

## **Baltimore set to vote on \$7.75M for Grand Prix**

By Nicholas Sohr, *Daily Record*, May 4, 2010

The Baltimore Board of Estimates will vote Wednesday on a five-year contract to host the Baltimore Grand Prix, a proposed stop on the IndyCar Racing League circuit that would require \$7.75 million in upgrades to downtown streets.

The agreement with Baltimore Racing Development Corp. would require the city to invest the money in improvements to the streets, sidewalks, traffic signals, street signs and other infrastructure along the race route. BRD would privately finance, organize and conduct the race for at least five years.

Organizers expect the first race to be held in August 2011.

“It’s a major step for us. It’s the biggest domino for us to fall,” BRD Chief Executive Jay Davidson said of the contract.

Davidson said BRD expects to have a deal signed with the racing league in two to three weeks.

City officials lauded the deal as a potentially powerful economic engine for the city. Council President Bernard C. “Jack” Young, who chairs the five-member Board of Estimates that reviews and approves city expenditures, said he was “very excited about the Grand Prix.”

“Our hotels could use a boost, our restaurants could use a boost that the race would bring,” Young said.

Councilman William H. Cole IV, whose downtown district encompasses most of the proposed course, said the economic impact would be “tremendous.”

“This will pump real dollars into our local economy,” he said. “This is a situation where it will be dollars coming from outside the city.”

Officials were quick to point out the city’s investment involves work that would have to be done regardless of the type of traffic on the streets, whether it’s the race cars used at the Indianapolis 500 or the usual mix of cars and trucks in the daily commute.

The funds that would be used under the contract come from a federal surface transportation grant program — \$5 million — and the state Department of Transportation — \$2.75 million.

“The worst that’s going to happen is we’re going to be left with improved infrastructure,” Cole said.

City officials expect to recoup the investment from taxes and fees collected over the five-year term of the contract. They estimate an economic impact of between \$60 million and \$70 million annually from the three-day event that would include smaller races, black-tie fundraisers, concerts and other activities.

Organizers expect 100,000 to 120,000 people to attend.

Davidson said the estimate is “modeled conservatively” on similar events in Long Beach, Calif., which drew 175,000 this year, and St. Petersburg, Fla., which reportedly drew about 140,000.

BRD will pay the city an annual \$250,000 racing fee on top of the normal fee and permitting costs. The city will be entitled to a share of the revenue from the event.

City Council, with the support of then-Council President and now Mayor Stephanie Rawlings-Blake passed a resolution allowing the city to negotiate an agreement with BRD.

The mayor could not be reached Tuesday for comment, but has publicly supported the project.

Young said he had reservations about bringing the race to Baltimore because of the noise, street closings and other factors that would affect city residents, but added the contract seems to address those issues.

BRD would be required to pay \$100,000 every year into a fund for community projects. Davidson said race organizers will work with their concessionaire to allow nonprofit and school groups to staff concession stands to raise money.

City officials also said the race would be an inexpensive way to put Baltimore on television sets across the country and abroad in a more positive light than it has become accustomed.

Said Cole: “When I travel and people hear I’m from Baltimore or that I’m a Baltimore councilman, I have to field questions about ‘The Wire’ or ‘Homicide’ or ‘The Corner,’ or any of the other TV shows that helped Baltimore economically, but certainly didn’t help our image.”