

Marathon organizer Corrigan 'interested' in operating Baltimore Grand Prix

by Alexander Jackson, *Baltimore Business Journal*, December 9, 2011

Baltimore Marathon organizer Lee Corrigan says he'd consider operating the Baltimore Grand Prix.

The organizer of the Under Armour Baltimore Running Festival says he'd consider leading the Baltimore Grand Prix if its debt problem is resolved.

Lee Corrigan, president of Elkridge-based **Corrigan Sports Enterprises**, said he has considered making a pitch to the city to take over the three-day racing event.

The idea, however, has become less appealing after learning that Baltimore Racing Development LLC, the organizing group of the event, reportedly owes as much as \$12 million in unpaid debts. He said he doesn't believe the city should pitch in to help the race out, but if the IndyCar Series or the American Le Mans Series did, he'd consider running the race.

"I would definitely be interested in doing it," said Corrigan, whose firm operates marathons, professional volleyball events and lacrosse tournaments but never a car race. "But that's a really big mountain to climb. To step into that thing, \$12 million in the hole."

That could be an option. Terry Angstadt, president of IndyCar's commercial division, said despite the fact that IndyCar usually pays out more than it takes in when it goes to a race, he wouldn't rule out the racing series pitching in a little more.

"You don't have much room to go further down," Angstadt said. "Of course, there could be conversations depending on the quality of [businessperson] who's at the table."

Officials from Mayor Stephanie Rawlings-Blake's office could not be reached for comment.

Since the end of the inaugural Baltimore Grand Prix, which was held along an Inner Harbor route Sept. 2-4, organizers have found themselves struggling to push forward against waves of unpaid bills.

Jay G. Davidson stepped down from his position as CEO of Baltimore Racing Development in September.

It was found that Baltimore Racing Development owes the city more than \$1.5 million, the Maryland Stadium Authority around \$520,000 and faces a handful of lawsuits from unpaid vendors and lenders alleging the company owes them more than \$1.5 million, too.

Earlier this week, the Baltimore Sun reported organizers had as much as \$12 million in unpaid debts and have less than \$100,000 in cash on hand. Davidson said \$12 million is a “worst-case scenario type” estimation and includes long-term loans the company doesn’t have to pay back immediately.

Davidson, who has said organizers should be provided more subsidies from the city, said Thursday however that it’s up to managers remaining with Baltimore Racing Development to turn the tide. That starts with hiring someone who can run the race.

The *Business Journal* reported last month that Baltimore Racing Development was considering tapping former Constellation Energy Group Inc. (NYSE: CEG) executive Felix J. Dawson for the job as its new CEO.

Dawson could become the leader of the pack soon. Davidson and Sean Conley, an investor in the race who in August sued Davidson and Baltimore Racing Development, said shareholders have been sent letters, asking for signatures to approve Dawson’s move.

Conley said he didn’t sign because a stipulation in the agreement, he said, requires no lawsuits against the organizers.

When someone does sign on for the job, Davidson suggests Baltimore Racing Development’s model change from one that is run by five managers, all with independent beliefs of what business decisions need to be made, to one run by one person who calls all the shots.

Those managers, who he said held much of the decision-making responsibility during the past year for Baltimore Racing Development, include: Ken Banks, president of Banks Contracting Co.; Jerry Gottlieb, CEO of Charm City Hospitality; Dave Rather, owner of Mother’s Federal Hill Grille; Walker Mygatt, a Constellation Energy executive; and, William White. Those managers could not be reached.

Davidson and Conley, a founder of the Grand Prix, said taking the power out of those managers hands is one of the biggest things that needs to happen for a Grand Prix to possibly run in 2012.

Mayor Stephanie Rawlings-Blake’s administration said Nov. 7 it would terminate its five-year contract with Baltimore Racing Development if more than \$1.5 million in missed payments are not made to the city and state by Dec. 31.

City Councilman William H. Cole IV, who helped in organizing the race, said the deadline is not going away. “Obviously time is not on their side at this point. Their debt is significant and obviously very real,” Cole said. “All of us would like it to be sooner rather than later. I obviously don’t want to be sitting around waiting on New Year’s Eve.”