

D28A03
Maryland Stadium Authority

Operating Budget Data

(\$ in Thousands)

	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Working</u>	<u>FY 15</u> <u>Allowance</u>	<u>FY 14-15</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$15,313	\$14,746	\$14,746	\$0	
Adjusted General Fund	\$15,313	\$14,746	\$14,746	\$0	0.0%
Special Fund	19,265	20,000	20,000	0	
Adjusted Special Fund	\$19,265	\$20,000	\$20,000	\$0	0.0%
Nonbudgeted Fund	67,690	60,155	62,459	2,304	3.8%
Adjusted Nonbudgeted Fund	\$67,690	\$60,155	\$62,459	\$2,304	3.8%
Adjusted Grand Total	\$102,269	\$94,901	\$97,205	\$2,304	2.4%

- The fiscal 2015 allowance includes a fiscal 2014 general fund deficiency of \$553,235 to supplement the State's share of the operating deficit of the Baltimore City Convention Center.
- The Maryland Stadium Authority (MSA) fiscal 2015 allowance grows by \$2.3 million over the fiscal 2014 working appropriation. The growth is exclusively limited to the authority's nonbudgeted funds. General funds and special funds remain flat. The growth in nonbudgeted funds can be attributed to the authority's new role under the Baltimore City School Construction Program.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 13 Actual</u>	<u>FY 14 Working</u>	<u>FY 15 Allowance</u>	<u>FY 14-15 Change</u>
Regular Positions	96.90	107.90	109.90	2.00
Contractual FTEs	<u>13.50</u>	<u>13.50</u>	<u>13.50</u>	<u>0.00</u>
Total Personnel	110.40	121.40	123.40	2.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/13	20.00	18.54%

- Regular full-time equivalent positions increase by 11 positions in fiscal 2014 and an additional 2 positions in fiscal 2015, largely due to the increase in responsibilities from the Baltimore City School Construction Program. Personnel expenses are entirely funded through nonbudgeted resources of MSA.

Analysis in Brief

Major Trends

Consistent Project Management: MSA continues to provide construction management services to a consistent number of projects each year on time and within budget.

Seating Bowl Revenue Expected to Grow: The number of seating bowl events and associated revenue are expected to increase in fiscal 2014. MSA expects that seven major events will utilize the Camden Yards facilities in the current fiscal year.

Issues

Baltimore City School Construction – MSA Responsibilities: Chapter 647 of 2013 (HB 860 – Baltimore City School Construction and Revitalization Act) established a new partnership among the State, Baltimore City, and the Baltimore City Public Schools to fund up to \$1.1 billion in public school facility improvements through revenue bonds issued by MSA. In addition to the financing, MSA is also responsible for the construction management of the program. **The Department of Legislative Service recommends that MSA brief the budget committees on the early progress of the Baltimore City School Construction Program and specifically on the timing of the debt issuance and level of funding required to manage the project.**

Recommended Actions

1. Concur with Governor's allowance.

Updates

Project Updates: The statute authorizes MSA to assist State agencies and local governments in managing construction projects or conducting feasibility studies. Several projects/studies are recently completed or are still ongoing, such as the expansion of the Ocean City Convention Center and the study of the Maryland Horse Park.

Camden Yards Capital Improvement Refinancing: In fiscal 2009, MSA began a capital improvement program to repair, replace, and improve various components of Oriole Park at Camden Yards and the B&O Warehouse. In 2013, the authority initiated a refinancing plan to fund the improvements over a 10-year period.

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Maryland Stadium Authority

Operating Budget Analysis

Program Description

The Maryland Stadium Authority (MSA) was established in 1986 as an independent unit in the Executive Department responsible for the construction, operation, and maintenance of facilities for professional baseball and football teams.

Since the Ravens football and Orioles baseball stadiums were constructed, MSA's authority has been extended to include construction and financing for other projects. Legislation enacted in 1992 assigned MSA responsibility for the expansion of the Baltimore City Convention Center (BCCC), and in 1995, the authority was authorized to handle construction management of the Ocean City Convention Center (OCCC) expansion. Legislation in 1996 authorized MSA to participate with Montgomery County in the construction of a conference center, and in 2000, the authority was authorized to participate in construction of the Hippodrome Performing Arts Center in Baltimore. In 2013, MSA's responsibilities were expanded to include the financing and construction management of a new program of school construction for Baltimore City.

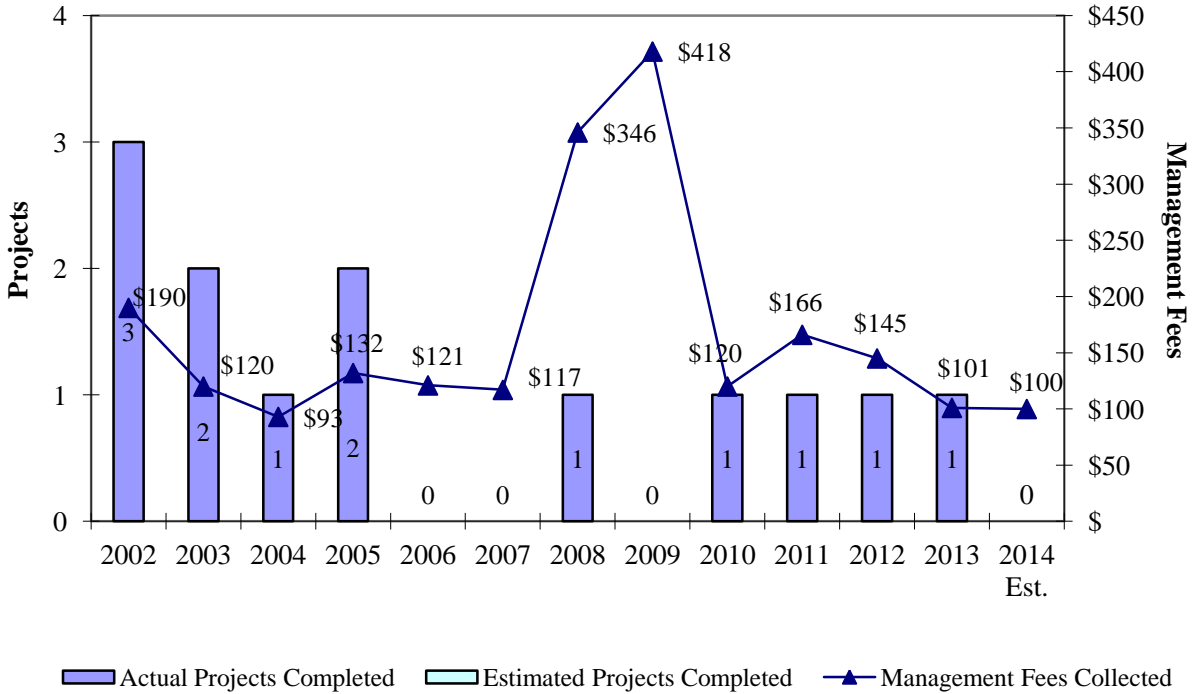
MSA may, in fact, manage any type of construction project for local governments and State agencies. The contracting agency must show that it can fund the project, and the budget committees have 30 days to review and comment on the proposed work. Furthermore, the statute authorizes MSA to use up to \$500,000 annually of its nonbudgeted funds to conduct feasibility studies, with the concurrence of the budget committees.

Performance Analysis: Managing for Results

1. Consistent Project Management

MSA is charged with facilitating the construction of various projects across the State and is paid management fees for this service. The authority strives to complete these projects within the prescribed timeframes and budgets. **Exhibit 1** shows the number of projects that MSA has completed each year. The authority currently has the capacity to complete between one and three projects annually, although that is expected to increase under the school construction program. Management fees have remained fairly constant, except for fiscal 2008 and 2009. Those fees were associated with the completion of the Coppin State University Physical Education Complex that opened in February 2010. Fees have since returned to a more typical level. In fiscal 2015, MSA expects to complete the second phase of the OCCC expansion. It should be noted that each project shown in the exhibit has been completed on time and within budget.

Exhibit 1
Construction Projects Completed and Management Fees Collected
Fiscal 2002-2014 Est.
(\$ in Thousands)



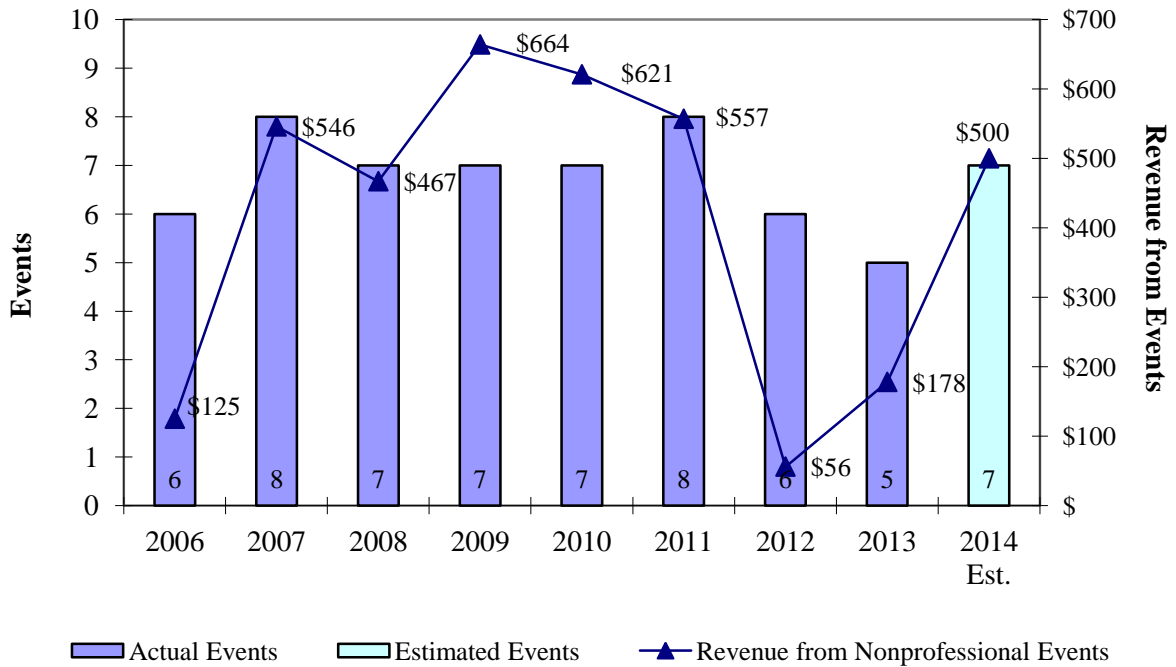
Source: Maryland Stadium Authority

2. Seating Bowl Revenue Expected to Grow

Nonprofessional sporting events and other seating bowl events are also held at the Camden Yards Complex in order to supplement revenues. **Exhibit 2** shows that between five and eight seating bowl events have been held each year since fiscal 2006.

MSA was only able to attract five events in fiscal 2013; however, based on the schedule for fiscal 2014, revenues are expected to increase. Events include a major music concert, international soccer, collegiate football, the Maryland high school football championships, the annual City vs. Poly football game, and the National Collegiate Athletics Association lacrosse finals.

**Exhibit 2
Nonprofessional Sporting Events
Fiscal 2006-2014 Est.
(\$ in Thousands)**



Note: Nonprofessional sporting events include seating bowl events, not catered events.

Source: Maryland Stadium Authority

Fiscal 2014 Actions

Proposed Deficiency

The fiscal 2015 allowance includes a fiscal 2014 deficiency of \$553,235 in general funds to supplement the State’s share of the annual operating deficit at BCCC. By statute, MSA contributes two-thirds of the center’s operating deficit annually. There has been a deficiency for this purpose in 8 of the last 10 years. The Department of Budget and Management and MSA should adjust the annual appropriation to better reflect the actual cost of the operating subsidy.

Cost Containment

The Administration’s fiscal 2015 budget plan includes a planned reversion of \$250,000 in general funds from the MSA budget in fiscal 2014. This reflects savings that are realized by the refinancing of the debt on the Montgomery County Conference Center.

Proposed Budget

MSA’s activities are supported by a combination of general, special, and nonbudgeted funds. **Exhibit 3** shows that the fiscal 2015 allowance is \$97.2 million, an increase of \$2.3 million. MSA’s budget by fund source and by program is shown in **Exhibit 4**.

Exhibit 3
Proposed Budget
Maryland Stadium Authority
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Nonbudgeted Fund	Total
2014 Working Appropriation	\$14,746	\$20,000	\$60,155	\$94,901
2015 Allowance	<u>14,746</u>	<u>20,000</u>	<u>62,459</u>	<u>97,205</u>
Amount Change	\$0	\$0	\$2,304	\$2,304
Percent Change			3.8%	2.4%

Where It Goes:

General Funds

Debt service and operating subsidy for the Ocean City Convention Center.....	\$85
Debt service for the Hippodrome	4
Debt service for the Montgomery County Conference Center.....	-88

Nonbudgeted Funds

Baltimore City school construction management	2,086
Facilities management.....	1,804
Other	-8
Capital expenditures for the Camden Yards complex.....	-1,579

Total	\$2,304
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Note: The fiscal 2014 working appropriation reflects negative deficiencies and contingent reductions. The fiscal 2015 allowance reflects back of the bill and contingent reductions. Numbers may not sum to total due to rounding.

Exhibit 4
Maryland Stadium Authority Budget Summary by Fund Source
Fiscal 2011-2015
(\$ in Thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Working Approp. 2014</u>	<u>Allowance 2015</u>	<u>Change 2013-14</u>
General Funds						
Baltimore City Convention Center (BCCC) – Debt Service and State Operating Deficit Contribution	\$11,278	\$11,054	\$8,979	\$9,017	\$9,017	\$0
Ocean City Convention Center – Debt Service and State Operating Deficit Contribution	2,966	2,865	2,820	2,696	2,780	85
Montgomery County Conference Center (MCCC) – State Portion of Construction Costs	1,762	1,763	1,768	1,644	1,556	-88
Hippodrome Performing Arts Center – State Portion of Construction Costs	1,436	1,373	1,747	1,389	1,393	4
Subtotal General Funds	\$17,442	\$17,055	\$15,313	\$14,746	\$14,746	\$0
Special Funds						
Lottery Transfer to the Maryland Stadium Authority (MSA) Facilities Fund for Debt Service on Camden Yards Projects						
Subtotal	\$20,000	\$20,000	\$19,265	\$20,000	\$20,000	\$0
Nonbudgeted Funds						
MSA General Administration	\$3,115	\$3,511	\$3,236	\$3,114	\$3,116	\$2
Camden Yards Capital Programs – Construction, Debt Service, and Other Debt Costs not Funded by Lottery Revenues	12,223	15,775	9,890	22,155	20,576	-1,579
Facilities Management for Entire Camden Yards Complex	24,160	21,931	23,181	24,971	26,775	1,804
Facilities Management for Oriole Park Improvements Per Orioles Lease	1,515	2,870	763	200	200	0
BCCC – Operating Deficit			553			
MCCC – Refinance			15,493			
Hippodrome Performing Arts Center – Ticket Surcharge and Other Revenues	428	1,072	14,224	440	440	0
Office of Sports Marketing			350	353	344	-9
Baltimore City School Construction Admin.				8,922	11,008	\$2,086
Subtotal Nonbudgeted Funds	\$41,442	\$45,159	\$67,690	\$60,155	\$62,459	\$2,304
Grand Total	\$78,884	\$82,214	\$102,269	\$94,901	\$97,205	\$2,304

Note: Fiscal 2014 does not reflect proposed deficiency or targeted reversion.

Source: Governor's Budget Books, Fiscal 2010-2015

General Funds Remain Flat

General funds comprise the smallest component of the MSA budget and are used to supplement debt service and operating costs for various economic development projects undertaken by the State.

- **BCCC:** Section 10-640 of the Economic Development Article requires MSA to contribute two-thirds toward the annual operating deficit of BCCC through December 31, 2014. The fiscal 2015 general fund allowance for MSA’s contribution to the BCCC operating deficit is \$3,797,684, representing no increase from the prior year’s legislative appropriation. However, it should be noted that fiscal 2015 marks the eighth time in 10 years in which there has been a deficiency required for the BCCC operating deficit subsidy. The operating deficit is consistently underfunded. Chapter 283 of 2013 extended the timeframe for which the State is responsible for two-thirds of the annual operating deficit until 2019.

Debt service costs for the authority’s revenue bonds issued for the BCCC construction account for \$5,018,903. The allowance also provides \$200,000 for MSA’s statutorily required contribution to a BCCC capital improvement fund.

- **OCCC:** MSA is also required under Section 10-643 of the Economic Development Article to contribute one-half of the annual operating deficits of OCCC. The allowance provides \$1,318,497 for this purpose, an increase of \$79,957 from the prior year appropriation. The convention center underwent an expansion, and it is expected that the expansion would increase the operating deficits. It should be noted that legislation was passed during the 2012 session (Chapter 630) that extended the timeframe for which the State is responsible for one-half of the annual operating deficit. The State will now retain this responsibility until fiscal 2036 (from fiscal 2016).

Debt service costs for the authority’s revenue bonds issued for the OCCC construction account for \$1,411,856, a slight increase from the prior year. The allowance also provides an additional \$50,000 for MSA’s statutorily required contribution to the OCCC capital improvement fund.

- **Hippodrome Performing Arts Center:** The allowance provides \$1,393,060 in general funds and \$440,000 in nonbudgeted funds to fund the fiscal 2015 debt service for MSA revenue bonds sold to fund a portion of the Hippodrome construction. To offset MSA’s obligation to the debt service, statute requires the operator of the facility to pay MSA an amount equal to \$2 per ticket sold for admission to the theater. As part of an agreement struck in 2012 to stabilize the Hippodrome finances, the theater operator has guaranteed the annual surcharge revenue of at least \$440,000.
- **Montgomery County Conference Center:** The fiscal 2014 allowance provides \$1,556,000 in general funds for the debt service costs for the authority’s revenue bonds. A recent

refunding and reissuance of the original debt allowed for a decline in the debt service of \$191,991 in fiscal 2014 and an additional \$86,060 in the fiscal 2015 allowance.

Special Funds Remain Flat

Lottery proceeds support debt service payments on the Camden Yards complex. The fiscal 2015 allowance includes \$20.0 million in special funds for this purpose. As has been the case in recent years, the lottery proceeds do not completely cover the cost of debt service. MSA expects to pay \$35.5 million in total debt service in fiscal 2015. Of this amount, approximately \$731,000 is for debt service on Camden Station, \$1.0 million is for energy projects, and \$991,000 is for equipment lease financing. MSA will contribute nonbudgeted funds for the remaining debt service.

Maryland Stadium Authority Financing Fund (And Other Nonbudgeted Funds)

The MSA Financing Fund is a nonbudgeted account from which all MSA's operational expenses are paid, including the general administration of the Camden Yards complex, repairs, renovations, and debt service payments. The fund is primarily supported through lottery and bond proceeds but also includes additional revenue associated with rent from the Orioles, operations and maintenance reimbursement from the Ravens, lease agreements at the Warehouse and Camden Station, stadium admission taxes, and MSA project management fees.

As shown in Exhibit 4, nonbudgeted funds increase by over \$2.3 million in the fiscal 2015 allowance. The primary driver of the increase is the authority's new role in the management of the Baltimore City School Construction Program. This is discussed in greater detail under the Issues section of this analysis.

The increase in nonbudgeted funds is mitigated due to a reduction in the renovations that are scheduled in fiscal 2015. MSA has undertaken a multi-year renovation schedule for Oriole Park at Camden Yards and the B&O warehouse. These facilities have been in use for 20 years and have, therefore, been in need of repair. The bulk of those restorations have been completed, reducing the need for funds in fiscal 2015. Completed renovations include concrete restoration, seat renovation, electrical repairs, waterproofing, and roof replacement. The upgrade to the complex's fire alarm and suppression system is currently underway in fiscal 2014. Some renovations have yet to be completed, including an upgrade to security features and replacement of escalators.

MSA is required to pay rent to the State equal to the difference between its actual revenues and budgeted expenses. The rent formula is built into the sublease agreements for M&T Bank Stadium, Oriole Park, Camden Station and the Warehouse, BCCC, and OCCC. The convention centers have always operated at a deficit, so no rent is due on these subleases. Therefore, activity at Camden Yards generates the State rent payment, if any. No rent payment is budgeted in fiscal 2015.

A complete cash flow statement of the financing fund is provided in **Appendix 3** of this analysis.

Issues

1. Baltimore City School Construction – MSA Responsibilities

Chapter 647 of 2013 (HB 860 – Baltimore City School Construction and Revitalization Act) established a new partnership among the State, Baltimore City, and the Baltimore City Public Schools (BCPS) to fund up to \$1.1 billion in public school facility improvements through revenue bonds issued by MSA. The law requires the four parties – MSA, the Interagency Committee on School Construction, Baltimore City, and BCPS – to enter into a memorandum of understanding (MOU) to set out the roles and responsibilities of each party to implement the construction plan. The Board of Public Works (BPW) must approve the MOU before it may take effect and before MSA may issue any bonds for the program. The MOU has been approved by the governing bodies of each party and was approved by BPW on October 16, 2013.

Role of MSA

MSA has long held a reputation for providing construction management services that are timely and efficient. It has also been the means of financing several sports/tourism-related projects across the State. However, the new role under the Baltimore City School Construction Program will significantly expand MSA's responsibilities. The new responsibilities include:

- overseeing new school construction projects;
- leveraging up to \$60 million annually for 30-year tax exempt financing;
- reviewing and approving all procurements and change orders;
- approving and issuing all payments related to the program;
- chairing a joint committee on the budget, payments, schedule, etc.;
- following all State regulations and policies including the Minority Business Enterprise (MBE) and prevailing wage;
- releasing construction funding provided certain criteria are met; and
- seeking BPW approval of all design and construction contracts and bond issuances.

Impact on MSA Budget

Chapter 647 established two new nonbudgeted funds, administered by MSA, to finance improvements to BCPS facilities: the BCPS Construction Financing Fund and the BCPS Construction Facilities Fund.

The **financing fund** will be used to pay debt service on bonds issued by MSA to construct and improve BCPS facilities and all reasonable charges and expenses related to the issuance of bonds. The revenue sources for the fund include:

- all revenues generated by the Baltimore City beverage container tax;
- all of the city's proceeds from table games at the video lottery facility located in Baltimore City that are dedicated to school construction and 10% of the participation rent paid by the video lottery facility operator to Baltimore City;
- \$10.0 million in State education aid due to the Baltimore City Board of School Commissioners (BCBSC) from recurring retiree health care costs shifted from Baltimore City to BCBSC;
- \$20.0 million in annual proceeds from the State lottery;
- \$10.0 million diverted from State education aid to BCBSC in fiscal 2016 and \$20.0 million in each fiscal year thereafter;
- proceeds from the sale of bonds to finance improvements to BCPS facilities; and
- any other funds or revenues received from or dedicated by any public source to support the initiative.

Any funds not needed for debt service and related costs may be transferred to the authority's school construction **facilities fund**, which will primarily be used to pay design and construction costs relating to BCPS facilities; any start-up costs, administration, overhead, and operations related to management of improvements to BCPS facilities; and all reasonable charges and expenses related to MSA's oversight and project management responsibilities.

The fiscal 2014 working appropriation and the fiscal 2015 allowance reflect the first infusions of funds from the Baltimore City and BCBSC shares of the program's costs (\$8.9 million and \$11.0 million, respectively). The allowance reflects 17 full-time positions associated with the program. The authority advises that, to date, it has hired 1 project manager and 1 assistant project manager to assist with the early stages of the school construction program. Specifically, the new positions assisted with a request for qualifications for architectural and engineering services that was

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recently released. The authority plans to hire additional project managers, administrative staff, a compliance manager for MBE and prevailing wage issues, and legal and accounting staff.

Not included in the allowance is \$20 million from State lottery funds that are intended to pay the debt service on the MSA-issued bonds. Based on the current construction schedule, the first debt issuance and subsequent debt service payment will not occur until fiscal 2016.

The Department of Legislative Service recommends that MSA brief the budget committees on the early progress of the Baltimore City School Construction Program and specifically on the timing of the debt issuance and level of funding required to manage the project.

Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Project Updates

Statute authorizes MSA to assist State agencies and local governments in managing construction projects. The budget committees must be notified, and funding must be provided entirely by the agency or local government requesting assistance unless funding is specifically provided in the budget for the project. The statute also authorizes MSA to conduct feasibility studies. Feasibility studies are often the first step in the process of evaluating the costs, financing options, economic impact, and market conditions of potential infrastructure projects. In many instances, the projects entail State and local government cooperation to finance and implement and offer opportunities for private sector contribution through public-private partnerships. The budget committees must give approval for the studies, and costs must total to no more than \$500,000 annually of MSA's nonbudgeted funds.

Current Projects

- **OCCC:** In December 2007, Ocean City asked MSA to conduct a feasibility study for another expansion of its convention center. The feasibility study was released in December 2008. The study recommended a moderate expansion and remodeling to the convention center to modernize audiovisual and technical amenities, provide more function space to accommodate multiple events, and increase prime exhibit space. In the fiscal 2011 capital budget bill, the General Assembly added \$4.3 million in general obligation (GO) bond funding to finance the State's share of the convention center expansion. State funds were matched with \$5.0 million from Ocean City. The fiscal 2013 capital budget bill provided an additional \$2.2 million in GO bond financing for the project, provided that the city provide matching funds. The fiscal 2014 capital budget bill also provided \$3.5 million (with a match requirement) that will allow MSA to complete the project, projected for fall 2014.

Ongoing Studies

- **Show Place Arena and Prince George's County Equestrian Center:** The Maryland National Capital Parks and Planning Commission (MNCPPC) requested, and is funding, a study on the management practices and governance structure of the existing equestrian center in Prince George's County. The study will be released in early 2014.
- **Bowie Lacrosse Stadium/Youth Sports Complex:** MNCPPC requested MSA to perform a conceptual design and cost study of a multi-field tournament complex. The study is funded by MNCPPC. The study will be released in early 2014.
- **Perdue Stadium:** In June 2012, Wicomico County requested MSA to perform a market and economic impact study of the Arthur Perdue Stadium to determine what enhancements are necessary to keep the facility competitive. The cost of the study is shared between

Wicomico County (two-thirds of the cost) and MSA (one-third). The study will be released in early 2014.

- **Maryland Horse Park Study:** MSA is conducting an operational study of a potential Maryland Horse Park that is, in part, examining existing horse industry assets. The study is funded by the Maryland Horse Industry Board and the Department of Business and Economic Development. It is expected to be released in late 2014.

2. Camden Yards Capital Improvement Refinancing

In 2013, MSA received approval from its board, the legislative fiscal committees, and BPW to proceed with a refinancing plan that will help to facilitate the capital improvements underway at the Camden Yards complex. Components of the current improvements are discussed under the budget discussion section of this analysis.

Background

Oriole Park at Camden Yards and the renovated B&O warehouse had been in use for over 15 years when MSA developed a 5-year capital improvement plan that totals about \$35 million. The plan requires MSA to issue taxable debt to finance the improvements subject to the submission of a financing plan and approval by the Legislative Policy Committee (LPC). In October 2009, MSA forwarded to LPC and the fiscal committees of the General Assembly a 2009 *Amendment to the Comprehensive Plan of Financing* for the Camden Yards Sports Complex.

The amended financing plan supported the MSA plan to fund energy projects that resulted from the recommendations of an energy audit, to replace aging video score boards at M&T Bank Stadium, and to begin a five-year capital improvement plan for Oriole Park at Camden Yards. The plan included:

- \$4 million financed through the State Treasurer’s Master Equipment Lease Program;
- \$10 million financed through the State Treasurer’s Energy Performance Contract Master Lease Program; and
- \$10 million in taxable revenue bonds secured by lottery proceeds.

The \$10 million in taxable revenue bonds secured by lottery proceeds is the component that required refinancing as described below.

Financing Plan

In 2010, MSA originally planned to issue the debt with a 10-year term. However, given the structure of taxable bonds secured only by lottery proceeds, only short-term offerings provided favorable interest rates. Previously, MSA issued its revenue bonds secured primarily by lease payments appropriated each year by the General Assembly. Under the new structure, only three-year terms were offered by the market. The short-term offering provided a low interest rate; however, it also included a large final lump-sum debt service payment due in fiscal 2014.

To avoid the final lump-sum payment, MSA proposed a refinancing plan. MSA advised that the market had changed and was able to provide financing options with both low interest rates and longer terms. The plan offers no real savings over the life of the bonds but does provide the flexibility of smaller payments without the burden on MSA's financing fund of the large final payment in fiscal 2014.

It should also be noted that a second refinancing will be forthcoming for the renovation project. In fiscal 2011, MSA issued a second phase bond issuance of \$10 million for additional improvements. Again, MSA could only secure short-term financing. Accordingly, it is expected that an amendment to the financing plan will be submitted in the upcoming fiscal year to extend the term of the 2011 issuance.

Current and Prior Year Budgets

Current and Prior Year Budgets Maryland Stadium Authority (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2013					
Legislative Appropriation	\$15,267	\$19,265	\$0	\$0	\$34,532
Deficiency Appropriation	366	0	0	0	366
Budget Amendments	0	0	0	0	0
Reversions and Cancellations	-320	0	0	0	-320
Actual Expenditures	\$15,313	\$19,265	\$0	\$0	\$34,578
Fiscal 2014					
Legislative Appropriation	\$14,746	\$20,000	\$0	\$0	\$34,746
Budget Amendments	0	0	0	0	0
Working Appropriation	\$14,746	\$20,000	\$0	\$0	\$34,746

Note: The fiscal 2014 working appropriation does not include deficiencies or contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2013

The fiscal 2013 original appropriation was increased by a deficiency appropriation that was included in the fiscal 2014 allowance. The funds were used to close a shortfall in funding for the debt service for the Hippodrome Performing Arts Center. The shortfall has since been addressed by a new agreement with the theater operator and a debt refinancing. Mitigating this increase was a general fund reversion of over \$320,000 in fiscal 2013. Of this total, \$175,000 was reverted due to the cancelation of the second phase of a study to examine Baltimore sites for the DC United soccer franchise. The remaining funds were reverted because some expenses related to the BCCC operating subsidies were accounted for in fiscal 2014 instead of fiscal 2013.

Audit Findings

Audit Period for Last Audit:	July 1, 2009 – October 16, 2012
Issue Date:	October 2013
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	N/A

Finding 1: MSA did not verify that event operating statements prepared by the football team were accurate to ensure the related payments to MSA were proper.

Finding 2: MSA did not always perform deposit verifications of recorded collections in a timely manner.

*Bold denotes item repeated in full or part from preceding audit report.

**Maryland Stadium Authority Financing Fund
For Camden Yards Complex Activities
Fiscal 2011-2015
(\$ in Thousands)**

	<u>Actual 2011</u>	<u>Actual 2012</u>	<u>Actual 2013</u>	<u>Est. 2014</u>	<u>Est. 2015</u>
Beginning Balance	\$13,474	\$6,538	\$12,175	\$14,700	\$4,896
Bond Proceeds	1,002	13,160	3,023	8,475	16,845
Master Equip Lease Financing for Audio/Visual Equip.	0	0	0	0	0
Master Energy Program	0	0	0	0	0
Lottery Proceeds	20,000	20,000	19,265	20,000	20,000
Subtotal Lottery/Bond	\$21,002	\$33,160	\$22,288	\$28,475	\$36,845
Other Revenues					
Misc. Income	1,609	2,342	1,594	975	975
Parking	0	1,020	0	0	0
Catering Events	596	574	550	400	500
Memorial Stadium Land Sale	0	0	0	0	0
Admission Tax	9,499	9,847	11,040	9,000	10,000
Baseball Rent	5,612	5,479	7,226	6,250	6,500
Baseball Suite Amortization	702	712	774	747	747
Football Operations	7,868	9,076	9,532	9,215	9,445
Seating Bowl Events	557	0	0	0	0
Warehouse Lease	3,952	3,881	3,992	4,112	4,235
Construction Management Fee	166	256	100	100	100
Baltimore City	1,000	1,000	1,000	1,000	1,000
Subtotal Other Revenues	\$31,561	\$34,187	\$35,808	\$31,799	\$33,502
Total Funds Available	\$66,037	\$73,885	\$70,271	\$74,974	\$75,243
Uses					
Maryland Stadium Authority (MSA) Administration	3,115	4,254	3,236	3,114	3,100
Camden Yards Operations	23,596	21,030	23,028	24,071	24,775
Subtotal MSA/Camden Operating	\$26,711	\$25,284	\$26,264	\$27,185	\$27,875
Capital Imp. Funds for Oriole Park*	400	400	400	400	400
Audio/Visual Equipment	-298	0	0	0	0
Energy Projects	2,478	338	0	0	0
Baseball Suite Renovate	377	500	0	500	500

D28A03 – Maryland Stadium Authority

	<u>Actual 2011</u>	<u>Actual 2012</u>	<u>Actual 2013</u>	<u>Est. 2014</u>	<u>Est. 2015</u>
Baseball Stadium Capital Projects	4,237	7,929	1,834	7,000	6,000
Other (Ocean City Expansion)	0	0	0	654	0
Pit Lane Improvements	1,913	201	0	0	0
<i>Subtotal MSA/Camden Operating and Capital</i>	\$35,818	\$34,652	\$28,498	\$35,739	\$34,775
Debt Service and Financing	23,681	26,308	25,538	34,339	35,489
State Rent Payment	0	750	1,535	0	0
Total Uses	\$59,499	\$61,710	\$55,571	\$70,078	\$70,264
Ending Balance	\$6,538	\$12,175	\$14,700	\$4,896	\$4,979

* These are revenues deposited into the account and originate from the parity settlement intended to equalize State support provided to the Ravens and Orioles teams. These figures do not include interest or funds from the Hippodrome ticket surcharge.

Source: Maryland Stadium Authority

**Object/Fund Difference Report
Maryland Stadium Authority**

<u>Object/Fund</u>	<u>FY 13 Actual</u>	<u>FY 14 Working Appropriation</u>	<u>FY 15 Allowance</u>	<u>FY 14 - FY 15 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	96.90	107.90	109.90	2.00	1.9%
02 Contractual	13.50	13.50	13.50	0.00	0%
Total Positions	110.40	121.40	123.40	2.00	1.6%
Objects					
01 Salaries and Wages	\$ 7,545,590	\$ 9,406,592	\$ 10,075,652	\$ 669,060	7.1%
02 Technical and Spec. Fees	539,704	561,329	561,329	0	0%
03 Communication	50,131	74,920	86,529	11,609	15.5%
04 Travel	38,316	88,343	93,848	5,505	6.2%
06 Fuel and Utilities	4,437,910	4,038,803	5,687,845	1,649,042	40.8%
07 Motor Vehicles	41,441	45,028	105,440	60,412	134.2%
08 Contractual Services	15,670,117	28,704,112	28,862,493	158,381	0.6%
09 Supplies and Materials	987,232	1,056,505	1,110,749	54,244	5.1%
10 Equipment – Replacement	0	500,000	500,000	0	0%
11 Equipment – Additional	96,177	479,133	132,000	-347,133	-72.5%
12 Grants, Subsidies, and Contributions	26,098,059	25,556,224	25,616,181	59,957	0.2%
13 Fixed Charges	46,764,100	24,390,049	24,373,282	-16,767	-0.1%
Total Objects	\$ 102,268,777	\$ 94,901,038	\$ 97,205,348	\$ 2,304,310	2.4%
Funds					
01 General Fund	\$ 15,313,442	\$ 14,745,855	\$ 14,746,000	\$ 145	0%
03 Special Fund	19,265,000	20,000,000	20,000,000	0	0%
07 Nonbudgeted Fund	67,690,335	60,155,183	62,459,348	2,304,165	3.8%
Total Funds	\$ 102,268,777	\$ 94,901,038	\$ 97,205,348	\$ 2,304,310	2.4%

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.

**Fiscal Summary
Maryland Stadium Authority**

<u>Program/Unit</u>	<u>FY 13 Actual</u>	<u>FY 14 Wrk Approp</u>	<u>FY 15 Allowance</u>	<u>Change</u>	<u>FY 14 - FY 15 % Change</u>
02 Maryland Stadium Facilities Fund	\$ 19,265,000	\$ 20,000,000	\$ 20,000,000	\$ 0	0%
41 General Administration	3,235,811	3,113,772	3,115,797	2,025	0.1%
42 Capital Programs – Baseball/Football Pre-construction	9,889,635	22,155,116	20,575,979	-1,579,137	-7.1%
44 Facilities Management	23,180,881	24,971,000	26,775,306	1,804,306	7.2%
48 Facilities Management	763,404	200,000	200,000	0	0%
55 Baltimore Convention Center	9,532,622	9,016,587	9,016,587	0	0%
58 Ocean City Convention Center	2,819,505	2,695,715	2,780,353	84,638	3.1%
59 Montgomery County Conference Center	17,261,146	1,644,060	1,556,000	-88,060	-5.4%
60 Hippodrome Performing Arts Center	15,970,308	1,829,493	1,833,060	3,567	0.2%
63 Office of Sports Marketing	350,465	352,846	343,912	-8,934	-2.5%
67 Baltimore City Public School Construction Facilities Fund	0	8,922,449	11,008,354	2,085,905	23.4%
Total Expenditures	\$ 102,268,777	\$ 94,901,038	\$ 97,205,348	\$ 2,304,310	2.4%
General Fund	\$ 15,313,442	\$ 14,745,855	\$ 14,746,000	\$ 145	0%
Special Fund	19,265,000	20,000,000	20,000,000	0	0%
Nonbudgeted Fund	67,690,335	60,155,183	62,459,348	2,304,165	3.8%
Total Appropriations	\$ 102,268,777	\$ 94,901,038	\$ 97,205,348	\$ 2,304,310	2.4%

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.