

# **Baltimore Grand Prix gets green light from city**

By Ryan Sharrow, *Baltimore Business Journal*, May 5, 2010

The city's spending board approved Wednesday a five-year agreement to bring a Baltimore Grand Prix to town beginning in 2011, a race Mayor Stephanie Rawlings-Blake called a "game-changer for Baltimore."

The deal paves the way for the Indy Racing League's final sign-off on a licensing agreement, which could come by the end of May, with Baltimore Racing Development, the organizers behind the event.

Beginning in August 2011, the street race would speed through a 2.4-mile course around the Inner Harbor and Camden Yards. An economic impact study shows the three-day event is expected to draw more than 100,000 people and generate \$11 million in direct city tax revenue. In addition, create the equivalency of 2,000 full-time job and pump \$250 million in spending into the local economy over the five-year span.

"Our city will be home to one of the most exciting events in the world," Rawlings-Blake said in the shadow of an open-wheel race car parked in front of City Hall Wednesday. "This race will change the way the world sees Baltimore."

Baltimore would be one of 17 stops across the world on the Indy Racing League's current circuit. Other cities with races include San Paulo, Brazil; Motegi, Japan and Long Beach, Calif.

In a statement Wednesday, the IRL said it is working to finalize an agreement with Baltimore Racing Development and a deal is expected to be reached in the coming weeks.

"Baltimore is a great fit for the Indy Racing League as it gives us a presence in the mid-Atlantic region," the statement said. "Baltimore Racing Development, as well as the city of Baltimore, has been very enthusiastic throughout this process and we are confident they will put on a first-rate event."

Under the deal approved Wednesday, the city will spend \$7.75 million for road upgrades along the course spanning from Lombard to Russell streets with a pit stop at Camden Yards. The federal government would contribute \$5 million earmarked for the city for road improvements under a surface transportation program. The remainder of the cost to improve the roads will come from the Maryland Department of Transportation. The state will lend the funds to the city, which agrees to repay the amount over a six-year period.

The city's transportation department is expected to begin analyzing the road work this month.

Meanwhile, Baltimore Racing Development will pay the city \$1.25 million over five years in an annual race fee. The city will also share in a percentage of revenue generated by the Baltimore Grand Prix beginning in the second year of the event.

The city would recoup its dollars, and profit, from the revenue-sharing agreement and race fee. In addition, Baltimore Racing Development will establish a charitable arm and be required to donate at least \$100,000 each year of the race to local nonprofits.

The group would have a budget of around \$14 million and revenue would be generated through sponsorships, ticket sales and hospitality.

Jay Davidson, president of Baltimore Racing Development, said Wednesday's vote clears a big hurdle for the group, which has spent two years conducting studies and securing approval from surrounding neighborhoods.

A host of city officials attended Wednesday's news conference praising the benefits of the event. City Council President Bernard C. "Jack" Young even put on a racing helmet and sat in the driver's seat of the race car on display.

City Councilman William H. Cole IV, who lobbied on behalf of the event, said Baltimore "restaurants will make more [on race] weekend than the preceding weeks."

Said Cole: "This race is as much about Baltimore as it is auto racing."

[Click here for a map of the 2.4-mile course.](#)