Responsible Operating Unit: Finance Division and Capital Projects
Responsible Officer: Gary McGuigan
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MARYLAND STADIUM AUTHORITY

TERMS AND CONDITIONS FOR BOND ISSUANCE AND OTHER FINANCING FOR PRINCE GEORGE'S COUNTY BLUE LINE CORRIDOR FACILITIES

I. PURPOSE AND SCOPE OF POLICY

WHEREAS the Prince George's County Blue Line Corridor Facilities Act was enacted as Chapter 61 of the Acts of 2022 (the "2022 Act"); and amended by Chapter 376 of the Acts of 2026 (the "2026 Act" together with the 2022 Act, the "Act"); and

WHEREAS the purpose of the Act is to authorize the Authority to issue certain bonds ("Blue Line Bonds") to finance the planning, design and construction of certain Prince George's County Blue Line Corridor facilities ("Facilities"), subject to certain requirements; and

WHEREAS the source of funding for Facilities is an annual appropriation of lottery revenue (the "Lottery Appropriation") pursuant to State Government Article § 9-120(b) dedicated to the purposes of the Act and deposited into the Prince George's County Blue Line Corridor Facility Fund (the "Fund") established under § 10-657.6 of the Economic Development Article; and

WHEREAS the Lottery Appropriation once deposited into the Fund will be the sole source for debt service due on any Blue Line Bonds; and

WHEREAS until Blue Line Bonds are issued, the Authority has and will continue to apply the Lottery Appropriation to Facilities planned, designed and constructed in accordance with the Act; and

WHEREAS the Authority's ability to market and sell its bonds depends on, among other things, the project for which bond proceeds will be used, the State's overall credit rating, and the Authority's commitment to project oversight and fiscal management; and

WHEREAS the Authority is obligated to responsibly manage the State's financial resources entrusted to it by the General Assembly, and necessary for the successful marketing and selling of Blue Line Bonds.

II. DEFINITIONS

1. "Act" means the Act as defined above and as may be amended by future acts of the General Assembly.
2. "Blue Line Corridor" means that geographic area identified as the Blue Line Corridor in the Act.
3. "Bonds" means bonds issued by the Authority pursuant to the Act.
4. "County" means Prince George's County.
5. "Facility" means the facilities identified in the Act as Blue Line Corridor Facilities which are eligible for financing under the Act.
6. "Lottery Appropriation" means the amount of lottery revenue appropriated in the State budget to the Blue Line Corridor Facilities Fund.
7. "State Funds" means any funds provided by or through the State including but not necessarily limited to general fund appropriations, lottery appropriations, bond proceeds secured by or payable with general funds, lottery or other State revenues, and capital bond bill appropriations, appropriated to or under the control of the Authority.

III. CONDITIONS OF ISSUING BONDS

A. <u>Readiness to Proceed</u>

Before the Authority begins the process of issuing Bonds, the County shall demonstrate that the Facility is ready to proceed. Readiness to proceed shall require the following, all subject to the Authority's satisfaction:

1. All economic impact and feasibility studies, as applicable or appropriate, are complete and have been provided to the Authority for review.
2. Report on anticipated positive economic and fiscal impact to the County and return on the State's investment of State Funds.
3. The Authority shall have adequate information to determine with reasonable certainty the costs, scope, anticipated time for completion and the useful life of the proposed Facility.
4. If the costs of the Facility require funds in addition to the Bonds for completion, the County shall demonstrate to the Authority that such funds have been obtained, committed, or invested in the Facility. When Bonds are issued, total available funding must be sufficient to complete the Facility for its intended use.
5. The Authority in its sole discretion shall determine if a Facility is ready to proceed with Bond financing.

B. Bond Issuance

1. When the conditions set forth under III. A. are satisfied the Authority will engage its financial advisor, bond counsel and others on its bond financing team to draft a financing plan for submission to the Authority Board of Directors (the "Board") for approval and to the fiscal committees of the General Assembly in accordance with ED § 10-646.4.
2. The financing plan may anticipate issuance of Bonds or alternative methods of financing including but not limited to short or long term bond anticipation notes or bank loans that provide the best overall financing opportunity for a Facility.
3. Following the Fiscal Committee 45-day review and comment period required by ED § 10-646.4, and approval of the Board of the Bonds and related documents, the Authority shall request the approval of the Board of Public Works of the financing plan, Bond issuance, or alternative financing.
4. The Authority shall determine in its sole discretion with the assistance of its financial advisor, bond counsel, and other bond issuing partners whether the Bonds will be issued and sold as tax-exempt or taxable, when to market, how to size and all other necessary terms of the Bonds, or if applicable, the alternative financing
5. If requested by the Authority, the County shall participate in rating agency calls and presentations to provide additional information necessary for the Authority to market and sell the Bonds.
6. The Authority shall authorize investment of Bond proceeds in accordance with State law, select the Bond trustee and control all matters in connection with Bond proceeds, including disbursements.
7. The Authority shall not use or expend any of its own funds for Facilities. Any material changes in Facility scope or other substitutions that result in additional costs shall be added to the costs of issuance of the Bonds.
8. Additional Facilities may be eligible for Bond funding subject to the Authority's remaining Bond issuing authority, available annual Lottery Appropriation for payment of debt service, and satisfaction of all the conditions set forth herein for issuing Bonds.

IV. USE OF BOND PROCEEDS

A. Eligible Costs

1. Generally, bond proceeds shall be used for capital improvements undertaken by the Authority in connection with a Facility.
2. Costs associated with acquisition, construction, renovation, and related expenses for construction management, professional fees, and contingencies for a Facility, subject to review and approval by the Authority and if required, bond and tax counsel.

B. Ineligible Costs.

Bond proceeds may not be used for:

1. Start-up costs, operating expenses, routine (non-capital improvement) maintenance.

2. Economic development incentives.
3. Third-party grants or loans.

V. DISPOSITION OF PROPERTY

A Facility or other capital improvements constructed or acquired with State Funds under the Act may not be sold, exchanged, given away or otherwise transferred, disposed of or repurposed without the prior consent of the Authority, and if required, the Authority's bond and tax counsel.

VI. STATE FUNDED COSTS (NOT BONDS)

1. Subject to availability of funds not pledged to debt service on Bonds or alternative financing, the Authority may authorize payments for expenses related to Facility projects including economic and feasibility studies, preliminary studies and eligible project development costs identified in Article IV.A.
2. The Authority and the County shall work to adjust the project scope or value engineer project costs that exceed the budget ("Cost Overruns").
3. If there is no agreement by the Authority and the County on adjustments to address the Cost Overruns, the County shall be responsible for payment of any such Cost Overruns.

VII. PROCUREMENT COOPERATION

1. All contracts payable with or from State Funds shall be procured pursuant to the Authority's procurement policies and procedures (https://mdstad.com/procurement-policies-procedures) and shall be held by the Authority.
2. The Authority will share the solicitation with the County at least 10 days before publicly posting and inviting bids or proposals. The County may request modifications or edits to the solicitation which the Authority will consider, subject to State law and the Authority's own policies and procedures and the requirements of the contract.
3. Procurement of contracts for work on Facilities may include, at the County's option, one representative from the County on the evaluation committee.
4. The Authority, with the County's input shall endeavor to identify eligible contractors and vendors local to the County, including MBE's, veterans and small businesses when and as applicable.

VIII. GENERAL CONDITIONS

A. <u>Publicity and Construction-Site Signage</u>.

1. Publicity. The County shall generally control, and the Authority agrees to cooperate in, the preparation and release of all publicity with respect to the Facilities financed with State Funds in accordance with these Policies. However, all press releases by the County relating to such matters shall (a) be submitted at least three (3) business days in advance and must be pre-

approved in writing by the Authority (such approval shall not be unreasonably withheld), and (b) reflect the efforts of both the County and the Authority. If the Authority determines that issuing a press release is appropriate under the circumstances, any such press release by the Authority shall (a) be submitted at least three (3) business days in advance and must be pre-approved, in writing, by the County (such pre-approval shall not be unreasonably withheld), and (b) reflect the efforts of both the County and the Authority. Notwithstanding anything in the foregoing to the contrary, however, parties may respond to telephone calls and other inquiries from the press of a general nature.

2. Construction Site Signage. All construction site signage shall be subject to the Authority's sole control and reflect the joint efforts of the State, the County, and the Authority. The size and placement shall be such that every party receives more or less, equal recognition.