

To the Citizens and Businesses of Aberdeen:

There's been a string of recent statements in the local and Baltimore newspapers regarding what has been described as a dispute over Ripken Stadium. While this statement is not intended to further fuel a perception of a dispute, it is offered to provide the majority of the Aberdeen City Council's position and thought processes related to the status of discussions with the Tufton Professional Baseball Organization. Tufton manages the Ironbirds and works with the City of Aberdeen on Stadium matters.

Let's begin by noting that over the last couple months, this Council has repeatedly invited the owners of Tufton, Cal and Bill Ripken, to meet with us. This hasn't happened.

Perhaps the message isn't getting from our points-of-contact to the owners, or perhaps they would rather not meet with this Council. Since we've not spoken with the Ripken's and since we were not invited to their press conference last Monday, this statement cannot be based on first hand communications and meetings, but instead is oriented around the items mentioned in the newspaper stories we have read.

Since this Council was elected, the message was clear and transparent from the City to Tufton-- we want to see greater use of this expensive but underutilized City-owned facility. We also want those who primarily use the Stadium to share more of the expenses of paying for and maintaining it. Last December, the City signed another one year License Agreement with Tufton. As noted in the Aegis, one year was agreed to in order provide both parties time to examine options during 2017 for the future. In 2017 discussions with Tufton continued, again with the City's goal to expand uses of the Stadium and to provide a measure of financial relief to the citizens of Aberdeen who are bearing the brunt of the costs.

Earlier this year, the City Council contracted with SMG-- a world-class organization that manages stadiums all over the world, including the Royal Farms Arena in Baltimore. SMG representatives met with our Council and with Tufton representatives to attempt to achieve the City's goals of shared success-- we want Tufton to be successful in getting people into the seats at their baseball games, we want more people to be able to take advantage of a variety of public events held at the Stadium, and we want the burden on our taxpayers to be minimized, to the greatest extent possible.

After several meetings with Tufton, SMG declined further engagement due to the inability to make sufficient progress in negotiations with Tufton.

Over the course of the past 5 years, the City of Aberdeen has spent more than \$5,000,000 on the debt and maintenance of Ripken Stadium. Last year, \$1,000,000 alone was spent on replacing the hand rails. The debt on the Stadium bond is about \$600,000 per year, and approximately \$2,300,000 of that debt is still outstanding over the next four years.



The City's Finance Director advises this essentially equates to every Aberdeen home-owning taxpayer in a moderately-valued house contributing approximately \$200 per year directly to the Stadium. For those higher-tax assessed homes the figures goes to \$400 or higher per year.

The City of Aberdeen cares tremendously about the success of the Ironbirds. It's our contention that there's millions of dollars of evidence that we value the Ironbirds like no other Aberdeen-based business. There's no other business in Aberdeen where tax dollars are used to pay off debt and maintain a facility.

In virtually every letter sent between this Council and Tufton, there's acknowledgment and appreciation expressed to the value and contributions the Ironbirds bring to our City and region. Yet the question with which this Council must grapple and the basis for our negotiations with Tufton over the last two years is, at what cost?

Despite repeated encouragement to Tufton, who already manage weddings, luncheons, church services and other events, to do more community-wide activities, they have repeated declined stating they're in the baseball business.

For far too long the people of Aberdeen have not been given a full story of the costs of the Stadium to them. That story also includes the tale of being saddled with the most challenging, convoluted and obtusely developed 2002 Concession Agreement governing the terms of engagement between Tufton and the City. There's a copy in City Hall for anyone who would like to read it; but we'll bet once you have you'll have a much better appreciation for how unfavorable it is towards the City. We've not encountered anyone who has expressed sentiments otherwise.

As this Council has consistently and will continuously echo, we absolutely want the Ironbirds to be successful; we want baseball in Aberdeen; and we recognize and commend their many worthwhile community activities. At the same time, the costs to pay for and maintain an aging facility almost exclusively used for a short thirty eight game minor league season, absent of significant revenue enhancing events and more equitable cost sharing by the primary users must be actively examined and discussed by this Council and this community.

On that note, it is very important to understand that the "Ripken Experience," the 9 youth-sports fields located near the Stadium, is completely separate and distinct from the City-owned Stadium. The "Ripken Experience" and the Ironbirds are separate businesses. We recognize and agree that patrons of the "Ripken Experience" often come from out of town. They stay in Aberdeen hotels, eat in Aberdeen and Harford County restaurants, and fill their cars from local gas stations.

It is easy to confuse that these businesses are separate-- they are both baseball related and both located in the same area of town-- but they are separate and distinct.



The City does not desire to be in the events management business; we've continuously and strongly voiced that to Tufton representatives. We can only assume they recognized that when, between August and September sending two separate offers to the Council. Both essentially preserved the status quo in terms of non-baseball activities through the year 2022. The Aegis article outlines their second offer.

It reflects next year Tufton would provide the City 10% of non-baseball related revenue. Over the next five years, the payments would increase with a top license fee in 2022 of \$200,000. This Council unanimously told Tufton they would accept the offer but the conditions of payment would have to remain as outlined throughout the five year term.

When this Council asked for clarification on the "initial investment" item, Tufton representatives, for the first time, raised a provision of the original 2002 Concession Agreement specifying when the City would "recoup its initial investment."

Ironically, while Tufton was offering an agreement that in one aspect would last through 2022, in the same letter they attached a spreadsheet reflecting their opinion that less than \$300,000 remained until the recoupment would be complete. Suffice to note they had never raised that issue in all previous discussions nor never provided a previous estimate of recoupment.

The basis of most City/Tufton disagreements are rooted in the previously mentioned 2002 Concession Agreement. Every request to Tufton to renegotiate some or all of those terms have been denied. Suffice to say, 15 years into what everyone acknowledges is a horribly one-sided arrangement, we understand why Tufton wouldn't want to open the door to making the deal any better for the City.

However, this City Council cannot and will not let that archaic and unfair document continue influencing so much of the City's finances. The previously mentioned over \$5,000,000 tax dollars in five years represent a sizeable portion of Aberdeen's annual budget.

5 million dollars would go a long way toward fixing Aberdeen potholes, replacing broken water lines, building recreation facilities that are really lacking in Aberdeen and caring for our citizens. We have lots of wants and needs that are going unmet while we have a Stadium and contract that are very, very expensive to maintain.

Recognizing the status quo is unsustainable; that despite repeated requests Tufton representatives will not share their financials; that the conditions outlined in the 2002 Concession Agreement are egregious to the City and its citizens, and with Tufton's demonstrated unwillingness to discuss that Agreement, last week the entire Aberdeen City Council agreed to present Tufton with an opportunity to own Ripken Stadium.

We made an offer to Tufton, in writing, to sell Ripken Stadium to Tufton for \$1.00. To sweeten the offer, we offered to effectively waive the first 5 years of property taxes from the Aberdeen government to make the transition from private to public smoother for Tufton-- we want them to be successful. In addition, we offered to lobby our County government officials to offer the same



temporary tax relief for 5 years. And to top all this off, we offered the property free-and-clear-- the City would pay off the remaining \$2.3MM debt the Stadium.

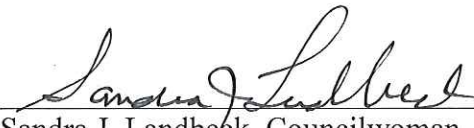
Every member of this Council felt that over the long run providing Tufton with the ability to own and manage the Stadium would outweigh these expenses to Aberdeen. The plan centered was formulated on applying Aberdeen's full share of the Harford County Hotel/Motel Tax to pay the Stadium debt. This would allow the City financial ledger to be balanced in a few years.

At the same time the Ironbirds and Tufton would be unencumbered by debt or dealing with the City. These factors would encourage greater use of the Stadium, which in the long run would generate more City revenue and bring more quality events to our community. While the offer was and is contingent on several issues, including confirmation of the City's Bond Council of the ability to do early payment, we felt this was a win/win for Tufton and the City. Tufton representatives declined our offer.

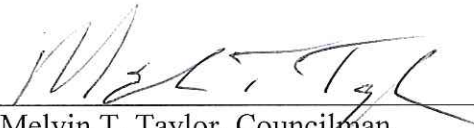
Now, the path forward. The City will appoint staff and will manage events at the Stadium in 2018, while concurrently looking for an interested party to purchase the Stadium. We are unable to say for sure that the enhancements offered to Tufton would be the same to another party. The intent was for Tufton to have first rights; but they declined and as repeatedly stated, we feel the status quo is no longer an option.



Patrick L. McGrady, Mayor



Sandra J. Landbeck, Councilwoman



Melvin T. Taylor, Councilman



Steven E. Goodin, Councilman