

Baltimore Grand Prix gets green flag from IRL to start in August 2011

by Ryan Sharrow, *Baltimore Business Journal*, June 2, 2010

Baltimore will host its first street-car race beginning the first week of August 2011. Baltimore Racing Development and the Indy Racing League formally announced Wednesday a five-year deal for the Baltimore Grand Prix.

The sanctioning agreement was the last hurdle organizers with Baltimore Racing Development had to clear following a contract with the city last month. Beginning Aug. 5-7, the street race will speed through a 2.4-mile course around the Inner Harbor and Camden Yards. The Baltimore race will be part of the 19-city IZOD IndyCar Series. Other cities with races include San Paulo, Brazil; Motegi, Japan; and Long Beach, Calif.

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, it is projected to create the equivalency of 2,000 full-time job and pump \$250 million in spending into the local economy over the five-year span.

At a press conference Wednesday, Gov. Martin O'Malley compared the race to the Preakness Stakes, the largest single-day event in Maryland. Mayor Stephanie Rawlings-Blake, who traveled last weekend to the Indianapolis 500, called an Indy Race "one of the most exciting sporting events in the world."

"As I have said before, this event will be a game-changer for Baltimore," she said Wednesday in front of a race car displayed inside the Baltimore Convention Center. Rawlings-Blake was joined by a number of business leaders, city and state officials, as well as Al Unser Jr., a two-time Indy 500 winner and consultant to Baltimore Racing Development.

Under a deal reached in May with Baltimore Racing Development, the city will spend \$7.75 million for road upgrades along the course running along Pratt, Russell, Conway, Light and Camden 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.

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 expects to 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.

Baltimore Racing Development anticipates having a budget of around \$14 million a year and revenue would be generated through sponsorships, ticket sales and hospitality.

“Today represents the culmination of a tremendous amount of time by a number of people in this room,” Jay Davidson, CEO of Baltimore Racing Development, said Wednesday. “This is a tremendous undertaking.”

Davidson and City Councilman William H. Cole IV have been working with neighborhood groups and other city officials for more than two years on the event.

Baltimore Racing Development expects the race to be a “Festival of Speed” with live concerts and other ancillary events. They plan on marketing to nearby cities to help attract fans to Baltimore.

Terry Angstadt, president of the IRL commercial division, was optimistic the Baltimore race will be a hit.

“There are no guarantees,” he said. “But I can come as close to saying this will be a successful event.”