

Grand Prix offers city a chance to shine

By Laslo Boyd, *The Daily Record*, July 18, 2011

There's a big event in Baltimore in early September and it's not the mayoral primary. Many observers believe that the only suspense about that election is who will finish second to Stephanie Rawlings-Blake and how big her margin of victory will be.

On Labor Day weekend, however, Baltimore will host a series of racing events — the Baltimore Grand Prix — that has the potential to be the “next big thing” in terms of revitalizing the tourist industry and gaining national attention for something other than being the setting for “The Wire.”

The differing perspectives on whether the Grand Prix is a good idea offer alternative visions of the future of the city as well.

At this point, the most visible part of the Grand Prix is the street repaving and disruptions to traffic patterns that have resulted. News coverage has tended to focus on that aspect and complaints have been expressed in a variety of forums.

A close second is the criticism that the city is spending large amounts of money on repaving that should, in this time of tight budgets, be spent on other projects. And lurking below the surface is the fear among some that the Grand Prix will be a failure that will reflect badly on the city.

The broader dynamics

You can expect extensive local media coverage on the weekend of the event, but so far there's been little examination of the broader dynamics of the Grand Prix and of what it could mean for Baltimore.

One of the challenges is explaining clearly what the Baltimore Grand Prix is. On a downtown street course, cars that go very fast — Indy style, American LeMans, and others — will bring some of the world's leading drivers to Baltimore for an event that is incredibly popular in much of the world but is less well known in the United States.

As with NASCAR, there will be lots of off-track events, including hospitality suites, a 5K race on the track, and various activities for people looking more for weekend entertainment than for the race itself.

Supporters of the Grand Prix see it as an opportunity to bring 100,000 spectators to a series of downtown events, to get hours of national television coverage (and provide a positive counterbalance to the CNN coverage of the Fourth of July shootings), to generate \$11 million in city tax revenues and to create an annual attraction that will become a major economic boon for Baltimore and the region.

And they point out that the street repaving had to be done anyway, is part of a budget that is not transferrable to other projects, and that it will not be an annual cost.

The Grand Prix involves both economic and political risks. Investors and supporters look to the success of a comparable event in Long Beach, Calif., that has been around for almost 40 years and see the opportunity to have an East Coast counterpart.

They point to the demographics of race attendees — high income and big spenders — and calculate the benefits to hotels, restaurants and the tax revenues of the region. And, they contend, the national television exposure has a value that can't easily be calculated but is significant.

Many younger investors

Some 40 local investors have bet that the event will turn a profit within a year or two. Interestingly, this group is largely younger, small business owners rather than the corporate giants who have backed most large projects in the past, such as those who took the lead on the earlier Olympic bid.

This demographic may tell more about the changing nature of the regional economy than any other indicator available.

There's no lead sponsor at this point, but 10 smaller sponsorships means that there doesn't have to be. Race developers are counting on success attracting a "naming rights" sponsor in the next year or two.

The mayor has also bet on this race as a catalyst for economic change in the city. While others play it safe, public officials like Councilman William H. Cole IV and Del. Keiffer Mitchell are fully committed and vocal supporters of the project. What they have in common is the belief that muddling along and making marginal changes won't be enough to move the Baltimore economy to a higher level of growth.

Racing does not appeal to everyone and for some the closing of downtown streets for a few days will be the decisive factor in how they feel about the Grand Prix. This event, however, is an effort to do something big, to attract a new audience to Baltimore, and to get national television viewers in see the city in a new light.

A successful weekend would be a springboard to the Grand Prix becoming a regular, major attraction for Baltimore and a significant generator of economic activity for the region and the state.