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MAYOR

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SB 856

March 7, 2023

TO: Members of the Senate Budget and Taxation Committee
FROM: Nina Themelis, Interim Director of Government Relations
RE: Senate Bill 856 – Economic Development – Maryland Stadium Authority – Baltimore City Infrastructure Projects

POSITION: Support with Amendment

Chair Guzzone, Vice Chair Rosepepe, and Members of the Committee please be advised that my Baltimore City Administration (BCA) **supports** Senate Bill (SB) 856 **with amendment**.

SB 856 would establish the Baltimore City Infrastructure Projects Financing Fund, which would authorize the Maryland Stadium Authority to issue up to \$1 billion in bonds for infrastructure projects in Baltimore City. These bonds would be used to finance site acquisition, design, construction, equipping, and furnishing for City projects. This bill would also mandate the Governor appropriate \$58 million in annually for debt service and allow the Board of Public Works to approve up to \$1 billion of bonds. Lastly, SB 856 would require the Stadium Authority to receive a written request from Baltimore City for financing and construction management services for a project and require an agreement between the City and Stadium Authority in addition to approval from the Board of Public Works prior to issuance of bonds and work commencement.

The proposed legislation would allow for increased flexibility and financing options from the Authority bonds to improve Baltimore City infrastructure, resulting in enhanced reliability and resiliency to combat aging infrastructure across the city. This would greatly enhance and facilitate operations by limiting the time and resources typically required for the City to finance and contract services for certain infrastructure projects and allow for resources to be devoted to other projects and constituent needs. The Fund can also enable the City to leverage the bonds from the Authority to secure large-scale funding from the federal government for infrastructure projects and limit expenditures from the City's General Fund and the use of high interest loans for project financing. Lastly, additional financing from the Stadium Authority and the annual appropriation would reduce the debt service owed by the City and permit more opportunities to address specific infrastructure projects that have required significant funding that may otherwise restrict agency operations if funded in the current state.

The BCA requests an amendment to add “City buildings and facilities” to the list of eligible projects in the bill. This would help to finance major City facility projects such as the Sun Building and the Courthouse.

For these reasons, the BCA requests a **favorable with amendments** report on SB 856.