implies. Our projects promote historic preservation, adaptive reuse, community redevelopment, cultural arts, and civic pride. In planning selected projects, MSA has the latitude to negotiate with other government jurisdictions and departments within the State. Our mandate includes creating public-private partnerships for financing and operating facilities.

The Maryland Stadium Authority is a catalyst for improving quality of life and creating a climate where industry can flourish. Every project undertaken by MSA has contributed to the community where it is located, and the local economy it helps support.

The Maryland Stadium Authority represents more than buildings. Our continuing legacy is found in activities and attractions that entertain, educate and enrich the Maryland experience for those who live and visit here. Our projects provide a link with our past and an investment in our future. They offer opportunities for our business sector while providing an enjoyable experience for citizens of all ages and interests and represent civic pride, fostering community and shared experiences.

TABLE OF CONTENTS

Chairman's Letter	2
Camden Green	3
2008 Project Update	26
Completed Project	26
Current Projects	27
Completed Studies	29
Current Studies	31
Board Members & Staff	32
Organizational Chart	36
2008 Staff Photo	37
2008 Financial Statement	38
David Raith	Inside Back Cover

On the Front Cover: In 2008, the Maryland Stadium Authority helped bring baseball to Southern Maryland. Regency Furniture Stadium, home of the Blue Crabs, opened May 2, 2008. "On time, on budget"

Top Left: Project Director Phil Hutson leads MSA staff on a tour of the stadium a few months before completion.

Below Left: Bumper boats with squirt guns have proven to be a big hit on hot summer days.

Below Right: (1) The entrance to Regency Furniture Stadium is reminiscent of an old Southern Maryland tobacco barn.

(2) The outfield is a great place to picnic.

(3) The terrace is perfect for groups or parties.

To the Governor and Members
of the Maryland General Assembly:

The visionaries who created a ballpark incorporating traditional materials, classic design, and downtown flavor gave us a signature color that still defines it – Camden Green.

Today, Camden Green means more than the shade selected for the seats and trim in Oriole Park. It characterizes many facets of the Stadium Authority's mission which make our landmark facility environmentally sensitive, financially productive, and safe—while maintaining the standards of excellence we established in 1992.

Our 2008 Annual Report examines the many ways Camden Green reflects the efforts of the Stadium Authority as we develop new facilities throughout the State that contribute to economic development and improve the quality of life for those who live, work and visit here.

Sincerely,



Frederick W. Puddester, Chairman



CHAIRMAN'S LETTER



Camden

the color
of money

Green

Camden Yards, with its historic setting and adaptable facilities, continues to draw a variety of non-game events throughout the year. These activities generate tax revenues for the City and State, bolstering the local economy by attracting visitors and creating employment opportunities. With its acres of parking and access to public transportation and interstate highways, Camden Yards is convenient, safe and within easy walking distance of many of the City's other attractions.

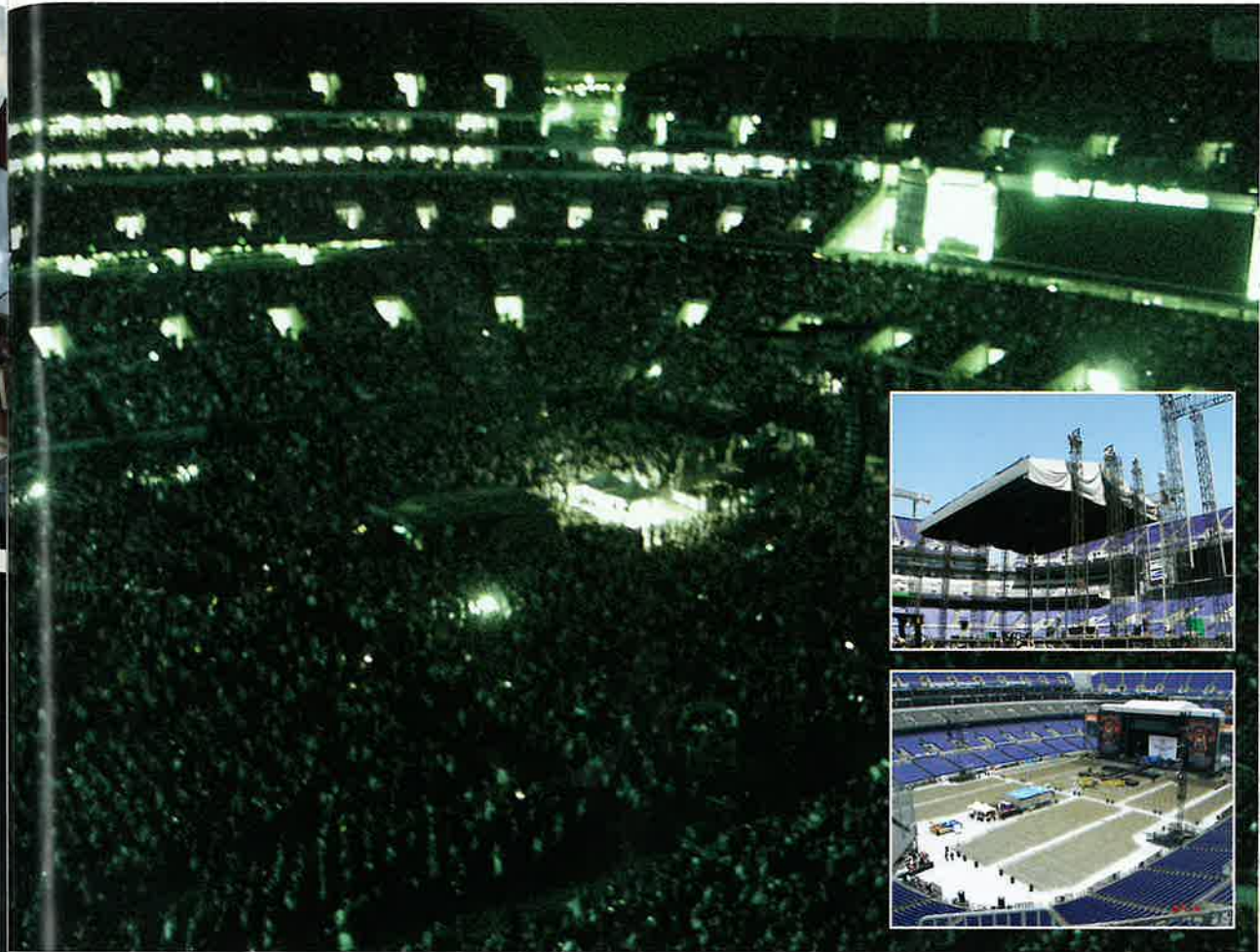


Among the largest events at Camden Yards was the 5,000+ Rite Aid convention. Participants gathered at functions on Eutaw Street and in M&T Bank Stadium.

Mercy Hospital's annual fund raising gala brought more than 700 guests to the tented surface of Camden Street and the Camden Station museums.

"The Best of Baltimore," sponsored by Baltimore Magazine, entertained more than 1,000 revelers on the Club Level at M&T Bank Stadium.

Under Armour garnered national publicity when they entertained their guests in the Ravens' locker room and demonstrated their product line on the field.



The Baltimore Ravens parlayed their membership in the Gridiron Network into the Country Music Association's "Entertainer of the Year," Kenny Chesney, May 10th concert at M&T Bank Stadium. More than 38,000 fans attended the all-day event. The combination of more than 3,200 out of town fans (some from as far away as Alaska and Florida) and the large concert crew resulted in 340 hotel days—a significant economic impact.

According to a study by the Sage Policy Group, the concert generated more than \$1 million in state and local taxes, with statewide business sales calculated at roughly \$14 million.

The success of the Chesney concert has encouraged the Ravens to consider hosting at least one other similar event through the Gridiron Network in 2009.

In August, 2008, MSA welcomed the new Hilton Baltimore Convention Center Hotel to the neighborhood. A series of "familiarization" tours were held to acquaint hotel management and staff with the amenities, attractions, and activities at Camden Yards.

Top Left: Eutaw Street becomes a festival grounds for the annual Rite Aid convention.

Top Left 2: The Mercy Hospital gala transforms Camden Street corridor into a lavish carnival.

Middle Left: The Geppi décor on the Club Level provides the perfect setting for the "Best of Baltimore" event.

Bottom Left: Under Armour takes the field with their investors.

Top Right: Part of the revenue generated by a concert is the production and labor it takes to transform a football stadium into a music venue.

Bottom Right: Our new best friends assemble in Flag Court in front of the video board welcoming them to the neighborhood.

A tour of the banquet and restaurant facilities in the Warehouse was followed by a trip to the bullpen in Oriole Park. Guests were welcomed with a greeting on the new scoreboard. Guided visits to Sports Legends and Geppi's Entertainment Museum in Camden Station concluded the visit.

With the two year hotel construction project now complete, and access to the complex unfettered by chain link, the Camden Yards team is eager to step up outreach to the visitor industry. MSA has partnered with Sports Legends and Geppi's to arrange additional "fam" tours for volunteers at the Visitor's Center, nearby hotels, and airport hotels along the light rail corridor

October brought the largest field ever for the annual Under Armour Running Festival, popularly known as the Baltimore Marathon. More than 17,500 participated, bringing an estimated 49,000 visitors to Baltimore. According to RESI Research of Towson University, the 2008 event generated \$22 million in economic impact to the region.

In November, the Navy-Notre Dame football game returned to M&T Bank stadium. As in 2006, the game was a sellout, with private functions hosted by alumni and sponsors in various on site facilities.

In 2008, the Maryland Stadium Authority partnered with the Department of Business and Economic Development (DBED) to develop a marketing strategy to attract regional, national and international sporting events to the state for sports and recreational activities. This initiative was prompted by a finding in Governor O'Malley's transition report that Maryland should be more aggressive in pursuing this lucrative industry to better utilize the state's athletic facilities and natural resources.

At the request of Chairman Frederick W. Puddester, the Maryland General Assembly approved language permitting MSA to fund such a study and recommend how best to achieve these goals.



Although Camden Yards has a sports commission committed to attracting and supporting events at the complex, preliminary research indicates that commissions with a statewide focus are among the most successful. Because the State of Maryland already has invested millions of dollars in sports and recreational facilities, maximizing their use to increase revenues is good fiscal policy.

With the ocean, bay, rivers, mountains, trails, and championship golf courses located in a compact geographic region, Maryland has a wealth of attractions to offer. Marketing our resources enhances the visitor industry, a significant portion of the Maryland economy.

Top Left: Nolan Rogers relates the history of Camden Yards from the Orioles bullpen.

Bottom Left: New MSA Executive Director Mike Frenz crosses the finish line near M&T Bank Stadium.

Right: The Brigade of Midshipmen proudly take the field prior to the game against Notre Dame. Their parade was reviewed by Secretary of State Condoleezza Rice and Secretary of Defense Robert Gates.

In August, Terry Hasseltine, formerly of the Kentucky Sports Authority and Greater Louisville Sports Commission, joined DBED as the first Director of Sports Marketing. His comprehensive report to develop a Maryland Sports Commission and recommend a strategic plan for attracting events to Maryland was submitted to the Legislature in December, 2008.



In March, 2009, Camden Yards will welcome the internationally acclaimed Cirque du Soleil for their presentation of the epic odyssey "Kooza." The Cirque's famed Le Grand Chapiteau will be erected on Lot O, west of M&T Bank Stadium, for 25 performances through April 5th.

Cirque du Soleil is expected to attract up to 100,000 visitors and generate millions of dollars for the local economy.



Top: Terry Hasseltine, new Director of Sports Marketing.

Camden

an urban oasis
in a historic gateway

Green

Our 85-acre complex is more than two stadiums, historic train station, and iconic warehouse; it is also a popular park within urban open space, accessible year round, where our neighbors can enjoy walking or cycling in safety.

Throughout the year, thousands tailgate on football game days, revel at festivals or assemble for fund raisers.

For centuries, travelers have passed historic Camden Yards. We are determined to keep our beautifully landscaped campus pedestrian friendly, and an asset for the State and City.



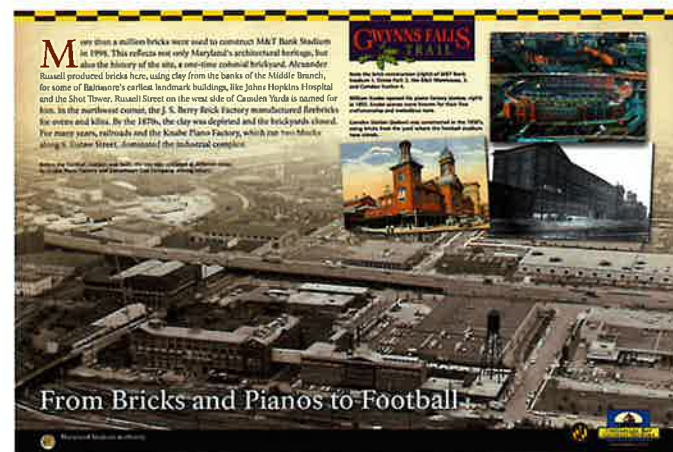
In 2008, MSA reached an agreement with Maryland Department of Transportation and the City of Baltimore to open the pedestrian bridge at M&T Bank Stadium. This connected Camden Yards with the Gwynns Falls Trail, a 15 mile hiking/biking trail that extends from the I-70 Park and Ride to the Inner Harbor. Approximately 30 neighborhoods in West and Southwest Baltimore are joined by the trail. The bridge was previously open for light rail access only on game days. In October, Baltimore Mayor Sheila Dixon unveiled the Gwynns Falls Trail marker on the bridge, relating the history of the site.



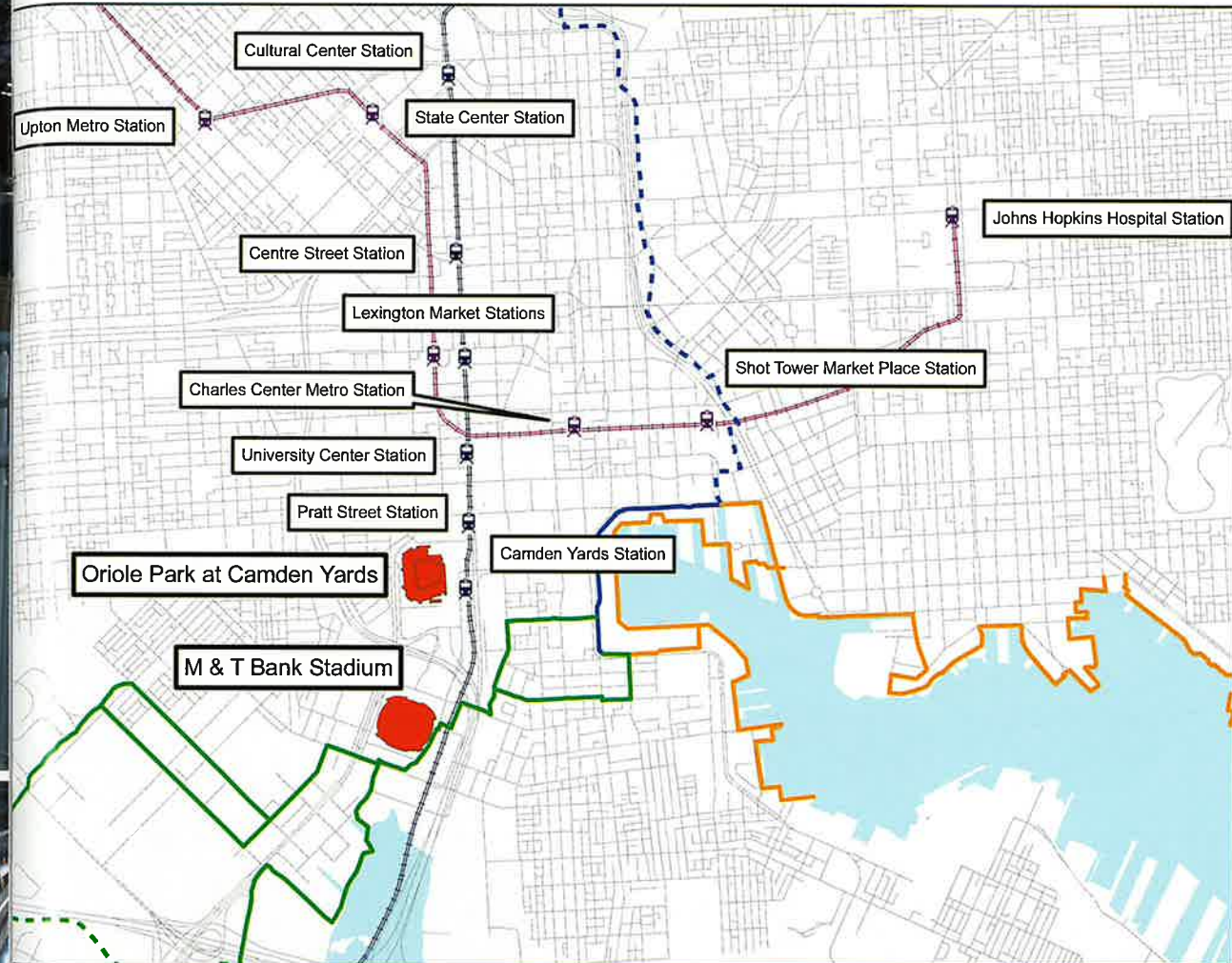
Top: Mayor Sheila Dixon unveils the trail marker during her morning bicycle ride with staff.

Middle: John McKinney and Michael Andrejczuk secure the signpost on the newly-opened Gwynns Falls Trail overpass. The trail marker relates the industrial background of the site, taken from the history and images compiled by Nolan Rogers when the stadium was constructed.

Right: Bike trails, light rail stops and Metro stations can be seen in this portion of "Camden Connections," a map, which of alternative transportation routes to Camden Yards.



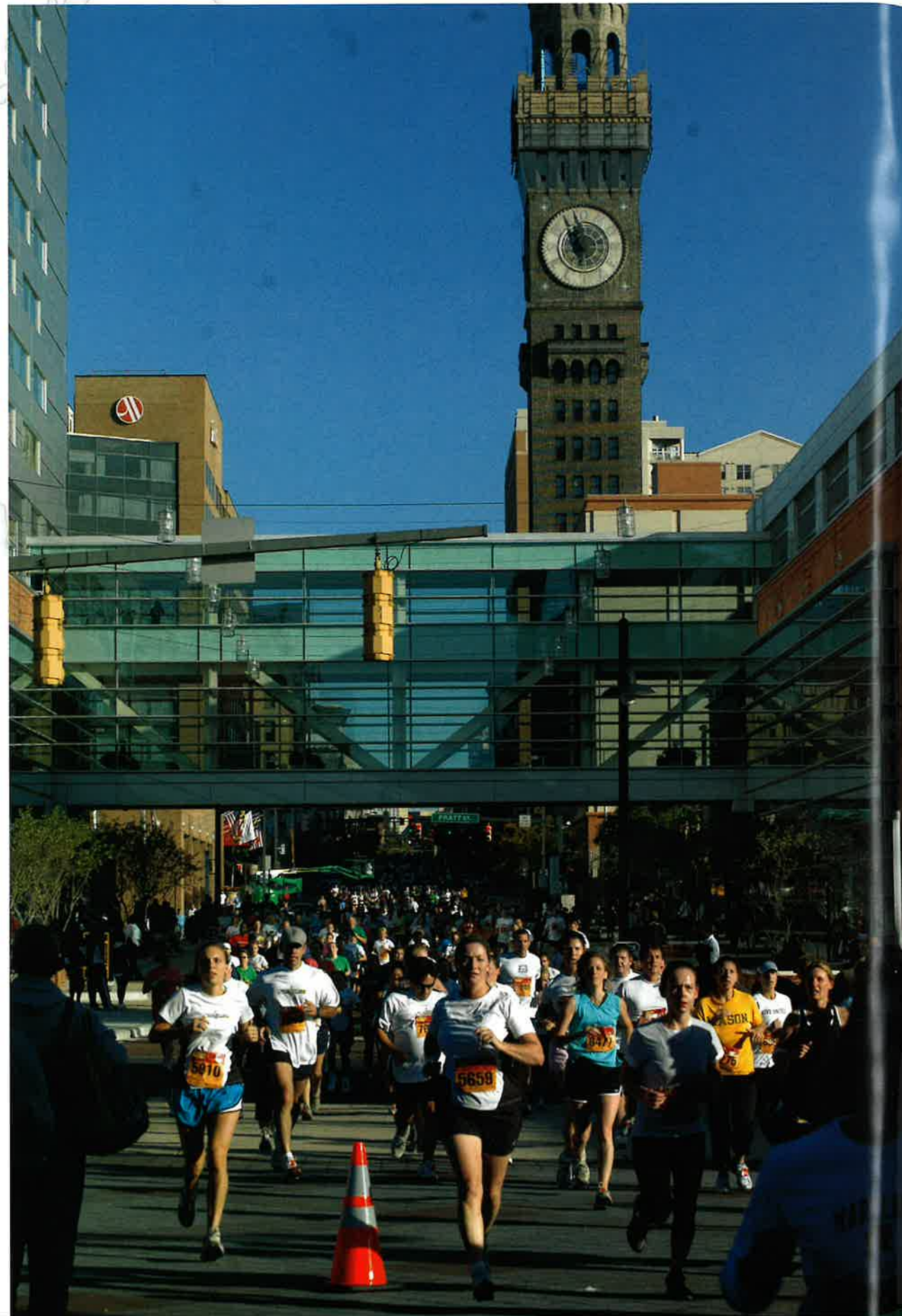
Encouraging Alternative Transportation



As it has been for more than 150 years, Camden Yards is still a transit hub. In 2008, the Camden Yards partners took steps to encourage greater use of alternative transportation.

In May, the Mass Transit Administration (MTA) and the Orioles participated in Baltimore's "Bike to Work Day," demonstrating how bus racks work on light rail trains and the accessibility of the park to cyclists.

In June, a new bike trail map was posted on MSA's website with directions to the Camden Yards complex using designated trails in Baltimore and nearby counties. In addition to the Gwynns Falls Trail, bike-friendly light rail service connects to the BWI Trail, Baltimore-Annapolis Trail and the Jones Falls Trail. MTA also added bike racks to many buses, facilitating bicycle travel with public transportation.



On the north end of the Camden Yards complex, the opening of the Hilton Baltimore re-established the Eutaw Street corridor connecting downtown Baltimore to the sports complex, providing a dramatic finish to the 2008 Marathon.

In addition to the Running Festival events staged along the sycamore-lined promenade, other walkathons and community-based events took place at Camden Yards in 2008.

Our neighbors were encouraged to visit Camden Yards for recreational fitness. Copies of our "Babe to Johnny" brochure describing our walking trails were distributed to nearby hotels, businesses, and community associations.

The opening of the Hilton Hotel, and increased bookings at the Convention Center have contributed to additional foot traffic on the Camden Yards campus as visitors and residents come to enjoy the beauty of our park.

*Left: The Finish Line is in sight for these runners, as they pass under the Hilton skywalk on newly reopened Eutaw Street.
Photo by Mark Clem*

Above: Participants in "Step Out: Walk to Fight Diabetes" assemble at Johnny U for their October walkathon. This annual event raised over \$393,000 for research, advocacy and educational efforts in 2008. Participation in the Baltimore walk at Camden Yards is the 4th highest in the nation.



The Camden Yards Sports Complex also serves our law enforcement partners as a training facility. Here, members of the Baltimore City Police Department practice maneuvers on dirt bikes.

Camden

a measure
of safety

Green

Among MSA's primary responsibilities is to ensure Camden Yards continues to meet the highest standards for the safety and security of the facilities and all who enjoy them. Here, we are "green" in our ongoing efforts to train staff, develop and practice safety and emergency response procedures, and provide state-of-the-art surveillance equipment.



In 2008, MSA security staff participated in several exercises with federal, state, and local law enforcement officials and emergency management crews from all over the state.

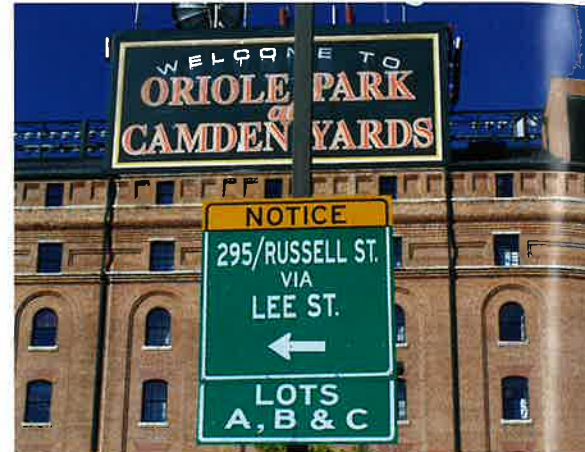
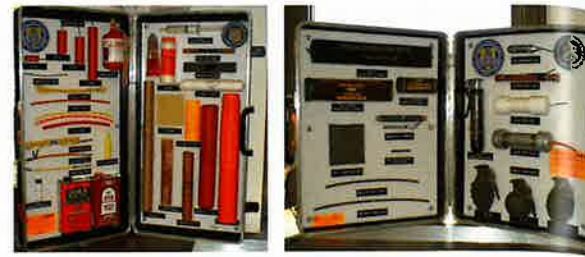
In March 2008, members of the MSA security team were trained by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives in explosives detection and identification. This bomb threat search training is provided annually to ensure that security personnel are current on techniques for handling threats and recognizing explosive materials.

"Operation Purple Haze" was held in M&T Bank Stadium on August 2nd to practice detection and response to a simulated attack during a public event. "Operation Purple Haze" was sponsored by the Department of Homeland Security and the Federal Emergency Management Agency, with participation by the Maryland Emergency Management Agency, the City of Baltimore, the Stadium Authority and the Ravens. Hundreds of first responders and communication specialists from different agencies took part in the drill, practicing victim triage, deploying decontamination equipment, and interacting as they would in a real emergency.

A closed circuit camera joint project involving the City of Baltimore and the Stadium Authority (funded by a grant from Homeland Security) added six new surveillance cameras on the north and east perimeters of Oriole Park, providing more comprehensive security coverage for those who work or visit our campus.

Directional signs to assist visitors to the Camden Yards complex were redesigned and updated to improve traffic. Led by James Slusser, MSA's Director of Security and Public Safety, a group of State and City transportation officials, representatives of the Orioles, Ravens, and Central Parking Systems (MSA's parking contractor), evaluated existing signage (most dating back to 1993-96) traffic patterns and parking locations to determine where and what type of signs should be installed to facilitate access. The result is a coordinated signage system providing safer, easier ingress to the complex and lettered lots. The new design incorporates team logos into street and highway standards, several of which have been placed around the perimeter of the complex.

The project will be completed when additional signs, designating egress from the complex to highway arteries, are installed before Opening Day, 2009.



Top Far Left: First responders enter the stadium shortly after the "dirty bomb" detonates.

Top Left: Jim Slusser (right) discusses the drill with a Homeland Security Official (left), and Roy Sommerhot of the Ravens (center).

Top Right: Explosive devices come in all shapes and colors, as these displays demonstrate.

Middle to Bottom: New signs facilitate traffic flow within the stadium complex.

Camden

the standard
of excellence

Green

When Oriole Park at Camden Yards opened in 1992, its traditional design and brick construction established an immediate connection to its historic setting. Also established was a new standard of excellence for ambiance.

In 2008, Oriole Park was the 17th newest ballpark; by 2012 it will be 23rd. Yet, year after year, our baseball park leads the league in surveys of the fan experience.

"Camden Green," our signature color, reflects our commitment to excellence, and the efforts by Maryland Stadium Authority to maintain high standards and protect the State of Maryland's investment.



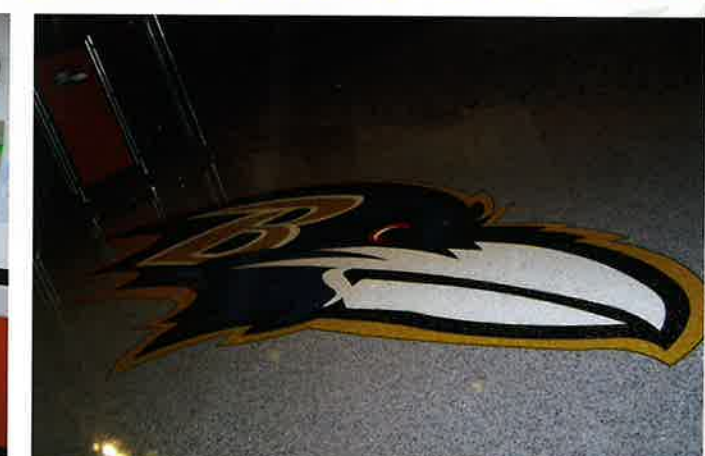
It isn't easy (or inexpensive) being "Camden Green." This commitment is an ongoing process, with maintenance completed between seasons or, in an emergency, between home stands. Some improvements are never seen by the average fan, yet all are important to keeping Camden Yards the model for professional management of a public facility.

In 2008 more than \$1 million was invested to upgrade features throughout the complex. These include renovations of the North Warehouse Lobby, several suites and the First Aid Station at Oriole Park, and the South Club level at M&T Bank Stadium (financed by the Ravens.)

The most visible and publicized upgrade in 2008 was the state-of-the-art video scoreboard in Oriole Park which replaced the original 1992 Sony. This system, which includes the video screen, main scoreboard, out of town scoreboard and peripheral ribbon boards, is part of a \$9 million enhancement to the park's audio-visual experience.

On Opening Day 2009, a new control room will be in place allowing high definition broadcasts and greater versatility in programming. A new sound system will complete the package approved by the MSA Board in 2007.

Maryland Correctional Enterprises (MCE), a division of the Maryland Department of Corrections, supplies both goods and services to Camden Yards. In 2008, MCE provid-



Top Left: The beautiful MASN Suite sports new tables with Orioles insignia.

Bottom Left: Mr. Greene's smile and Mary Buckingham's seasonal décor enhance the remodeling of the North Warehouse lobby.

Top & Bottom Right: New furniture, purple-flecked terrazzo, and the Ravens logo complete the new look on the south club level at M&T.

Middle Right: The First Aid Station at Oriole Park is more accommodating and color coordinated.

ed new furniture for the Club Level at M&T Bank Stadium and for the suites at Oriole Park. They fabricated the banner signs promoting MSA's EmPower Maryland Program and furnished uniforms for our Facilities Management staff. Through the Department of Public Safety & Correctional Services, arrangements were made with the Toulson Boot Camp to utilize inmates convicted of non-violent crimes to assist with cleaning and landscaping duties.

In 2008, MSA also partnered with Maryland Works, a statewide membership association that focuses on advocating and promoting employment and economic opportunities for individuals with disabilities. They are the liaison with Chimes, the non-profit organization that educates and trains individuals with developmental disabilities, to perform janitorial services.



MSA consulted with the Maryland Department of General Service on that agency's Energy Performance Contracting Program and made arrangement to piggyback onto this established program. This agreement enabled us to select one of five energy service companies to complete a campus-wide survey. Our choice, PEPCO, completed the survey and presented us with a development plan. The next step in working toward a more energy efficient operation is the preparation of an engineering study. This study currently is underway and a plan recommending a program of energy savings will be submitted to the Stadium Authority early in 2009.

The Stadium Authority also is encouraging our partners and tenants to purchase products that are in compliance with the Energy Star program of the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy to save energy and protect the environment.



Top: Down with the old — the 1992 Sony video board is carefully dismantled.

Bottom: New furniture on the Club Level makes M&T sparkle.

Camden

protecting the
environment

Green

In 2008, the Maryland Stadium Authority made significant progress in our efforts to implement more environmentally sensitive practices, and utilize "green" products. In cooperation with our Camden Yard partners and using resources available through State of Maryland agencies, MSA identified a number of opportunities for improvment.

Recognizing that we are one of the largest and most visible State facilities, MSA is striving to be a model for Maryland's commitment to reduce energy consumption, recycle waste, and conserve natural resources through our procurement policies.

The wide range of activities that take place at Camden Yards offer many opportunities to address this challenge.

In 2008, MSA selected a new vendor to provide janitorial services at Camden Yards and adopted more environmentally sensitive cleaning practices and product use.

Among these procedures are "no touch" systems which combine pressure washing, product application, and wet vacuuming into a single process. This minimizes chemical use and reduces staff contact with both chemicals and soiled surfaces. Microfiber technology also has been introduced to reduce the time and energy required for certain tasks, again with less reliance on chemicals.

To reduce water consumption and increase productivity, the cleaning contractors continue use of automatic scrubbers and rotary spray systems.

Energy Conservation -

MSA replaced the existing cathode ray JumboTron and incandescent light bulb Matrix boards at Oriole Park with LED video boards immediately prior to the 2008 season. This reduces electrical consumption by 284,000 watts—a 66% energy savings.

Responsible Disposal -

MSA recycled all of the components of the old boards, including 55,000 light bulbs and 850 cathode ray tubes, for a total of 98,200 pounds (49.1 tons) of refuse through E-Structors, an environmental recycling firm. Not only did this save landfill space, it ensured that the heavy metals contained in these obsolete electronics did not contaminate the environment.

Recycling Waste -

At Oriole Park at Camden Yards, MSA successfully recycles white paper, pallets, corrugated cardboard, electronics, lamps and metals. Aramark, the concessionaire for both stadiums, recycles glass, plastic and cardboard generated by game day preparations. Biodegradable utensils, cups, napkins, and trays from post consumer fiber also are utilized by Aramark. Frying oil is recycled for biodiesel fuel.

In calendar year 2007, of a total of 2,579 tons generated, MSA recycled 2,579 tons for a recycling rate of 16.6%.

In August of the 2008 baseball season, MSA expanded our recycling program to include plastic and aluminum. 25 recycling bins were placed on the main and upper concourses of Oriole Park. In the twelve home games in August 2008, more than 19 tons of material was collected from the bins and stands.

MSA's goal is to further our recycling program for the 2009 baseball season. In conjunction with our ballpark partners, MSA engaged the services of the Maryland Environmental Service to evaluate ballpark operations and offer suggestions on ways to improve recycling efforts.



Top: Components of the old scoreboard are carefully dismantled prior to recycling.

Bottom: A newly installed recycling bin at Oriole Park.

Environmental sensitivity is the watchword for the management of the Camden Yards facilities, as well as in the planning and construction of all MSA projects. In 2008, Project Executive Gary McGuigan and Project Manager Philip Hutson were LEED accredited by the U.S. Green Building Council.



MSA's Coppin State University project is being constructed to green building standards, pursuing a LEED silver certification, which is determined after completion.

The Maryland Environmental Service (MES) was created in 1970 to protect and enhance the State's air, land and water resources. As an independent State agency, MES works with public and private sector clients to find innovative solutions to environmental challenges. MES combines the public sector's commitment to environmental protection with the private sector's efficiencies, flexibility and responsiveness.

Their proposal, received in October, suggests a number of program improvements and new options, including training employees, engaging tenants in recycling practices, on-site monitoring, and purchasing additional environmentally preferable products. A maintenance program would include inspections of containers, completing State forms, and monthly reports.

After consulting with our service providers and partners, MSA hopes to implement the MES proposal and expand our recycling efforts throughout the campus.

The challenges at M&T Bank stadium are quite different because of the size and intensity of the experience. Ravens games are analogous to having a city the size of Towson descend on Camden Yards for a full day of celebration.

In 2008, the Stadium Authority joined forces with the Ravens, Aramark, and Chimes to develop a long term recycling strategy for products and procedures used at M&T Bank Stadium. This ambitious plan will take several years to fully implement, but initial efforts showed a dramatic improvement in recycling refuse on game days and during daily operations. Collection efforts also have expanded to include non-NFL events in the stadium for both in the seating bowl and catered events inside the stadium. In 2007, we recycled 41 tons of material through Waste Management. Our goal for the 2008 season is 80 tons.

An NFL directive to use cups instead of cans for beer sales gave MSA greater control of disposal issues. As a result, the first home game in September yielded 11 tons of recyclable refuse, about 300% more than the average of 2 tons per game in previous years. Educating fans in the premium seats—on the club level and in the suites—also contributed to the amount of recyclables captured.

Future targets for waste recycling include the concourses, concession stands along Ravens Walk, and in the tailgating areas where fans congregate before the games.

All parties understand that educating the fans on the State's commitment to recycle is a major part of the process. Signs posted in prominent stadium locations, visual reminders on the scoreboard and periodic announcements over stadium speakers are a part of this educational process.

Above: MSA staff is exploring every option to reduce waste and increase recycling on game days.

The "Fan Can" is one eye-catching possibility that may find its way to the concourses of M&T Bank Stadium.

Since 2005, MSA has reduced our domestic water consumption by several million gallons per year through some simple operational changes, such as sensors to determine the need for irrigation.

MSA also has been successful in maintaining or reducing electrical and steam usage, even while adding electrical components. By sealing the building envelope to reduce heat and air loss, the HVAC systems operate more efficiently.

MSA is committed to meeting Governor O'Malley's EmPower Maryland goal of a 15% reduction in electricity consumption by the end of 2015.

Through Energy Performance Contracting with PEPCO Energy Services, MSA has an opportunity to reduce energy consumption by 16.6% and reduce greenhouse gas emissions by almost 12 million pounds each year. In 2008 PEPCO conducted an onsite audit and gave MSA a Preliminary Technical Proposal. The Phase I Engineering Proposal is now being developed through the State's Energy Performance Contracting Program.

PEPCO's Preliminary Technical Proposal, which covers the entire Camden Yards Sports Complex, offers the potential of:

- I. Nearly \$8 million in new energy infrastructure with no upfront capital requirement
- II. Over \$1 million in savings annually over the term of the contract
- III. A guaranteed energy cost reduction of 23.8%
- IV. A guaranteed energy reduction of 16.6%
- V. Improved reliability and comfort, added capacity, and system redundancy

CONSERVATION AT CAMDEN YARDS



LANDSCAPING

In 2008, the MSA Board agreed to invest in a "green roof" for the centerfield overhang in Oriole Park. Green roof technology, which replaces flat run-off surfaces with permeable soil and vegetation, provides energy saving climate control to structures while providing stormwater management and a more attractive building cover.

In late fall, MSA and the Baltimore Ravens began to develop a sustainable landscaping master plan for the stadium periphery that will comply with the administration's commitment to energy conservation, green practices, and environmental sensitivity while enhancing the complex. When implemented, the plan will be a national model for best practices in sustainable public design.

Features of the master plan will be:

- Use of native vegetation
- Rain gardens
- Rehabilitating and utilizing the stormwater pond
- Perennial flower beds with drought resistant species, i.e. the state's Black-eyed Susan
- Propagating bulbs on banks for soil retention and color

In addition to enhancing the natural beauty, reducing runoff and protecting the watershed, the landscape improvements will provide savings with:

- Less maintenance in mowing and watering
- Less cost for fertilizer and reseeding
- Reduced carbon footprint, energy cost in gas and electricity consumption

This master plan will be implemented over a period of several years and will eventually integrate the new development and greenways planned for the areas south and west of the stadium complex.

Southern Maryland Baseball Stadium

In Summer, 2007, construction began on the Southern Maryland Baseball Stadium, future home of the Class A minor league team Blue Crabs. Now known as Regency Furniture Stadium, this 4,600 seat multi-use facility was built on forty acres in Waldorf. It opened May 2, 2008, to a jubilant overflow crowd eager to enjoy professional baseball in Southern Maryland.

Unlike most stadium projects, Regency Furniture Stadium is an entertainment complex with a multitude of uses to serve the community and private groups year-round. The stadium will be the site of a full range of local college and high school sporting events, such as football, soccer and lacrosse. It will provide a professional quality facility for local and regional playoffs, championships and other high school activities such as concerts and graduation ceremonies.

In addition to providing recreational opportunities for young people and families, this multi-use stadium will have a significant economic impact for the State. The experience of other Maryland communities indicates that this kind of facility should attract new business and private sector investment to Charles County and the area. The study concluded that "If you build it, they will come" from throughout Southern Maryland, and the Northern Neck of Virginia. In their inaugural season, the Blue Crabs of Crustacean Nation drew 225,000 fans.

In the months since opening, Regency Furniture Stadium demonstrated it can be the new franchise player for the burgeoning Charles County visitor industry. During the summer of 2008, a number of regional attractions, including a concert with REO Speedwagon, the 70's Summer FunkFest, and other music festivals for jazz and country fans, were held at the stadium.

As a venue for regional activities and events, youth oriented sports competition, and wholesome family entertainment, this park complex will provide a much needed focal point for the community. It will be an anchor for planned growth in retail and residential development because the infrastructure needs were factored into this project.

Beginning in September, the stadium site began providing a valuable year-round service as a park and ride location for MTA's commuter route connecting Charles County to the Suitland Metro station.

COMPLETED PROJECT



Regency Furniture Stadium was built:

- **Ahead of schedule**
- **Under budget**
- **With MBE participation of 25% on construction contract**

CURRENT PROJECT



Coppin State University Physical Education Complex

In the fall of 2007, construction began on a new facility for Coppin State University in Baltimore. This project includes a 167,000 square foot physical education complex composed of an indoor arena and pool, a 10,000 square foot satellite central utility plant, a 67,000 square foot facilities management and public safety building, an outdoor track, tennis courts, ballfields, and campus parking.

Coppin State University is a valuable community resource and a major factor in educational opportunities for neighborhood residents from elementary school through college. This project not only impacts the student body but also contributes to economic development and quality of life in West Baltimore.

Maryland Stadium Authority anticipates opening the arena by Fall, 2009 and full completion of the complex by January, 2010.

Cost- \$134,000,000 (includes property acquisition, demolition, design, and construction)

Architects- Cochran, Stephenson & Donkervoet, Inc. / Sasaki Associates, Inc.

Construction Management- Gilbane / Banks Contracting, JV

Timeline- Phased Opening Fall 2009 - January 2010

Left Top: Pinch, the Blue Crab, is a big hit with the kids.

Left Bottom: Regency Stadium provides a great setting for concerts at night and music festivals during the day.

Above: How the Coppin State University Physical Education Complex will look next October.

Project Features

Physical Education Building

- Classrooms
- Auxiliary gyms
- Dance studios
- Racquetball courts
- Fitness facility
- 4,100 seat basketball arena
- Indoor NCAA regulation pool with spectator seating

Facilities Management / Physical Plant / Public Safety Building

- Campus Security Offices/Operations Center
- Capital Planning/Procurement/Mail Facilities
- Satellite Central Utility Plant (SCUP) with new utility services
- Physical Plant Shops (Elec / Mech / Carpentry / Vehicle Maintenance)
- Central Receiving

Outdoor Improvements

- NCAA regulation 400 meter track with spectator seating
- Soccer field
- Softball field
- Tennis courts

Infrastructure Improvements

- Parking lots
- Road expansion
- New campus entrance on Gwynns Falls Parkway

Notable Features

- Expands the size of the Coppin campus by about a third, taking it from North Avenue to Gwynns Falls Parkway
- The complex is actually three buildings in one, bordering Gwynns Falls Parkway and Warwick Lane, which partially frames the new outdoor track and fields
- Landscaping gives environmental as well as aesthetic enhancements to campus and community
- 38% MBE participation in 1st phase (exceeds project goal of 30%)
- Anticipated Silver LEED Certification



COMPLETED STUDIES

Ocean City Convention Center Expansion

Ten years after completing the expansion of the Roland E. Powell Convention Center, the Maryland Stadium Authority was asked by the Town of Ocean City to perform a feasibility study on the economic potential of further expansion.

In July 2007, the council voted to have MSA evaluate existing market components and analyze ways to capture those markets. This economic study was designed to determine if an additional expansion is warranted, and, if so, what direction it should take.

Crossroads Consulting was selected to perform the market and economic study in December, 2007. Their findings were presented to the Ocean City Council on December 9, 2008.

Prince George's County Soccer Stadium

On September 19, 2008, the Maryland Stadium Authority released the market and economic study to determine the benefits of locating a soccer stadium for DC United in Prince George's County.

The study was commissioned at the request of Prince George's County after the team approached them about possibly relocating there. DC United has used RFK Stadium (constructed in 1961 to accommodate professional baseball and football) since its inception in 1996. The team, at the urging of Major League Soccer, is determined to develop a new soccer specific stadium consistent with standards established by other teams in the league. The \$75,000 study, conducted by Crossroads Consulting Services, was authorized by the Maryland General Assembly to determine the extent that Prince George's County and the State of Maryland could benefit from locating the team in Prince George's County. The study was not site specific.

The study determined that soccer is an evolving sport, boosted in recent years by television contracts, major sponsorships, and investment in soccer specific stadiums used to host international events. Factors cited for the success of a soccer specific facility in Prince George's county include the existing loyal fan base, the ethnic diversity and other demographic characteristics present in successful franchise bases, and access via mass transit and highways. These same factors make Prince George's County attractive for other uses of the facility, such as concerts and festivals.

Other attractions in the area—Six Flags and the new National Harbor—plus proximity to airports and hotel availability, would make a stadium in Prince George's County a strong contender for hosting national and international tournaments. The size and layout of such a stadium would also be compatible for lacrosse, which enjoys great popularity in the Mid-Atlantic region.

After the release of the study, discussion continued between Prince George's County officials and DC United representatives to determine if the team was willing to make a commitment to move.



Left Middle: Project Director Eric Johnson with Acting Executive Director Dave Raith at the Topping Off Ceremony October 9, 2008

Left Top: The ceremonial signing of the beam, next to the traditional evergreen

Left Bottom: The arena, as it looked in October 2008.

Right Middle & Bottom: DC United fans are among the league's most demonstrative. Their loyalty is a major factor in the feasibility a soccer-oriented stadium in Prince George's County.

Baltimore Arena

In May, 2007, the Maryland Stadium Authority released the feasibility study on a new Baltimore arena. The study was requested and funded by a group of interested agencies and stakeholders, including the Baltimore Development Corporation, the Downtown Partnership of Baltimore, the Greater Baltimore Committee, the Maryland Department of Business and Economic Development, and the Westside Renaissance.

In August 2007, the Baltimore Development Corporation, on behalf of the City, issued a formal Request for Expression of Interest. They solicited the private sector to express an interest in the project with responses suggesting sites and funding options.

Seven responses were received by the October 30th due date, and reviewed by a selection panel which included MSA Chairman Fred Puddester. In June 2008, after considering the submissions, suggested sites and concepts, and input from the Mayor and Governor, the committee announced their intention to construct a 18,500 seat arena on the site of the existing structure.

In July, the Baltimore Development Corporation issued two requests for proposals. One was for a development team to build a new 18,500 seat downtown arena with an "iconic design" that would reflect the caliber of the nearby Camden Yards complex and revitalize Baltimore's downtown with high quality mixed use development. The second RFP was for a consultant to advise the city during negotiations.

Mr. Puddester continues to be a part of the selection process for the consultant and development team. Gary McGuigan, MSA's Project Executive, serves as an advisor to the panel.

The feasibility consultant, to be selected early in 2009, will assist in the analysis of development proposals and facilitate contract negotiations with the selected developer/operator. The consultant also will be responsible for identifying a location and development scenario for a temporary facility to be utilized for currently scheduled arena activities while the replacement is being built.

Baltimore Development Corporation expects to select the development team by mid to late 2009.

COMPLETED STUDIES



Above: The downtown location and proximity to public transportation were cited as reasons for building a new Baltimore Arena on the existing site.

Right: Baltimore's famed "Battle Monument" lies between the historic Clarence Mitchell Courthouse and the Post Office building across the street.

CURRENT STUDIES

Montgomery County Arena

The Maryland Stadium Authority, the Montgomery County Department of Economic Development, and the Maryland Department of Business and Economic Development kicked off a study of market and economic feasibility for a proposed Montgomery County arena by contracting Sage Policy Group. The preliminary economic study, completed in June 2007, was not site specific but assumed a central county location for analytical purposes.

The market study determined that Montgomery County could readily support an arena, citing scores of county activities displaced due to the absence of an appropriate facility. Specifically, graduations, sporting events and an assortment of entertainment opportunities went elsewhere for lack of a local Montgomery County venue.

This analysis determined that the level of demand for an appropriately sized and appointed arena is substantial and sufficient to merit serious consideration. The Department recommends an arena with 6,500 to 8,500 fixed seats and a total capacity of 8,000 to 10,000.

Once operational, the arena is projected to support 764 jobs, \$6.6 million in wage income, and nearly \$19 million in business sales in Montgomery County.

For these reasons, the study concludes an arena strategically situated in Montgomery County would be financially feasible, support significant economic activity and provide a long needed community amenity.

Based on the preliminary findings of this report, the Stadium Authority contracted HOK Sports architects and Brailsford & Dunlavey to develop a program, evaluate potential sites and review the market and economic study.

This portion of the study is expected to be completed in early 2009.

Baltimore City Circuit Court Complex

In November, 2008, the City of Baltimore formally requested the Maryland Stadium Authority to conduct a feasibility study for the modernization of their circuit court complex. This study would address structural concerns in the historic Clarence Mitchell Courthouse and the nearby Post Office building which serves as an annex. Both were constructed early in the 20th century.

The study would also include conceptual design, engineering analysis, cost and the possible use of historic tax credits for restoration of original features.

Approval of this request by the General Assembly is pending. If granted, a Request for Proposal could be issued in early 2009.





BOARD MEMBERS



Frederick W. Puddester, Chairman

Frederick W. Puddester was appointed Chairman of the Maryland Stadium Authority by Governor Martin O'Malley on July 1, 2007. Mr. Puddester is Senior Associate Dean for Finance and Administration of the Krieger School of Arts and Sciences at Johns Hopkins University. Mr. Puddester was previously Executive Director of Budget and Financial Planning at Hopkins, responsible for the development of the University's \$3.5 billion operating budget and \$1 billion five-year capital program. Mr. Puddester serves as Secretary to the Board of Trustee's Finance Committee, represents the University on the Boards of several subsidiaries owned by the University and Johns Hopkins Health System and serves on several University-wide committees.

Prior to joining Johns Hopkins University, Mr. Puddester was Secretary of the State Department of Budget and Management from 1996 to 2000. He has also served as a Deputy Chief of Staff to the Governor, Deputy Secretary and Finance Director in the Budget Department and spent nine years on the budget staff for the Maryland General Assembly.

Mr. Puddester received his Bachelor's degree in Political Science from the University of Vermont and a Master's degree in Public Policy from Rutgers University. Currently, Mr. Puddester serves as a member of the State's Interagency Committee on School Construction and as a public member on the Maryland General Assembly's Spending Affordability Committee.



Leonard J. Attman

Leonard J. Attman was appointed as a member of the Maryland Stadium Authority on July 1, 2005. President of Attman Properties Company, Mr. Attman has more than four decades of experience in residential and commercial real estate development. His professional experience includes the development of apartment communities, individual home developments, shopping centers and a recreational park. Mr. Attman attended the University of Maryland. His involvement in professional, civic and philanthropic organizations includes membership on the Boards of Sinai Hospital, the Shosana S. Cardin High School, Beth Tfiloh Brotherhood, the Board of Directors of the Reginald F. Lewis Museum and the Signal 13 Foundation for the Baltimore City Police Department. In addition he actively participates in the activities of many other organizations including the Advisory Board for the Shock Trauma Unit at the University of Maryland Medical Systems. Mr. Attman was the founder and serves as Chairman of the Board of Directors of Future Care which manages nine nursing home facilities serving more than 1,300 patients and providing employment for more than 1,500 people.



BOARD MEMBERS

Demaune Millard



Demaune Millard is Chief of Staff to Baltimore Mayor Sheila Dixon, responsible for managing the day to day operations of her office and coordinating internal and external communications. Prior to accepting these responsibilities in 2007, Mr. Millard was chief lobbyist for the City, serving as primary liaison with federal, state and local legislators. He was appointed the City's representative to the MSA board in 2008.

Mr. Millard has a BA in Finance from Howard University and has done graduate work in Public Administration at the University of Baltimore. He has worked on Capitol Hill for Congressman Kweisi Mfume and Senator Barbara Mikulski. During the administration of Governor Parris Glendening, Mr. Millard was legislative liaison for the Maryland Department of Transportation. He later organized advocacy activities for the American Public Transportation Association.

A native Baltimorean, Mr. Millard is active in the community through the Omega Psi Phi fraternity, where he chairs the chapter's annual scholarship benefit.

John Morton, III



John Morton, III was appointed to the Maryland Stadium Authority Board on July 1, 2008. On November 7, 2008, Governor Martin O'Malley selected him to succeed Frederick W. Puddester as Chairman.

Mr. Morton, a senior business and financial services executive, brings extensive experience to the MSA Board including having served as CEO and President of three major financial institutions, as a board member for four public corporations and as a leader in business, professional, educational and civic organizations.

From 1996 to 2006, Mr. Morton served in various capacities with the Bank of America/NationsBank, including his role as President of the Mid-Atlantic Region from 1997 to 2001, and as President of Premier Bank from 2001 to 2005.

Prior to his service with Bank of America, Mr. Morton was Chairman, CEO and President of the Boatmen's National Bank of St. Louis, Missouri, the Farm and Home Financial Corporation of Kansas City, Missouri and with the Perpetual Financial Corporation of McLean, Virginia.

Mr. Morton also has served as Chairman of the Greater Baltimore Committee, as Director of the University of Maryland College Park Foundation, and as Committee Chairman of the effort to bring the 2012 Olympics to the Washington/Baltimore region. Mr. Morton currently is a

Director with the U.S. Naval Academy Athletic and Scholarship Programs. He was instrumental in raising funds for the community activities associated with the 2000 Army-Navy game in Baltimore.

Mr. Morton is a 1967 nuclear science graduate of the U.S. Naval Academy. He earned a Master of Business Administration degree from Harvard University in 1973.



Victoria Rosellini

Victoria Rosellini was named as a member of the Maryland Stadium Authority for a four-year term beginning July 1, 2006. Ms. Rosellini has owned and operated five building and development projects. In addition, she is an entrepreneur and business executive with 24 years professional experience as a pioneer in the woman-owned ambulance transportation services industry. As founder, chief executive officer and president of four ambulance transport companies, she has guided the operation of these firms through initial planning, capital funding and operation. The firms provide all types of patient services from routine appointments to critical care transport including helicopter and commercial flight assistance. Ms. Rosellini is affiliated with numerous health care, professional, governmental and community associations and has received multiple awards and honors in these areas. She currently is serving her 14th year as Commissioner and member on the Baltimore County Liquor Board. She also serves on the Baltimore City Police Department's Signal 13 Board and the Board of the Maryland Department of Business and Economic Development. Ms. Rosellini was the recipient of Ernst and Young's "Entrepreneur of the Year Award," selected as one of Baltimore's Top 100 Women, and was inducted into the Circle of Excellence.

BOARD MEMBERS

BOARD MEMBERS

Howard J. Stevens, Jr.



Howard M. Stevens, Jr.'s appointment as a member of the Maryland Stadium Authority was effective July 1, 2005. Mr. Stevens has more than 20 years of professional experience in financial sales and management in an assortment of areas including health insurance and annuity sales, working with both large and small business, corporations, self-employed individuals, hospitals, State and county governments and non-profit organizations. Mr. Stevens earned his B.A. in Psychology from the University of Louisville. He currently works as an independent insurance and annuity sales consultant and has extensive experience with financial services firms. Mr. Stevens is the Assistant Golf Coach at Towson University. Selected as a collegiate All American in 1971 and 1972, Mr. Stevens played in the National Football League with the New Orleans Saints and the Baltimore Colts.

Richard Stewart



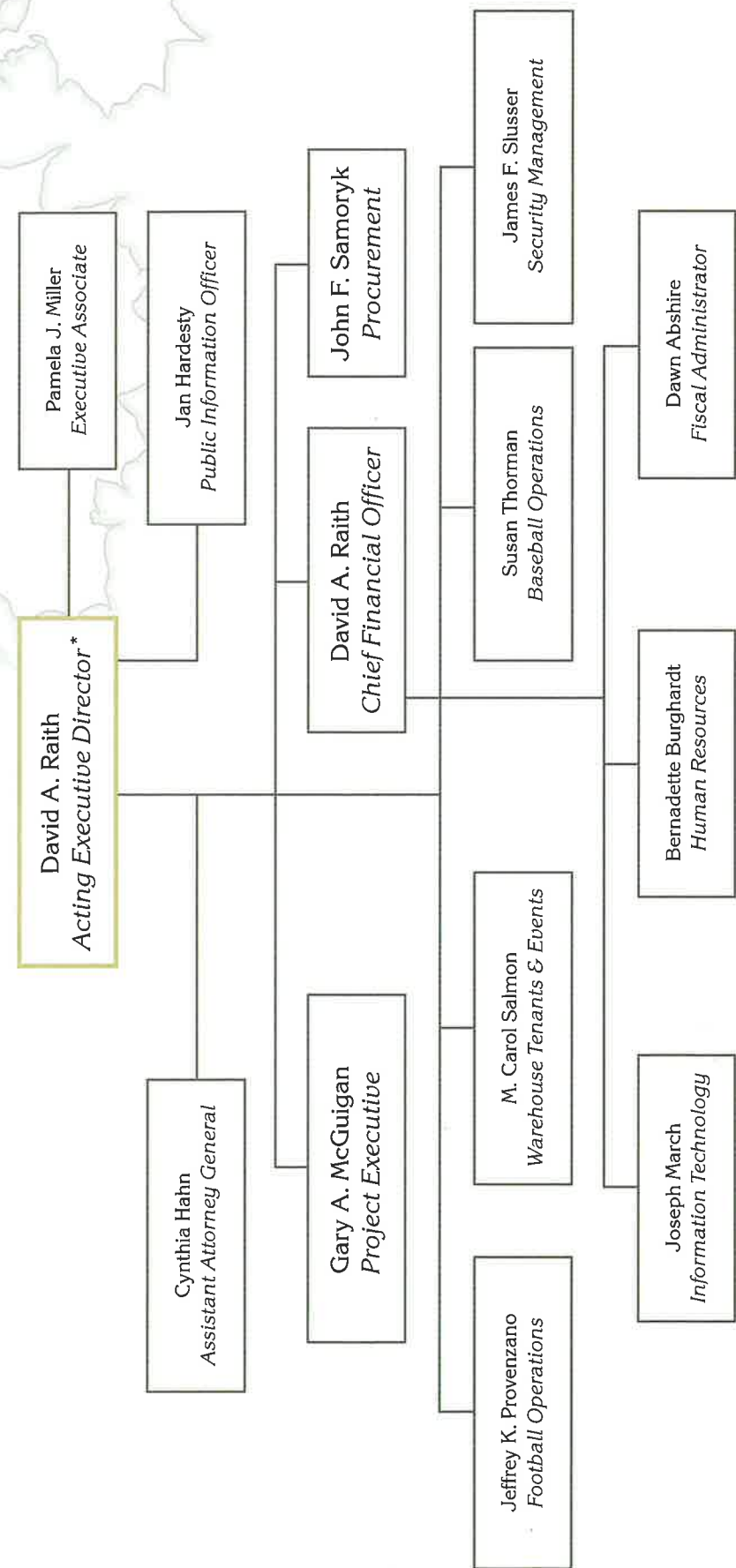
Richard Stewart was appointed a member of the Maryland Stadium Authority on July 1, 2007. Mr. Stewart, President and Chief Executive Officer of Montgomery Mechanical Services Incorporated (MMS), joined that organization in 1988. His vision and expertise in business performance resulted in increased profitability, elevated the standing of MMS in the construction industry, implemented many innovations and maximized the firm's emphasis on customer service.

A member of the Mechanical Contractors Association of America, Mr. Stewart also has held positions as a board member, director and past president of the Mechanical Contractors Association of Metropolitan Washington. In addition he has served as Vice Chair for the Revenue Authority of Prince George's County; a member of the Executive Committee for both the National Association of Minority Contractors and the Prince George's County Community Development Corporation.

Mr. Stewart has received numerous awards for his work in the construction industry including the State of Maryland's Governor's Citation Award; the American Minority Contractors and Business Association Inc.'s Business of the Year Award and the Maryland / Washington Minority Contractors Association Inc.'s Memorial Award.

Richard and his wife, Chris, currently reside in Mitchellville, Maryland.

MARYLAND STADIUM AUTHORITY



*Michael J. Frenz became Executive Director December 1, 2008.



Chairman Frederick W. Puddester



Photo credit: John Dean

- Front Row: Willie Mason, Carrie Vennie, Lisa Johnson, Dianne Connelly, Davon Frink, Gil Cooper, James Archer, Darryl Matthews, David Raith, Vola Linton, Bill Fowler, Pat Cornish, Shelley Nelson, Mike Muncy
- Second Row: Carol Salmon, John Samoryk, Rose Bordine, Jan Hardesty, Susan Thorman, Hugh McClurkin, Dwight Fleming, Altha Murray, Bernadette Burghardt, Pam Miller, John Brooks, Nina Barys, Frank Dietz
- Third Row: Jeff Provenzano, Mark Libby, Tiara Robertson, Phil Hutson, Al Ringham, Nat Walker, Mary Buckingham, John McKinney, Mike Andrejczuk, Dave Thaden, Jerone Evans
- Fourth Row: Gary McGuigan, Eric Johnson, Charles Bailey, Dave Walker, Phil Cohen, Denise Dupree, James Slusser, Rick Pack, Bill Schier, Vince Steier, James Bell, Tameka Boyd-Eggleston
- Fifth Row: Nolan Rogers, Chris Parr, Joe March, Dana Brown, John Waters, Delroy Gaither, Darin Stone, Ray Winfrey, Suzanne Chaconas, Dawn Abshire, Walt Schmidbauer, Robert Linsebigler, John Polts, Alonzo Andrews

Missing: C. Hahn, T. Masilek, C. Wright, S. Brewer, M. Caperoom, R. Bryant, G. Cook, W. Dacuycuy, D. Donoghoe, J. Faw, J. Forbes, J. Golley, F. Green, D. Hopple, E. Keplin, D. Kirby, J. Kroat, T. Lewis, D. Moore, W. Preston, D. Punnett, B. Shiller, J. Smith, A. Wiggins, A. Williams

To the Board of the Maryland Stadium Authority:

We have audited the accompanying basic financial statements of the Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, as of and for the year ended June 30, 2008, as listed in the table of contents. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 disclosures 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 audit provides 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 the Authority as of June 30, 2008, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Abrams, Foster, Nole & Williams, P.A.
Certified Public Accountants
Baltimore, Maryland
October 1, 2008

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION & ANALYSIS

The Maryland Stadium Authority, an agency of the State of Maryland, is honored to present the fiscal year 2008 financial statements. The Authority's responsibilities include operation of the stadiums, the B&O Warehouse and Camden Station located at Camden Yards, oversight of several convention centers, and construction management for various projects throughout the State of Maryland. There are three financial statements presented for the reader: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and, the Statement of Cash Flows.

Statement of Net Assets

The Authority's Statement of Net Assets presents the assets, liabilities, and the net assets for the period ended June 30, 2008. The Statement of Net Assets is to provide the reader with a financial picture of the Authority's assets (current and noncurrent), liabilities (current and noncurrent), and net assets (assets minus liabilities).

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

The Net Assets are divided into four categories. The first category, "invested in capital assets," reflects the Authority's investment in the stadiums at Camden Yards and the expansion of the Baltimore City and Ocean City Convention Centers, the Hippodrome Performing Arts Center, Montgomery County Conference Center and the renovations of Camden Station. The second category, "restricted for debt service," represents funds held by the Authority with the restricted purpose of paying debt service on the outstanding bonds. The third category, "restricted for capital assets," is funds available for use on specific projects only. The final category, "unrestricted," is available funds held by the Comptroller's office at the State of Maryland.

Statements of Net Assets

	June 30	
	2008	2007
Assets		
Current assets	\$ 37,062,248	\$ 36,152,431
Net capital assets	204,297,983	215,677,110
Noncurrent assets	253,544,111	268,543,109
Total assets	494,904,342	520,372,650
Liabilities		
Current liabilities	22,343,305	22,157,463
Noncurrent liabilities	266,364,241	279,492,841
Total liabilities	288,707,546	301,650,304
Net assets		
Invested in capital assets	193,310,407	203,515,602
Restricted for debt service	2,523,698	2,484,235
Restricted for capital assets	9,021,369	11,106,936
Unrestricted	1,341,322	1,615,573
Total net assets	\$ 206,196,796	\$ 218,722,346

During fiscal year 2008, total assets for the Authority decreased from the prior year by approximately \$25.4 million dollars. There are several reasons for this decrease. Unrestricted cash and cash equivalents decreased approximately \$.3 million because of smaller cash balances in the parking accounts. Capital leases receivable decreased by approximately \$11.4 million which includes \$3.8 million increase from a decline in Money Market Securities available to be used for debt service, and a decrease of \$15.2 million for the current year principal payment received from the State of Maryland. Net capital assets decreased by approximately \$15.6 million, the result of an increase to net capital assets for \$1.2 million in costs that were incurred due to improvements to Orioles Park and M&T Bank Stadium less annual depreciation and adjustments for capital lease receivables of approximately \$16.8 million. There also was a decrease in marketable securities of approximately \$2.0 million as a result of \$1.0 million of unspent Montgomery County project money used for debt service plus \$2.6 million used for the purchase of video equipment at Oriole Park less \$1.6 of unspent equipment financing funds.

The increase in net accounts receivable of approximately \$0.6 million is the result of the following: decrease in Oriole rent of \$1.0 million, increase of \$0.7 million from the State of Maryland for admissions and amusements tax which is also the result of higher attendance at events and higher ticket prices, and increase of \$0.3 million related to reimbursement from the Baltimore Orioles, an increase of \$1.3 million from the Baltimore Ravens for operation and maintenance costs for April, May and June 2008, an increase in tenant rents due of \$0.5 million and a decrease in the allowance for doubtful accounts of \$1.2 million. Deferred financing costs decreased approximately \$0.5 million as a result of the current year's amortization. Note receivable decreased by \$0.3 million for the principal pay-

ment made. Finally, furniture and equipment increased by approximately \$4.2 million for the current year's depreciation of \$1.3 million plus additions of \$5.5 million.

Total liabilities for the fiscal year decreased by approximately \$12.8 million. Interest and accounts payable for fiscal year 2008 increased by approximately \$0.1 million. The reasons for the decline is the interest payable accrued in Fiscal Year 2007 declining by \$0.3 million when the fixed rate 1994 and 1996 series bonds which paid interest semi-annually were refunded to a variable rate bond with interest paid monthly and an increase in trade payables of \$0.4 million. There was a decrease in the equipment, financing and lease revenue bonds of approximately \$11.5 million as a result of the Authority paying \$15.0 million toward the outstanding principal on the lease revenue bonds and borrowing \$3.5 million from the State of Maryland, Master Equipment Lease Financing. Finally for fiscal year 2008, deferred revenue decreased by approximately \$1.4 million as a result of deferred revenue being recognized as income in fiscal year 2008.

Statement of Revenues, Expenses, and changes in Net Assets

The change to Net Assets as seen on the Statement of Net Assets is based on the activity that is presented on the Statement of Revenues, Expenses, and Changes in Net Assets.

The presentation of the Statement reflects the revenues and expenses for the Authority during fiscal year 2008. The reader will see the revenues and expenses broken down into operating and non operating categories.

At the end of fiscal year 2008, the statement of revenues, expenses and changes in net assets shows a \$12.3 million decrease to net assets. The following information will explain the decrease to net assets.

Operating revenues are generated at the Camden Yards Sports Complex and for fiscal year 2008 revenues totaled \$32.2 million. Most of the revenues received by the Authority relate to the operation of the stadiums. The Baltimore Orioles' rent is based upon a percentage of revenue streams formula and the Baltimore Ravens pay 100% of the operating and maintenance expenses of the football stadium. This accounts for approximately \$13.7 million of the revenue for fiscal year 2008.

Both teams are required to pay a 10% ticket charge to the State of Maryland of which the Authority receives 8% and Baltimore City receives 2%. The revenues from the admission taxes for both teams were approximately \$9.2 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 \$4.0 million a year. Other revenues from the Camden Yards

Sports Complex include parking receipts from non-game days, catering commissions, pay telephone commissions and trademark revenue along with construction management fees for other construction projects not part of the Camden Yards Sports Complex, which total approximately \$5.1 million for fiscal year 2008.

Non operating revenue is generated by two sources. The first is the recognition of deferred revenue from an interest rate swap on the 1989 C Notes, 1989 D bonds, 1994 bonds, 1996 bonds and advance payment from the Baltimore Ravens for their portion of the equipment lease of the chiller and generator plant. In April 1996, the Authority received approximately \$15.5 million, which represented the present value of the interest savings for both the 1989 C Notes and 1989 D bonds. In June 1998, the Authority received approximately \$0.6 million and \$2.6 million for the 1994 and 1996 bonds respectively, which represented the present value of these savings. In 2007, the Baltimore Ravens paid \$1.7 million on the payment option of the chiller and generator plants. A portion of these savings is recognized as revenue each year. This figure was approximately \$1.4 million for fiscal year 2008. The second source of non operating revenue is investment income received on money held by the Treasurer's office of the State of Maryland, by trustees on various bond issuances and from an outstanding note from the Baltimore Orioles, \$0.9 million for fiscal year 2008. Overall, revenue for fiscal year 2008 increased by approximately \$0.5 million from revenue in fiscal year 2007 due from the increase in admission taxes of approximately \$0.3 million as the result of more events. Also other income increased by \$0.2 million mainly from other events held at the Camden Yards Complex and increased investment earnings. Parking revenues increased \$0.4 million from a larger number of daily parkers utilizing the Camden Yards. Finally, rents from the tenants renting space in the B & O Warehouse and Camden Station increased \$0.4 million. This is the result of the new leases at the B&O Warehouse. Finally, Orioles rent declined \$0.8 million as a result of lower attendance and Ravens operations and maintenance reimbursement decline of \$0.2 million.

Net operating expenses declined \$0.6 million for fiscal year 2008. Explanations for the decrease in fiscal year 2008 are as follows:

- During fiscal year 2008, utility costs for the Camden Yards Complex decreased by \$1.4 million. This is the result of election to purchase equipment under a capital lease in fiscal year 2007.
- Miscellaneous expenses increased by \$0.3 million largely from the additional bad debt expense for 2008.
- Depreciation expense increased \$0.5 million in fiscal year 2008 is the result of new video equipment for approximately \$5.0 million.

- Parking service increased \$0.2 million from the increased number of parkers utilizing Camden Yards.
- Contractual service declined \$0.4 million from declining use of outside counsel of \$0.2 million and \$0.2 million in building repairs.
- The salaries and benefits paid to the employees increased approximately \$0.1 million. The increase is the result of filling vacant positions.

Non operating expenses declined by \$1.0 million. There was a decline in interest expense of \$0.4 million related to the change in fixed rate bonds to the variable rate bonds described above. The State's share of the operating deficit for the Baltimore Convention Center and Ocean City Convention Center increased by \$0.8 million from declining revenues and increasing utility costs. Finally, the Authority did not make a rent payment to the State in 2008 resulting in a \$1.4 million decrease. The Authority also received appropriations from the State of Maryland to be used for several purposes. An appropriation was made for the outstanding Capital Lease Receivables due from the State of Maryland. The money received from the State of Maryland along with \$1.0 million received yearly from Baltimore City is used to pay the debt service on the outstanding bonds issued by the Authority. The Authority also has a contractual obligation to pay one-half of the operating deficits at 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 of \$50,000 and \$200,000, respectively. This contribution for fiscal year 2008 was approximately \$19.5 million.

**Statement of Revenues,
Expenses, and Changes in Net Assets**

	Year ended June 30	
	2008	2007
Operating revenues	\$ 32,037,547	\$ 31,724,157
Operating expenses	41,693,884	42,233,588
Operating loss	(9,656,337)	(10,509,431)
Non operating expenses	(23,405,103)	(24,280,280)
Loss before contributions	(33,061,440)	(34,789,711)
Contributions from primary and local governments and other sources	20,535,890	24,137,131
Increase (Decrease) in net assets	(12,525,550)	(10,652,580)
Net assets at beginning of year	218,722,346	229,374,926
Net assets at end of year	\$ 206,196,796	\$ 218,722,346

STATEMENT OF NET ASSETS

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 flow and shows the net cash used to operate the Camden Yards Sports Complex; the second relates to the cash flow resulting from noncapital financing activities; the third relates to cash flow from capital and related financing activities; the fourth relates to the cash flow from investing activities and the fifth reconciles the net cash used to the operating loss on the Statement of Revenues, Expenses, and Changes in Net Assets.

Statement of Cash Flows

	Year ended June 30	
	2008	2007
Cash flows from (used in):		
Operating activities	\$ 3,576,936	\$ 5,198,372
Noncapital financing activities	(40,698,909)	(41,362,377)
Capital and related financing	31,971,251	31,101,572
Investing activities	4,876,471	2,499,708
Net increase in cash	(274,251)	(2,562,725)
Cash and cash equivalents at beginning of year	1,615,573	4,178,298
Cash and cash equivalents at end of year	\$ 1,341,322	\$ 1,615,573

Capital Assets and Debt Administration

The Authority had disposals of capital assets and debt during fiscal year 2008. The disposal of debt resulted from principal being paid down.

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. The Authority will continue to monitor revenues and closely watch expenditures to the best of its ability.

Assets

Current Assets

Unrestricted cash and cash equivalents	\$ 1,341,322
Restricted cash and cash equivalents	74,571
Money market mutual fund investments—restricted	7,447,220
Accounts receivable, net of allowance for bad debts	12,140,543
Interest receivable	176,429
Note receivable, current portion	324,959
Capital leases receivable, current portion	15,557,204

Total current assets

\$ 37,062,248

Noncurrent Assets

Capital assets	
Furniture and equipment, net of accumulated depreciation of	8,335,400
Other capital assets, net of accumulated depreciation of	195,962,583

Net capital assets

\$ 204,297,983

Other Noncurrent Assets

Money market mutual fund investments—restricted	4,023,274
Other assets	1,000
Note receivable, net of current portion	3,587,770
Capital leases receivable, net of current portion	242,590,617
Deferred financing costs, net of accumulated amortization of	3,341,450

Total other noncurrent assets

\$ 253,544,111

Total assets

\$ 494,904,342

Liabilities

Current Liabilities

Accounts payable and accrued expenses, current portion	\$ 4,928,452
Interest payable	511,175
Lease revenue bonds payable, net of discount and premium, current portion	15,557,204
Deferred revenue, current portion	1,346,474

Total current liabilities

\$ 22,343,305

Noncurrent Liabilities

Accrued expenses, net of current portion	817,580
Lease revenue bonds payable, net of discount of \$93,368 and premium of \$85,262 and current portion	255,999,856
Deferred revenue, net of current portion	9,546,805

Total noncurrent liabilities

\$ 266,364,241

Total liabilities

\$ 288,707,546

Net Assets

Invested in capital assets	\$ 193,310,407
Restricted for debt service	2,523,698
Restricted for capital assets	9,021,369
Unrestricted	1,341,322

Total net assets

\$ 206,196,796

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Operating Revenues	
Baltimore Orioles' rent	\$ 6,297,534
Admission taxes	9,224,010
Baltimore Ravens' contributions	7,486,999
Warehouse rents	3,995,316
Catering commissions	629,625
Parking revenues	2,312,173
Miscellaneous sales	2,091,890
Total operating revenues	\$ 32,037,547
Operating Expenses	
Salaries and wages	7,296,321
Telephone and postage	120,702
Travel	44,200
Utilities	5,688,705
Vehicle expense	45,278
Contractual services	9,114,362
Parking	1,841,276
Supplies and materials	737,397
Depreciation and amortization	14,504,614
Fixed charges	333,766
Miscellaneous	1,967,263
Total operating expenses	\$ 41,693,884
Operating loss	(\$ 9,656,337)
Non operating Revenues (Expenses)	
Contributions to others for operating deficit and capital improvements	(5,685,944)
Public school construction contribution	(2,400,000)
Unrestricted investment income	107,027
Restricted investment income	2,209,234
Interest expense	(17,635,420)
Total non operating expenses	(\$ 23,405,103)
Loss before contributions	(\$ 33,061,440)
Contributions from local government and other sources - Hippodrome Project	282,580
Contributions from local government - Camden Yards	1,000,000
Contributions from primary government - Camden Yards	12,235,000
Contributions from primary government - Baltimore City Convention Center	5,139,068
Contributions from primary government - Ocean City Convention Center	1,879,242
Total contributions	\$ 20,535,890
Change in net assets	(12,525,550)
Total net assets at beginning of year	218,722,346
Total net assets at end of year	\$ 206,196,796

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Cash flows from operating activities	
Receipts from Camden Yards	\$ 31,486,679
Payments to employees	
Salaries and benefits	(7,225,700)
Payments to suppliers	(20,684,043)
Net cash provided by operating activities	\$ 3,576,936
Cash flows from noncapital financing activities	
Payments from investment in direct financing leases	(3,074,222)
Convention Center operating deficit and capital improvements	(5,138,483)
Principal paid on notes payable and revenue bonds	(15,020,000)
Interest payments	(17,466,204)
Net cash used in noncapital financing activities	(\$ 40,698,909)
Cash flows from capital and related financing activities	
Contributions from local governments - Hippodrome Project	282,580
Contributions from local government - Camden Yards	1,000,000
Contributions from primary government - Camden Yards	12,235,000
Contributions from primary government - Baltimore City Conv Center	5,139,068
Contributions from primary government - Ocean City Convention Center	1,879,243
Contributions to primary government	(2,400,000)
Disposals of capital assets	13,835,360
Net cash provided by capital and related financing activities	\$ 31,971,251
Cash flows from investing activities	
Decrease in investments	3,594,420
Interest and gains on investments	957,092
Proceeds from note receivable	324,959
Net cash used in investing activities	\$ 4,876,471
Net decrease in cash	(274,251)
Unrestricted cash and cash equivalents at beginning of year	1,615,573
Unrestricted cash and cash equivalents at end of year	\$ 1,341,322

Adjustments to reconcile net operating income (loss) to cash from operating activities

Cash flow from operating activities	
Operating loss	\$ (9,656,337)
Adjustments to reconcile operating loss	
Depreciation and amortization	14,504,614
Effects of changes in assets and liabilities	
Accounts and interest receivables	(550,869)
Accounts and accrued payables	(720,472)
Net cash provided by operating activities	\$ 3,576,936

STATEMENT OF CASH FLOWS

1. NATURE OF OPERATIONS

The Maryland Stadium Authority (the Authority) was established by legislation 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.

Pursuant to an agreement with Orioles, Inc. (the Orioles), the Authority has financed and constructed a baseball stadium, Oriole Park at Camden Yards, which it owns, operates and leases to the Orioles for 30 full baseball seasons. During the term of the lease, the Orioles are paying rent based on a sharing arrangement based on the percentage of admission, concession, novelty, parking, advertising and other revenues of the Orioles. In addition, the Authority and the City share the 10% statewide admissions and amusement taxes (8% to the Authority and 2% to the City).

On May 1, 1989, the Authority entered into a lease agreement with the State whereby the State leases the land and all facilities constructed thereon from the Authority in accordance with the provisions of a Master Lease Agreement (the Master Lease) dated May 1, 1989. The State, in turn, subleases the project to the Authority in accordance with the terms of a Sublease Agreement (the Sublease) dated May 1, 1989. Under the terms of the Master Lease, the State pays basic and additional rent payments, which are generally equal to the Authority's debt service payments and related financing costs. The source of funds for these payments is lottery revenues generated for the benefit of the Authority. Under the terms of the Sublease, the Authority remits to the State any excess revenues from the operation and lease of the facility.

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 (Baltimore Center), including the expansion and enhancement of the Baltimore 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. No provision of the Act transfers to the Authority the control, management or operation of the Baltimore Convention Center but the Authority has an approval right on certain operational items and pays two-thirds of the operating deficit. Under the Comprehensive Plan of Financing (the Plan) submitted by the Authority under Section 13-712.1 of the Annotated Code of

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

Maryland, the State of Maryland contributed \$20 million in 1993, \$20 million in 1995, \$10 million in 1996 and \$8 million in 1997 through the sale of general obligation bonds. In order to comply with the Plan, the Authority has issued \$55 million Convention Center Expansion Lease Revenue Bonds Series 1994, the debt service for which is provided by future appropriations from the State, pursuant to the Master Lease. In addition, the City was required to contribute \$50 million for the Baltimore Center. At June 30, 1996, all contributions from the City had been received. Upon completion of the Baltimore Center in 1997, it was turned over to the City for operation, but leased jointly by the City and the Authority as tenants in common, as long as the Convention Center Expansion Lease Revenue Bonds are outstanding. Commencing with the completion of the Baltimore Center through 2008, the Authority shall fund two-thirds of any operating deficiencies of the Baltimore Center and shall contribute \$200,000 per year to a capital improvement fund.

Effective in 1995, the Authority was assigned responsibility for constructing an expansion of the Convention Center in Ocean City (Ocean City Center). The expansion cost approximately \$32 million and is financed through a combination of funding from Ocean City and the Authority. Under the Ocean City Comprehensive Plan of Financing as required under Section 13-712 of the Financial Institutions Article of the Annotated Code of Maryland, the Authority was required to contribute approximately \$17,340,000 to the project. In October 1995, the Authority issued \$17,340,000 in revenue bonds to satisfy its funding requirement. The debt service of the revenue bonds is being provided for by future appropriations by the State, pursuant to the Master Lease. Upon its completion, the Ocean City Center was turned over to Ocean City and is leased jointly by Ocean City and the Authority as tenants in common, as long as the revenue bonds are outstanding. Commencing with the completion of the Ocean City Center through 2015, the Authority shall contribute one-half of any annual operating deficiencies and \$50,000 per year to a capital improvement fund.

Pursuant to a Memorandum of Agreement (Memo) between the Authority and the entities formerly known as Cleveland Browns, Inc. and BSC, LLC, which collectively are referred to as the "Ravens," the Authority designed and constructed a state-of-the-art, open-air football stadium at Camden Yards. The cost of the football stadium was \$229 million, of which \$148 million was funded by the Authority, \$57 million was funded from lottery proceeds, and \$24 million was funded by the Ravens. In 1996, the Authority issued \$87,565,000 Sports Facilities Lease Revenue Bonds, Series 1996 to begin funding this project. In 1997, the Authority issued \$4,640,000 Sports Facilities Lease Revenue Bonds, Series 1997, as additional funding for the project. The debt service for these revenue bonds is being provided through future appropriations by the State, pursuant to the Master Lease. The source of these appropria-

tions is lottery revenues generated for the benefit of the Authority. The project was completed in July 1998, and the Authority has agreed to lease the football stadium to the Ravens for 30 full football seasons.

Effective June 1, 1996, the Authority was authorized to provide for the development and construction of the Montgomery County Conference Center. The development of the Montgomery County Conference Center was expected to cost \$33,500,000. The Authority issued in January, 2003, \$23,185,000 in bonds for the project of which \$20,304,000 would be used for capital construction costs. Montgomery County is required to contribute \$13,196,000 toward capital construction costs. Construction started in February, 2003 and the project was completed in November, 2004. As of June 30, 2006, \$33,332,075 has been spent which also includes capitalized interest for the construction period.

Effective July 1, 2000, the Authority was authorized to implement the acquisition, renovation and construction of the Hippodrome Performing Arts Center. The Hippodrome Performing Arts Center includes the Hippodrome Theater and several adjacent properties. In July, 2002, the Authority issued \$20,250,000 in taxable bonds for the project of which \$17,400,000 were used for capital costs. The State of Maryland has contributed \$16,500,000 in general funds, the City of Baltimore was required to contribute \$6 million and \$26,562,317 has been provided from private contributions. All of the property has been acquired and construction has been completed. The project opened in February, 2004. The development cost for the Hippodrome Performing Arts Center as of June 30, 2006 is \$67,398,981 which also includes capitalized interest costs during construction.

In January 2003, the Authority received approval from the Legislative Policy Committee for the redevelopment of Camden Station located on the Camden Yards Complex. This historic building is the home of Sports Legends at Camden Yards and Geppi's Entertainment Museum. The Authority received approval from the Board of Public Works in December, 2003 to issue \$8.73 million in Lease Backed Taxable Bonds and issued them in March, 2004. Capitalized interest during the construction period will be paid from the bond proceeds of approximately \$582,000 and the balance of the proceeds will be used for the renovation. The State of Maryland was granted \$850,000 in matching funds for the Sports Legends at Camden Yards project. The Sports Legends at Camden Yards contributed the cost of improvements to their space of approximately \$6.0 million. Sports Legends at Camden Yards opened in May of 2005. Geppi's Entertainment Museum opened in September, 2006. The project cost approximately \$8.0 million in private and State funds.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Measurement Focus and Basis of Accounting

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are 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.

The Authority has the option under Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Authority has elected to not apply FASB pronouncements issued after the applicable date.

The Authority distinguishes operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

C. Cash Equivalents

For purposes of the statement of cash flows, 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 original maturities of three months or less.

D. Investments

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

NOTES TO FINANCIAL STATEMENTS

E. Capital Assets

Furniture and equipment are stated at cost and depreciated using the straight-line method over three to five years. The capitalization threshold for all capital assets is \$1,000. Other capital assets are stated at cost and depreciated using the straight-line method over the life of the related bond issue, 18 to 28 years.

F. Capital Leases Receivable

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

Any costs incurred in the construction or expansion of the stadiums, convention centers and theater over the capital lease receivable are recorded as other capital assets. Other capital assets are depreciated on the straight-line basis over the lesser of the estimated useful life of the underlying asset leased to the State or the remaining term of the debt issued to finance the underlying assets leased to the State.

G. Deferred Financing Costs

Financing costs associated with the issuance of bonds and notes are deferred and amortized over the life of the debt using the effective interest method.

H. Project Advances

The Authority is overseeing 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. Total advances during the year ended June 30, 2008 was \$0.

I. 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.

NOTES TO FINANCIAL STATEMENTS

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

J. 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 Maryland Stadium Authority's assets are restricted in accordance with Sections 13-715, 13-716, 13-717, 13-717.1, and 13-717.2 of the Financial Institutions Article of the Annotated Code of Maryland.

K. Accounting for Termination Benefits

The Maryland Stadium Authority does not record accruals for early termination benefits for employee services.

L. Reporting for Impairment of Capital Assets and Insurance Recoveries

The Maryland Stadium Authority did not receive any funds related to the impairment of capital assets or for insurance recoveries during fiscal year 2008.

3. DEPOSITS AND INVESTMENTS

At June 30, 2008, the Authority had cash on deposit in an internal pooled cash account with the Maryland State Treasurer (the Treasurer). 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 internal cash pool functions similar to a mutual fund in the sense that each state agency holds a share of the pool. The State Treasurer's Office invests pooled cash balances on a daily basis. The investment consists of direct purchases of securities or repurchase agreements. The carrying value of cash on deposit with the Treasurer at June 30, 2008 was \$1,046,066. All amounts held on deposit by the Treasurer are unrestricted.

The carrying value of other deposits at June 30, 2008 and the associated bank balances are \$295,256. Those balances are covered by federal depository insurance and are unrestricted.

The Authority has \$74,571 held in an account with the Bank of New York. These restricted funds are required to be available if needed under the 1998 or 1999 remarketing agreements. This deposit is uninsured and uncollateralized.

At June 30, 2008, the Authority has \$1,548,500 of unspent master equipment lease financing held with the State Treasurer. These funds are invested by the State Treasurer.

At June 30, 2008, the Maryland Stadium Authority had a balance of \$9,921,994 in funds held by trustees for various bond series. The Bank of New York holds \$699,548 and M & T Bank holds \$9,222,446. At June 30, 2008, \$9,921,994 is invested in various money market mutual fund accounts. The money market mutual funds used by M&T Bank and the Bank of New York are rated AAA by Moody's and S&P.

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2008, M & T Bank had the following investments and maturities:

Investment Type	Value	Investment Maturities (in Years) *(000)				
		Less than 1	1-5	6-10	11-15	More than 15
Money Market	\$9,222	\$9,222	-	-	-	-

As of June 30, 2008, the Bank of New York held the following investments and maturities:

Investment Type	Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	11-15	More than 15
Money Market	\$699,548	\$699,548	-	-	-	-

The Maryland Stadium Authority is restricted by the trust indenture for each bond issuance as to the type of investments that can be utilized. All transactions must be completed by the State of Maryland Treasurer's Office. The following language appears in each of the trust indentures:

"Qualified Investments" shall mean, to the extent permitted by law:

- (i) Government Obligations;
- (ii) Money market investments, bonds, and other obligations of any state of the United States of America or of any local government unit of any such state which (a) are rated in the highest rating category by Moody's Aaa and S&P AAA based on the escrow, (b) are not callable unless irrevocable instructions have been given to the trustee of such bonds to give due notice of redemption and to call such bonds for redemption on the date(s) specified in such instructions; and, (c) are secured by cash and Government Obligations;
- (iii) Bonds, indentures or other evidences of indebtedness issued or guaranteed by the Federal Financing Bank, Federal Home Loan Bank, Export Import Bank, Federal National Mortgage Association or Government National Mortgage Associations;

NOTES TO FINANCIAL STATEMENTS

- (iv) Direct and general obligations of any state within the United States, to the payment of principal and of the interest on which the full faith and credit of such state is pledged, providing such obligations are rated in either of the two highest rating categories by Moody's Aaa and by S&P AAA;
- (v) Obligations of any state of the United States of America or any political subdivision thereof which shall be rated in the highest rating categories by Moody's Aaa and by S&P AAA;
- (vi) Certificates of deposits, whether negotiable or non-negotiable, and banker's acceptance of any bank in the United States whose deposits are insured by the Federal Deposit Insurance Corporation, or any savings and loan association in the United States whose deposits are insured by the Federal Savings and Loan Insurance Corporation, provided that such certificate of deposit or banker's acceptance is from a bank or from a savings and loan association having combined capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) and provided further that such certificate of deposit or banker's acceptance is secured by Government Obligation with a money market value (determined at least weekly) of not less than 103% of the principal amount thereof and the Trustee shall receive an opinion of counsel acceptable to it in a form acceptable to it, without material qualifications, stating that such Governmental Obligations are subject to a first perfection security interest in favor of the Trustee;
- (vii) Any repurchase agreement which by its term matures not later than 1 year from its date of execution with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or governmental bond dealer by the Federal Reserve Bank of New York, which agreement is secured by securities described in clauses (1) above which securities shall at all times have a market value (exclusive of accrued interest) as estimated by the Authority of not less than one hundred three percent (103%) of the full amount of the repurchase agreement, dates of maturity not in excess of 1 year and be delivered to the State Treasurer or another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian, and the custodian must have a first perfected-security interest on and retain possession of the collateral free and clear of all third party claims and the agreement, by its terms, requires the States Treasurer or custodian to determine the market value of the collateral at least weekly and to liquidate the collateral if not maintained at the levels contained in this paragraph.

4. INCOME FROM STATE AND MUNICIPAL SOURCES

Contributions from the primary government represents payments received from the State of Maryland under the Master Lease and other agreements to fund debt service, operating deficits, and certain development costs for various Authority projects.

During 2008, Baltimore City made an annual contribution of \$1 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.

5. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2008 consists of the following:

Baltimore Orioles	\$ 4,503,058
State of Maryland	3,609,068
City of Baltimore	508,000
Others	3,844,220
Subtotal	12,464,346
Less allowance for bad debts	(323,803)
Total	\$ 12,140,543

6. NOTE RECEIVABLE

Under the Orioles' lease, the 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 and furnishing and renovation costs over a five-year period with interest at 6.5%, which will be adjusted on April 1, 2012 to the prime rate of interest plus 1.75%.

Future note receivable payments to be received as of June 30, 2008 are as follows:

2009	324,959
2010	270,776
2011	270,776
2012	270,776
2013	270,776
2014-2018	1,353,880
2019-2023	1,150,786
Total	\$ 3,912,729

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS 7. CAPITAL LEASES RECEIVABLE

At June 30, 2008, the capital leases receivable consists of the following:

Total minimum lease payments to be received	\$ 398,854,662
Less unearned interest income	(130,784,662)
Principal balance on outstanding debt	268,070,000
Less liquid assets to be used in construction	(9,922,179)
Total	\$ 258,147,821

Future minimum lease payments to be received as of June 30, 2008 are as follows:

2009	31,539,197
2010	31,603,199
2011	31,690,979
2012	31,860,976
2013	31,864,979
2014-2018	137,267,294
2019-2023	80,115,705
2024-2026	22,912,333
Total	\$ 398,854,662

	Beginning Balance	Additions	Reductions	Ending Balance
Capital lease receivable:				
Camden Yards	\$ 191,024,541	\$ 2,857,313	\$ 9,265,000	\$ 184,616,854
Baltimore City Conv Ctr	31,514,725	0	3,414,235	28,100,490
Ocean City Conv Ctr	10,599,994	5	945,000	9,654,999
Montgomery County	18,798,379	942,026	875,000	18,865,405
Hippodrome	17,633,604	0	723,531	16,910,073
Capital lease receivable	\$ 269,571,243	\$ 3,799,344	\$ 15,222,766	\$ 258,147,821

NOTES TO FINANCIAL STATEMENTS

8. CAPITAL ASSETS

Furniture and equipment and other capital assets activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets:				
Fixed Assets	\$ 8,217,512	\$ 5,531,660	0	\$ 13,749,172
Camden Yards	259,912,036	1,184,640	2,857,313	258,239,363
Baltimore City Conv Ctr	6,538,295	199,235	0	6,737,530
Ocean City Conv Ctr	(26)	0	5	(31)
Hippodrome	52,464,127	3,531	0	52,467,658
Montgomery County	(98,196)	0	942,026	(1,040,222)
Total capital assets at historical cost	\$ 327,033,748	\$ 6,919,066	\$ 3,799,344	\$ 330,153,470
Less accumulated depreciation:				
Fixed Assets	\$ 4,113,108	\$ 1,300,061	0	\$ 5,413,169
Camden Yards	93,619,612	9,637,200	0	103,256,812
Baltimore City Conv Ctr	4,631,644	600,313	0	5,231,957
Ocean City Conv Ctr	0	0	0	0
Montgomery County	1,394	0	0	1,394
Hippodrome	8,989,326	2,962,829	0	11,952,155
Total accumulated depreciation	\$ 111,355,084	\$ 14,500,403	0	\$ 125,855,487
Capital assets, net	\$ 215,678,664	(7,581,337)	\$ 3,799,344	\$ 204,297,983

9. CURRENT ACCOUNTS PAYABLE AND ACCRUED EXPENSES

At June 30, 2008, accounts payable and accrued expenses consisted of the following:

Trade payables	\$ 4,829,020
Compensated absences	25,000
Accrued parking	40,952
Workers' compensation	33,480
Total	\$ 4,928,452

NOTES TO FINANCIAL STATEMENTS

10. BONDS PAYABLE AND CAPITAL LEASES

Bonds payable and capital leases as of June 30, 2008 consist of the following:

Revenue bonds payable:

1995 Series: Issued \$17,340,000 in October 1995 at 4.80% to 5.38% per annum, due in varying installments through December 15, 2015	\$ 9,655,000
1998 Series A: Issued \$16,300,000 in December 1998 at a variable rate, due in varying installments through December 15, 2019	14,460,000
1999 Series: Issued \$121,380,000 in December 1999 at a variable rate, due in varying installments through December 15, 2019	92,775,000
2002 Series: Issued \$10,250,000 in July 2002 at 3.0% to 5.7% per annum, due in varying installments through September 15, 2013	6,410,000
2002 Series: Issued \$20,250,000 in July 2002 at 5.0% to 6.25% per annum, due in varying installments through June 15, 2022	17,000,000
2003 Series: Issued \$23,185,000 in January 2003 at 2.0% to 5.0% per annum, due in varying installments through June 15, 2024	19,815,000
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	8,360,000
2006 Series: Issued \$31,600,000 in December 2006 at a variable rate; due in varying installments through December 15, 2014	28,385,000
2007 Series: Issued \$73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	71,210,000
Revenue bonds payable	\$ 268,070,000

Capital leases:

2007 Master equipment lease financing in December 2007 at 5.6% rate, due in varying installments through January 1, 2018	3,500,000
Plus unamortized premium (includes unamortized premiums related to both series of 2002, 2003 and the 2004 revenue bonds payable of \$3,514, \$63,586, \$1,521, and \$98, respectively, as of June 30, 2008)	68,719
Subtotal carried forward	\$ 271,638,719

Capital leases:

Less unamortized discount (includes unamortized discount relating to the 1995 and 1996 revenue bonds payable of \$11,197 and \$70,462, respectively, as of June 30, 2008)	(81,659)
Total revenue bonds payable and capital leases	\$ 271,557,060



NOTES TO FINANCIAL STATEMENTS

On October 15, 1995, the Authority issued Ocean City Convention Center Expansion Lease Revenue Bonds, Series 1995, to finance, together with certain other funds, the expansion and renovation of the Ocean City Convention Center. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 4.80% to 5.38% per annum. This issue contains \$13,265,000 of serial bonds that mature in varying amounts through December 15, 2013 and a \$2,815,000 term bond that matures December 15, 2015. The term bond requires a sinking fund redemption beginning December 15, 2014.

On December 10, 1997, the Authority issued the tax-exempt Sports Facilities Lease Revenue Bonds, Series 1997, to finance, the construction of the football stadium and to refinance, in part, the costs of acquiring and preparing the property at the Stadium site. Principal and interest on the Series 1997 Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at 4.66% per annum. These bonds mature on December 15, 2008.

On December 15, 1998, the Authority issued the taxable Sports Facilities Lease Revenue Refunding Bonds, Series 1998 A and B, to retire, together with certain other funds, the Authority's Sports Facilities Lease Revenue Notes, Series 1989 C, and to pay related financing and issuance costs. Principal and interest on the Series 1998 A and B Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. The interest rates for the Series 1998 A and B Bonds are based on the 30-day USD LIBOR, which is reset weekly.

On December 9, 1999, the Authority issued the tax-exempt Sports Facilities Lease Revenue Refunding Bonds, Series 1999, to retire, together with certain other funds, the Series 1989 D Bonds. The Series 1989 D Bonds were used to finance the construction of Oriole Park at Camden Yards and in part to refinance the costs of acquiring and preparing the property at the site. The interest rate for the Series 1989 D Bonds is based on the 30 day USD LIBOR, which is reset weekly.

On July 10, 2002, the Authority issued taxable Sports Facilities Lease Revenue Bonds, Series 2002, to retire, the 2001 Bond Anticipation Notes. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 3.0% to 5.7% per annum. The bonds mature serially in varying amounts through September 15, 2013.



NOTES TO FINANCIAL STATEMENTS

On July 10, 2002, the Authority issued taxable Hippodrome Performing Arts Center Taxable Revenue Bonds, Series 2002, to finance, together with certain other funds, renovation of the Hippodrome Performing Arts Center. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 5.0% to 6.25% per annum. The bonds require a sinking fund redemption beginning June 15, 2014.

On January 14, 2003, the Authority issued tax-exempt Montgomery County Conference Center Lease Revenue Bonds, Series 2003, to finance, together with certain other funds, construction of the Montgomery County Conference Center. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 2.0% to 5.0% per annum. The bonds mature serially in varying amounts through June 15, 2024.

On March 2, 2004, the Authority issued taxable Camden Station Lease Revenue Bonds, Series 2004, to renovate Camden Station located at Camden Yards. Principal and interest are payable primarily from the basic rent to be paid by the State of Maryland 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 December 9, 2006, the Authority issued the Tax Exempt Baltimore Convention Center Lease Revenue Refunding Bonds, Series 2006, to retire the Series 1994 Bonds. The Series 1994 Bonds, (along with other sources) were used to finance the construction of the expansion of the Baltimore Convention Center. The interest rate for the Series 2006 Bonds is calculated weekly by its remarketing agent using the 30 Day USD LIBOR.

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 Complex. The interest rate for the Series 2007 Bonds is calculated weekly by the remarketing agent using the 30 Day USD LIBOR.

In December, 2007, the Authority received Board of Public Work's approval to borrow \$3.5 million from the State of Maryland Master Equipment Lease Financing Program. Principal and interest are payable from excess revenues generated at the Camden Yards Complex. Interest is payable semiannually at the rate of 5.6% per annum. This financing is set to mature on January 1, 2018.

NOTES TO FINANCIAL STATEMENTS

Debt service requirements subsequent to June 30, 2008 are as follows:

Year ending June 30	Principal Maturities	Interest	Total
2009	\$ 15,557,204	\$ 16,378,100	\$ 31,935,304
2010	16,580,380	15,473,241	32,053,621
2011	17,649,835	14,491,400	32,141,235
2012	18,814,997	13,496,058	32,311,055
2013	20,065,901	12,248,973	32,314,874
2014-2018	96,986,683	42,526,995	139,513,678
2019-2023	65,425,000	14,690,705	80,115,705
2024-2026	20,490,000	2,422,335	22,912,335
	\$ 271,570,000	\$ 131,727,807	\$ 403,297,807

11. DEFERRED REVENUE, 1999 REFUNDING AND INTEREST RATE SWAPS

On October 1, 1993, the Authority entered into certain Interest Rate Swap Agreements, a liquidity guarantee agreement, and certain forward bond purchase and remarketing agreements for the purpose of realizing cost savings associated with the refunding of the Series 1989 C Notes and the Series 1989 D Bonds fixed rate debt. At the call dates, December 15, 1998 and December 15, 1999 for Series 1989 C Notes and Series 1989 D Bonds, respectively, the Authority extinguished the existing fixed rate debt with the proceeds from newly issued variable rate debt. 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. For the above agreements, the Authority is making payments equal to the debt service on the previously existing fixed rate debt. The Authority receives variable rate payments equal to the payments due on the new debt.

The Authority received \$15,522,129 and \$3,313,500 on April 1, 1996 and June 10, 1998, respectively, pursuant to the above swap agreements as premiums on the swap agreements. These premiums have been recorded as deferred revenues and are being amortized over the life of the corresponding variable rate debt. The swap premiums were used toward the cost of constructing the football stadium. In addition, semiannual liquidity fees were required for the October 1, 1993 Swap Agreement under the liquidity guarantee agreement through the issue date of the new variable rate debt. The fees, which totaled \$760,762, are included in deferred financing costs and are being amortized over the life of the new variable rate debt.

As indicated in Note 10, on December 9, 1999, the Authority issued, in accordance with the October 1, 1993

NOTES TO FINANCIAL STATEMENTS

Swap Agreement, tax-exempt variable rate bonds, Series 1999, to retire the \$121,380,000 of outstanding Series 1989 D Bonds. This refunding resulted in an excess of the reacquisition price over the net carrying amount of the old debt of \$3,467,367. This difference, which is reported as a deduction from lease revenue bonds payable, is being amortized to interest expense through the year 2019, the life of the new bonds. The Authority completed the refunding to reduce its debt service payments by \$1,727,891 and to obtain an economic gain of \$10,323,329.

Recognition of deferred revenue subsequent to June 30, 2008 is as follows:

2009	\$ 1,346,474
2010	1,281,727
2011	1,213,516
2012	1,147,620
2013	1,057,497
2014-2018	4,038,361
2019-2023	703,543
2024-2026	104,541
Total	\$ 10,893,279

Objective of the Interest Rate Swaps. The Authority entered into four swaps: two (2) swaps dated as of October 1, 1993, and two (2) swaps dated June 10, 1998. The 1999 Swap Agreement and the 1998 Swap Agreement were entered into on October 1, 1993 along with other agreements corresponding with the issuance of the Authority's Series 1999 Bonds and the Series 1998 Bonds for the purpose of realizing certain cost savings associated with refunding the Authority's Series 1989D Bonds and the Series 1989C Notes. The Authority received a payment of \$15,522,129 from AIG Financial Products ("AIG-FP"), the counterparty, in order to induce the Authority to enter into the swap agreements. The Authority entered into the Convention Center Swap Agreement and the Football Swap Agreement on June 10, 1998, along with other agreements associated with the planned future refunding of the Authority's Series 1994 Bonds and the Series 1996 Bonds at the first par call date of the Series 1994 Bonds and the Series 1996 Bonds, 2006 and 2007, respectively. The Authority received a payment of \$3,313,500 from Ambac Financial Services, L.P. ("Ambac"), the counterparty, in order to induce the Authority to enter into the swap agreements.

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 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, 2008, are as follows:

Associated Bond Issue	Notional Amount	Trade Date	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counterparty Rating
Series 1999	\$ 92,775,000	10/1/93	12/15/99	5.540%	Bond Rate*	\$(23,792,183)	Dec. 2019	AAA/Aa3
Series 1998	14,460,000	10/1/93	12/15/98	7.510%	1 Month LIBOR	(2,512,591)	Dec. 2019	AAA/Aa3
Series 2006+	28,075,000	6/10/98	12/15/06	5.83% to 5.88%**	Bond Rate*	(2,705,116)	Dec. 2014	AAA/Aa3
Series 2007+	70,865,000	6/10/98	03/01/07	5.69% to 5.80%**	Bond Rate*	(13,469,559)	March 2026	AAA/Aa3
	\$ 206,175,000					\$(42,479,449)		

* Rate paid on associated **tax-exempt variable rate** bond issue

+ Bonds have not been issued.

** Calculated rate based upon the fixed payments established in the swap agreements divided by the notional amount outstanding at each fixed rate payment date.

Fair Value. Because interest rates have declined from rates that were in effect on dates the swaps were entered into, all swaps have a negative fair value as of June 30, 2008. The fair values of the swaps were developed by an independent pricing consultant to the Authority that does not have a financial interest in the swaps, using a market accepted method similar to the zero coupon method example described in the GASB Technical Bulletin No. 2003-1 of calculating fair value. The methodology used consists of calculating the future net settlement payments required by the swap agreement, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement date of the swap.

Credit Risk. As of June 30, 2008, 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. American International Group, Inc. which provides a guarantee to the counterparty for the 1999 Swap and the 1998 Swap was rated AA- by Standard and Poor's and Aa3 by Moody's Investors Service as of June 30, 2008. AMBAC Assurance Corporation, the counterparty to the Convention Center Swap and The Football Swap was rated AAA by Standard and Poor's and Aa3 by Moody's Investors Service as of June 30, 2008. To mitigate the potential for credit risk for the 1999 Swap and the 1998 Swap, if the guarantor's long-term unsecured unsubordinated debt ratings are suspended by either S&P or Moody's or the guarantor's ratings fall below AA- or Aa3 by S&P and Moody's,

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

the fair value of the associated swap will be fully collateralized with cash or securities. Collateral would be posted with an independent third party custodian. In addition, if the Authority's ratings for debt secured by the master lease with the State of Maryland fall below BBB+ or Baa1 by S&P and Moody's or are suspended, the fair value of the swap will be fully collateralized by the Authority with cash or securities. Collateral would be posted with an independent third party custodian. The Authority was rated AA+ by Standard and Poor's and Aa2 by Moody's Investors Service as of June 30, 2008.

Basis Risk. As of June 30, 2008, the 1999 Swap, the Convention Center Swap and the Football Swap do not expose the Authority to basis risk. The Authority is receiving a variable rate payment from the counterparty on the 1999 Swap equal to the variable rate it pays on the associated bonds. Under certain circumstances, the counterparty could pay an alternative floating rate to the Authority which would not be equal to the variable rate interest accrued on the Series 1999 Bonds, which would subject the Authority to basis risk. The Convention Center Swap and the Football Swap have not reached their respective payment start dates. The 1998 Swap does expose the Authority to basis risk. The Authority is receiving a variable rate payment from AIG-FP equal 100% USD-LIBOR-BBA reset monthly and pays a floating rate on the Series 1998 Bonds, which is currently remarketed at a taxable rate mode that is reset weekly. If the rates on the index are below the floating rates on the Series 1998 Bonds, the Authority is liable for the difference.

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 swap's fair value.

Swap Payments and Associated Debt. As rates vary, variable-rate bonds interest payments and net swap payments will vary. Using rates as of June 30, 2008, for the debt service requirements of the Authority's outstanding variable rate bonds and using the forward rates as of the effective date for the Authority's forward starting swap, the net swap payments are as follows:

NOTES TO FINANCIAL STATEMENTS

Variable - Rate Bonds ⁽¹⁾⁽²⁾

Fiscal Year Ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2009	\$ 12,435,000	\$ 8,330,219	\$ 3,724,818	\$ 24,490,037
2010	13,190,000	7,815,425	3,513,558	24,518,983
2011	13,995,000	7,268,971	3,284,478	24,548,449
2012	14,850,000	6,688,881	3,037,311	24,576,192
2013	15,760,000	6,072,945	2,774,850	24,607,795
2014	16,730,000	5,418,886	2,494,831	24,643,717
2015	17,760,000	4,724,284	2,195,948	24,680,232
2016	13,805,000	4,091,958	1,919,788	19,816,746
2017	14,660,000	3,509,403	1,682,235	19,851,638
2018	15,570,000	2,890,318	1,429,813	19,890,131
2019	16,545,000	2,232,180	1,161,583	19,938,763
2020	17,555,000	1,532,910	876,577	19,964,487
2021	4,580,000	1,133,977	704,260	6,418,237
2022	4,845,000	959,068	615,820	6,419,888
2023	5,125,000	774,042	522,258	6,421,300
2024	5,420,000	578,338	420,712	6,419,050
2025	5,735,000	371,331	313,359	6,419,690
2026	6,070,000	152,273	199,787	6,422,060
Total	\$ 214,630,000	\$ 64,545,409	\$ 30,871,986	\$ 310,047,395

(1) Includes principal, interest and net swap payments on the Convention Center Swap and Football Swap agreements and related bonds, expected to be issued in FY 2007.

(2) Using rates as of June 30, 2007, for debt service requirements of the Authority's outstanding tax-exempt and taxable variable rate bonds (4.03% and 5.36%) and using the forward rates (3.85% and 3.75%), as of the effective date, for the Authority's forward starting Convention Center Swap and Football Swap, respectively.

** Calculated rate based upon the fixed payments established in the swap agreements divided by the notional amount outstanding at each fixed rate payment date.

12. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 652,270	\$ 53,724	\$ 45,934	\$ 660,060	\$ 25,000
Workers' compensation	175,000	41,000	0	216,000	33,480
Lease revenue bonds payable, net	283,078,417	3,503,608	15,024,965	271,557,060	15,557,204
Deferred revenue	12,297,612	0	1,404,333	10,893,279	1,346,474
Total	\$296,203,299	\$3,598,332	\$16,475,232	\$283,326,399	\$16,962,158

NOTES TO FINANCIAL STATEMENTS

13. OPERATING LEASES

A. Lease Rental Income

The Authority has leased certain office space in the Camden Yards Warehouse to various tenants with terms ranging from 3 years to 20 years. The future minimum lease rentals to be received on non cancelable operating leases as of June 30, 2008 are as follows:

2009	\$ 3,683,471
2010	3,525,498
2011	3,618,669
2012	3,642,633
2013	3,529,876
2014-2026	12,646,215
Total	\$ 30,646,362

Lease rental income for the year ended June 30, 2008 was \$3,995,316.

14. RETIREMENT PLANS

A. Maryland State Retirement and Pension System

The Authority contributes to the Retirement and Pension System of Maryland (the System), established by the State to provide pension benefits for State employees of various participating entities within the State. Although the System is an agent, multiple-employer public employee retirement system, the System does not perform a separate valuation for the Authority, and the Authority's only obligation to the System is its required annual contribution. The System is considered part of the State's financial reporting entity and is not considered part of the Authority's reporting entity. The System prepares a separate Comprehensive Annual Financial Report, which can be obtained from the Retirement and Pension System of Maryland at the State Office Building, 120 East Baltimore Street, Baltimore, Maryland 21202.

B. Maryland Pension System

The Maryland Pension System is administered in accordance with article 73B of the Annotated Code. All State employees hired into positions that are permanently funded and employees of the participating entities are eligible for coverage by the plan.

C. Funding Policy

The Authority's required contribution is based upon actuarial valuations. Effective July 1, 1980, in accordance with the laws governing the System, all benefits of the System are funded in advance. 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, 2008, 2007, and 2006 of \$442,899, \$304,930, and \$214,826, respectively.

D. Post Retirement Benefits

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. The Authority's cost of retirees' health care benefits is expensed when paid, and totaled \$0 for the year ended June 30, 2008.

15. COMMITMENTS

In 1995, approximately \$235 million in bonding capacity was set aside for the Camden Yards Sports Complex. Approximately \$90 million of this amount was unused. This money was set aside for the City of Baltimore to find a football team. If the City did not obtain a team by December 31, 1995, then the money was to be distributed into a public school construction fund. In November, 1995, the City secured the Baltimore Ravens football team. As a result, a portion of the money that was set aside for the construction of public schools in the Baltimore area was now to be used for the construction of the football stadium. Consequently, the legislators in Annapolis took the stance that, because the Ravens will benefit from being in Baltimore, the Authority should contribute an amount to the Public School Construction Fund. Pursuant to legislation enacted effective April, 1996, the Authority is committed to pay \$24 million into the Public School Construction Fund over 10 years, or \$2,400,000 per year, beginning in fiscal year 2001. The Authority has committed to pay the annual amount in \$200,000 monthly increments. The Authority made its first installment of \$2,400,000 during fiscal 2001. The Authority was relieved of its fiscal 2002 and 2009 obligation through the approval of the State's Budget. A payment for the years ended June 30, 2007 and 2008 were required and paid.

16. LITIGATION

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

17. SUBSEQUENT EVENT

In September 2008, the Series 1998A bond issue with a variable rate was downgraded, in part, due to the credit crisis experienced in the financial markets worldwide. As a result of the rating downgrades, approximately \$8.0 million of bonds from the Series 1998A were tendered. The bonds were not successfully remarketed and have been converted to Bank Bonds under the Stand-By Agreement with Dexia Credit Local. According to the terms of the agreement, the Bank Bonds will be defeased over a 60-month period commencing 180 days after the conversion as of this report's issuance date.

NOTES TO FINANCIAL STATEMENTS

THE STEADY HAND AT THE HELM



From September, 2007 through November, 2008, Dave Raith served as Acting Executive Director of Maryland Stadium Authority while continuing his responsibilities as Chief Financial Officer.

With his guidance, MSA completed the Southern Maryland Baseball Stadium, began construction on the Coppin State Physical Education Complex, and conducted studies for a new Prince George's County soccer stadium and expansion of the Ocean City Convention Center.

Dave oversaw a number of capital improvements to the Camden Yards Complex, including installation of a new video scoreboard system, completed for the 2008 season; contracting for a new control room and sound system for the 2009 season, and upgrades in the suites and club level areas of both stadiums.

He was instrumental in implementing green policies, which include recycling, landscaping, energy reduction and raising environmental awareness in the maintenance of our facilities. On his watch, a new contract for cleaning services was negotiated and implemented, forging a partnership with a non-profit organization which provides employment opportunities for developmentally disabled adults.

Through his efforts, the pedestrian overpass at M&T Bank Stadium was opened for regular use, providing a connection for the Gwynns Falls Trail.

Dave garnered the respect, cooperation and appreciation of MSA staff as he provided leadership to the agency, and stewardship of the State treasure that is Camden Yards.

Martin O'Malley, *Governor*
Anthony G. Brown, *Lt. Governor*

Maryland Stadium Authority

Frederick W. Puddester, *Chairman*

Leonard J. Attman

Demaune Millard

John Morton, III

Victoria Rosellini

Howard M. Stevens, Jr.

Richard Stewart

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