



TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

**HOUSE BILL 896 – MARYLAND STADIUM AUTHORITY –
INCREASE OF BOND AUTHORIZATION – CAMDEN YARDS**

Sponsor – Chair, Appropriations Committee (By Request - Departmental - Stadium Authority)

April 8, 2022

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

House Bill 896 would increase the amount of taxable or tax exempt bonds that the Maryland Stadium Authority (the Authority) may issue for the two sports facilities at the Camden Yards complex, Oriole Park at Camden Yards and M&T Bank Stadium. The two stadiums serve as the home for the Baltimore Orioles baseball franchise and the Baltimore Ravens football franchise, respectively.

Specifically the bill would permit the Authority to borrow in the bond market up to \$1.2 billion, an increase from the current cap of \$235 million. The bill would permit borrowing up to \$600 million for each facility.

The bill would also require the Authority to negotiate a lease (or renewal or extension of a lease) with the two teams' ownership prior to financing the acquisition and construction of any part of a sports facility and to obtain the approval of the Legislative Policy Committee and Board of Public Works of any lease, renewal, or extension. It would also alter the amount that the state Comptroller would be required to distribute from the State Lottery Fund to the Maryland Stadium Facilities Fund.

The Greater Baltimore Committee (GBC) strongly supports this legislation because it would serve to ensure the stadiums are properly modernized as needed in future years, thereby greatly extending the useful life span of the facilities to 75-80 years each. The bill would also serve to ensure both teams remain in Baltimore in the long-term.

With the current cost of a new professional sports stadium well over \$1 billion –SoFi Stadium in Los Angeles cost an estimated \$5 billion – it makes prudent economic sense to fund needed renovations and modernizations as they arise to avoid the potential of either stadium becoming outdated and needing to be replaced should the Orioles or Ravens ownership seek a new stadium as a condition of staying in Baltimore. It is worth noting that the Texas Rangers' stadium was built after Orioles Park opened and subsequently has been replaced with a new stadium (Choctaw Stadium), which cost an estimated \$1.2 billion. The city of Arlington, Texas contributed \$500 million toward the stadium costs.

The GBC also contends that the economic benefit of the two stadiums is immensely significant to Baltimore, the greater Baltimore region and to the State of Maryland.

This economic impact extends to nearby retail shops, restaurants, hotels, parking vendors and more which cater to local and out-of-town fans. It is estimated by the Authority that the stadiums have contributed more than \$1 billion in tax revenue for the city, region, and state.

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Based on statistics compiled annually by a consultant to the Maryland Stadium Authority, the Orioles and Ravens have contributed the following to the city, regional and state economy since 1992 (all figures are approximate):

| | Orioles | Ravens |
|------------------------------------|----------------|---------------|
| 85 million visitors | 70 million | 15 million |
| \$15.9 billion in total spending | \$9.2 billion | \$6.7 billion |
| 4,000 jobs each year | 2,400 | 1,600 |
| \$8.3 billion in employee earnings | \$4.8 billion | \$3.5 billion |
| \$1.0 billion in state revenues | \$0.6 billion | \$0.4 billion |

The loss of this vital economic activity would be significant, especially on the many small businesses in the area surrounding Camden Yards that rely heavily on the venue's activity to stay in business and support the jobs they provide.

The GBC also contends that renovations and modernizations undertaken with the increased funding would be leveraged by the teams in the marketing of their sport and to retain and attract fans. That, in turn, would result in added income for the teams, as well as additional income for the state as lease payments are based on the amount of money generated by teams through fan attendance. Another key economic benefit is that the state's increased investment in the stadiums is likely to yield new private investment near the stadiums. The Horseshoe Casino, the Paramount concert venue, and Top Golf near the Camden Yards complex are examples of the type of major investment that could be spurred by stadiums modernized as fan expectations and infrastructure needs demand.

In addition, the bill would establish an important beneficial relationship between the teams and the state. For one, the increased borrowing authority and structure will create an "evergreen" partnership. Specifically, the Orioles and the Ravens will each be provided the flexibility to seek funding for stadium improvements without being required to return repeatedly for legislative approval to make improvements to the facilities.

This bill is consistent with two of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Strategic and effective state investments in business growth. The state must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.

Government leadership that unites with business as a partner. Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

Increasing the borrowing power of the Authority will provide certainty to the Orioles and Ravens organizations that they will be able to move forward with needed improvements and modernizations in the future and thus assure that both teams will remain in Baltimore for the long-term. This form of partnership would be mutually beneficial to all of the parties involved.

For these reasons, the Greater Baltimore Committee urges a favorable report of House Bill 896.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

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