

BOARD OF PUBLIC WORKS
TABLE OF CONTENTS
DECEMBER 18, 2023

SPECIAL MEETING

MEETING LOCATION:
WAREHOUSE AT CAMDEN YARDS
333 W. CAMDEN STREET
BALTIMORE, MD

2:30 P.M. – PRESS CONFERENCE ON AGENDA
(4TH FLOOR LOUNGE)

3:15 P.M. – CONSIDERATION OF AGENDA
(6TH FLOOR BANQUET ROOM)

Item		Section page no.	Overall page no.
SECRETARY'S AGENDA			
1	Maryland Stadium Authority		1

**This agenda may be addressed partly or wholly in closed session.*

**BOARD OF PUBLIC WORKS
SPECIAL MEETING
SECRETARY'S
ACTION AGENDA
December 18, 2023**



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1. MARYLAND STADIUM AUTHORITY

Term Extension and Amendments to the Lease Agreement between the Maryland Stadium Authority and Baltimore Orioles Limited Partnership, as successor in interest to The Orioles, Inc.

Recommendation: That the Board of Public Works approve a term extension and amendments to the Lease Agreement between the Maryland Stadium Authority and the Baltimore Orioles Limited Partnership relating to the baseball stadium at Camden Yards Sports Complex.

Original Approval: Secretary's Agenda Item 17 (9/2/1992)

Authority: § 10-613(a)(7), Economic Development Article, Annotated Code of Maryland, and § 10-305(a), State Finance & Procurement Article, Annotated Code of Maryland.

Remarks: The existing lease agreement between the Maryland Stadium Authority ("MSA") and the Baltimore Orioles Limited Partnership ("Orioles") related to the baseball stadium at Camden Yards, effective as of September 2, 1992, expires on December 31, 2023, as amended by Secretary's Agenda Item 9 (2/24/2021).

Extension to the Lease Agreement Term

MSA and the Orioles have agreed upon an extension to the existing lease agreement, commencing January 1, 2024 and continuing until December 31, 2053 ("base extension term") upon the same terms, covenants, and conditions as contained in the existing lease agreement. The Orioles may extend the terms of the existing lease agreement for four (4) five-year periods upon the expiration of the base extension term.

Amendments

1. Access to Bond Funding for Capital Works at the baseball stadium at Camden Yards. Exhibit A attached to the amendment to the existing lease agreement outlines provisions governing the use of bond proceeds for capital works as prescribed by House Bill 896 of 2022, as amended by House Bill 524 of 2023.

The General Assembly passed House Bill 896 (enacted as Chapter 60, Acts of 2022) which among other things, increased the Authority's bond issuing authority for sports facilities at Camden Yards to \$1.2 billion, to be evenly split between the baseball and football stadiums and facilities directly related to the use or operation of each. The new law requires the Comptroller to distribute lottery revenues up to \$90 million annually to MSA for payment of debt service on bonds for the stadiums (up to \$45 million per year for debt service for each stadium).

BOARD OF PUBLIC WORKS
SPECIAL MEETING
SECRETARY'S
ACTION AGENDA
December 18, 2023



1. MARYLAND STADIUM AUTHORITY (cont'd)

Remarks (cont'd):

Amendments (cont'd)

Amended § 10-644 of the Economic Development Article of the Code requires as a condition precedent to issuing bonds for either stadium, that MSA shall have negotiated a lease or a renewal or extension of a lease, approved by the Board of Public Works, that will not terminate prior to the maturity date or payoff of any bonds issued for the stadium.

Through the extension of the term of the existing lease agreement (this item), MSA will be able to request approval for the issuance of bonds, in accordance with House Bill 896 of 2022, as amended by House Bill 524 of 2023, to fund capital replacements and improvements to the baseball stadium at Camden Yards. MSA is not requesting the Board of Public Works approve issuance of bonds at this time.

2. Ground Lease and Master Development Planning. Each party will use commercially reasonable efforts to negotiate and finalize a form of ground lease and master development plan by December 31, 2027, subject to all required governmental reviews and approvals. Once finalized, the ground lease and master development plan will simultaneously be submitted to the Legislative Policy Committee of the Maryland General Assembly and the Board of Public Works, for review and approval, in accordance with § 10-616 of the Economic Development Article.

3. Effects of Approval of Ground Lease and Master Development Plan. By December 31, 2027, if the Legislative Policy Committee of the Maryland General Assembly and the Board of Public Works have granted approval to the ground lease and the master development plan as described above, the Orioles will execute a Facility Use Agreement attached as Exhibit C to the amendment to the existing lease, subject to the approval of Major League Baseball and the Board of Public Works.

The material terms of the Facility Use Agreement executable under the conditions outlined above include:

- Term. The initial term of the new Ballpark facility use agreement will be thirty (30) years through 2053, including time elapsed since the execution of the extension to the current lease term. The Orioles will have the option to extend the initial term of the Facility Use Agreement for two (2) additional renewal terms of five (5) years each.
- Rent and Taxes. The Orioles will pay no rent to MSA and instead will pay the costs of maintenance and repair work as described on the next page. The Orioles will continue to pay admissions and amusement taxes, sales taxes, and applicable property taxes.

**BOARD OF PUBLIC WORKS
SPECIAL MEETING
SECRETARY'S
ACTION AGENDA
December 18, 2023**



1. MARYLAND STADIUM AUTHORITY (cont'd)

Remarks (cont'd):

Amendments (cont'd)

- Maintenance and Repair. The Orioles will be responsible for the cost and execution of maintenance and repair work at the baseball stadium, subject to oversight by MSA and the Board of Public Works. Provisions are included in the Facility Use Agreement outlining strict standards with MSA oversight to ensure the Orioles are adhering to the maintenance and repair requirements as outlined in the Facility Use Agreement.
- MSA Control of Bond-Funded Capital Works. The MSA will control procurements and management of capital works funded by bond proceeds as authorized by House Bill 896 of 2022, as amended by House Bill 524 of 2023.
- Establishment of Funds. The State will establish and MSA will request appropriations to fund a capital works fund, an emergency reserve fund, and a safety and repair fund.
- Home Games. The Orioles are required to play all home games at the baseball stadium at the Camden Yards Sports Complex during the duration of the Facility Use Agreement term.
- No Relocation. The Orioles are not permitted to relocate during the term of the Facility Use Agreement. In the event of a relocation default, MSA shall have the right to pursue all legal remedies, including but not limited to recovery of liquidated damages tied to the amount of any outstanding bonds.
- Socioeconomic Procurement Goals. Maintenance and repair work contracts conducted by the Orioles will include socioeconomic procurement goals. Bond-funded capital works contracts conducted by MSA will likewise include socioeconomic procurement goals, in accordance with applicable laws, regulations, and policies.
- Naming Rights/Use of "Camden Yards". MSA grants permission to the Orioles to sell naming rights, in alignment with the Orioles' rights under the team's existing lease. MSA grants the Orioles a royalty-free, worldwide, fully paid, non-exclusive, irrevocable license to use and exploit the name "Camden Yards" in connection with the baseball stadium. MSA retains the right to grant license to third parties so long as it does not cause confusion with the name of the ballpark.

**BOARD OF PUBLIC WORKS
SPECIAL MEETING
SECRETARY'S
ACTION AGENDA
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1. MARYLAND STADIUM AUTHORITY (cont'd)

Remarks (cont'd):

Amendments (cont'd)

4. Effects of Disapproval of Ground Lease and Master Development Plan. By December 31, 2027, if the Legislative Policy Committee of the Maryland General Assembly and the Board of Public Works have not granted approval to – or have disapproved of – the ground lease and the master development plan as described in Section 2 of the Amendments, the Orioles may:

- Continue to operate under the terms of the existing lease agreement and under the 30-year base extension term, and retain the option to extend the terms of the existing lease agreement for four (4) five-year periods upon the expiration of the base extension term;
- Reduce the base extension term to fifteen (15) years (“amended base extension term”) and retain the option to extend the terms of the existing lease agreement for four (4) five-year periods upon the expiration of the amended base extension term; or
- Execute the Facility Use Agreement as described in Section 3 of the Amendments, including the mandatory base term of thirty (30) years, and retain the option to extend the terms of the existing lease agreement for two (2) five-year periods upon the expiration of the base extension term.

BOARD OF PUBLIC WORKS ACTION

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION