



BROOKE'S BPW BRIEF

✓ *Breaking down the Board of Public Works*

SPECIAL MEETING!

On Monday, December 18, the Board of Public Works and the Maryland Stadium Authority (MSA) **unanimously approved a lease agreement between the MSA and the Baltimore Orioles** at a special meeting at Camden Yards.

THE ORIOLES LEASE AGREEMENT ✓

Background: In 2022, the Maryland General Assembly passed a law that increased the MD Stadium Authority's (MSA)'s bond issuing authority to \$1.2 billion, to be split evenly between the baseball and football facilities - Camden Yards and M&T Bank Stadium. As a condition of the bond issuances, this law required MSA to negotiate leases (subject to the approval of BPW) with the teams that do not terminate prior to the maturity date of bonds issued for the facilities. On January 4, 2023, the BPW approved a 15-year lease between MSA and the Baltimore Ravens.

The Lease: The BPW met to review a lease of Camden Yards between the MSA and the Orioles on Monday, Dec. 18. The existing lease was set to expire on Dec. 31, 2023.

The lease agreement is complex. It extends the terms of the existing lease but provides for a variety of extension options, including a potential ground lease and development rights for several parcels of state land at the Camden Yards Complex.

The Orioles have the option to pursue a ground lease agreement for future development around the ballpark. If a ground lease and development plan is proposed, it would be subject to a detailed process spelled out in the lease over the next four years, including requirements for public input and approvals by the Legislative Policy Committee and the BPW. The Orioles and the State have until the end of 2027 to finalize ground lease terms and a development plan under the approved lease extension.

The Lease, continued: If a ground lease and development plan are approved, the Orioles may enter into a 30-year Facilities and Use Agreement (FUA) that would move operation and maintenance under the control of the Orioles, rather than MSA. Key components of the FUA include:

- Instead of paying rent to MSA, the Orioles will pay for maintenance and repairs, subject to oversight by MSA and the BPW.
- MSA will control the procurements and management of capital works funded by bond proceeds. All procurements associated with stadium maintenance and repair will be subject to socio-economic procurement goals (small and minority business enterprise goals).
- The Orioles are not permitted to relocate during the term of the FUA. If the team is sold during the lease term, any new owner would inherit these lease terms.

If a ground lease and development plan is *not* approved, the lease extension allows for the Orioles to convert the terms to the FUA, stay at the current lease terms for 30 years, or reduce the base term of the lease to 15 years.

The lease will commence on Jan. 1, 2024. You can read the full lease here: <https://mdstad.com/stadium-use-agreements>.