

# Maryland Stadium Authority

## Annual Report 2009





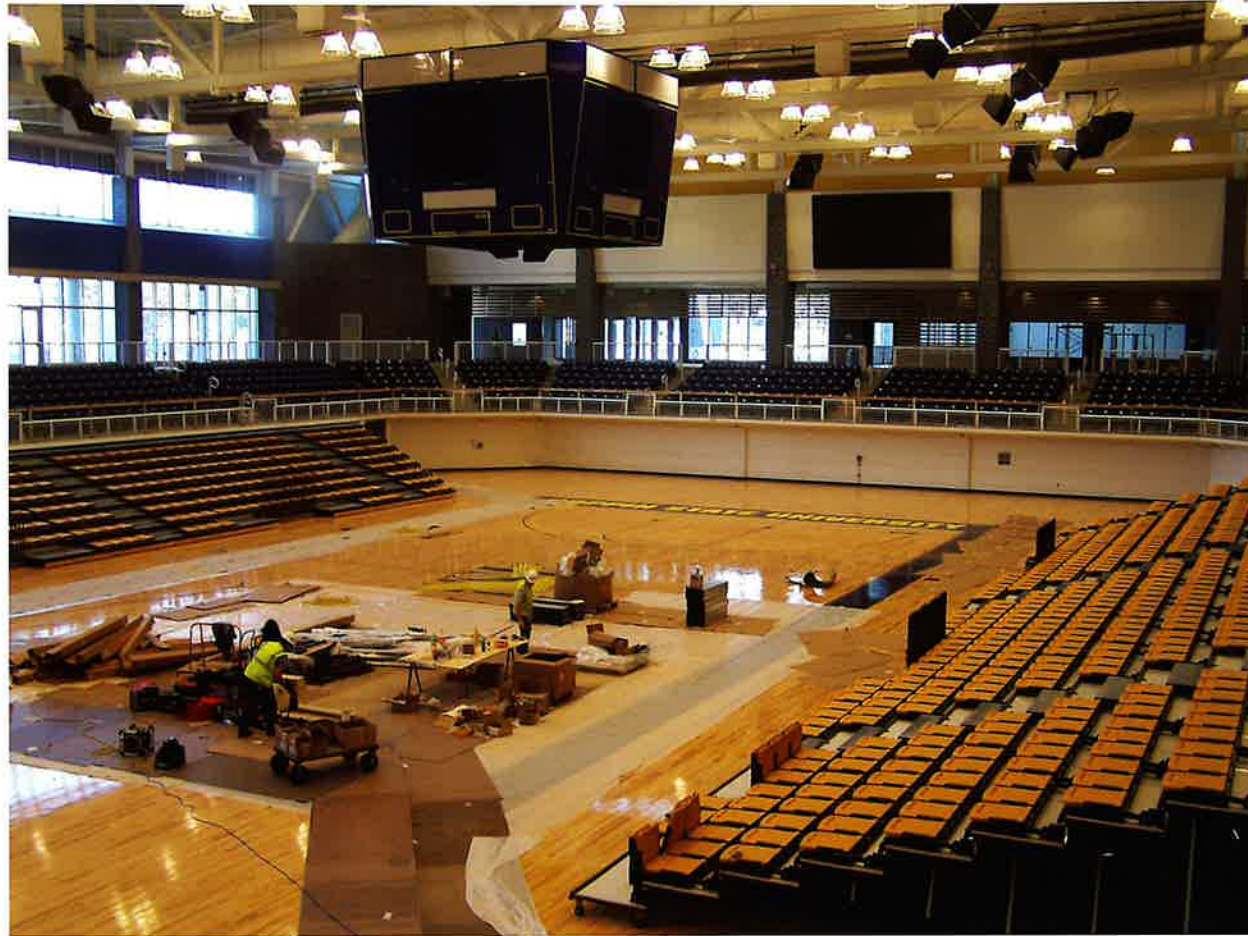
# Maryland Stadium Authority

## Annual Report 2009





# NEW PHYSICAL EDUCATION COMPLEX, COPPIN STATE UNIVERSITY



## 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 enjoyable experiences for citizens of all ages and interests and sources of civic pride.

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<b>Our Favorite All-Stars</b>	Inside Back Cover

*On the Front Cover: New Physical Education Complex,  
Coppin State University.*

*Left Page: Arena and pool are nearly complete.*

*Left Page Bottom: Project Director Eric Johnson explains  
construction layout to MSA staff, October 2009.*



## Leading by Example

The Maryland Stadium Authority builds and manages some of the most visible properties in our State. Millions of visitors attend events at Camden Yards every year, and many more pass through this gateway to the City of Baltimore.

Because of this prominence, the Maryland Stadium Authority has the responsibility to lead by example in implementing policies of the O'Malley-Brown administration. We regard our stewardship as an opportunity to showcase these efforts and educate the public to best environmental practices. In 2009, we made great progress with increased recycling, resource conservation, and sustainable landscaping at Camden Yards.

We are proud that our most recent project, the Physical Education Complex at Coppin State University, will qualify for LEED Silver certification, just as we celebrate its completion on time and on budget with greater than 40% Minority Business Enterprise participation.

The Maryland Stadium Authority also took the lead in fiscal restraint when we voted to cut our 2011 budget by \$10 million in an effort to curb spending and minimize the state's funding of the agency.

In 2009, Maryland Stadium Authority retained Hillard Heintze, a recognized expert in security strategies and investigations, to evaluate the safety measures in place at Camden Yards and recommend ways to strengthen security processes and procedures. We intend to provide the safest possible environment for the millions of spectators who visit our facilities every year.

Camden Yards is a Maryland treasure, and the Maryland Stadium Authority is committed to maintaining it to the highest standards and maximizing return on investment. Working with the Maryland Office of Sports Marketing and our tenant partners, we continue to attract more activities and events to our facilities and allow more people to enjoy them. In 2009, we landed a World Football Challenge, (Chelsea FC-AC Milan,) two future Army-Navy games, and the 2010-2011 NCAA Men's Lacrosse Championship – all of which contribute millions of dollars to the regional economy.

Maryland Stadium Authority makes Maryland a more exciting place to live, work and visit. We are proud to demonstrate leadership in fiscal restraint and environmental sensitivity while doing so.

Sincerely,

**John Morton, III, Chairman**

## CHAIRMAN'S LETTER



*Left Page: Photo of John Morton, III by Nicholas Griner.*

## MANAGING VALUABLE STATE RESOURCES

The \$9.1 million enhancement of the Oriole Park audio visual system, which began with the 2008 installation of new video boards, was completed prior to the 2009 season. The new control room and sound system, unveiled in April, enables full capability of the features.

With the completion of the system, the old televisions in the park were replaced with 50 new screens in the concourse and 77 outside the suites.



*Right Page: The completion of the Control Room in Oriole Park prior to the 2009 season made high definition and enhanced graphic design possible for the video boards installed in 2008.*



It took only a few minutes to realize that Camden Yards is still the reigning star of the modern era of ballparks. With the brick warehouse and the open air food court out behind right field, and the three tiers of handsome green stands, and a glimpse of downtown out behind center field, including two trees with their hopeful white spring buds, it is way ahead of the two new places in New York.

— April 7, 2009, *New York Times*



New Oriole Park signs were erected on the Warehouse in 2009.



Left Page Middle: A rendering of the new M&T Bank Stadium video scoreboard, awarded in 2009.

Left Page Bottom: Seats are removed from the Oriole Park bowl in November 2009. After restoration of infrastructure, new seats will be added in time for the 2010 season.



Right Page Middle & Bottom: Press Room level, Suites, and Home Plate entrance to Oriole Park were renovated in 2009.



In October 2009, the Stadium Authority Board approved a Capital Improvements Plan for Oriole Park, M&T Bank Stadium, and the Warehouse. Due to budget constraints, the scope of the complex renovations was scaled back considerably from its original conception. However, by phasing the renovations over a three year period, MSA management developed a plan to address the most pressing maintenance issues and fund them with no incremental budget request to the State.

The financing plan for the initial phase of the CIP was approved by the Board of Public Works in December, and includes

- restoration of the seating bowl
- energy saving upgrades throughout the complex,
- replacement of the M&T Bank Stadium video boards and control room (in partnership with the Ravens.)





# Camden Yards: A Crossroads in Time

**On to Yorktown** Washington-Rochambeau Revolutionary Route National Historic Trail



Our nation never had more at risk than it did in September 1781. The American Revolutionary War – the War for Independence – had raged for nearly six years.

More than 4,000 American and French troops, allied in their fight against the British, had marched from New York and invaded Baltimore for four days before advancing toward Yorktown, Virginia. At the time, Baltimore was a city of less than 10,000 residents.

One regiment, the Soissonnais of French forces, was encamped at this site. Across the harbor to the east, the Royal Du Pont, a German regiment under France, camped along Hartford Run (Central Avenue) in Jonestown. Others were situated along the Jones Falls, or what is now North Charles Street. The French Cavalry, artillery, and baggage train camped just to the north of Market, now Baltimore Street between Poca and Howard Streets. A brigade of American troops rested at Fells Point.

Two days after hearing how a French naval fleet overcame the British at the Battle of the Capes in Virginia, the allied forces departed from Baltimore on September 15.

The defeat of British forces at the Battle of Yorktown in October was pivotal. On October 19, 1781, British commander Lord Charles Cornwallis surrendered his army to General George Washington. Within two years, the Treaty of Paris ended the war. America had emerged with its independence.



In 2009, Maryland Stadium Authority saw a ten year effort come to fruition with a wayfinding sign marking the encampment site of French regiments who fought with the Continental Army at the Battle of Yorktown.

The Washington Rochambeau Revolution Route, stretching from Rhode Island to Virginia, was designated by Congress as a national trail in August 2009. The interpretive sign, which will be erected on the east side of the complex near Camden Station, is one of Maryland's first on the national trail.

On the south side of the campus, where M&T Bank Stadium meets the redeveloping Camden Carroll Industrial

Park, the Gwynns Falls Trail Council is planning a directional kiosk and historic marker denoting the railroad history of the area, once known as "Bailey's Wye". The map will indicate how our complex connects to Federal Hill, downtown, and the Inner Harbor via the Gwynns Falls Trail. This is expected to be in place by early 2010.

Along Ravens Walk, another milestone marker is planned—a permanent "Finish Line" for the Baltimore Marathon. This eye-catching strip will be a constant reminder of the popular annual event that generated \$25 million in 2009 alone.

## BALTIMORE MARATHON

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# Leading by Example

## PROTECTING THE ENVIRONMENT

### Energy Reduction

The Stadium Authority is committed to meeting Governor O'Malley's EmPower Maryland goal of reducing electricity consumption 15% by 2015.

Through Energy Performance Contracting with PEPCO Energy Services, MSA has the opportunity to reduce consumption by 19.4% and reduce greenhouse gases by almost 12 million pounds each year.

The PEPCO plan approved in 2009 will:

- install \$9 million in new energy infrastructure
- provide \$16 million in savings
- will reduce energy and water costs by 23.6%
- reduce energy use by 19.4%
- reduce water consumption by 12.9%
- provide better efficiency and comfort

Installation of the PEPCO upgrades, which began in late 2009, is expected to take 12 to 18 months to complete.



### Recycling

Recycling yields at the Camden Yards Complex continued to improve in 2009. Through a partnership with Coca Cola, both the Orioles and the Ravens stepped up efforts to encourage fan participation.

Coca Cola deployed attractive recycling receptacles in both stadiums and the Warehouse. Containers shaped like vintage Coke bottles were used at Oriole Park and "fan cans" topped with Raven helmets were deployed in and around M&T Bank Stadium and Ravens Walk.

Right Page Top: Vince Steier of MSA explains the energy-conservation features of the new control room to a group of Turkish government officials.

Right Page Bottom: Orioles' pitcher Jeremy Guthrie encourages recycling in this video aired during games.



Stadium Authority staff moved older containers to the tailgate areas to encourage recycling during pre-game activities.

In both stadiums, reminders about recycling were periodically broadcast on the video boards.

As a result, game day recycling escalated to 76.23 tons at Oriole Park in 2009, up from 19.92 for part of 2008. Recycling was also more efficient, with one ton of recycled material for every 21,761 patrons, as opposed to 25,173 patrons in 2008. At M&T Bank Stadium, 111 tons of material was recycled in 2009, above their goal of 100 tons.

Previously, the list of acceptable recyclables included only aluminum cans and plastic bottles. In 2009, this was expanded to include all cups, plastic tubs for cotton candy, and clean paperboard cardboard trays.

As in 2008, the Stadium Authority recycled discarded electronic components from the Oriole Park sound system through E Structures, a Maryland based environmental firm. In addition to saving landfill space, the responsible disposal of the obsolete electronics ensured the toxic elements would not contaminate the environment.



Left Page Top: The "Fan Cans" making their debut in 2009 captured more than admiring glances. They also contributed to a significant increase in game day recycling.

Right Page Top Far: Ornamental grasses and butterfly bushes stabilize an eroding bank below the pedestrian bridge to the light rail station

Right Page: Turf removed from the fuel pump station is replaced with colorful shrubs and permeable surface (both pictures).

## ENVIRONMENTAL LANDSCAPING



In 2009, the Stadium Authority took steps to make Camden Yards more environmentally sensitive through "bayscaping" techniques. These practices are part of a long term plan to reduce the need for irrigating, fertilizing, and mowing while providing soil retention and preventing runoff in the fragile watershed.

A modest plan to address several problem areas on the perimeter of M&T Bank Stadium was implemented in the spring. The eroding bank below the light rail pedestrian bridge was stabilized and beautified with drought resistant ornamental grasses and hardy purple butterfly bushes.



The failing swale, part of the original stormwater system feeding the retention pond, was replanted into a rain garden with decorative perennials, hollies, and soil retentive grasses that filter pollutants from nearby pavement.

Turf around the fuel dock was replaced with native vegetation and absorbent material to reduce runoff and maintenance.

A fall planting in other areas was postponed due to budget cuts. However, a partnership with the City of Baltimore provided MSA with the trees for the plan. A more economical version of the plan may be implemented in the future by growing perennials from seeds.

Another opportunity presented itself in 2009 when the landscape contractor responsible for Oriole Park terminated its relationship with the team. The Stadium Authority contracted with Maryland Correctional Enterprises to plant the grounds and receptacles for the 2009 season, incorporating more perennials in the design. This furthered MSA's overall plan to make Camden Yards an example of responsible stewardship, and to economize by reducing maintenance costs.

During this transition, MSA developed a concept for a more sustainable landscaping plan that would comply with the administration's commitment to energy conservation and environmental sensitivity. The goal is a national model for best practices in sustainable public design, an educational showcase for Maryland citizens, and a more beautiful ballpark.





# Green Marathon



The annual Baltimore Running Festival (Baltimore Marathon) enjoyed its highest turnout ever in 2009, with more than 20,000 participants from 44 countries and all 50 states.

However, its greatest success this year is measured in what it didn't generate: trash and carbon.

The world's first "Green Marathon" fulfilled its commitment to staging a sustainable event through incorporating these principles into new practices:

- Official Under Armour gear constructed with 100% recycled materials
- Waste reduction—all apparel and shoes discarded were collected and donated to the homeless, all leftover food was donated to shelters, all litter was collected by volunteers and sorted at waste stations along



the route for composting or recycling. In all, 75% of waste was recycled or composted.

- Print reduction—online registration and rule books, programs printed on recycled paper.
- Energy conservation—lead vehicles were hybrids, carbon credits were sold, festival village was powered by bio diesel.
- Trees—organizers partnered with conservation organizations to plant 100 trees along race route to contribute to urban canopy.
- Transportation—participants and spectators were encouraged to use light rail, buses, or carpool.

Top: The 2009 Baltimore Running Festival was the largest in history. It was also the most environmentally sensitive.

Bottom: The "Green Team" collected and sorted recyclables at stations along the route, starting at Camden Yards.



Together with the Orioles, MSA selected Beck, Powell and Parsons, Inc. landscaping to implement the plan during the offseason. Some of the features of the BP&P design include replanting existing shrubs and perennials, using drought resistant native species, replacing tulips with propagating bulbs, and modifying the irrigation system to greatly reduce water use.



Top: Maryland Correctional Enterprises planted the beds and receptacles in 2009. A sustainable master landscaping plan was adopted after the season, using perennials and native species that require less irrigation and maintenance. It will also provide greater canopy cover on the west side of the stadium with the addition of American redbud trees.

Bottom: Carolyn Wright of MSA tends to the Munstead lavender seedlings growing in the office windowsill. They will be transplanted to the perimeter of M&T Bank Stadium in the spring as a part of the effort to reduce emissions that result from mowing.

## Overall Target Savings:

- Less maintenance in mowing and watering.
- Less cost for fertilizer, herbicides, and reseeding.
- Less annual replacement, using perennials, propagating bulbs, ornamental grasses and trees.
- Reduced carbon footprint, energy cost in gas and electricity consumption.





In 2008, a partnership between the Maryland Stadium Authority and the Department of Business and Economic Development led to the formation of the Office of Sports Marketing, led by Terry Hasseltine. Its mission is to enhance Maryland's economy, image and quality of life through the attraction, promotion, retention and development of regional, national and international sporting events. Through this effort, the assets and appeal of Maryland as a destination are showcased to millions of visitors and viewers.



## MAXIMIZING REVENUE

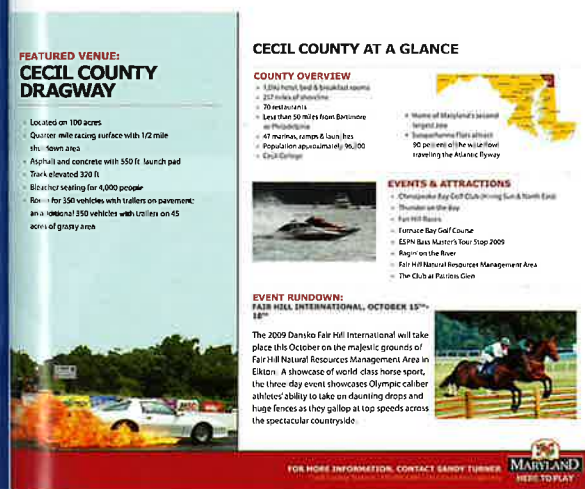
Sports travel is a \$182 billion dollar industry that continues to grow. A top ten business sector in the national economy, sports travel results in the use of more than 47 million hotel rooms annually.

Maryland, with its wealth of existing sports and recreation venues, has many additional assets to attract a far greater percentage of that market.

These include a compact geographic region – located in a central population area with a temperate climate—two major metropolitan media markets, and excellent access by road, rail, and air.

Maryland is “a tank of gas” state—from mountains to ocean; from New York to North Carolina. It is also a transportation hub for major carriers. Maryland is a four season state, with numerous activities and attractions year-round.

With these advantages, Maryland needed a marketing strategy to attract regional, national and international events to the state for sports and recreational activities.



Left Page Top: Cal Ripken talks about the economic potential of youth sports in Maryland at the launch of the Sports Marketing website in May. Photo by Nicholas Griner.

Left Page Bottom: Maryland's sports and recreation assets were prominently displayed at the TEAMS national conference for event promoters and rights-holders. Terry Hasseltine (center) met with hundreds of prospects interested in bringing activities to state facilities and venues.

Right Page Top: Maryland's many existing assets drive the Sports Marketing efforts.

Right Page Bottom: Each Maryland County has a marketing piece developed to promote their sports facilities.

OSM established a brand that reflects its mission and determination: **Maryland: Here to Play.**

In May 2009, the office launched its website in a press event at Oriole Park. This interactive resource that showcases Maryland attractions 24/7 includes:

**Sports Facility Database** – information on more than 800 facilities and venues throughout the state. This information is organized by sport, name and location for easy referencing.

**Calendar of Events** – listing of sports related activities statewide, with a crawl listing events of immediate interest. Interactive feature allows information to be submitted via website.

**Media Room** – news articles and press releases about events and facilities around the state, updated daily.

**Social Media** – Tweety and Blogue, the Sports Marketeers, chronicle their tales of fun and adventure Maryland style with a real time account of what's happening around the state.

In 2009, OSM has had tremendous impact, and produced some remarkable results.

Organizationally, it has developed relationships with local tourism marketing officials, county and municipal recreation officials and state agencies which have venues and services that relate to sports tourism.

OSM began building a Maryland network which includes media, event organizers, youth leagues, team owners, venue managers, equipment manufacturers and retail operations—all part of the multi billion dollar sports industry. TEAM Maryland, organized by local jurisdictions and marketing officials, will help each region in promoting itself through the great common denominator of sports and recreational activities.

In 2009, the Office of Sports Marketing played a pivotal role in securing events that have, and will have, significant economic impact on Maryland through the travel and hospitality industry. In its first year, the office was responsible for orchestrating bids for events that represent in excess of \$125 million in additional spending in Maryland.





Working with the Baltimore Ravens and City of Baltimore, the office successfully bid to bring the Men's NCAA Lacrosse Championship back to Baltimore in 2010 and 2011. This Memorial Day Weekend tradition has been held here three times previously, with an estimated \$18.22 million economic impact for each championship.

OSM also coordinated the partnership for successful bids for the 2014 and 2016 Army-Navy games. This American classic is estimated to have a \$20-25 million economic impact over the weekend, creating 425 full-time equivalent jobs.



When the Dew Action Sports Tour announced in March 2009 they would not be returning to Baltimore due to a scheduling conflict, OSM acted quickly. With the cooperation of the Ravens and the help of local soccer advocates, they were able to secure one of the first ever World Football Challenge matches, between Chelsea FC and AC Milan, on July 24th. Not only did the 71,000+ stadium sell out on a Friday night, a significant portion of the crowd came from out of state and stayed overnight and longer. The economic impact of that event was calculated at \$20 million.

Prior to the Chelsea FC AC Milan match, the Office of Sports Marketing worked with the Orioles, MASN and WJZ to compile much needed, high definition aerial footage of the stadium complex and downtown landmarks. This "b roll" enhanced the ESPN production by allowing them to show more of Baltimore and the Camden Yards campus during the international broadcast. Commentators were lavish in their praise of the enthusiastic crowd and beautiful setting.

Building on the burgeoning reputation of Baltimore in hosting international soccer matches, OSM developed the bid package for Maryland venues to participate as part of a future FIFA World Cup Soccer series in the U.S.



In January 2010, Baltimore was selected as one of 18 sites included in the USA bid.

OSM is also taking the lead with Baltimore Racing Development to bring an Indy Car race to the streets of Baltimore between the stadiums and Inner Harbor. A preliminary feasibility study estimates economic impact of \$60 — \$75 million with 900 FTE jobs.

Currently, the Office of Sports Marketing is in discussion with organizing bodies representing two of the biggest markets in participatory sports—youth and senior citizen competitions. These tournaments potentially involve multiple facilities and services throughout the state, and can be developed into regular activities.

All of these events bring not just direct spending in hotels and restaurants, but priceless media exposure of Maryland attractions.

Left Page Top: Governor O'Malley, with sons William and Jack, visit Bill the Goat prior to the 2007 Army-Navy game. The American classic will return to M&T Bank Stadium in 2014 and 2016.

Left Page Bottom: The 2007 NCAA Lacrosse Championship brought young fans from throughout the region to celebrate the sport. The series will return in 2010 and 2011.

Right Page: No one enjoyed the sold-out Chelsea-Milan match more than the young fans (including a local basketball star) of the sport.



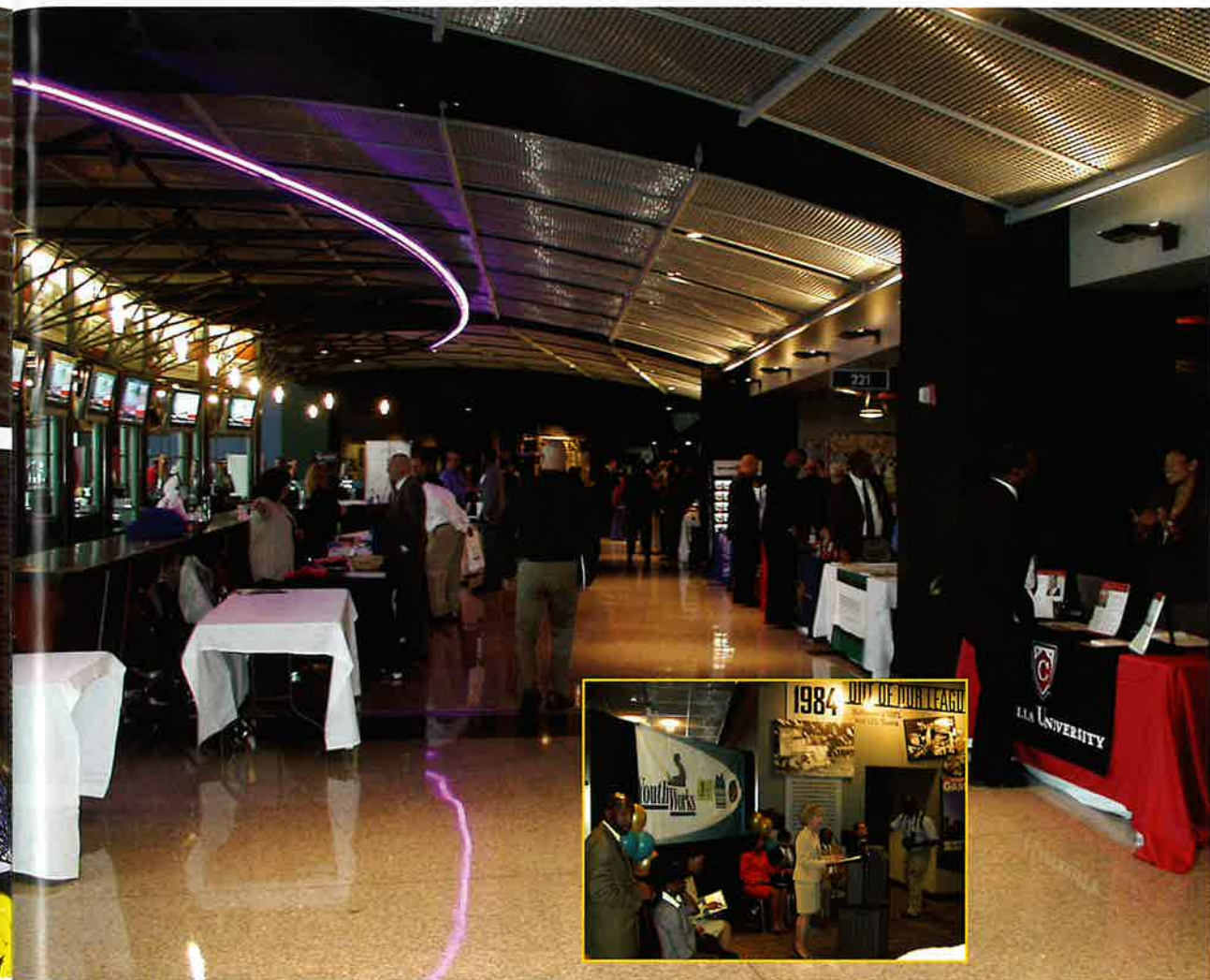
# Awards and Recognitions



- *MBE Best Practices Award* from Black Caucus and Governor's Office of Minority Affairs
- *The William Donald Schaefer Baltimore Tourism Visionary Award* was presented to the Baltimore Ravens and Maryland Stadium Authority for their efforts to bring national and international sporting events to Baltimore.
- *Award from Baltimore Ravens* for energy and cost conservation



# FACILITIES USE



Left Page Top Three: MSA Project Executive Gary McGuigan and his staff conduct a Minority Business Fair to showcase opportunities for contractors on state projects.

Left Page Bottom: Roy Sommerhof of the Ravens (right) joins Jeff Provenzano and Michael Frenz of MSA (from left) in recognizing Chip Linsebigler for his innovative ideas in energy conservation that saved thousands in utility costs.

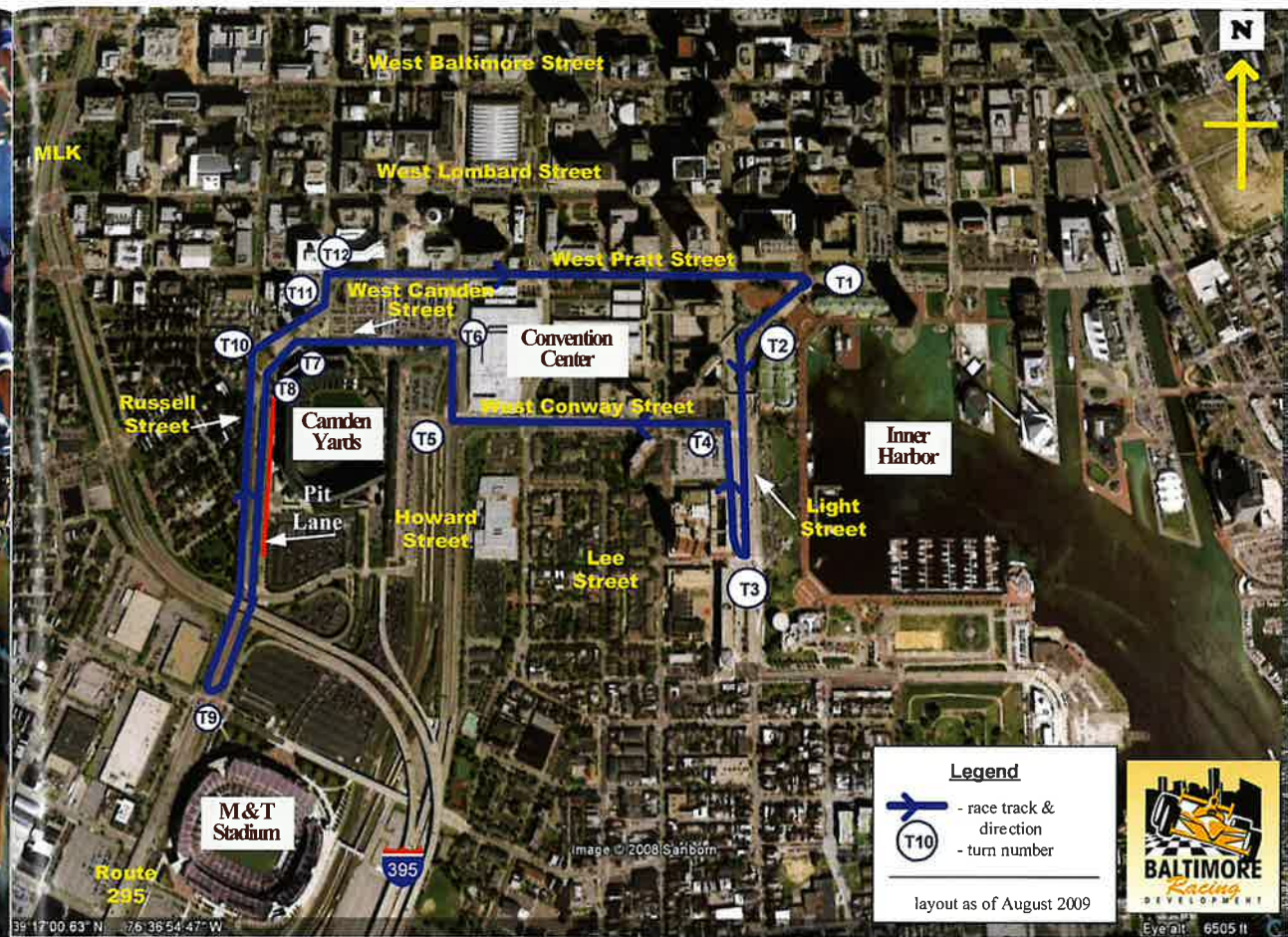
Right Page Top: The Club Level at M&T Bank Stadium hosted a number of community service functions, such as the Mayor's Youth Works Awards, and a Job Fair for returning military personnel.

Right Page Middle: The Cirque du Soleil visited Baltimore in March/April 2009. Due to its popularity, performances were added to its run. Although Le Grand Chapeau was erected on Lot O, just outside the Camden complex, the stadium provided parking for circus attendees.

Right Page Bottom: The Warehouse served the Baltimore's Department of Health as a convenient site for H1N1 vaccinations. Hundreds of at-risk patients lined up on Eutaw Street to receive flu shots.







## NEW EVENTS

### Day of Rivals added to Face-Off Classic

In 2010, the fourth annual Konica Minolta Face-Off Classic will start the season with a tripleheader on March 6th, featuring Maryland vs. Duke, Princeton vs. Johns Hopkins, and Loyola vs. Notre Dame.

The second annual Smartlink Day of Rivals will be April 17, 2010, featuring the 88th Army-Navy game and the 106th Maryland-Johns Hopkins game. The game schedule has Army and Navy facing off at 4:00 p.m. followed by Maryland vs. Johns Hopkins at 6:30 p.m.

Despite nasty weather, the 2009 Day of Rivals attracted more than 20,000 fans to M&T Bank Stadium.

Returning to Baltimore again in 2010, the NCAA Men's Lacrosse Championships will be held over Memorial Day Weekend.



Left Page: Maryland, Duke, Princeton, and Hopkins will return for the Konica Minolta Face-Off Classic in 2010. The "Day of Rivals" promises energy, passion, and pageantry.

### Indy Car Race

In August, Baltimore Racing Development held a press conference at Sports Legends to announce plans for an annual Indy Car street race, beginning in 2011, on a course between Camden Yards and the Inner Harbor. Organizers stressed that open wheel street races are family-oriented attractions and consist of concerts, go-kart races, automobile shows and a variety of corporate events.

The four day "racing festival" could bring more than 150,000 visitors to Baltimore, generate between \$60-\$100 million and create 400 jobs, according to a study performed by the promoters.

Because all IRL races are nationally televised, the aerial views of the sports complex, downtown, and Inner Harbor would promote Baltimore with spectacular footage of its many attractions.

Locally, Baltimore Racing Development is working with MSA officials, the Office of Sports Marketing, City of Baltimore elected representatives, and community associations on logistics for the event. Two time Indy 500 winner Al Unser, Jr. is their liaison to the Indy Race League, responsible for sanctioning the race.

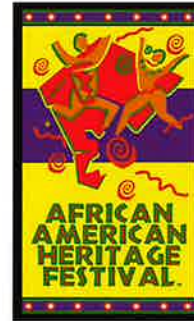
A final decision about the 2011 event is expected by April 2010.



## Campus

The Camden Yards parking complex is an unsung hero of revenue generation. With light rail, MARC, and interstate highway access, proximity to the convention center, hotels, and University of Maryland hospital and campus, the parking lots serve many more than game day patrons and Warehouse employees.

Annual events such as the African American Heritage Festival, Baltimore Running Festival, and numerous charitable walkathons occur at Camden Yards because of the central location and ample staging area. But as a reliable source of revenue, the day to day operation of the lots provides a largely unrecognized contribution. The lots at Camden Yards, managed by our partners, Central Parking, provide a key service for visitors and commuters to Southwest Baltimore, and generate about \$100,000 every month.

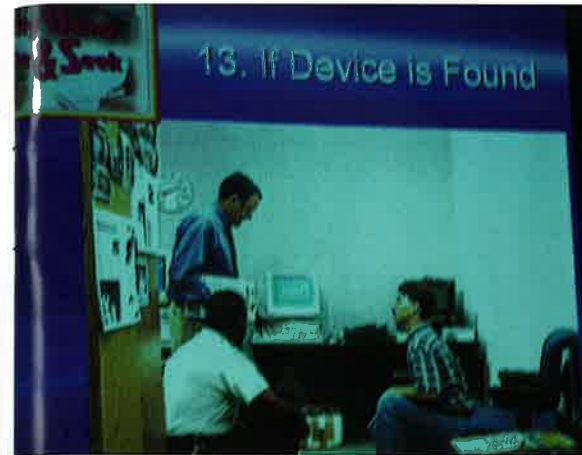


## SECURITY AND SAFETY

In order to further promote public safety, the Stadium Authority board voted to conduct a security threat and vulnerability assessment of the entire Camden Yards Complex. In 2009, Hillard Heintze was awarded the \$50,000 contract. They began their work in October.

The study is part of an ongoing security analysis the Maryland Stadium Authority has performed on Oriole Park, M&T Bank Stadium and the historic B&O Warehouse since the Sept. 11 terrorist attacks. Since 2001, the MSA has conducted security audits and review exercises annually and has worked with Baltimore, the state and Department of Homeland Security on needed upgrades, such as surveillance systems.

Sports venues are often considered targets for terrorist attacks due to the large crowds. Baltimore's proximity to New York and Washington, D.C. makes it particularly vulnerable to potential threats.



STOP NAME	STOP LOCATION
201	President Street
202	Commerces Street
203	Light Street
204	Hanover Street
205	Howard Street
206	Museum of Dentistry
207	Penn Street
208	Martin Luther King, Jr. Blvd.
209	Fremont Avenue - Univ. of MD BioPark
210	Univ. of MD BioPark Garage
211	Hollis Market
212	B&O RR Museum
213	Baltimore Street
214	Fremont Avenue - Univ. of MD BioPark
215	Pine Street
216	Univ. of MD Medical Center
217	Univ. of MD Medical Center
218	Eulaw Street - Camden Yards
219	Convention Center
220	Inner Harbor
221	National Aquarium
222	Pier 5
223	Harbor East
224	Central Avenue
225	Bank Street
226	Jewish Museum of Maryland
227	Albemarle Square

**Summer Operating Hours (April 1 - Oct 31):**  
Circulator  
Monday-Thursday 6:30am-9:00pm  
Friday 6:30am-Midnight  
Saturday 9:00am-Midnight  
Sunday 9:00am-9:00pm  
Water Taxi Harbor Connector Monday-Friday 7:00am-7:00pm

**Winter Operating Hours (Nov 1 - March 31):**  
Circulator  
Monday-Thursday 6:30am-8:00pm  
Friday 6:30am-Midnight  
Saturday 9:00am-Midnight  
Sunday 9:00am-8:00pm  
Water Taxi Harbor Connector Monday-Friday 7:00am-7:00pm

**Fast. Friendly. Free!**  
Welcome to the Charm City Circulator

The CCC consists of three separate routes—the Green Route which runs from City Hall to Fells Point to Johns Hopkins, the Purple Route which runs from Penn Station to Federal Hill and the Orange Route which runs from Hollis Market to Harbor East.

Shuttle service runs every 10 minutes!

Camden Yards is near the center of the "Charm City Circulator," Orange Route, slated to begin operations in January 2010.

The role of Camden Yards as a transit center is likely to increase in 2010 and beyond. The new downtown shuttle, the Charm City Circulator, anticipates a transfer at one of the light rail stops.

Since the opening of the pedestrian bridge in 2008, this stop has received more use as the closest connector to the Greyhound station, also part of the redevelopment in the Camden Carroll Industrial Park.

A future route of the Charm City Circulator will run north-south from nearby Federal Hill to Penn Station.



Right Page Top: At the beginning of every season, briefings are held for stadium security personnel. This presentation took place at Oriole Park in April 2009.

Right Page Bottom: Jim Slusser, MSA Director of Security and Public Safety, explains the use of security cameras to visitors from the Sports Event Risk Management Workshop in July 2009.

Also in 2009, MSA teamed with Maryland Emergency Management Agency and the Federal Emergency Management Agency in a tabletop exercise to discuss and evaluate preparedness and response to a hypothetical incident at Oriole Park. The operation dubbed "Change-Up" occurred July 16th.

The exercise, funded by Homeland Security, focused on the interaction among state, local, private and community stakeholders in the event of a weather related incident during a stadium activity.



The current study will look at any needed technology upgrades to the complex's surveillance systems, such as night vision, and protecting dignitaries during visits to the stadiums. Their report will also focus on deterrent strategy, perimeter security, physical security enhancement, and employee and contractor background screening.

Because the Stadium Authority enjoys a national reputation of securing facilities, a July Sports Event Risk Management Workshop for NCAA facilities visited M&T Bank Stadium, where Security Director Jim Slusser explained some of the surveillance features.

The Maryland Stadium Authority is prepared to respond to any emergency, doing whatever necessary for fans to access the stadiums and enjoy themselves. This commitment was demonstrated the weekend of December 18-20, when the stadium complex was ready for the Ravens home game after one of the most intense snowstorms in city history.

Stadium Authority Buildings and Grounds personnel, as well as the HVAC and electrical shops, assisted in all operations. Once in place Friday, they stayed onsite until after the game Sunday, working with contractors responsible for pretreatment of paved surfaces and snow removal.

In all, about 1,750 people, many of whom worked 72 hours straight and slept on the club level floor, made this remarkable feat possible.



## CURRENT PROJECTS

### Coppin State University Physical Education Complex

In the fall of 2007, construction began on a new facility for Coppin State University in Baltimore with MSA as Project Manager. 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, ball fields, and campus parking.

Coppin State 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.

On December 5, 2009, Stadium Authority officials joined Coppin officials and students at a joyous opening of the new Arena. Full completion on the complex will be in February, 2010.



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

**Architects-** Hord Coplan Macht, Inc. / Sasaki Associates, Inc.

**Construction Management-** Gilbane / Banks Contracting, JV

**Timeline-** Phased Opening Fall 2009 - February 2010

### 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

*Just like the action on the field, these operations require teamwork. This weekend, millions of spectators and viewers witnessed the professionalism and resourcefulness of Stadium Authority employees and their teammates. They made it possible for fans and players at M&T Bank Stadium to have a safe and enjoyable experience."*

**- John Morton, Chairman,  
December 20, 2009**

*Left Page Top: Assistant Operations Manager, Bart Shifler deploys another snowplow against the blizzard in December 2009. Operations ran day and night—in, out, and around the stadium complex.*

*Left Page Bottom: The Snow Warriors pose with one of the glaciers that popped up overnight. A moment later, they were back at work.*

*Right Page: Despite the snow, a triumphant ribbon-cutting.*





### 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
- 42% MBE participation (exceeds project goal of 30%)
- Anticipated Silver LEED Certification



Left Page Top: The new complex enlarges the campus by a third, extending it to Gwynns Falls Parkway.

Left Page Middle: First game, against Morgan State, December 5, 2009.

## CURRENT PROJECTS

### Ocean City Convention Center Expansion

Maryland Stadium Authority's 2008 market study concluded that Ocean City could support a major Convention Center expansion. Original plans recommended 50,000 more square feet of exhibit space, performing arts center, and 1,500-space parking garage. Those plans came with a projected price tag of \$60 million to \$75 million.

In deference to the current economic climate, the plans were scaled back to a 20,000 square foot, multi-purpose space overlooking the bay, estimated at \$8.2 million, with incremental state tax revenues projected to be \$1.1 to \$1.6 million per year. Ocean City agreed to forward funding until the State's portion is available.

The financing plan for this project was approved by the Board of Public Works, January 2010.

Design work is expected to begin by the end of January 2010, with construction beginning by the end of the year. Completion is estimated in the Spring of 2012.

### State Center Redevelopment Project

In 2009, the legislature requested the Maryland Stadium Authority to serve on the Executive Committee and assist with this massive Transit Oriented Development on 28 acres in midtown Baltimore.

The project, linking existing light rail and Metro lines with government buildings, commercial, and residential properties, is estimated to cost at least \$1.4 billion and take at least a decade to complete.

The development agreement was approved by the Board of Public Works in June, 2009. The Ground and Operating lease agreements are required to be approved by the Board of Public Works prior to project commencement.





## CURRENT STUDIES



### Soccer Specific Stadiums in Baltimore

In November 2009, the Stadium Authority Board voted to perform a feasibility study to consider two soccer specific stadiums in Baltimore at the request of Mayor Dixon.

The \$100,000 study, funded by the City of Baltimore, will evaluate the market for a MLS soccer-specific stadium in Westport, a 50-acre transit oriented development south of M&T Bank Stadium, for the DC United franchise.

The study will also examine prospects for a medium-sized facility in the Camden Carroll Industrial Park southwest of M&T Bank Stadium. This multi purpose stadium, which would incorporate elements of the historic warehouse district, would house the Baltimore Crystal Palace franchise as part of a large mixed-use development. It is envisioned as part of an "entertainment district" that includes the Camden Yards facilities and proposed slots emporium nearby.



## CURRENT STUDIES

### New 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.

While the project has not been funded, the stakeholders continue to meet, with MSA included in the selection process. Gary McGuigan, MSA's Project Executive, serves as an advisor to the panel.



### Baltimore City Court House Complex

In November, 2008, the City of Baltimore formally requested the Maryland Stadium Authority to conduct a feasibility study for the modernization and possible expansion of their circuit court complex. This study will address programmatic and functional 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 also includes conceptual design, programmatic analysis, cost and possible funding strategies.

- April 2009, MSA contracted AECOM Design to conduct a feasibility study for the potential renovation of the existing circuit court complex and the construction of a new circuit courthouse.
- Study will include: program development; analysis of the existing buildings, a site analysis for the proposed new court facility, and conceptual design.
- The study is ongoing and is expected to be completed Spring 2010.
- Clients include both the Circuit Courts and the City of Baltimore



Left Page: The Stadium Authority will be studying the feasibility of soccer-specific stadiums for Crystal Palace and DC United.

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

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





**John Morton, III, Chairman**

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.



**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

## BOARD MEMBERS

## BOARD MEMBERS

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.

**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.

**Frederick W. Puddester**



Frederick W. Puddester was appointed Chairman of the Maryland Stadium Authority by Governor Martin O'Malley on July 1, 2007 and was succeeded by John Morton, III, on December 1, 2008. 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 Trustees 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.



**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.

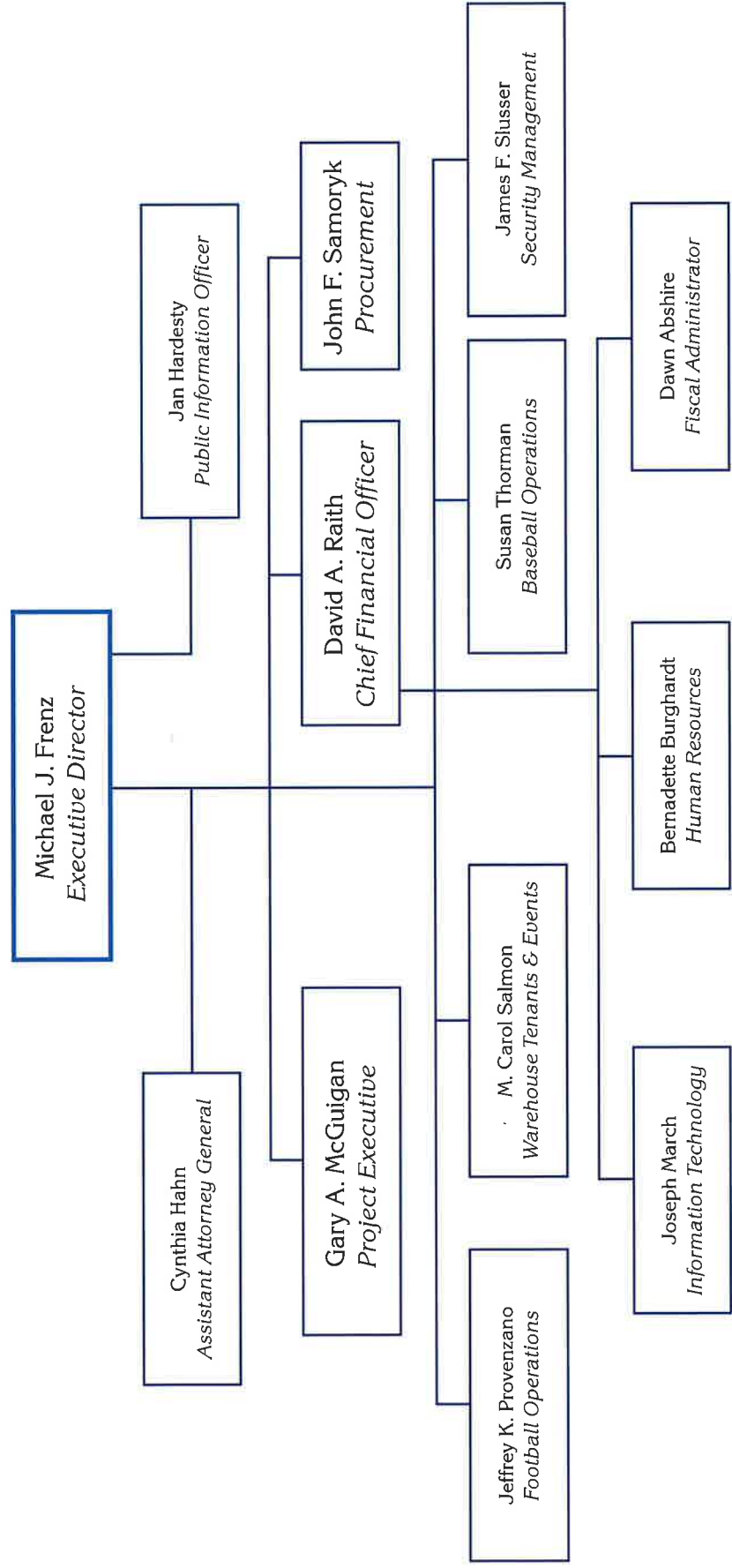
A member of the Mechanical Contractors Association of America, Mr. Stewart also has held positions as a board member, director and past president of the Mechanical Contractors Association of Metropolitan Washington. In addition he has served as Vice Chair for the Revenue Authority of Prince George's 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



Left Picnic Table: T. Greens, S. Fox, W. Mason, C. Vennie, D. Matthews, V. Linton

Right Picnic Table: M. Frenz, D. Dupree, J. Samoryk, T. Hulson, P. Miller, G. McGuigan

Kneeling Front: J. Potts, J. Evans

Standing: B. Schier, A. Andrews, D. Raith, R. Winfrey (posier) B. Burghardt, M. Muncy, D. Kirby, P. Cornish, R. Paek, C. Bailey, M. Libby, L. Johnson, R. Bordline, J. Provenzano, J. Slusser, C. Wright, J. Brooks, T. Masilek, B. Fowler, N. Walker, J. Archer, D. Connelly, D. Abshire, T. Robertson, C. Salmon, J. Waters, R. Bryant, J. Bell, D. Fleming, M. Buckingham, S. Nelson, A. Ringham, J. March, D. Brown, M. Kastel, H. McClurkin, D. Gaither, J. McKinney, R. Linsebigler, D. Thaden, S. Thorman, W. Schmidbauer

Missing: N. Baris, J. Hardesty, E. Johnson, A. Murray, M. Andriejczuk, T. Boyd-Eggleston, S. Brewer, M. Caperton, S. Chaconas, P. Cohen, G. Cook, G. Cooper, W. Dacuycoy, F. Dietz, D. D. Donoghue, J. Faw, J. Forbes, D. Fritk, J. Gollöy, F. Green, E. Kepplin, J. Kroat, T. Lewis, D. Moore, C. Parr, W. Preston, D. Punnett, P. Shiller, J. Smith, V. Steier, D. Stone, D. Walker, A. Wiggins, A. Williams

The Bullpen Picnic Grove, completed prior to the 2009 baseball season, provides an attractive setting for special events and a platform for the MASN production team.

Phil Hulson, Project Manager



## 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, 2009, 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, 2009, 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, 2009

## 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 2009 financial statements. The Authority's responsibilities include operation of the baseball and football 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 at June 30, 2009. The Statement of Net Assets is to provide the reader with a financial picture of the Authority's assets (current and non-current), 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	
	2009	2008
<b>Assets</b>		
Current assets	\$ 39,403,695	\$ 37,062,248
Net capital assets	193,454,639	204,297,983
Noncurrent assets	238,703,084	253,544,111
<b>Total assets</b>	<b>471,561,418</b>	<b>494,904,342</b>
<b>Liabilities</b>		
Current liabilities	27,036,856	22,343,305
Noncurrent liabilities	251,113,858	266,364,241
<b>Total liabilities</b>	<b>278,150,714</b>	<b>288,707,546</b>
<b>Net assets</b>		
Invested in capital assets	177,701,737	193,310,407
Restricted for debt service	3,829,728	2,523,698
Restricted for capital assets	5,052,915	9,021,369
Unrestricted	6,826,324	1,341,322
<b>Total net assets</b>	<b>\$ 193,410,704</b>	<b>\$ 206,196,796</b>

During fiscal year 2009, total assets for the Authority decreased from the prior year by approximately \$23.3 million dollars, due to: 1) unrestricted cash and cash equivalents increased approximately \$5.5 million including approximately \$1.5 million received on 2008 accounts receivable invoices, \$0.4 million received from Baltimore City for reimbursement of expected costs related to a feasibility study to be performed by the Authority, an increase in admission taxes and ticket charges collected in fiscal year 2009 of \$0.6 million, \$0.4 million for construction management fees, and an increase of \$2.6 million for vendor payments being paid in July 2009 instead of June 2009; 2) capital leases receivable decreased by approximately \$13.6 million which includes \$1.7 million increase that is from a decline in Money Market Securities that are available to be used for debt service, and a decrease of \$15.3 million for the current year principal payment received from the State of Maryland; 3) other capital assets decreased by approximately \$12.8 million, the result of an increase to other capital assets for \$2.1 million in costs that were incurred due to improvements to Oriole Park, M&T Bank Stadium, the Hippodrome Theater and the Montgomery County Conference Center less annual depreciation and adjustments for capital lease receivables of approximately \$14.9 million; and 4) a decrease in marketable securities of approximately \$2.7 million as a result of \$0.9 million of Montgomery County project funds used for debt service, management fees and construction costs, \$3.0 million used from the Master Equipment Lease and the Supplemental Improvements funds for improvements to Oriole Park at Camden Yards and a net increase of \$1.2 million in accounts available for debt service.

The decrease in net accounts receivable of approximately \$1.5 million is the result of the following: decrease in Oriole rent of \$0.1 million, decrease of \$0.3 million from the State of Maryland for admissions and amusements tax

which is also the result of lower attendance at events, and decrease of \$0.5 million related to rent from the Baltimore Orioles, decrease of \$0.4 million from the Baltimore Ravens for operation and maintenance costs for April, May and June 2009, decrease in tenant rents due of \$0.5 million and a decrease in the allowance for doubtful accounts of \$0.3 million. Deferred financing costs decreased approximately \$0.4 million as a result of the current year's amortization. Note receivable increased by \$0.2 million resulting from an increase of \$0.5 million related to the renovations of suites less the principal payment made of \$0.3 million. Finally, furniture and equipment increased by approximately \$2.0 million because of additions of \$3.8 million for the current year, offset by an increase in depreciation of \$1.8 million.

Total liabilities for the fiscal year 2009 decreased by approximately \$610.5 million. Interest and accounts payable for fiscal year 2009 increased by approximately \$26.1 million. The reasons for the increase are the interest payable accrued in fiscal year 2009 increased by \$1.2 million mainly related to amounts due to the counterparty under the Series 2007 Refunding Bonds, an increase in trade payables of \$2.9 million and a future commitment to the State of Maryland for \$2.0 million. There was a decrease in the equipment, financing and lease revenue bonds of approximately \$15.3 million as a result of the Authority paying \$15.5 million toward the outstanding principal on the lease revenue bonds and borrowing \$0.2 million from the Supplemental Improvements Fund. Finally, for fiscal year 2009, deferred revenue decreased by approximately \$1.83 million, a result of deferred revenue being recognized as income in fiscal year 2009.

## 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 discloses the revenues and expenses for the Authority during fiscal year 2009. The revenues and expenses are presented in operating and non-operating categories.

At the end of fiscal year 2009, the statement of revenues, expenses and changes in net assets disclosed a \$12.8 million decrease to net assets. The following information explains the decrease to net assets.

Operating revenues generated at the Camden Yards Sports Complex for fiscal year 2009 totaled \$31.5 million. The material percentage 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 2009.



The 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 \$8.9 million.

Also located within 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 revenues approximately \$3.9 million a year. Other revenues from the Camden Yards Sports Complex include parking receipts from non-game days, other non-professional events, 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 together total approximately \$5.0 million for fiscal year 2009.

Non-operating revenue for fiscal year 2009 is \$2.0 million which 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. For fiscal year 2009, this figure was approximately \$1.03 million. 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. It approximates \$0.7 million for fiscal year 2009.

Overall, revenue for fiscal year 2009 declined by approximately \$0.6 million from revenue in fiscal year 2008 due to the decline in admission taxes of approximately \$0.3 million as the result of lower attendance. Also other income decreased by \$0.3 million from a decline in catering commission, utility reimbursement, and parking revenues of daily parkers utilizing Camden Yards.

Net operating expenses increased \$0.3 million for fiscal year 2009. Explanations for the increase in fiscal year 2009 are as follows:

- During fiscal year 2009, utility costs for the Camden Yards Complex decreased by \$0.3 million. This is the result of a reduction in usage.

- Miscellaneous expenses decreased by \$1.8 million largely from the decline in bad debt expense of approximately \$1.7 million and \$0.1 million in insurance costs for 2009.
- Depreciation expense increased \$0.6 million in fiscal year 2009 as the result of a new control room and sound system for approximately \$4.0 million.
- Parking service decreased \$0.2 million from the decreased number of parkers utilizing Camden Yards.
- Contractual services increased \$1.8 million largely from an increase in janitorial services of \$0.9 million, and an increase in property taxes on the warehouse of \$0.7 million.
- The salaries and benefits paid to the employees increased approximately \$0.1 million. The increase is from increased benefit costs and salary increases.
- Supplies and materials increased \$0.1 million mainly from replacement of sports lighting, video board parts and new heaters at M&T Bank Stadium.

Non-operating expenses declined \$0.4 million in fiscal year 2009. There was a decline in interest expense of \$0.5 million related to a decline in principal balance. The State's share of the operating deficits for the Baltimore Convention Center and Ocean City Convention Center increased by \$0.5 million as a result of declining revenues and increasing costs for both centers. There was a decline of \$0.4 million in payments to the State of Maryland because the Authority's obligation to pay \$2.4 million in fiscal year 2009 to the State for school construction was abated and the Authority made a commitment to pay the State of Maryland \$2.0 million at a prospective date.

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 deficit 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 improvement funds for the Ocean City and Baltimore City Convention Centers of \$50,000 and \$200,000, respectively. This contribution for fiscal year 2009 was approximately \$21.0 million.



# Statement of Net Assets

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

	Year ended June 30	
	2009	2008
Operating revenues	\$ 31,472,274	\$ 32,037,547
Operating expenses	41,972,436	41,693,884
Operating loss	(10,500,162)	(9,656,337)
Non operating expenses	(23,320,971)	(23,405,103)
Loss before contributions	(33,821,133)	(33,061,440)
Contributions from primary and local governments and other sources	21,035,041	20,535,890
Increase (Decrease) in net assets	(12,786,092)	(12,525,550)
Net assets at beginning of year	206,196,796	218,722,346
<b>Net assets at end of year</b>	<b>\$ 193,410,704</b>	<b>\$ 206,196,796</b>

## 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	
	2009	2008
<b>Cash flows from (used in):</b>		
Operating activities	\$ 8,656,910	\$ 3,576,936
Noncapital financing activities	(41,155,184)	(40,698,909)
Capital and related financing	34,906,056	31,971,251
Investing activities	3,077,220	4,876,471
<b>Net increase (decrease) in cash</b>	<b>5,485,002</b>	<b>(274,251)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,341,322</b>	<b>1,615,573</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 6,826,324</b>	<b>\$ 1,341,322</b>

## Capital Assets and Debt Administration

The Authority had disposals of capital assets and debt during fiscal year 2009. The disposal of debt resulted from principal reductions.

## 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	\$ 6,826,324
Restricted cash and cash equivalents	74,122
Money market mutual fund investments—restricted	5,057,764
Accounts receivable, net of allowance for bad debts	10,641,145
Interest receivable	194,722
Note receivable, current portion	324,618
Capital leases receivable, current portion	16,285,000
<b>Total current assets</b>	<b>39,403,695</b>

### Noncurrent Assets

Capital assets	
Furniture and equipment, net of accumulated depreciation of \$7,239,454	10,339,904
Other capital assets, net of accumulated depreciation of \$133,703,338	183,114,735
<b>Net capital assets</b>	<b>193,454,639</b>

### Other Noncurrent Assets

Money market mutual fund investments—restricted	3,750,757
Other assets	1,000
Note receivable, net of current portion	3,831,628
Capital leases receivable, net of current portion	228,228,637
Deferred financing costs, net of accumulated amortization of \$4,036,927	2,891,062
<b>Total other noncurrent assets</b>	<b>238,703,084</b>

### Total assets

**\$ 471,561,418**

## Liabilities

### Current Liabilities

Accounts payable and accrued expenses, current portion	\$ 7,772,135
Interest payable	1,697,994
Lease revenue bonds payable, net of discount and premium, current portion	16,285,000
Deferred revenue, current portion	1,281,727
<b>Total current liabilities</b>	<b>27,036,856</b>

### Noncurrent Liabilities

Accrued expenses, net of current portion	2,885,058
Lease revenue bonds payable, net of discount of \$78,336 and premium of \$64,262 and current portion	239,963,722
Deferred revenue, net of current portion	8,265,078
<b>Total noncurrent liabilities</b>	<b>251,113,858</b>

### Total liabilities

**278,150,714**

## Net Assets

Invested in capital assets	177,701,737
Restricted for debt service	3,829,728
Restricted for capital assets	5,052,915
Unrestricted	6,826,324
<b>Total net assets</b>	<b>\$ 193,410,704</b>



# Statement of Revenues, Expenses, & Changes in Net Assets

<b>Operating Revenues</b>	
Baltimore Orioles' rent	\$ 6,237,942
Admission taxes	8,886,608
Baltimore Ravens' contributions	7,460,829
Warehouse rents	3,937,207
Catering commissions	610,329
Parking revenues	2,293,813
Miscellaneous sales	<u>2,045,546</u>
<b>Total operating revenues</b>	<b>31,472,274</b>
<b>Operating Expenses</b>	
Salaries and wages	7,404,089
Telephone and postage	152,591
Travel	21,328
Utilities	5,366,859
Vehicle expense	40,483
Contractual services	10,923,513
Parking	1,680,819
Supplies and materials	830,990
Depreciation and amortization	15,090,023
Fixed charges	273,924
Miscellaneous	<u>187,817</u>
<b>Total operating expenses</b>	<b>41,972,436</b>
<b>Operating loss</b>	<b>(10,500,162)</b>
<b>Non operating Revenues (Expenses)</b>	
Contributions to others for operating deficit and capital improvements	(6,239,277)
Future commitment to the State of Maryland	(2,000,000)
Unrestricted investment income	219,553
Restricted investment income	1,807,986
Interest expense	<u>(17,109,233)</u>
<b>Total non operating expenses</b>	<b>(23,320,971)</b>
<b>Loss before contributions</b>	<b>(33,821,133)</b>
Contributions from local government and other sources - Hippodrome Project	1,342,560
Contribution from primary government - Montgomery Co.	403,754
Contributions from local government - Camden Yards	1,000,000
Contributions from primary government - Camden Yards	10,760,000
Contributions from primary government - Baltimore City Convention Center	5,750,991
Contributions from primary government - Ocean City Convention Center	<u>1,777,736</u>
<b>Total contributions</b>	<b>21,035,041</b>
Change in net assets	(12,786,092)
Total net assets at beginning of year	<u>206,196,796</u>
<b>Total net assets at end of year</b>	<b><u>\$ 193,410,704</u></b>

# Statement of Revenues, Expenses, & Changes in Net Assets

<b>Cash flows from operating activities</b>	
Receipts from Camden Yards	\$ 32,971,671
Payments to employees	
Salaries and benefits	(7,345,374)
Payments to suppliers	<u>(16,969,387)</u>
<b>Net cash provided by operating activities</b>	<b>8,656,910</b>
<b>Cash flows from noncapital financing activities</b>	
Payments from investment in direct financing leases	(4,542,992)
Convention Center operating deficit and capital improvements	(5,582,962)
Principal paid on notes payable and revenue bonds	(15,557,204)
Interest payments	<u>(15,472,026)</u>
<b>Net cash used in noncapital financing activities</b>	<b>(41,155,184)</b>
<b>Cash flows from capital and related financing activities</b>	
Contributions from local governments - Hippodrome Project	1,342,560
Contributions from local government - Camden Yards	1,000,000
Contributions from local government - Courthouse	400,000
Contributions from primary government - Camden Yards	10,760,000
Contributions from primary government - Baltimore City Conv Center	5,750,991
Contributions from primary government - Ocean City Convention Center	1,777,737
Contributions to primary government - Montgomery Co. Conf Ctr.	403,754
Disposals of capital assets	<u>13,471,014</u>
<b>Net cash provided by capital and related financing activities</b>	<b>34,906,056</b>
<b>Cash flows from investing activities</b>	
Decrease in investments	2,662,422
Interest and gains on investments	658,316
Proceeds from note receivable	<u>(243,518)</u>
<b>Net cash used in investing activities</b>	<b>3,077,220</b>
Net decrease in cash	5,485,002
Unrestricted cash and cash equivalents at beginning of year	<u>1,341,322</u>
<b>Unrestricted cash and cash equivalents at end of year</b>	<b><u>\$ 6,826,324</u></b>

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

<b>Cash flow from operating activities</b>	
Operating loss	\$ (10,500,162)
Adjustments to reconcile operating loss	
Depreciation and amortization	15,090,023
Effects of changes in assets and liabilities	
Accounts and interest receivables	1,499,398
Accounts and accrued payables	<u>2,567,651</u>
<b>Net cash provided by operating activities</b>	<b>\$ 8,656,910</b>



# 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

## NOTES TO FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

Plan of Financing (the Plan) submitted by the Authority under Section 13-712.1 of the Plan of Financing (the Plan) submitted by the Authority under Section 13-712.1 of the Annotated Code of 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. During the 2008 Maryland General Assembly Session, legislation was passed extending the Authority's obligation to fund two-thirds of any operating deficit and the \$200,000 Capital Improvements Fund contributions until December 2014.

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 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 appropriations 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.

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.

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 issued \$8.73 million in Lease Backed Taxable Bonds and issued them in March, 2004. Capitalized interest during the construction period was paid from the bond proceeds of approximately \$582,000 and the balance of the proceeds was 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 the 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 ten 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, 12 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, 2009 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 10-651, 10-652, 10-653, 10-654, and 10-655 of the Economic Development 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 2009.

## 3. DEPOSITS AND INVESTMENTS

At June 30, 2009, 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 daily. The investment consists of direct purchases of securities or repurchase agreements. The carrying value of cash on deposit with the Treasurer at June 30, 2009 was \$6,484,549. All amounts held on deposit by the Treasurer are unrestricted.

The carrying value of other deposits at June 30, 2009 and the associated bank balances are \$341,775. Those balances are covered by federal depository insurance and are unrestricted.

The Authority has \$74,121 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, 2009, the Authority has \$552,158 of unspent master equipment lease financing held with the State Treasurer. These funds are invested by the State Treasurer.



At June 30, 2009, the Maryland Stadium Authority had a balance of \$8,256,363 in funds held by trustees for various bond series. The Bank of New York holds \$1,164,737 and M & T Bank holds \$7,091,626. At June 30, 2009, \$8,256,363 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 AAA by S&P.

## NOTES TO FINANCIAL STATEMENTS

**As of June 30, 2009, 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	\$7,091	\$7,091	-	-	-	-

**As of June 30, 2009, 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	\$1,165	\$1,165	-	-	-	-

The Maryland Stadium Authority is restricted by the trust indenture for each bond issuance 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 acceptances 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 a 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 2009, 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. The City also contributed \$400,000 to be used for a feasibility study of the Mitchell Courthouse.

**5. ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2009 consists of the following:

Baltimore Orioles	\$ 4,037,324
State of Maryland	3,263,503
City of Baltimore	508,000
Baltimore Ravens	1,536,330
Others	<u>1,370,219</u>
<b>Subtotal</b>	<b>10,715,376</b>
Less allowance for bad debts	<u>(74,231)</u>
<b>Total</b>	<b><u>\$ 10,641,145</u></b>

**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, 2009 are as follows:

2010	324,618
2011	324,618
2012	324,618
2013	324,618
2014	324,618
2015-2019	1,540,922
2020-2023	<u>992,234</u>
<b>Total</b>	<b><u>\$ 4,156,246</u></b>

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

**7. CAPITAL LEASES RECEIVABLE**

At June 30, 2009, the capital leases receivable consists of the following:

Total minimum lease payments to be received	\$ 367,315,465
Less unearned interest income	<u>(114,545,465)</u>
Principal balance on outstanding debt	252,770,000
Less liquid assets to be used in construction	<u>(8,256,363)</u>
<b>Total</b>	<b><u>\$ 244,513,637</u></b>

Future minimum lease payments to be received as of June 30, 2009 are as follows:

2010	31,603,199
2011	31,690,979
2012	31,860,976
2013	31,864,979
2014	31,943,797
2015-2019	129,880,274
2020-2024	64,604,659
2025-2026	<u>13,866,602</u>
<b>Total</b>	<b><u>\$ 367,315,465</u></b>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Capital lease receivable:</b>				
Camden Yards	\$ 184,616,854	\$ 880,508	\$ 9,240,000	\$ 176,257,362
Baltimore City Conv Ctr	28,100,490	0	3,440,155	24,660,335
Ocean City Conv Ctr	9,654,999	0	1,00,003	8,654,996
Montgomery County	18,865,405	823,177	905,000	18,792,582
Hippodrome	<u>16,910,073</u>	0	761,711	<u>16,148,362</u>
<b>Capital lease receivable</b>	<b><u>\$ 258,147,821</u></b>	<b><u>\$ 1,712,685</u></b>	<b><u>\$ 15,346,869</u></b>	<b><u>\$ 244,513,637</u></b>



## NOTES TO FINANCIAL STATEMENTS

### 8. CAPITAL ASSETS

Furniture and equipment and other capital assets activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Capital assets:</b>				
Fixed Assets	\$ 13,749,172	\$ 3,830,186	0	\$ 17,579,358
Camden Yards	258,239,363	1,044,304	884,819	258,398,848
Baltimore City Conv Ctr	6,737,530	45,755	0	6,783,285
Ocean City Conv Ctr	(31)	3	0	(28)
Hippodrome	52,467,658	608,069	0	53,075,727
Montgomery County	(1,040,222)	432,641	832,177	(1,439,758)
<b>Total capital assets at historical cost</b>	<b>\$330,153,470</b>	<b>\$ 5,960,958</b>	<b>\$ 1,716,996</b>	<b>\$334,397,432</b>
<b>Less accumulated depreciation:</b>				
Fixed Assets	\$ 5,413,772	\$ 1,825,682	0	\$ 7,239,454
Camden Yards	103,256,812	9,650,848	0	112,907,660
Baltimore City Conv Ctr	5,231,957	600,313	0	5,832,270
Ocean City Conv Ctr	0	0	0	0
Montgomery County	1,397	0	0	1,397
Hippodrome	11,952,155	3,009,857	0	14,962,012
<b>Total accumulated depreciation</b>	<b>\$125,856,093</b>	<b>\$15,086,700</b>	<b>0</b>	<b>\$140,942,793</b>
<b>Capital assets, net</b>	<b>\$204,297,377</b>	<b>(9,125,742)</b>	<b>\$ 1,716,996</b>	<b>\$193,454,639</b>

Additions and Reductions to Capital Assets are made of two components. The first is actual improvements capitalized to the Capital Asset and the second is the change in the Capital Lease Receivable balance based on the related available Money Market Mutual Funds, which fluctuates and may cause a temporary negative capital asset balance.

### 9. CURRENT ACCOUNTS PAYABLE AND ACCRUED EXPENSES

At June 30, 2009, accounts payable and accrued expenses consisted of the following:

Trade payables	\$ 7,500,823
Compensated absences	10,000
Accrued parking	223,027
Workers' compensation	38,285
<b>Total</b>	<b>\$ 7,772,135</b>

## NOTES TO FINANCIAL STATEMENTS

### 10. BONDS PAYABLE AND CAPITAL LEASES

Bonds payable and capital leases as of June 30, 2009 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	\$ 8,655,000
1998 Series A: Issued \$16,300,000 in December 1998 at a variable rate, due in varying installments through December 15, 2019	13,705,000
1999 Series: Issued \$121,380,000 in December 1999 at a variable rate, due in varying installments through December 15, 2019	87,845,000
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	5,495,000
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	16,240,000
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	18,910,000
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	8,130,000
2006 Series: Issued \$31,600,000 in December 2006 at a variable rate; due in varying installments through December 15, 2014	24,990,000
2007 Series: Issued \$73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	68,800,000
<b>Revenue bonds payable</b>	<b>252,770,000</b>

#### Capital leases:

2007 Master equipment lease financing in December 2007 at 5.6% rate, due in varying installments through January 1, 2018	3,242,796
Supplemental Improvements Fund Loan, 0%, due in varying installments through August 2012	250,000
Plus unamortized premium (includes unamortized premiums related to both series of 2002, 2003 and the 2004 revenue bonds payable of \$3,217, \$59,540, \$1,414, and \$91, respectively, as of June 30, 2009)	64,262
<b>Subtotal carried forward</b>	<b>256,327,058</b>

#### Capital leases:

Less unamortized discount (includes unamortized discount relating to the 1995 and 1996 revenue bonds payable of \$10,731 and \$67,605, respectively, as of June 30, 2009)	(78,336)
<b>Total revenue bonds payable and capital leases</b>	<b>\$ 256,248,722</b>



## 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 matured 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, that 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.

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

## NOTES TO FINANCIAL STATEMENTS

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.

As part of the Settlement Agreement between the Maryland Stadium Authority and the Baltimore Orioles Limited Partnership dated September 2007, the Authority was allowed to borrow \$250,000 from the Supplemental Improvements Fund with the consent of the Baltimore Orioles Limited Partnership. The Authority must repay the loan within three years of the borrowing at 0% interest. The full amount borrowed will be paid back by August 2012.



## NOTES TO FINANCIAL STATEMENTS

Debt service requirements subsequent to June 30, 2009 are as follows:

Year ending June 30	Principal Maturities	Interest	Total
2010	\$ 16,580,380	\$ 15,473,241	\$ 32,053,621
2011	17,778,921	14,491,400	32,270,321
2012	18,935,911	13,496,058	32,431,969
2013	20,065,901	12,248,973	32,314,874
2014	21,392,584	11,000,916	32,393,500
2015-2019	95,244,099	36,432,858	131,676,957
2020-2024	53,650,000	10,954,659	64,604,659
2025-2026	12,615,000	1,251,602	13,866,602
	<u>\$ 256,262,796</u>	<u>\$ 115,349,707</u>	<u>\$ 371,612,503</u>

### 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.

## NOTES TO FINANCIAL STATEMENTS

As indicated in Note 10, on December 9, 1999, the Authority issued, in accordance with the October 1, 1993 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, 2009 is as follows:

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
<b>Total</b>	<u><b>\$ 9,546,805</b></u>

*Objective of the Interest Rate Swaps.* The Authority has 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 1985 D Bonds and Series 1989 C Notes and the Authority's Series 1989 D Bonds and the Series 1989 C 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 corresponding with the issuance of the Authority's Series 2006 and the Series 2007 bonds for the purpose of realizing cost savings associated with the refunding of the Authority's Series 1994 Bonds and Series 1996 Bonds. 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. On December 5, 2008 Barclays Bank PLC ("Barclays") replaced Ambac as the counterparty on the Convention Center Swap Agreement and the Football Swap Agreement.



*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, 2009, 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	\$ 88,935,000	10/1/93	12/15/99	5.540%	Bond Rate*	\$ (14,005,038)	Dec. 2019	A-/A3
Series 1998	12,890,000	10/1/93	12/15/98	7.510%	USD-CP-H.15 + 0.10%	(3,333,629)	Dec. 2019	A-/A3
Series 2006	24,740,000	12/05/08	12/05/08	5.83% to 5.88%**	SIFMA***	(2,894,055)	Dec. 2014	AA-/Aa3
Series 2007	68,485,000	12/05/08	12/05/08	5.69% to 5.80%**	SIFMA***	(15,434,181)	March 2026	AA-/Aa3
Total	\$ 195,050,000					\$ (35,666,903)		

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

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

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

*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, 2009. The fair values of the swaps were developed by an independent valuation consultant to the Authority that does not have a vested 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, 2009, 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 A- by Standard and Poor's and A3 by Moody's Investors Service as of June 30, 2009. Barclays Bank PLC, the counterparty to the Convention Center Swap and The Football Swap was rated AA- by Standard and Poor's and Aa3 by Moody's Investors Service as of June 30, 2009. To mitigate the potential for credit risk for the 1999 Swap and the 1998 Swap, if the guarantor's

## NOTES TO FINANCIAL STATEMENTS

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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, 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, 2009.

*Basis Risk.* As of June 30, 2009, 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 to USD-CP-H.15 + 0.10% reset weekly 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, 2009, 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 <sup>(1)(2)</sup>

Fiscal Year Ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
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
<b>Total</b>	<b>\$ 202,195,000</b>	<b>\$ 56,215,190</b>	<b>\$ 27,147,168</b>	<b>\$ 285,557,358</b>

(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, 2009, 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.

## 12. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 660,060	\$ 35,348	\$ 9,065	\$ 686,343	\$ 10,000
Future Commitments	0	2,000,000	0	2,000,000	0
Workers' compensation	216,000	31,000	0	247,000	38,285
Lease revenue bonds payable, net	271,557,060	253,323	15,561,661	256,248,722	16,285,000
Deferred revenue	10,893,279	0	1,346,474	9,546,805	1,281,727
<b>Total</b>	<b>\$283,326,399</b>	<b>\$2,319,671</b>	<b>\$16,917,200</b>	<b>\$268,728,870</b>	<b>\$17,615,012</b>

## 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, 2009 are as follows:

2010	\$ 3,820,660
2011	3,701,949
2012	3,708,700
2013	3,505,271
2014	3,045,815
2015-2026	9,761,605
<b>Total</b>	<b>\$ 25,544,000</b>

Lease rental income for the year ended June 30, 2009 was \$3,937,207.

### 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 of Maryland, and consists of several plans that are managed by the Board of Trustees. 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, 2009, 2008, and 2007 of \$426,711, \$442,899, and \$304,930, respectively.



#### D. Other Postemployment Benefits

Effective June 1, 2004, the State established the Postretirement Health Benefits Trust Fund ("OPEB Trust") to receive appropriated funds and contributions to assist the Plan in financing the State's post employment health insurance subsidy. The OPEB Trust is established in accordance with the State Personnel and Pensions Article, Section 34-101 of the Annotated Code of Maryland and is administered by the Board of Trustees for the State Retirement and Pension System.

#### Plan Description

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

#### Funding Policy

Beginning in fiscal year 2008, State law requires the State's Department of Budget and Management to transfer any subsidy received as a result of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003 or similar subsidy to the OPEB Trust to prefund OPEB benefits. To further prefund benefits, during fiscal year 2008, the State transferred from the State Reserve Fund Dedicated Purpose Account. Additionally, the State is required by law to provide funding each year for the Plan for the State's share of the pay-as-you-go amount necessary to provide current benefits to active and retired employees and their dependents. Funds may also be separately appropriated in the State's budget for transfer to the OPEB Trust.

Based on current practice, the State subsidizes approximately 50% to 85% of covered medical, dental, prescription and hospitalization costs depending on the type of insurance plan. The State assesses a surcharge for postemployment health care benefits, which is based on health care insurance charges for current employees. Costs for post retirement benefits are for State of Maryland retirees.

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

## NOTES TO FINANCIAL STATEMENTS

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 allocation for post employment health benefits totaled \$26,575 for the year ended June 30, 2009.

#### 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.

## TWO MSA ALL-STARS LEAVE THE FIELD



*In 2009, two Stadium Authority veterans took their last at bat. Frank Dietz, who worked for MSA for 17 years, retired in October as Director of Baseball Operations. In December, Carol Salmon, one of the first agency employees, retired after 22 years at MSA, where she most recently served as Assistant Director for Warehouse Tenants.*

*For many years they were familiar faces at Camden Yards and an integral part of keeping operations running smoothly and professionally. With respect and appreciation of those who worked with them through the years, they leave enormous shoes to fill and many fond memories for the friends they have here.*



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

## Maryland Stadium Authority

John Morton, III, *Chairman*  
Leonard J. Attman  
Demaune Millard  
John Morton, III  
Victoria Rosellini  
Howard M. Stevens, Jr.  
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