

Baltimore Grand Prix future unclear if organizers miss city deadline

by Alexander Jackson, *Baltimore Business Journal*, Nov. 8, 2011

Mayor Stephanie Rawlings-Blake's office declined to say on Tuesday whether it would search for new promoters of the Baltimore Grand Prix if current organizers don't meet a deadline to pay its debts.

If Baltimore Racing Development can't pay off more than \$1.5 million in debt owed to the city by Dec. 31, city officials said Monday they would terminate a five-year deal with the group to operate the open-wheel street race.

"We are not going to get into hypotheticals," Ryan O'Doherty, a spokesman for Mayor Stephanie Rawlings-Blake, said in an email when asked if the city would look for someone new to run the race. O'Doherty said the mayor's office had no additional comment beyond its statement issued Monday.

In the statement, Deputy Mayor Kaliopé Parthemos said Baltimore Racing Development has not honored the terms of its contract with the city and "must immediately restructure and recapitalize or sell itself to investors in order to make the event profitable in the future."

City Councilman William H. Cole IV, a major proponent of the inaugural Grand Prix, left open the option of another group coming into the run event in 2012 if Baltimore Racing's deal with the city is terminated.

"The only way I could see it happening is if someone came in and bought the whole thing, including the debt," Cole said. "They have to reorganize and refinance, or sell."

Cole said it's too early to rule out Baltimore Racing Development as the Grand Prix's promoter, however.

Though the city is requesting more than \$1.5 million from promoters and a stack of lawsuits from vendors and lenders continues to stare them down, organizers do have time to figure it out. The mayor's office set a December 31 deadline for Baltimore Racing Development to pay off its debt to the city.

Grand Prix organizers could not be reached for comment on Tuesday.

Former Baltimore Racing Development CEO Jay Davidson told the *Business Journal* on Friday he expects ticket, sponsorship and hospitality sales in the next few months to help dig the IndyCar race's organizers out of debt.

Organizers are currently interviewing candidates to fill Davidson's former role as CEO.

Cole said there's no denying the event was a success, but two months after the inaugural open-wheel street race he'd like to see more progress on the organizers' end.

“The reality is there is a valuable asset here. They had a successful event,” Cole said. “[But] they need to be further along than where they are right now. We don't have many options at this point other than to notify them that they have to get their house in order.”

A report released last week said Baltimore Grand Prix's economic impact fell short of projections in the event's first year, contributing \$47 million in spending to the region — \$23 million less than what had been expected.