

# **City Approves Five-Year 'Baltimore Grand Prix' Race Agreement**

## **Agreement - City Approves Five-Year 'Baltimore Grand Prix' Race Agreement**

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The Board of Estimates approved a five-year agreement with Baltimore Racing Development (BRD) May 5 allowing for an IndyCar 'Baltimore Grand Prix' street-racing event around the iconic Inner Harbor and Camden Yards in August 2011.

"This is a game-changer for Baltimore," Mayor Stephanie Rawlings-Blake said after voting to approve the agreement.

More than 100,000 people are expected to attend, making the race a massive economic boost for the city. Over five years, the race is expected to generate \$11 million in direct city tax revenue, create nearly 2,000 full-time equivalent jobs and \$250 million in spending injected into the city's economy, according to the Economic Impact Report released today by BRD.

Baltimore mayor Stephanie Rawlings-Blake said in addition to filling city hotel rooms and restaurants, the street race will "change the way the world sees Baltimore," as a result of global media exposure to millions of Indy Racing League (IRL) fans who attend similar events in Monte Carlo, San Paulo, Long Beach and St. Petersburg.

The race will be broadcast on national television to more than 3.5 million domestic viewers. Related media and marketing exposure is valued at an estimated \$27.5 million over five years, according to the economic report.

As part of the agreement, Baltimore Racing Development will:

- Share event revenues with the City and pay an annual event fee
- Comply with the city's Minority/Women Business Enterprise Program (MBE/WBE)
- Spend \$12 to \$14 million on race preparations, using primarily local businesses and labor
- Create a 'Community Benefit Fund' of no less than \$500,000 over five years to make grants to community organizations in neighborhoods impacted by the event

"BRD is deeply committed to Baltimore City," said Mr. Jay Davidson, president of BRD. "For us, making sure that all city residents, businesses and communities benefit from this event was a top priority. With the approval of today's agreement, the final sanction agreement between BRD and IRL is expected to be completed in the next two weeks, according to both organizations.

"I am excited about the potential infusion of visitors and tourism dollars that may come from Baltimore hosting the Grand Prix event," said board of estimates chair, council president Bernard C. "Jack" Young.

BRD and the city have already begun developing an event management plan to address construction, public safety, traffic, parking and other community impact issues. The event has already received letters of support from surrounding community associations eager to prepare for the event.

"I want to thank Councilman Bill Cole for working with community associations to address questions and concerns," Mayor Rawlings-Blake said. "He has served as a staunch advocate for the city and his neighborhoods throughout this process, and we simply would not be here today without his hard work."

"The mayor and I have been working together to bring this event Baltimore for more than two years, and I was honored that was she the first co-sponsor of my August 2009 legislation creating the 'Baltimore Grand Prix' and legally authorizing BRD to develop the race," said Councilman William H. Cole (District-11).

Today's agreement is an important milestone in making the Baltimore Grand Prix a reality. The event is a three-day racing festival with many related events which will be free and open to the public. The race will include several ancillary events including a parade, fireworks, concerts, charity receptions and celebrity races.

"The Indy Race is a huge event for Baltimore," said Visit Baltimore president and CEO Tom Noonan. "People travel from around the world to attend and spend money in our hotels, restaurants and attractions while they are here. The national media coverage alone is worth millions of dollars in free advertising for the city that will generate new awareness of Baltimore with convention planners and leisure travelers."

"I would like to thank Maryland Transportation secretary Beverley Swaim-Staley and Governor Martin O'Malley for making repayable grants available to Baltimore," Mayor Rawlings-Blake said. "Governor O'Malley understands the importance of investing in unique opportunities that create jobs and economic benefits that we would otherwise not receive."

Under the terms of the agreement, the city must modify and improve certain streets and sidewalks and other transportation-related infrastructure to comply with the standards of the Indy Racing League.

"The Transportation Department will work diligently to ensure that the infrastructure improvements not only make the race a reality, but also benefit the citizens of Baltimore for years to come," said Baltimore City transportation director Alfred Foxx. Funds to improve roadways for the 2011-2016 Baltimore Grand Prix come from two sources: federal highway aid under the Surface Transportation Program (STP) and a grant repayment agreement based on the city's share of state highway user revenues (HUR). The total estimated cost of improvements is \$7.75 million comprised of \$5 million STP funds and \$2.75 in repayable HUR grants. In accordance with federal and state rules, these funds may only be used transportation-related expenses, and may not be diverted to other city programs.